| Steps to Take | Discussed with Attorney (if appropriate) | Last Date Completed or Revised |
|---|---|---|
| 1. **Take a break** — Family conflict can elicit roller coaster emotions, so don't make an important decision like this when you feel overwhelmed, depressed, or upset. Whether your getaway break is a few hours, days, or even a trial separation, it's good to stop, relax, and take some time to remember all of the good times you've had. | | |
| 2. **Obtain your own legal counsel** — Don't assume that the attorney your spouse secures will have *your* best interests in mind. Negotiate the fees, and make sure the individual is experienced in working with clients who are the lowest or highest wage earner, whichever you are. **Money-Saving Tip:** Using a court-approved divorce mediator instead of an attorney can save you a lot of money when it's an amicable split and there aren't a lot of assets involved. | | |
| 3. **Consult a CDFA** — A *Certified Divorce Financial Analyst* specializes in helping individuals make smart financial decisions related to long-term financial needs, and can be an advocate for either the low or high wage earner. This individual *assists* the attorney; he or she should not *replace* your legal counsel. | | |
| 4. **Pick the right type** — Laws vary from state to state, so talk with a legal advisor to select the right type of divorce. Your options may include *absolute, uncontested, no-fault, simplified,* and *limited* divorce. You might also hear terms like *pro se, collaborative,* or *cooperative* when referring to the types of divorce, so be sure to discuss them with an expert. | | |
| 5. **Stash some cash** — Once divorce proceedings begin, you may not have full access to your money. Or, as often happens, your spouse could empty the bank accounts. Plus, once you begin the process, earnings are no longer considered *community property* (see nine states), so make sure you have some available cash to relocate, pay the bills, and carry you through until the divorce is final. | | |
| 6. **Make copies of important documents** — This includes tax returns, bank statements, employment contracts, brokerage accounts, real estate deeds, loans, marriage license, legal contracts, credit card statements, and retirement accounts. Include phone numbers, addresses, and names of contacts at banks, loan offices, brokerage firms, etc. This will provide evidence for account balances should any money go missing. | | |
| 7. **Take pictures of assets** — Taking pictures of all assets, gifts, collectibles, tools, furniture, jewelry, etc., can help to establish a reasonable value for distribution. Obtain receipts for all assets and learn what your state's *custodial requirements* are to make the appropriate transfers. **Money-Saving Tip:** Be sure to list property you owned prior to the marriage, an inheritance or gift you received personally during the marriage, etc. In most states, this is considered separate property. | | |
| 8. **Set up a checking and savings account** — They should be in your name only. | | |
| 9. **Begin establishing credit in your own name** — Open a general credit card or possibly a card at one of your favorite stores — or both — to begin building a credit history prior to the divorce. | | |
| 10. **Protect your credit** — Contact all three credit bureaus to place a *credit alert* on your credit reports in the unlikely event that your ex commits identity theft. Obtain a free copy of your credit report from any of the three agencies at AnnualCreditReport.com. | | |
| 11. **Remove your name** — Remove your name from all joint accounts, including all credit cards. If your spouse retains the car or home after the divorce, make sure your name is removed from the loan or mortgage. If your ex defaults on a loan or runs up high credit card bills and your name is still on the documents, the lenders can come after you for payment. Plus, any negative credit behavior can harm your FICO score for up to 10 years. | | |
| 12. **Change all beneficiaries** — This includes anyone named in your will, insurance policy, employer retirement plan, bank accounts, etc. **Caution:** Talk to your legal advisor before taking these steps since some of them can only be done once the court allows you to do so. | | |
| 13. **Change your medical directives** — You won't want your ex to make medical decisions on your behalf. | | |
| 14. **Explore healthcare coverage** — Find out about continuing health insurance coverage if you are included in your spouse's plan. **Money-Saving Tip:** If your spouse is covered on your plan at work, ending that coverage will most likely save you money. | | |
| 15. **Talk to a tax advisor** — If a divorce is looming, discuss the tax implications of divorce. *Married filing separately* allows a spouse to limit liability for any taxes their soon-to-be ex-spouse may owe. A CPA or enrolled agent can advise which scenario is best for you. | | |
| 16. **Consider college financial aid for children** — Go to FinAid.org to determine the best way to file for aid when parents are separated or divorced. | | |
| 17. **Protect the cash value of life insurance** — Some life insurance policies build up a value that can be withdrawn ("cashed out") similar to an investment or savings account. Be sure to remove the name of your spouse so that he/she cannot drain those funds. | | |