

PUBLICATION

Why do you need a Prenuptial Agreement?

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February 11, 2016

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Prenuptial Agreements involve a discussion between you and your fiancée about each other's expectations during the marriage and help to establish trust between couples. You should not rush into the commitment of marriage without fully knowing what the expectations are of the other person. Such discussions are important to have and set the groundwork for a successful marriage.

Prenups provide you and your fiancée with financial certainty allowing you to control your assets now and in the future. They are an important part of your Estate planning.

Without a Prenuptial Agreement your marriage will be governed by a complex set of laws in Alberta. The legislation governing the division of matrimonial property in Alberta is the Matrimonial Property Act. However, a Prenuptial Agreement provides a set of rules negotiated between you and your fiancée as opposed to being imposed by the government over which you have no control.

You can gain control over your financial future

A Prenuptial Agreement can be prepared to protect both you and your fiancée's finances, not just a wealthy spouse.

In the situation of a second marriage, each spouse may wish to keep their premarital property separate for the future benefit of each of their respective children from their first marriage.

A Family Trust for the benefit of your children from a prior marriage should also be protected and preserved in the event of a separation in a Prenuptial Agreement.

A Prenuptial Agreement should be part of a comprehensive Estate plan in consultation with our experts in Wills and Estate, and your Financial Advisor.

Further, a Prenup can be used to secure an inheritance from your mother or father that will remain your sole property in the event of a separation.

You will learn how to communicate with your partner about money issues

A Prenup prepares you for marriage by talking about money. The Agreement provides each partner with an understanding of how to budget and save during the marriage, which is an integral part of any relationship and its success. It is better to have this conversation before you are married, to prevent potential heartaches and financial problems later on.

The process requires the full disclosure of your property and income; it should be an honest discussion how you will handle your money during the marriage and plan for your future.

The discussions about the Prenup should strengthen your trust and understanding of each other's financial goals, not undermine your trust in your partner. Finding out what each person expects from the relationship can be an eye opening experience and help to build the foundation for a long-lasting successful relationship.

Prenuptial Agreements can provide peace of mind

A Prenuptial Agreement just makes sense to provide you with peace of mind. Future disagreements are stressful and costly, especially in the event of a litigious divorce. It is prudent to resolve such matters before your marriage, and avoid any unforeseen consequences in a Prenup.

Everyone has insurance for a fire or flood for their house, and a Prenup provides insurance to address the unpleasant consequences of a separation. We do not know what life will bring, but we can address the uncertainties in a Prenuptial Agreement.

Do I need a lawyer to sign a Prenuptial Agreement?

Both you and your spouse must hire a lawyer to enter into a binding Prenuptial Agreement.

Both parties should be represented by their own independent lawyers. Your family lawyers are entrusted to advocate for your wishes and to avoid any future troubles in negotiating a Prenuptial Agreement that protects your interests.

For further information or to discuss a Prenuptial Agreement, please contact Chad Johnson at 403.254.3698 or any member of our Family Law Group.