

Post-Divorce Financial Checklist

- Go over your Marital Settlement Agreement with your attorney, accountant and financial advisor. Make note of any required ongoing considerations or reporting post-divorce.
- Hire your own separate team of advisors (financial planner, accountant, estate planning attorney, and insurance professional).
- Make sure to file all necessary financial & legal documents that are readily available to you and your advisors: Marriage Settlement Agreement, financial affidavit, tax returns, estate planning documents, account statements, credit cards/loan statements, employment benefit documents, and insurance policies, etc.

Assets and Investments

- Close any joint bank accounts and open separate checking and savings accounts in your own names.
- Close joint brokerage accounts and open new accounts in your individual name or trust. Contact current financial institution to facilitate transfer of assets in kind if required per the settlement.
- Transfer ownership of all deeds for any real estate holdings, automobiles, boats, or other assets per the settlement and have them recorded at the appropriate county recorder or DMV office. Make sure you have proof of refinancing of any mortgages or liens before giving up title to an asset securing the loan.
- Review your investment portfolio with your advisor to make sure your asset allocation is appropriate to meet your goals and matches your risk tolerance.

Credit and Debt

- Close any remaining joint credit accounts. Make sure all credit card bills and loans are paid promptly and closed. Confirm that the account cannot be re-opened.
- Establish your own credit history by opening a new credit card account in your separate name.
- Complete the process of refinancing or assumption of any mortgages.
- Settle all outstanding bills with your legal counsel and other divorce professionals.
- Obtain a credit report 30 days later to verify no joint accounts remain.
- Protect yourself from identity theft. Consider enrolling in a credit monitoring program, buy a shredder, and protect your computer.

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Please contact me for an excerpt from my book, *The Next Chapter*
A Practical Roadmap for Navigating Through, and Beyond, Divorce



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Retirement Accounts

- Any retirement plans that are required to be split per the settlement must be processed through a QDRO (qualified domestic relations order). Work with the consultant drafting the QDRO to ensure that the plan administrator will accept the order and that it has been filed with the court (ideally this should be done prior to settlement).
- Keep in mind that distributions from a qualified plan through a QDRO are not subject to the 10% penalty for those under age 59 ½ (IRAs are not eligible).
- Process any required transfers of IRAs per the settlement. IRAs do not require a QDRO and can still be split between former spouses without any tax consequences.

Estate Planning

- Update your estate planning documents, including a will and/or trust, and powers of attorney for healthcare and property.
- Change beneficiary information on all retirement plans, pensions, IRAs, annuities and life insurance policies.
- Make sure your assets are titled appropriately and in line with your estate planning goals.
- If both partners are staying on the house title after the divorce, re-title property to Tenants in Common.

Insurance

- If life insurance is required by the payor of child and/or spousal support, obtain a copy of the policy for your records. Ideally the support recipient should be the owner and beneficiary and pay all premiums. If however the payor is the owner and pays all premiums, the recipient should receive a copy of the policy and beneficiary information on an annual basis.
- Confirm that the payor of child and spousal support also owns a disability insurance policy to ensure payor can continue making payments if they become disabled.
- Review and update your property and casualty insurance for auto, homeowner's and umbrella liability.
- Revise health insurance coverage for spouse and/or dependents depending on divorce decree. If insurance is not available through an employer, begin COBRA coverage or open a new individual policy.

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Cash Flow and Taxes

- Review and update your annual budget. Consider using an online budgeting or tracking system if easier. Work with a financial planner to run cash flow projections to help plan for the future.
- Create an emergency reserve or cash safety net of about six months of living expenses in a bank account.
- Understand the social security benefits that you may be entitled to from your former spouse.
- Request tax basis records on any investment or other asset you receive in your settlement from your former spouse or the appropriate financial institution.
- Make sure your tax advisor receives a copy of the Marriage Settlement Agreement.
- Work with your tax advisor to make sure you are taking the appropriate exemptions and deductions as spelled out in the Marriage Settlement Agreement. If there is a tax loss carry-forward, make sure it's being appropriately divided per the settlement.
- Review your tax withholding allowances with your tax advisor and determine if estimated quarterly payments will be necessary.
- If you are receiving maintenance, consider making an IRA contribution if eligible.

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