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Living Together Contracts

- Read this only if you live in the state of Washington.
- You can find all the fact sheets we link to here at WashingtonLawHelp.org.

Should I read this?

Yes, if you are part of a couple living in the state of Washington that cannot or chooses not to marry or be registered domestic partners.

What will I learn from reading this?

You will learn how a living together contract (LTC) works, if it makes sense for your situation, other possible options, and where you can learn more.

Why would we need an LTC?

The law generally says nothing about if, and how, partners in a long-term relationship will share your property, debts, and other responsibilities. An LTC is a written contract you make to show how you have agreed to handle these things.

Should all unmarried couples make an LTC?

No. Here is when you should make an LTC:

- You are in a long-term committed relationship.
- There are financial differences between you and your partner. (**Examples**: one of you earns much more than the other does. One of you entered the relationship with lots of debt.)
- You are planning to mix the things that you own or share your expenses.

We are an elderly couple. Would an LTC work for us?

Maybe not. If one of you is 62 or older, you can register with the state as domestic partners. Read Questions and Answers: Washington's Domestic Partnership Law.

We have already registered as domestic partners. Do we need an LTC?

No. In Washington, you have almost all the rights and responsibilities of married spouses. Read Questions and Answers: Washington's Domestic Partnership Law.

When should we make an LTC?

Do it early on. It is easier to do it then than when your relationship is strained, and might be ending.

What should we put in an LTC?

It can cover all your finances and the division of responsibility in your relationship. Or you can limit it to a few key things, like buying a house or other large expense.

What should our LTC address?

Any **income** either of you earn while living together. Is it your income alone, or will you share it with your partner? If you share, will it belong equally to both of you? What about income from other sources?

Everything you own together, including:

- Property you each owned before your relationship and before you moved in together.
- Inheritances and gifts one or both partners got during the relationship.
- Property you bought during the relationship. You should further divide this property into categories, such as:
    - Property one of you bought that you plan to own separately.

  - Property you bought together and plan to own 50/50.
  - Property you bought together and plan to own according to your contribution. **Example**: You buy a microwave together for $100. You contributed $75. Your partner contributed $25. Relative ownership would be 75% by you and 25% by your partner.
  - Property one of you bought; the other contributed to it later. **Example**: Your partner buys a house with their savings or inheritance. You agree to contribute a certain amount of time, labor, or resources to improving the house. Your LTC should state your understanding about each person's interest in the house. Will your partner stay the sole owner? Will your labor build "sweat equity" in the house?

Things you owe, including:

- Debts or other financial obligations (examples: child support, car payments, credit card payments) one of you incurred before your relationship and before you moved in together.
- Who is responsible for what part of any debts during the relationship.

Bank Accounts – if you will keep separate bank accounts or put all your money into one joint account.

Credit cards – your LTC should say:

- If you plan to hold credit card accounts individually or jointly.
- Which of you is responsible for which expenses or charges.

Each partner to a joint credit card account is personally responsible for all charges made on the card. **Example**: Your partner runs up a bill of $1,000 without telling you. The credit card company can hold you responsible for it anyway.

General expenses - including:

- Who will pay which **living expenses** (utilities, groceries, homeowners or rental insurance)

- Who will pay what **personal expenses** (medical and dental, car insurance, and clothing)
- If you rent where you live, your LTC can cover this. Will both names will appear on the lease? How will you divide responsibility for rent and repairs? Who will keep the rental if you break up?

Should our LTC say what happens if we break up?

Yes. This is probably its main purpose. Each section should have language explaining how you would divide your assets and debts in case of a break-up. **Examples**:

- How will you divide joint bank accounts?
- How will you divide the charges on joint credit cards?

It should also explain how you plan to handle disagreements about matters your LTC addresses. Going to court might cost a lot and take a long time. You could put in your LTC that you agree instead to something like mediation. Read Mediation: Should I Use It.

Is our agreement legal?

Yes, if both of you sign and date it. If it covers real estate, you should also have it notarized.

Once you both have signed it, you both need a signed copy. In Washington, photocopied signatures on LTC's are as good as original signatures.

We do not have an LTC. Our relationship is ending. Can we go to court?

Maybe. The court must first find you are in a "committed intimate relationship" before it can divide your property and debts. Read Washington Property Law for Unmarried Couples. You can use Unmarried Couples: File a Complaint to Divide Your Property and Debts to start the case.

Can we change our LTC?

Yes. Your changed LTC should make clear that:

- It reflects everything you have agreed to.
- It replaces all earlier agreements.

Sample language: "This agreement contains the entire understanding between us about the matters addressed here. It can only be changed in writing signed by both parties."

If you both decide to change some part of the agreement, **put the change in writing. Sign it as soon as possible**. Do not just verbally agree to a change.

Any change you make to your LTC must say if it replaces the whole agreement, or just parts. With big changes, you should probably start over with a new written agreement. You can copy anything from the original into the new one.

Can we put in the agreement who will clean the house and take the kids to school?

Do not put your financial and personal agreements in one contract. If you fight about how to divide your assets or other financial obligations, you may need to file your agreement in court. Everything becomes public record. Anyone can review it.

How else can I give my partner access to my finances?

You can make a "Power of Attorney." This would give your partner access to your income and assets. Then your partner can take care of matters on your behalf with third parties, such as your bank, mortgage lender, utility company, and so on. A Power of Attorney can cover all, one, or a few financial matters. Use Durable Power of Attorney Documents or talk to a lawyer.

❖ **Do not use a Power of Attorney in a short-term or uncommitted relationship**.

Does it affect public benefits if we share assets?

Yes. It definitely affects some benefits (TANF). It may also affect others (SSI and SSDI).

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