

info sheet Divorce: a checklist

With so many emotions involved when dissolving a marriage, you'll probably want to make the financial processes involved with your divorce move forward as relatively smoothly as possible. Here is a checklist of things you may want to consider when starting the process, determining property settlement, and putting your financial life into order after a divorce.

Financial Affidavit and Property Settlement

Each spouse must complete a financial affidavit. The document is filed into court records and lists each spouse's income, expenses, assets, and debts. This checklist may help you gather this information.

Income and expenses

Income:	Husband	Wife
Sources:	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
Expenses:		
Housing and utilities	\$ _____	\$ _____
Food and clothing	\$ _____	\$ _____
Medical care	\$ _____	\$ _____
Insurance	\$ _____	\$ _____
Religious affiliations/charities	\$ _____	\$ _____
Entertainment	\$ _____	\$ _____
Child care/tuition/activities	\$ _____	\$ _____
Other:		
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____

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Assets and debts

Step 1: Determine what your assets are by putting together an overall inventory of your property.

Step 2: Determine who owns what. An important categorization when determining ownership is separate vs. marital property:

separate property

- items brought into the marriage
- items inherited during the marriage
- items received as gifts during the marriage

marital property

- everything (besides personal gifts and inheritance) acquired during the marriage, no matter whose name it is in
- in some states: any increase in the value of separate property is considered marital property

Step 3: Dividing your marital property. Different states have different laws regarding property distribution. It may be helpful to find out about your state's law (in other words what each of you would get should you have to take your divorce case before a judge) and use that information as a guide when dividing your marital assets. Or you may want to look over your list and each take a turn choosing who gets what. Other couples might want to try a trade approach where one spouse agrees to take an item or items considered equal in value to those the other spouse chooses to keep.

Assets

	Value	Separate Property (indicate owner)	Marital Property (choose and indicate owner)
Bank accounts			
Saving	\$ _____	_____	_____
Checking	\$ _____	_____	_____
CDs	\$ _____	_____	_____

[Note: Don't forget to consider items you have placed in a bank safety deposit box.]

Investments

Stocks	\$ _____	_____	_____
Bonds	\$ _____	_____	_____
Mutual Funds	\$ _____	_____	_____
Life insurance (cash value)	\$ _____	_____	_____
Other:			
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____

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	Value	Separate Property (indicate owner)	Marital Property (choose and indicate owner)
Property			
House	\$ _____	_____	_____
Second home	\$ _____	_____	_____
Land	\$ _____	_____	_____
Commercial real estate	\$ _____	_____	_____
Other:			
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
Household Items			
Furniture	\$ _____	_____	_____
Clothing	\$ _____	_____	_____
Crystal	\$ _____	_____	_____
Silver	\$ _____	_____	_____
Jewelry	\$ _____	_____	_____
Books	\$ _____	_____	_____
China	\$ _____	_____	_____
Art	\$ _____	_____	_____
Collectibles	\$ _____	_____	_____
Electronics	\$ _____	_____	_____
Appliances	\$ _____	_____	_____
Tools	\$ _____	_____	_____
Guns	\$ _____	_____	_____
CDs/Records/Tapes	\$ _____	_____	_____
Other items of value:			
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____

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	Value	Separate Property (indicate owner)	Marital Property (choose and indicate owner)
Miscellaneous			
Club memberships	\$ _____	_____	_____
Outstanding tax refunds	\$ _____	_____	_____
Business partnerships	\$ _____	_____	_____
Copyrightst	\$ _____	_____	_____
Frequent flyer miles	\$ _____	_____	_____
Timeshares	\$ _____	_____	_____
Lottery winnings	\$ _____	_____	_____
Other:			
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
Vehicles			
Automobile(s)	\$ _____	_____	_____
Boat	\$ _____	_____	_____
RV	\$ _____	_____	_____
Trailer	\$ _____	_____	_____
Motorcycle	\$ _____	_____	_____
Tractor	\$ _____	_____	_____
Other:			
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
Retirement Funds/Corporate Benefits			
401(k)	\$ _____	_____	_____
Defined Contribution	\$ _____	_____	_____
IRAs	\$ _____	_____	_____
Pension	\$ _____	_____	_____
Stock options	\$ _____	_____	_____
Other:			
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____

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Debt

In a divorce, joint debt is considered marital property. You should carefully determine which debts are individual and which you share. Just because your name is not on a credit card account, for example, does not necessarily mean you may not be held responsible for the debt by the card's issuer.

Step 1: You and your spouse may want to order credit reports in order to determine exactly who is responsible for each debt.

Step 2: The best strategy may be to pay off as much joint debt as possible before beginning the divorce process. If not, then the divorce decree must state who will pay which debts and in what time period.

	Husband (indicate amount responsible for)	Wife	Payment schedule
Mortgage*	\$ _____	_____	_____
Car loan*	\$ _____	_____	_____
Bank credit card(s)	\$ _____	_____	_____
Store credit card(s)	\$ _____	_____	_____
Personal loans	\$ _____	_____	_____
College loans**	\$ _____	_____	_____
Children's medical/ dental payments**	\$ _____	_____	_____
Other:			
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____

*Debt associated with an asset belongs to the owner of the asset.

**Debt related to caring for children is generally split equally among the two spouses.

After Your Divorce

You should remember to revise legal documents and policies after your divorce to reflect your changed marital status. Here are some items you will want to review and potentially revise:

- Will
- Trusts
- Guardianship
- Insurance policies
- Income tax exemptions

Resources for further information

To find out the fair market value of your home, visit Acxiom Property Data and Services at <http://products.dataquick.com/consumer> and purchase a **Home Sales Report** or get a free **Home Sale Price Trends** report about your neighborhood.

To find out the value of your automobiles, refer to the **Kelley Blue Book** at your library or visit www.kbb.com

To purchase credit reports, contact these agencies:

Equifax: 1-800-685-1111 or www.equifax.com

Experion (formerly TRW): 1-800-392-1122 or www.experion.com

TransUnion: 1-800-916-8800 or www.tuc.com

The American Bar Association offers tables summarizing state laws on their Web site at www.abanet.org/family/familylaw

Web sites on divorce:

www.divorceinfo.com covers most aspects of divorce

www.divorcenet.com offers a state-by-state resource directory

www.divorceonline.com has articles on the financial, legal, psychological, and real estate issues concerning divorce

www.divorcesupport.com allows you to participate in message boards and review publications listings

www.divorcecentral.com gives answers to frequently asked questions and listings of related sites

Contact your investment professional for more information or to construct a personalized Heritage Planning Profile to help your parents, your children, or yourself.

This material is not intended to replace the advice of a qualified attorney, tax adviser, or insurance agent. Before making any financial commitment regarding the issues discussed here, consult with the appropriate professional adviser.

