

# Business Standard

Assessing the winter session  
of Parliament

On Thursday, December 24 at 12 noon

TRENDING ON BS #Kejriwal #GST

Search

News ▼

You are here: [Home](#) » [PF](#) » [Features](#) » Financial Planning

## Happily ever after, financially

What newly-weds could do to smoothly integrate their incomes, expenses, financial values and risk appetites

Sanjay Kumar Singh

December 20, 2015 Last Updated at 22:39 IST

◀ 20

◀ 6



Ad



### Monthly SIP Investments

Invest as low as Rs 1000pm in Top SIPs in just 2mins. Start a ZipSIP.

[www.myuniverse.co.in/ZipSIP](http://www.myuniverse.co.in/ZipSIP)



When two people with different attitudes towards money come together, defining common goals and forging a single path towards achieving those can be a challenge. But such newly-wed couples can plan for a financially secure future.

A new couple's financial situation changes from their bachelor days. If the wife also works, the combined income becomes substantial. If they live with the boy's parents, they can save a lot. If both partners lived on rent before marriage, they can save by paying only one rent now. But, if they were living with parents and now move into a house of their own, their expenses rise and there is lesser scope for saving.

While people do save and invest prior to marriage, it is rarely done with specific goals in mind. After marriage, a new sense of responsibility and urgency goads couples to

### ALSO READ

Greater disclosures, segment-wise reporting on the anvil for insurance sector

Insurers find wealth in health

Health Insurance TPA of India to start operations in Sept

Making investment, insurance investor-friendly

Joint life insurance is cost

effective

invest for specific goals.

Ads

### ICICI Direct Trading A/C

Open a 3-in-1 trading a/c at zero charges\*. Sign up & start trading [icicidirect.com/Trading\\_Account](http://icicidirect.com/Trading_Account)

### Save Tax With Few Clicks

Invest in Tax Saving Mutual Funds For Great Returns. Sign Up Now!  
[www.fundsindia.com/Save-Tax](http://www.fundsindia.com/Save-Tax)

After marriage, two people with different levels of risk appetite come together. One might have come from a background where a family member lost money in the stock markets. Another could belong to a family that owes its wealth to the employee stock options. "If the two partners have markedly different attitudes towards risky assets, a reconciliation of different levels of risk tolerance needs to take place," says Vishal Dhawan, chief financial planner, Plan Ahead Wealth Advisors.

Let us see how couples need to work together on different facets of their financial lives.

**Savings:** A newly-wed couple should aim to save and invest 20 per cent of their take-home salary. They should use the period between marriage and the arrival of a child to create a corpus.

**Expenses:** When you live independently, you can spend according to own whims and fancies. Now, you must take your spouse's attitudes into consideration. Earlier, you might have spent Rs 2,000 on an evening out with friends every weekend. In your eyes the expense may be justified as it helps you unwind but a frugal-minded spouse could see it as wasteful.

**Loans:** Married couples' combined income makes them eligible for a higher loan amount. However, this is a double-edged sword. "It is not certain how long the double-income status will last. Once a child comes along, the household might again turn single income. Hence, we caution newly-weds against taking on too much leverage," says Dhawan.

If there is an education loan, the couple might continue with equated monthly instalments (EMIs) instead of pre-paying, provided the EMI is not too large. Tax deduction without any upper limit is available on interest repaid (under Section 80E) on this loan.

When buying a car, they shouldn't buy the most expensive one they can afford, based on their combined loan eligibility. "Take only the loan amount you are eligible for based on one partner's salary and for a tenure of three years," says Ankur Kapur, founder of Ankur Kapur Advisory. Avoid buying too many consumer durables on an EMI. If you plan to take a housing loan, aim to pay it off within eight years.

**Life insurance:** While the husband usually takes adequate life insurance, the wife is often not covered sufficiently. The couple should buy enough, based on a calculation of human capital value and to cover various goals and responsibilities.

After marriage, couples should define their responsibilities towards their spouse and children (yet

unborn) on the one hand and towards dependent parents and siblings on the other. Based on these needs, they should buy adequate insurance and also nominate different categories of beneficiaries clearly, to ensure that in an eventuality, the money goes to the person it was intended for. Extra term insurance should be purchased to cover the liability from a home loan.

**Health insurance:** After marriage, get your spouse's name added to the health cover provided by your employer. Earlier, if you had an individual policy, shift to a family floater. Shift your parents to individual policies with adequate sum insured. Including them in your floater will make it expensive.

**Investing:** The process of finalising goals can at times lead to friction. Financial security might be a priority for one; another could be ambivalent. If one partner is debt-averse, she might want to settle for a smaller house, while another could be game to take on a big loan and buy a bigger house. A financial planner can help reconcile conflicting goals, also ensuring that goal setting is structured and the implementation is thorough.

Some goals like saving for a down payment on a house and for a child's upbringing loom over a three-five year horizon. "Couples should save for near-term goals in low-risk to medium-risk instruments like fixed deposits and short-term bonds," suggests Kapur.

If there is still some surplus left, couples should invest for long-term goals like a child's higher education or marriage and their own retirement. Even small amounts saved towards these goals can result in a large corpus over time. Begin with low-risk instruments like Public Provident Fund, and then move to a combination of large- and mid-cap mutual funds.

---

## **Making the financial bond stronger**

### **Five do's for newly-weds**

- Try to save about 20 per cent of take-home salary
- Continue the EMI on education loan to avail tax benefit
- Ensure both husband and wife have sufficient term cover
- Add spouse to your employer's health cover
- Try to optimise the tax benefit available on health cover

### **And, five don'ts**

- Don't spend on things your spouse might regard as wasteful
- Avoid the high leverage you are eligible for on combined salary
- Avoid too much personal, credit card and consumer durable loans
- Don't include parents in your floater health cover
- Don't exclude spouse's risk appetite when investing

[READ MORE ON](#) [NEWLY-WED COUPLES](#) [FINANCIAL VALUES](#) [SAVINGS](#)

EXPENSES   LOANS   LIFE INSURANCE   HEALTH INSURANCE   INVESTING   PF  
FINANCIAL PLANNING

PREVIOUS STORY	NEXT STORY
 <p>RBI's rate diktat cuts both ways</p>	<p>Options for diesel car buyers after the ban</p> 

## RECOMMENDED FOR YOU

Powered by Google

**ICICI Bank serves notice on HDFC Bank's HR head**

**The daughter who could take over the reins at ...**



**I  
a  
c  
n**

NEXT >

Ad

**2/3 BHK @3.33Cr+ in Sewri**

Peninsula Land® Celestia Spaces Spacious+Luxury Property in Mumbai  
celestiaspaces.net/Possession-2019



- Open a demat account with Sharekhan & learn online trading
- 3 Guni Khushiyan in 1 Policy. Raho Befikar. No Yearly Renewals. Buy Now
- Use This Calculator To Save Lakhs On Home Loan EMI
- In 2 Easy Steps Save Lakhs On Your Home Loan EMI
- Start with just Rs. 1000 per month and enjoy returns like never before. Invest in ZipSIP right away
- Insure 2Wheeler for 3 yrs. Ab No Renewal Har Saal
- Buy Instant Online Health Insurance Policy @ Rs 9/Day. EMI Available.
- Buy Instant Health Insurance, No paperwork. No tests till 45 yrs & Sum < 15 Lac
- Save Lakhs On Your Home Loan In 2 Easy Steps
- We will guide you on every step. Now investing is a child's play with ZipSIP
- New to the stock market? Take your FirstStep
- Managing and Transforming Professional Service Firms
- Invest with ZipSIP and gain more than you had anticipated only @ MyUniverse
- With ZipSIP don't just know your money, get it growing as well

Advertisements



## MOST POPULAR



Ad



### 2-5BHK in Hadapsar, Pune

from 1.29 Cr. 45 storeys of pure Indulgence  
marvelled by Swarovski

[www.gatewaytowerspune.com](http://www.gatewaytowerspune.com)

RCom, Aircel in talks to merge wireless biz

Do a jihad for independent internet, oppose Facebook Basics: Paytm's Vijay Shekhar Sharma

Jaitley will come out with flying colours in DDCA row: PM

India's Q2 current account deficit narrows to \$8.2 bn

Filling of strategic oil reserves delayed

## LATEST NEWS





**BS** Business Standard  
293,912 likes

Like Page Contact Us

Be the first of your friends to like this

# SIP Investment Plans

Invest as low as Rs 1000/month in Top Performing SIPs. Free Register!



## MORE ON MARKETS:

### QUICK LINKS

STOCK MARKETS LIVE

STOCK MARKET NEWS

PORTFOLIO

DERIVATIVES

COMMODITIES

MUTUAL FUNDS

### BROWSE STOCK COMPANIES

A | B | C | D | E | F | G | H | I | J | K | L | M | N | O  
| P | Q | R | S | T | U | V | W | X | Y | Z

1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9

### BROWSE MUTUAL FUNDS

A | B | C | D | E | F | G | H | I | J | K | L | M | N | O

## INDEX STOCKS

ACC | Adani Ports | Ambuja Cem. | Asian Paints | Axis Bank | B H E L | B P C L | Bajaj Auto | Bank of Baroda | Bharti Airtel  
 | Bosch | Cairn India | Cipla | Coal India | Dr Reddy's Labs | GAIL (India) | Grasim Inds | H D F C | HCL Technologies  
 | HDFC Bank | Hero Motocorp | Hind. Unilever | Hindalco Inds. | ICICI Bank | Idea Cellular | IndusInd Bank | Infosys | ITC  
 | Kotak Mah. Bank | Larsen & Toubro | Lupin | M & M | Maruti Suzuki | NTPC | O N G C | Power Grid Corpn | Punjab Natl.Bank  
 | Reliance Inds. | St Bk of India | Sun Pharma. Inds. | Tata Motors | Tata Power Co. | Tata Steel | TCS | Tech Mahindra  
 | UltraTech Cem. | Vedanta | Wipro | Yes Bank | Zee Entertainment

**FROM BS WEBSITE**

Home  
 Companies  
 Markets  
 Opinion  
 Politics  
 Technology  
 Specials  
 Personal Finance  
 Latest News  
 Today's Paper  
 RBI Policy  
 General News  
 General Videos  
 General Photo Gallery  
 Events  
 Authors

**ABOUT US**

About Us  
 Code of Conduct  
 Terms & Conditions  
 Disclaimer

**SUPPORT & CONTACT**

Partner with Us  
 Careers  
 Advertise with Us  
 Contact Us  
 Feedback  
 Browser Support  
 Sitemap

**SUBSCRIBE**

E-Paper  
 BS Magazines  
 Portfolio Tracker

**BS PRODUCTS**

Smart Investor  
 BS Hindi  
 BS Motoring  
 BS Books  
 B2B Connect  
 iPhone  
 iPad  
 android  
 wap

**CONNECT WITH BS**

Facebook  
 Google+  
 Linkedin  
 Twitter  
 Youtube  
 RSS