

NOVEMBER 2022 NEWSLETTER

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ESTATE PLANNING: THE RISE IN PRENUPTIAL AGREEMENTS

1. AWARDS:

Pozzuolo Rodden Pozzuolo, P.C., is pleased to announce that the Selection Committee of Elite Lawyer has chosen Joseph R. Pozzuolo, Esquire as a 2023 member. Elite Lawyer is a directory and rating services that awards and recognizes attorneys who have displayed a high level of competence in their practice and received acknowledgement from their peers, community, bar and committees. Only the most outstanding and experienced attorneys who meet or exceed a demanding criteria receive the Elite Lawyer prestigious award.

Pozzuolo Rodden Pozzuolo, P.C., is pleased to announce that Joseph R. Pozzuolo has been awarded the 2022 Martindale-Hubbel AV Preeminent rating for the Highest Level of Professional Excellence – the highest Peer Review Rating achievable recognizing lawyers for their strong legal ability and high ethical standards. These ratings are used to identify, evaluate and select the most appropriate lawyers by attorneys seeking to refer colleagues as well as individuals looking for legal counsel. This designation is trusted worldwide by seekers of legal services and held only by 10 percent of all attorneys.

2. SEMINARS:

Jeffrey S. Pozzuolo, Esquire recently presented a CPE seminar titled “Business Succession Planning and Buy-Sell Agreements” to the Montgomery County Society of Certified Public Accountants.

Speakers are available upon request to Joseph R. Pozzuolo at Joe@Pozzuolo.com

3. BLOGS:

The following are a few of the business, tax, employment, estate planning and business litigation blogs posted on our main website www.pozzuolo.com:

- a. Protecting Against Business Lawsuits;
- b. Choosing A Retirement Plan; and,
- c. The Use Of A Will In An Estate Plan.

Please visit our website www.pozzuolo.com for more information on these and other relevant business, tax, estate, business litigation and employment topics.

ESTATE PLANNING:

THE RISE IN PRENUPTIAL AGREEMENTS

In prior newsletters, we have discussed prenuptial agreements in the context of being a useful tool in estate planning and safeguarding your child’s [future inheritance](#). On the average, the length of a marriage in the United States is seven to eight years with a divorce rate for the country around 50% for all marriages. Moreover, two out of three of second marriages end in divorce and 3 out of 4 third marriages end in divorce for a variety of factors ranging from lack of commitment or incompatibility to domestic violence or addiction and even unrealistic expectations.

During the past few years, we have seen a rise in the number of couples, especially among millennials, exploring and entering into prenuptial agreements as compared to previous years. This is due to a variety of factors. Previously, many clients mistakenly believed that prenuptial agreements were only for the very wealthy with millions of dollars of assets at the time of their marriage. However, this is not the case. Prenuptial agreements are an excellent tool to prevent any future issues in the event that the marriage ends in divorce, even if the parties are not “millionaires” or “wealthy.” Additionally, it can save both spouses the expense and emotional trauma and pain of a lengthy court battle over assets, alimony/support and debt in the event of a divorce.

Briefly stated, a prenuptial agreement is an agreement entered into by the parties to a future marriage prior to their marriage. These agreements can lay out the distribution of the assets of the parties in the event that they divorce and/or one of the parties dies. Prenuptial agreements specifically distinguish what is marital property versus what is separate property. Specifically, prenuptial agreements generally lay out what assets, including in some instances assets acquired from future earnings and/or future inheritance, are the sole property of one or both of the parties and what happens to that property in the event of a divorce or death.

These agreements also may detail:

- i. How each party's debt, including student debt, is to be handled;
- ii. The type and/or amount of support/alimony that will be paid to one of the parties in the event of a divorce immediately or after, for example, 5, 10 or 15 years of marriage;
- iii. What household tasks are the responsibility of each party;
- iv. Will or which spouse is to be the stay at home parent if, and when, a child is born;
- v. Embryo ownership;
- vi. Pet ownership, and;
- vii. Detail estate planning, including protecting the inheritance of children from a previous relationship.

Prenuptial agreements are generally very customizable based upon the specific facts and circumstances of each individual couple, which is why it is important to discuss your and your future spouse's specific facts and situation with an experienced attorney.

One of the main reasons for the recent rise in the number of prenuptial agreements is that many people are waiting to get married later in life and/or are entering into second or third marriages at a later age. When this is the case, the parties often have more established careers and often more property and/or assets or an opportunity for future assets including through stock options, especially in the tech industry, than someone just starting out and getting married in their 20s. Another interesting reason for the increase is couples people are becoming more aware and educated of prenuptial agreements as a tool to protect their property and exposure to additional debt in the face of rising divorce numbers, even if they are not considered "very wealthy." The trend seems to be that prenuptial agreements are becoming less "taboo" and "unromantic" and instead being seen for what they are - a useful tool to prevent any potential future financial issues and save time, money and the emotional anguish in the event of divorce.

If you and your future spouse would like to explore your options in creating a custom prenuptial agreement, please contact our office to speak with an attorney and determine what would be the best path for your specific situation.

This newsletter is courtesy of Pozzuolo Rodden Pozzuolo, P.C.

To subscribe, unsubscribe, or for any questions, please contact us at INFO@POZZUOLO.COM.