

## **Know the Difference Between an Heir and a Beneficiary**

<https://www.wayforth.com/blog/whats-a-beneficiary>

When a relative die, close family members often assume that they are heirs. But they may not expect to be pushed aside by beneficiaries. What exactly is an heir? What's a beneficiary? How is an inheritance affected?

Misunderstanding this distinction between an heir and a beneficiary often causes confusion and pain for families. This can further complicate an already tense situation. Here are answers to common questions about what it means to be an heir or a beneficiary, and how that affects an inheritance.

### **What is an Heir?**

An heir is a blood relative who is potentially entitled to money or property after someone dies. An example of an heir is a spouse or child. Laws in each state outline the exact order in which heirs inherit property. But the list stops at a certain point, so not every heir necessarily inherits.

The word "heir" is often used in cases where a person has died without a Will. When that happens, the estate administrator is tasked with finding out who rightfully inherits the deceased person's property.

Keep in mind the term "heir-at-law" is just the official term for being an heir. There's no difference between the two.

### **What is a Beneficiary?**

A beneficiary is a person or organization who receives money or property because someone specifically names them in their Will or trust. Beneficiaries can include charities, places of worship, a decedent's close friend or even his pet cat. If you are specifically named in a Will, you are considered a beneficiary.

### **Can You Be Both a Beneficiary and an Heir or Vice Versa?**

Here is where it can get confusing. You can be a beneficiary who is also an heir, but not all heirs are beneficiaries. For example, if your mother wills you her pearl necklace, you are a beneficiary because you are specifically mentioned in the Will. But you may be considered an heir as well because you are your mother's blood relative.

On the other hand, let's say your father leaves everything to his best boyhood friend, Roger. Roger is considered a beneficiary. Roger cannot be an heir since he is not a blood relative, even if your father considered him "family." You are, in fact, an heir in this situation since you are a blood relative. But Roger will probably still get all of Dad's money since you were not named in the will.

### **Who Has More Rights to Items: An Heir or a Beneficiary?**

It depends whether or not official documents, like Wills and trusts, exist. If there is a Will, beneficiaries like Roger will often have more rights to the assets remaining after probate. When there is no Will, the assets go to the first heir in line. These heirs are often spouses or adult children. The process continues until a living blood relative is found.

### **I'm a Blood Relative. Since I'm an Heir, I'm Going to Get Something, Right?**

You may receive an official notice in the mail alerting you that you're an heir. That doesn't necessarily mean you'll get something. Heirs are supposed to be notified of a death regardless of whether they are receiving something. Because a Will outlines the instructions of the decedent, it can completely overlook an heir and give everything to anyone named in the Will, blood relative or not.

Spousal rights are a major exception. Let's say you're expecting to get something after your elderly father dies, and in fact he leaves you everything in his Will. But he remarried years ago and did not put your stepmother in the Will. Because spousal rights are considered in many states, your stepmom has spousal rights and can claim a percentage of the estate.

### **When Can I Contest a Will?**

Anyone with a valid interest in the estate can contest (question the contents of) a Will. It's one reason why executors are required to notify heirs. But be warned that contesting a Will is expensive and time-consuming for both sides. If you truly believe something isn't right about a Will, such as a forged signature or undue influence in the writing and signing of the Will, you may need to consult an attorney.

Navigating the world of probate can be tough when everyone is speaking "legalese." We suggest familiarizing yourself with common probate terms in order to better understand what is happening, and to whom. We also recommend relying on helpful friends and family for support. Just maybe not Roger.