Newlyweds Avindran Puvanandran and Elisa Dass, both 27, are on the same page where money is concerned. The couple had even decided to manage their money together two years before their marriage. "We know that couples don't usually plan their money together before marriage because of the fear of what would happen if the relationship doesn't work out. However, since we already made a commitment to get married, we didn't want money to be a separating factor." They shared income information, consolidated finances and worked towards common goals.

Marriage is a partnership in more ways than one. When you pledge your life to one another, you inevitably tie your financial fortunes together. Even though you might be earning your own keep, you need to watch each other's back. And like any partnership, those who work together successfully can achieve much more than two individuals on their own.

How do you achieve all that? Financial planners and couples share how love and money can indeed go hand in hand.

Discuss money early

For most couples, money tends to be a taboo subject, brought up only during disputes. However, experts say money and finances should be discussed the moment a couple decides to be committed to a long-term relationship.

"If couples can talk about everything under the sun, they should include money as well," says Carol Yip, author of *Smart Money-User* and CEO of Abacus Advisory Sdn Bhd.

"Be open with each other about the most sensitive topics before you sign the marriage certificate." Reveal credit-card debt, investments, money habits, money philosophies, addictions and spending behaviour, she says.

Changing circumstances

When you tie the knot, here are some things you should relook.

Maximise deductions

When filing taxes, decide whether to maintain separate accounts or have a joint account. Lim Yan Chang, chartered financial consultant at Standard Financial Planner Sdn Bhd and vice-president of the Malaysian Association of Chartered Financial Consultants, advises couples to have separate tax accounts, especially if both partners are high income-earners. "Both partners will then be able to enjoy more deductibles as individuals." Couples can claim a total personal tax relief of RM16,000, which is RM8,000 for each spouse. A joint return, however, only provides a personal relief of RM8,000 and a wife/husband relief of RM3,000. "Have joint accounts only if one partner isn't working or is working part-time," Lim adds.

Look out for each other

Lim says life insurance policies should also be reviewed once the couple gets hitched. "Couples should ensure that their beneficiaries are named correctly. If a married policyholder names his spouse and children as nominees, a trust policy is set up under Section 166 of the Life insurance Act. This allows the funds to go directly to the beneficiaries should anything happen to him.

"If the policy was bought before the marriage and you want to change the nominees, you can renominate." Do the same even if you have named your spouse as a nominee before you got married. "Girlfriends are not considered part of the trust policy. It's best to redo the nominations after the marriage," adds Lim.

If you are a one-income family, remember to have sufficient coverage for the major income-earner. This is important because should anything happen to him, the non-income earner would be adequately taken care of, adds Lim. "It's important to insure the goose that lays the golden egg."

In some cases, the non-income earner should also be given coverage, especially if he plays roles such as being a caregiver to the children.

Take care of the 'what ifs'

Couples who have drawn up wills should relook their wills after tying the knot. "Wills have to be relooked and possibly redrafted to include each other as beneficiaries," says Lim. "Decide who to give what to and let your partner know what to do in the event that you are not around."

A marriage will generally revoke an existing will. The Wills Act 1959 states that every will made by a man or a woman shall be revoked by his or her marriage unless the will contains a clause stating that the future marriage would not revoke the will. If you are drafting a will before marriage, the name of the future spouse should be contained in the will.

Couples might want to reexamine their EPF nominations as well when they get hitched. EPF funds do not form part of your estate if a nomination has been made, so even if you have made a will, make sure your EPF nomination is updated, lest an ex-girlfriend inherits the funds. ■

Cheong Kim Chee, financial planner and executive director of OptiPLAN Sdn Bhd, agrees. "Discuss what both of you want. Does your partner want a simple or luxurious life, do you plan to start a family?"

Topics should include financial commitments to mortgages, other loans, monthly expenditure, dependants like parents and future personal financial goals. "For example, if the woman has been giving money to her parents on a monthly basis, what would happen when she gets married? Would she continue to do so? Should the financial commitment continue to be borne alone, shared or relinquished altogether?" says Cheong

Avin, a project manager, and Elisa, a senior executive, discussed what they needed to do before getting married. "We talked about stuff like how much we wanted to give to our parents, our plans to pursue further education, how to pay for our wedding, helping with my sister's education and getting our own house," says Avin, adding that they set aside 70% of their salaries for investments and 30% for expenses.

They also saved up for their wedding two years before the big day. "We didn't want our parents to fork out a single sen for our wedding. We just wanted them to sit back and enjoy it," says Avin. "That also made our wedding more meaningful as we were involved in it all the way, not just the planning part, but financially as well."

Getting off on the right financial foot is important. Experts say it's best not to start your marriage off by being in debt — it not only lessens the cause for money disputes when you both handle finances together, but also makes it easier to merge finances with a cleaner sheet. Stanley Teoh, 58, and Jenny Wong, 59, adopt the motto, "If you can afford it, go ahead and spend. Otherwise, don't." They paid for their own wedding expenses 35 years ago.

How to create your financial structure

Managing money as a couple can be quite a change from managing money as a single, especially in the area of daily expenses and investments. Who pays for the house? Who takes care of meals out?

One option is to share expenses but still maintain separate accounts. Cheong suggests that this eases the change from being an individual income earner to being part of a couple. You can build a common pool of money that can be split into different accounts for different purposes. "A joint account should be set up, into which you can each put in a sum for common expenses. Set up many clearly defined 'pots', all with different time frames and functions, labelled as 'holidays' or 'emergencies' and so on. That way, when something happens, you know which pot to withdraw money from," Cheong explains.

As each person should be given latitude to spend, she suggests that you maintain your own accounts. "Thus, individuals can spend on areas such as gifts for their parents without worrying that the money for such expenses will be coming from the family account."

Instead of putting a sum into a joint pool, you could agree to pay certain expenses. In such cases, have clearly defined roles, advises Lim Yan Chang, chartered financial consultant at Standard Financial Planner Sdn Bhd and vice-president of the Malaysian Association of Chartered Financial Consultants.

Communications executive Denise Wong (not her real name), 36, and her husband split the bills. She pays the mortgage, and he pays the general household expenses. "We split the responsibilities for the bills years ago. After we are done paying what we have to, whatever remains in our individual accounts is our own money. We don't know how much each other has." She values her independence, although she remarks that she now sees a need to invest jointly and have more cohesion where planning for their financial future is concerned.

Ahmad Johari Jaffar, 30, and Shuhaida Nun, 31, also apply this system. They worked it out so that each contributes a similar sum. "We share our monthly expenses equally. For example, I usually pay the monthly instalments for the house and one car, so Shuhaida will pay for anything else totalling the amount that I have paid for the house and the car," says Ahmad.

"Any other expenses in addition to that will be divided evenly between us both. As a result, both of us contribute equally," says Shuhaida. They have

Yip: If couples can talk about everything under the sun, they should include money as well

Lim: Instead of putting a sum into a joint pool, you could agree to pay certain expenses

two sons, Adam Hariz, five, and Amir Hilman, two.

There is another simpler structure where joint finances are concerned — pooling everything. Retiree Stanley Teoh, 58, and Jenny Wong, 59, who have been married for 35 years, manage their money from a single joint account. Their salaries are deposited into the account and all expenses incurred are paid from it. "Mortgage, hire-purchase loans for cars and our daily expenses are taken from that account. Whatever extra we have left will be spent on holidays."

Though this structure is simpler, it means that spouses are privy to each other's financial information. It also requires both to agree on financial purchases and investments.

"We are more or less on the same page when it comes to what to spend on and what not to spend on," say the Teohs. "There is mutual trust when it comes to how much each spouse takes out from the common account." One way to navigate this area is to set a sum, above which, both will be consulted on purchases.

Avin and Elisa also pool their finances in different accounts, which they redesignated for different purposes such as savings, investments and paying for monthly expenses. "For example, we identified one account [which is in my name] as the account used to pay both our monthly bills," explains Avin. "We also use our credit cards as a way of identifying the different expenditures — like using the MasterCard only for petrol expenses and Visa to pay bills like gym membership," he adds.

They have divided up the financial tasks. Avin handles the macro part, such as paying house rent while Elisa takes care of the smaller expenses like credit-card bills and groceries.

If you have combined assets, who makes the decisions? One way is to leave it to the partner with more expertise in the area concerned.

"Whoever is more knowledgeable and capable should be the one to decide on what and what not to spend on," says Cheong.

For example, Avin will usually make the final decision when it comes to investments and budgeting. "I'm the investment person in the family. I take more risks whereas my wife is more safe and careful. I know when money can be spent and when it can be saved," he says.

Although the couples interviewed for this article are double-income units, managing finances when it comes to one-income families doesn't necessarily have to be different. Financial responsibility should also be delegated to the non-income earning partner as well. "The income-earning partner can pass on some funds to the non-income earner to manage as well," says Lim. "He or she should be given the power to make financial decisions as well as it is a partnership."

Teoh, an ex-serviceman, and Wong, a senior executive secretary, continue their financial partnership even though Teoh is now retired. They continue to consult each other as partners when it comes to money matters. "Although I'm retired, Jenny and I still respect each other and will discuss expenditure for the household, especially when it comes to big items." ■

Looking far ahead

NOW THAT THE two of you are embarking on financial togetherness, you need to plan ahead, especially for long-term commitments, financial experts say. Cheong Kim Chee, financial planner and executive director of OptiPLAN Sdn Bhd, advises that planning and saving up for the children's education should be done three years before you actually have the babies.

"If you don't start saving up, the fund won't get going. Once the child is born, there would be other immediate financial commitments such as medical and baby care to settle.

Plan for this when there are fewer commitments, because that's the time when you have the finances to put aside."

Newlyweds Avindran Puvanandran and Elisa Dass, both 27, are masters at planning ahead. Two years ago, they began putting aside funds for their future children's education.

"We have a portion of our salaries deducted and put into a 20-year investment-linked insurance plan," says Avin. "By our calculations, when we have children two years from now, the child's college education would be financially provided for by the time the investment-linked plan matures in 20 years."

Although it seems a long way away, remember to set aside money for retirement as well. "Couples should also talk about retirement plans and how to save up for it," says Yip, author of *Smart Money-User* and CEO of Abacus Advisory Sdn Bhd. "Think especially about forced retirement — if something unfortunate happens to one partner, how will the other partner cope financially?"

Stanley Teoh, 58, and Jenny Wong, 59, started planning for their retirement when they got married more than thirty years ago, with a goal to be financially free at 55. Today, all their loans and financial commitments have been paid off. "We saved up as much as we could, and lowered our expenses by using second-hand goods and a do-it-yourself approach. If an item broke, we strove to repair it instead of replacing it," says Teoh.

"In order to provide for both our children's education needs, we saved money in fixed deposits and invested in property via the houses we lived in." ■