

Let's be pals

“We’re pals so let’s live together. We can share expenses and have companionship. Two can live as cheaply as one.” Sounds like a plan.

My estate planning attorney said there might be problems later needing a family planning or divorce attorney to straighten things out.

Preferably, a formal cohabitation or palimony agreement should be written to outline the terms of living together.

This agreement should cover expectations and arrangements, so that if you breakup, both parties will be protected.

“Palimony” can be referred to as an alimony for unmarried cohabitating couples who break up or may request a palimony settlement. Usually, one pal pays the other pal alimony-like support payments.

If the pals have complex holdings, it may require contacting a family law attorney, financial planner, tax advisor, or other professionals ahead of time. Each state has laws to follow.

It may be wise to have separate attorneys draw up a joint palimony agreement. Generally, one attorney cannot serve two clients with such differing needs. These can be very complicated legal and financial matters.

The agreement specifies what each party has and what might happen if they split up.

The term “palimony” was made famous in the California case of Marvin v. Marvin in 1976. For a number of years, Lee Marvin, the actor, had been living with Michele Triola.

Triola claimed that Marvin had agreed to support her financially. Although the agreement wasn’t in writing, Triola argued that it was proved by their actions. Triola gave up her own career to take care of Marvin and became his homemaker.

In return, Marvin had agreed that Triola was entitled to one-half of his income and property acquired during their relationship. When the couple split, Triola sued for “palimony.”

The appeals court held that a written contract for palimony wasn’t required. The parties’ actions supported the conclusion that an implied contract for palimony existed. Lee paid.

There are many things to consider says my estate planning attorney. In general, do not combine your savings, checking, brokerage, etc accounts. Keep things separate.

Make sure your IRA and life insurance beneficiaries go to those who you want to get your money.

The old saying is, it's easy to get together, but hard to break up. Consider asking a divorce attorney what paperwork is required for a palimony breakup, which is similar to a divorce. Expect many pages with many questions in great detail to answer.

It will give you an idea of how hard it might be to break up from your pal. It also might give you some thought about what you want in your palimony agreement. You might even look for a new pal who may be more agreeable.

Let's suppose you really are pals. Then you should name your pal in your will and other estate planning documents. If you die with proper registration of your assets, your pal should get your money. Your kids could make a claim against your estate, but they may get nothing.

It's *your* estate plan, so have your attorney draw up documents according to your wishes, taking your pal into consideration.

I do have palimony clients who have been living together as pals for many years, and who are truly committed to each other. They did go to an estate planning attorney for advice to make sure things are in order.

Being a pal can certainly be done successfully, but you need to know the good, the bad, the details, etc. Otherwise, your plans might not work out.

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