



When It's Time to Move On

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For couples choosing to end their marriage, March is a popular time to divorce. Many unhappy couples wait until after the holiday season to initiate the process in January, which has been dubbed “Divorce Month.” However, it can take weeks to get the paperwork in order, making March a peak time for divorce filings.

Divorce can be stressful, even when you're financially secure. Here are some practical ideas that can help smooth the process and make it easier to adjust to your new future.

Get organized. To most effectively negotiate an equitable settlement, you need a clear assessment of your financial situation. What assets do you and your spouse own together and separately, and what do you both owe? How much do you contribute to joint finances versus your spouse? Gathering your financial documents allows you to inventory your marital property for better decision-making

and to expedite the process. Documents you may need include:

- A pre-nuptial or post-nuptial agreement, if applicable
- The past five years of tax returns
- Income documentation (W-2 forms, K-1s, 1099s, paystubs, investment income)
- Real estate holdings (deeds, mortgages, appraisals, taxes, leases, and sub-leases)
- Retirement assets
- Investment assets
- Other significant assets with appraisals (automobiles, jewelry, artwork, collectibles)
- Financial statements
- Life insurance policies
- Business interests, if applicable
- Debts (student loans, credit cards, mortgages, lines of credit)

Build your team. Those considering divorce need specialists who will understand their situation and provide sound guidance. In addition to your wealth advisor, your team should include a divorce attorney, accountant, and potentially an estate planning attorney, Certified Divorce Financial Analyst®, business valuation expert, appraiser, realtor, and family therapist. Each team member should be experienced and knowledgeable regarding your specific situation and willing to advocate for you during the negotiation process. Palisade is a resource you can turn to for building a team you can trust.

Analyze your finances. Making decisions based on what's best for your future is important, but sometimes emotions can get in the way. For example, you may want to remain in your home—but paying for the upkeep and taxes may not be best for your cash flow post-divorce. If you have children, custody arrangements will impact your financial negotiations. There are numerous details to

consider, from how everyday expenses, including clothing, activities, and healthcare will be split, as well as longer-term items such as how the cost of college will be handled. Your Palisade team can help you dive into the financial details, including reviewing complicated executive compensation such as stock options and post-divorce health insurance options if you were on your spouse's health plan. We can also help you create a budget for your post-divorce lifestyle, including the cash flow and tax consequences of different scenarios to determine what to offer or ask for in your settlement, guide you on updating beneficiaries on your financial accounts, and provide other details to help you get your financial life back on track once your divorce has been finalized.

Please reach out to your advisor to help plan for any major life transition, including divorce. Please forward this information to a friend who you think we can help.

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