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ARTICLES & INSIGHTS

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Should I Sign a Prenup?

October 6, 2015 | by

Should I Sign a Prenuptial Agreement?

Prenuptial agreements are not only for celebrities and billionaires. They have become increasingly more common based on the growing number of individuals that get married later in life, with significant assets. Before rejecting a [prenuptial agreement](#) as a plan for the marriage to fail before it even starts, consider the purpose of a prenuptial agreement and when it can benefit both spouses.

A prenuptial agreement explains what property rights and expectations of each spouse would be upon divorce. A prenuptial agreement can specify what property will be considered marital property, what property will be considered separate property, how the marital property will be divided, if alimony will be paid and, if so, how much and for how long. Signing a prenuptial agreement requires full disclosure about personal assets and frank conversations about potential financial concerns. This exercise may provide a firm and unified foundation for a marriage early on

The general purpose of a prenuptial agreement is to protect non-marital assets acquired by one spouse before or during the marriage. Such assets can consist of real property, personal property, or monetary funds. For example, if one spouse owns a house prior to marriage, this house would generally be considered a non-marital asset unless the owner of the home takes action to make it a marital asset. The owner of the house may use a prenuptial agreement to ensure that he or she does not lose part or all of his or her ownership in the house in the event of a divorce. The same logic applies to an individual that owns his or her own business or any other asset. A prenuptial agreement can be used to protect his or her interest in the asset.

Although a prenuptial agreement can be used to protect real property and monetary funds acquired before marriage, there are alternative ways to protect such assets without a prenuptial agreement. If your partner has asked you to sign a prenuptial agreement, discuss the agreement and alternative options with your attorney prior to signing the contract.

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