



Designating Your ESOP Beneficiaries

You work hard for the people you love. By designating beneficiaries, you protect your legacy and ensure that the people who depend on you are cared for.

It's time to designate your ESOP beneficiaries

A beneficiary designation form is waiting for you in your Workday inbox. Please go to "My Tasks" in Workday, click on "ESOP Beneficiary Form," review the instructions, and update the form to designate your primary and contingent beneficiaries.

The form is designed to accept electronic signatures, so for most Ames employee-owners, this task will be processed entirely within Workday.

Why is this important?

Designating beneficiaries for your assets is a crucial step in protecting your legacy and ensuring your loved ones are cared for. Whether it's a 401(k)/profit sharing account, a Health Savings Account (HSA), life insurance, or your new Ames ESOP account, naming beneficiaries helps streamline asset distribution. You direct where your assets will go, and your loved ones are more likely to avoid legal complications.

You control the outcome

Without a designated beneficiary, your assets may be subject to probate, which is a lengthy and often costly legal process that can delay distribution and open the door to disputes. Essentially, a court would determine how your assets will be distributed.

- **Retirement accounts**, such as 401(k)s, profit sharing, ESOP, and IRAs, will bypass probate if a beneficiary is named.
- **Life insurance** provides your loved ones with immediate financial relief for end-of-life costs and income replacement. But without a designated beneficiary, these funds may be held up in court.
- **Health Savings Accounts** can be passed to a qualified dependent with no tax implications. The beneficiary can then continue to use the funds for qualified medical expenses.

By designating beneficiaries, you ensure that your assets are quickly distributed in accordance with your intentions.

Avoid legal and tax complications

Improper or missing beneficiary designations can trigger unintended tax consequences or legal battles.

In many states, spouses have automatic rights to certain assets unless they are waived. If you are married, naming a non-spouse beneficiary without proper documentation can lead to legal challenges. In addition, certain beneficiaries, like spouses, may have more favorable tax treatment on inherited retirement accounts. Naming them will preserve more of your wealth.

If you are married, but you wish to name someone other than your spouse as the primary beneficiary, your spouse will need to sign a spousal consent waiver. This waiver requires a notary and will therefore need to be processed outside of Workday. Please contact Jon Beckius at jonbeckius@amesco.com if you require a spousal consent waiver.



Life Insurance: Log into your Workday account, navigate to **Benefits > My Beneficiaries** to update.



Health Savings Account (HSA): Employees may designate primary and contingent beneficiaries via their Optum account (soon to be Empower).



Retirement Accounts: Employees may designate primary and contingent beneficiaries via their Empower account.



ESOP – NEW! Please log into Workday and start your journey to complete the beneficiary designation form.



Keep your plan current

Marriages, divorces, births, and deaths all affect who should receive your assets. If you forget to remove an ex-spouse or add a new dependent to your plan, your assets could go to the wrong person, or someone could be unintentionally left out. With regular updates, you can be sure that your plan reflects your current relationships and priorities. It's a good practice to review your beneficiary designations every year and especially after major life events.

Provide clarity and reduce conflict

Clear beneficiary designations minimize ambiguity and reduce the risk of family disputes. Written instructions carry legal weight and can help prevent additional stress during emotionally trying times. They also prevent courts from making assumptions about your intentions.

Complement your broader estate plan

Beneficiary designations work in tandem with wills, trusts, and other estate planning tools. Assets with named beneficiaries typically override instructions in a will. You should coordinate all elements of your plan to ensure consistency and avoid contradictions. Your estate plan should be a cohesive strategy, not patchwork.

Review your designations with a financial advisor to align your estate planning and tax strategies.

Take action

Designating beneficiaries is a simple, powerful step in financial planning. It ensures your assets are distributed efficiently, minimizes legal hurdles, and protects the people you care about most. Whether it's an Ames-sponsored benefit or an account you maintain personally, please take the time to review and update all your beneficiary designations.