



CLIENT CHECKLIST

Assemble a Team and Get Started

- Meet with your financial professional and determine what aspects of this checklist you will need help with, such as keeping track of assets, debts or spending.
- Find and meet with a tax professional.
- Find and meet with an attorney.
 - Do not sign any divorce-related documents without consulting your attorney first.
- Find and meet with an insurance professional.
 - If you are covered by your spouse's health plan or intend to apply for COBRA, private insurance, or employer coverage, know that federal law requires you to select your new health insurance within 60 days following the loss of any previous coverage.
- If you have significant business interests, such as business ownership, you may also want to consult a business attorney and CPA.
- After consulting with your attorney, close joint financial accounts that you can.
 - This can include checking accounts, savings accounts, credit card accounts and loan balances.

Determine Your Financial Health

- Track your spending over several weeks or months through a spending journal or financial software.
- Review your budget.
- Collect copies of your last five years of federal and state tax returns.
- Obtain your credit report to determine what debts and assets are in your name.
- Review and document the contents of any safety deposit boxes.
- Estimate what your income will be after divorce.
 - Possible income sources include job earnings, job benefits, Social Security benefits, alimony, child support, unemployment compensation, rental income, pensions, annuities, investment income, and IRA distributions.
 - Take into account the changes to the taxation of alimony, since the client receiving alimony is typically in a lower tax bracket after divorce, which may be beneficial in terms of dividing investments.
- Estimate what your expenses will be after divorce.
 - Possible expenses could include losses from divorce, attorney's fees, debt on assets you retain, alimony, child support, and health insurance (new insurance can significantly increase expenses).
 - Include previously-shared expenses will now be entirely yours, like a mortgage, rent, bills, utilities, and groceries.
- Estimate what assets you expect to have.
 - Make sure you will have a credit card or two in your name after you cancel your current ones.
 - Determine how much you will have in retirement savings.
- Estimate what total debts you will owe.
 - This can include mortgage, car, credit card and business debts.

Plan for Your Children

- Determine where your children will live or how joint custody will be managed.
- Determine who, if either spouse, will pay child support and if so how much. Consult with your tax advisor on what the tax implications will be and clarify with your attorney on state specific resources and guidelines.
- Contact your CPA regarding potential tax deductions for your beneficiaries.
- Determine who will contribute to their college savings, memberships and other activities, and how much.





- Determine who will pay premiums for your children's health insurance, and who will pay any deductible amounts.
- Name a new legal guardian in your estate documents, if necessary.
- Assess your life insurance policy, and consider whether you want/need to change beneficiaries or the policy amount.

Divide Assets

- Determine how all assets will be divided:
 - Your investments, including stocks, bonds, bank savings accounts and stock options
 - Any family-owned business interests
 - Your retirement assets, including any 401(k)s, traditional IRAs and Roth IRAs
 - If your retirement assets must be divided, consult your advisor to determine if there is any way to avoid the early withdrawal penalty.
 - Ask your attorney if you should seek a Qualified Domestic Relations Order (QDRO) to divide your retirement assets.
 - Your house or houses (remember to include adjustments to basis due to improvements)
 - Your car or cars
- Determine who will take ownership of your pet(s).
- For any jointly-owned assets or accounts, utilize your attorney to formalize an agreement on how to manage them moving forward.

Update Your Documents

- Update your name, beneficiaries and emergency contacts on your personal documents.
 - These documents can include your will, agent authorization agreements, medical directives and health information-sharing agreements, power of attorney documents, and insurance policies.
- Obtain a final divorce decree, which will be required for insurance companies or other entities.
- Update your name, beneficiaries and emergency contacts for your financial accounts.
 - This can include IRAs, 529s, joint and individual banking accounts, custodial accounts for minors, savings accounts and checking accounts.
 - Note that Federal law requires that your spouse be your beneficiary on any employer-sponsored plans until you are legally divorced, unless they consent in writing to allow a separate beneficiary.
- Change your passwords to online subscriptions and services.

Make a New Spending Plan

- Prepare a budget for your post-divorce life.
- Save up an emergency fund that can last 3 to 6 months without income.
- Create a new retirement savings plan based on your new expenses, income, debts and assets.
- Estimate what impact, if any, divorce will have on your social security benefits.
 - Determine if you qualify for spousal benefits (typically you qualify if you were married for 10 or more years).
 - Determine whether you can apply for spousal benefits.
 - Determine whether you should apply for spousal benefits. Spousal benefits typically pay out half the earner's benefit, so depending on your former partner's income you may prefer receive your own benefit instead.
- Consult your tax advisor to assess how your tax liability will change.
 - Determine who will claim your children as dependents for tax purposes (this is usually based on the child's primary residence).



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