Preparing For Divorce? First, Get Organized

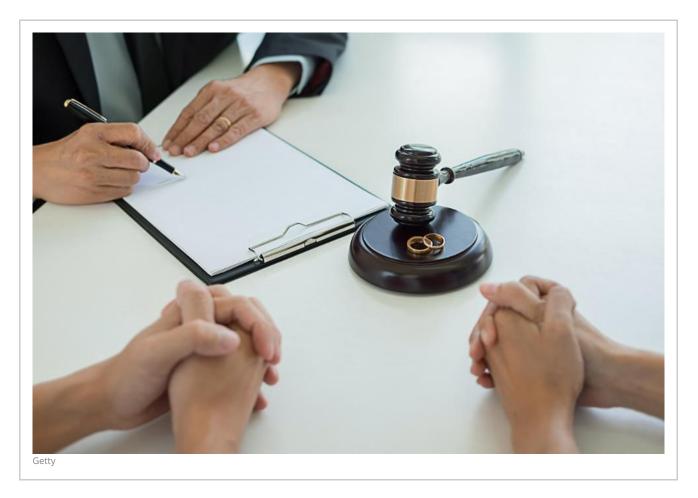
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Divorce is rarely an easy process. Besides the emotional stress it tends to create, the complexities—and paperwork—that come with dividing assets can make getting divorced a challenge for all involved.

While a variety of factors can impact the outcome, one element that you're able to control is your level of preparation leading up to your divorce proceedings. Taking time on the front end to get organized can make the process less stressful and may even help you achieve more favorable results.

If you're considering or planning to get a divorce, here are three steps to help you prepare:

1. Take Inventory

The first step is making a checklist of assets, accounts and corresponding documents to locate and have readily available. Examples of information you'll need for your divorce may include but are not limited to:

- Personal financial statements/balance sheets
- Marital and non-marital property inventory
- Bank and investment account statements
- Real estate deeds
- Mortgage/loan documents
- Credit card statements
- Wills/trusts
- Insurance policies

It's important to note that you'll need to locate more than just financial documents when getting organized. Your list should include estate planning documents, prepaid funeral arrangements, long-term care insurance policies and premarital agreements, if applicable. Having all of this information accessible can save you time and money during the proceedings.

2. Organize Your Documents

You'll want to develop an organizational system that works for you so that if your lawyer, accountant, or other advisors ask for a document, you can quickly access and deliver it. You may find it helpful to group similar documents together to reduce the possibility of leaving out a key piece of information. For example, by keeping all home ownership records together such as the deed to your house, purchase documents and mortgage paperwork, your advisors can make a more accurate estimate of your home's value than if you simply give them a copy of the deed. This will help ensure that you're not disadvantaged when determining how to divide joint assets

3. Classify All Assets

Once you've located all assets and organized the necessary documentation, it's usually helpful to classify each asset as separate property or marital/community property. The distinction between separate and community property typically depends on where you live, so you may want to consult with an attorney about your state's divorce laws. While most states generally divide property to achieve fairness, the difference lies in the starting point and the rules each state uses to reach a fair result. In any case, you'll likely need to know how the property was acquired—whether through a gift, inheritance, purchased prior to marriage or purchased jointly.

Because of the many moving parts involved with divorce, the time you spend getting your financial affairs in order ahead of time is time well spent. Developing a sound organizational system helps set you up for success and often reduces the anxiety that accompanies the divorce process.