**Financial checklist for before, during and after divorce**

Complete the checklist items that apply to you and your situation. Take time to consult with the appropriate professionals for assistance and guidance. This checklist is only a preliminary guide and is not intended to be a comprehensive list of things to consider.

**Before Your Divorce**

**Getting Organized**

* Obtain legal counsel specializing in divorce
* Contact information of your team

Family Law Attorney:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Accountant\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Certified Divorce Financial Analyst:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Business Attorney:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Banker:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Wealth Advisor:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Insurance Agent:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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* Obtain copies of important documents:
	+ Existing marriage and divorce paperwork (i.e. prenuptial/postnuptial agreement, court orders)
* You, spouse, children:
	+ Birth certificates, social security numbers

**Financial**

* Fill out our Divorce Information Sheet found under Resources at www.prosperwell.com.
* Gather copies of your investment statements.
* Gather copies of your last 3 years of tax returns.
* Open a checking and saving account in your own name.
* Review your beneficiaries on all accounts.
* Financial and legal accounts documents:
	+ Credit cards, automobile titles, household bills, assets, insurance, property title, mortgages, investment and retirement accounts, wills, debts (business loans, personal loans, personal loans)

**Cash Flow**

* Fill out a Monthly Budget Worksheet found under Resources at www.prosperwell.com.
* Will your cash flow needs change? How?
* Adjust how much you are saving if needed.

**Assets and Liabilities**

* If you had a prenuptial agreement, check to ensure that all terms are addressed and all assets and debts are property allocated.
* If you or your former spouse receive variable compensation (such as a sales job, or a bonus) consider how to factor that into your settlement.
* Review your credit report to ensure there are no debts that you are not aware of.
* If you own a business consider:
	+ An appraisal may be needed if you can’t agree on a valuation.
	+ If you have business partners, look to your relevant agreements to understand any restrictions on transfer and other conditions triggered by your divorce.
	+ If there were personally guaranteed debts, they may need to be handled separately.

**Things to Do**

* Make a timeline of important events
* Change your passwords and turn off shared devices and shared “cloud” services
* Open a P.O. Box
* Prioritize self-care
* Keep a journal
* Avoid social media
* Consider re-entering the workforce
* Leverage your team of trust professionals
* Continue to prioritize self-care, focus on loved ones

**During Your Divorce**

**Legal**

* Consider establishing a trust for the benefit of your children.

**Financial**

* Determine divorce settlement.
* Review ownership and custodial responsibility of children’s accounts.
* Fill out new account paperwork.
* If you need a QDRO (Qualified Domestic Relations Order) have an attorney start the document.
* Prepare accounts to transfer to just your name.
* Develop a plan to divide assets and liabilities. Be sure to consider:
	+ The division of assets should factor in the tax character of each asset, recognizing future tax consequences (e.g. if assets are tax-deferred or carry embedded gains).
	+ Some property may be classified as separate property, owned by one spouse, rather than marital property.
	+ All assets and debts should be fully disclosed and properly valued.
* If your emergency fund (or liquid assets to pay legal fees, etc) doesn’t have enough money in it, set aside three to six months of non-discretionary living expenses.
* Make a plan for your housing and consider:
	+ If you will receive the house, evaluate the merits of selling, keeping, or renting it out.
	+ If selling, consider the impact of potential capital gains tax and changing exclusion limits.
	+ If you need housing, evaluate the merits of renting or buying.
* If there are retirement assets to be transferred to you or your spouse consider the following:
	+ A QDRO is required to transfer retirement accounts and it should stipulate how the assets are to be transferred (trustee-to-trustee or directly).
	+ If you need cash, distributions from a 401(k) as a result of a QDRO transfer are subject to ordinary income tax but no 10% penalty if you use 72(t)c tax code.

**Life Insurance**

* Purchase or change life insurance that would be required by your divorce decree to cover child support or spousal maintenance.
* Review policies on your life to ensure that they are meeting your current needs.

**Long term care or disability insurance**

* Review your policies to ensure that they are meeting your current needs.
* Consider long term care or disability coverage, if you don’t have coverage currently. Please let us know if you would like us to get quotes for you.

**Social Security/Veteran benefits**

* Contact the Social Security Administration for eligibility information.
* Confirm your benefit amount if you are currently collecting Social Security.
* Contact the VA about veteran’s benefits (www.vba.va.gov).

**After Your Divorce**

**Legal**

* Make sure you have several copies of your Divorce Decree. Hard copy + electronic copy.
* Retitle assets, including real estate and automobiles.
* Make name-change notifications.
* Establish a new power of attorney for yourself.
* Name a new health care agent within your health care directive.
* Create a new will and establish appropriate trusts.

**Financial**

* Close and distribute all joint assets according to legal decree.
* Complete transfer of assets.
* Look over your asset allocation and adjust as needed.
* Refinance your mortgage.
* Do a Quit Claim Deed once appropriate.
* Set up accounts monthly to invest.
* Review your beneficiaries on all accounts.
* Adjust how much you are saving if needed.
* Re-evaluate your investment goals to risk tolerance changed.

**Life insurance**

* Make beneficiary changes.

**Health insurance**

* Apply for coverage through your employer, or
* Apply for individual health coverage, or
* Continue COBRA benefits through your ex-spouse’s employer (for up to 3 years.)

**Taxes**

* Meet with your tax professional to determine your new tax status and strategies.

**Checklist for After a Divorce**

* Make changes accordingly:
	+ Close shared accounts, make sure there are no outstanding payments that need to clear, open new accounts
	+ Update auto-bills to the appropriate accounts
* Create a budget for your new lifestyle, consider re-entering the workforce
* Update or create new retirement and estate plans
* Update beneficiary information on all life insurance and retirement accounts
* Obtain health insurance, if necessary

**Other considerations**

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