

Your Divorce Peace of Mind Checklist

With this practical guide, divorce becomes easier to navigate and you'll feel better prepared to start the next chapter of your life.

Divorce raises many financial questions and concerns. Whether you're thinking about splitting up, in the middle of the process, or grappling with the aftermath, we know that there's a lot keeping you up at night.

In our experience, helping clients focus on next steps during this life transition can provide clarity and confidence:

Step One: Dissolve Financial Ties

- Settle any remaining joint credit card debt or loans.
- After settling, close out any joint bank or credit union accounts, safe deposit boxes, credit cards or loan accounts.
- Open new checking and banking accounts in your name.
- Change any automatic debits, recurring bill payments, or transfers from the joint account to your new personal account.
- Open new brokerage accounts in your name and remove your former spouse from your accounts.
- Make sure all utility bills are changed to your name and future residence.

Step Two: Protect Yourself

- Create an emergency fund to cover three to six months of expenses.
- Before your divorce is official, make sure any QDROs have been given to and accepted by the plan administrator. If you are taking cash distribution from a qualified plan, make sure it is done by this time to waive the early distribution penalty for individuals under age 59½.
- Update beneficiary designations on Transfer on Death (TOD) and all retirement accounts.
- Change passwords on email, banking, and social media accounts.

Step Three: Cover All Your Bases

- Request cost basis data on any investments or other assets you receive in your settlement.
- Give your tax advisor a copy of your marital settlement agreement and divorce decree.
- Execute IRS form 8332 to transfer dependency exemptions to the non-custodial parent if needed.
- Review and update property and casualty insurance for auto, home, and any umbrella policies. Make sure you remove coverage for assets you did not keep in the divorce.
- Revise health insurance coverage for spouse and dependents as indicated in the divorce decree. If getting COBRA coverage, the ex-spouse's employer must be notified within 60 days of the divorce decree.

You've now taken critical steps to get your financial house in order. Well done!

Now it's time to think proactively about your future and new life goals:

Meet with Your Advisors To...

- Review and update your spending and savings plan with your wealth strategist.
- Review your risk tolerance and asset allocation to make sure you're using the right investment strategy to help you achieve those post-divorce goals.
- Review your tax filing status and withholding allowances with your tax advisor. Figure out if estimated quarterly payments will be necessary.
- Determine if you need to retitle or transfer any IRA accounts per your settlement agreement.
- Find out if long-term care insurance makes sense for you.
- Determine if you need to begin Required Minimum Withdrawals from an IRA.

If You Have Kids...

- Ask your lawyer to get a copy of any life insurance policy required on the payor's life (if you are receiving child and spousal support, in which case it's best for you, the recipient, to be the owner and beneficiary of the policy).
- Find out if the payor of child and spousal support has disability insurance.
- Keep records of any child-related expenses like childcare, medical expenses, dental expenses, and extracurricular activities.
- Establish trusts, if needed, and guardianships for your children.

If You Have Property...

- Transfer ownership of deed and/or titles for any real estate, automobiles, boats, or other property that you are required to transfer and have recorded at the appropriate county or state office.
- Double check that you have proof of refinancing any mortgages or liens before giving up title to an asset. Make sure you've finished refinancing or assuming any mortgages or secured debt.
- If any real property or investments are to remain jointly owned, re-title as Tenants in Common.

Update Your Estate Plan

- Update your beneficiary designation on all retirement accounts. If you want your former spouse to remain as beneficiary, check to see if the custodian requires you to redesignate them as your beneficiary.
- Update any wills, trust, property, and healthcare powers of attorney.
- Make sure your assets are titled correctly and are updated to reflect any of the changes in your trusts or wills.

Don't Forget:

- Hang on to your former spouse's social security number and birthday; in some cases you may still be entitled to their social security benefits.
- Get a certified copy of the divorce decree.
- If there is a name change, be sure to update your legal and financial documents – including social security card, driver's license, and passport.
- Get a credit report 30 days later to ensure no joint accounts remain.

Sources: CornerCap Wealth Advisors and Institute for Divorce Financial Analysts®

Your peace of mind is key during the divorce process.

That's why we created this checklist as a guideline to safeguard your assets and help you start working toward your new goals. If you have additional questions or need financial advice, please don't hesitate to contact me.

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