

Top 10 Financial Tips To Get Through Divorce (Equitable Distribution in New York)

1. When hiring an attorney to represent you, ask, “What percentage of your practice is matrimonial (divorce)?” If the answer is less than 50%, hire somebody else.
2. When working with Mediators, have your “Memorandum of Understanding” reviewed by someone trained in finance (i.e. financial planner, divorce planner, accountant) to make sure you are agreeing to the right things.
3. If your spouse handled all of the finances, make copies of as many financial documents that you can find, keep one copy for yourself and give one copy to your attorney.
4. Do not go on a “revenge is king” spending spree running up credit cards assuming that your spouse will be held accountable. Debt is considered to be marital so you’ll more than likely have to pay your share anyway.
5. Gather as much financial information that you can on your own so you can complete the “Statement of Net Worth” and save on legal fees.
6. If you believe your spouse may be hiding assets, you may need to employ the services of a forensic accountant. (Remember that it’s easiest to hide assets through a business.)
7. COBRA, which allows for the continuation of health insurance coverage after divorce, is available for 36 months and you (or your spouse) are responsible for paying the premiums, which are higher than the rates offered through the group plan. Remember that the employer paid for a share of the premium (i.e. \$500 month total premium and employer paid \$400 while employee paid \$100. When you have to pay the premium, you’ll be paying \$500 NOT \$100.)
8. Assets and property that you inherited during your marriage that were kept in your name are considered your separate property and will not be divided during divorce.
9. Get copies of the last 3 to 5 years income tax returns – they contain a lot of information that can be used to verify the validity of the Statement of Net Worth.
10. If you need to have a QDRO (Qualified Domestic Relations Order) drafted to divide pensions and retirement plans, make sure the Plan Administrator pre-approves the QDRO before the divorce is finalized.

©2004, 2005 Robin Vaccai Yess is a **CERTIFIED FINANCIAL PLANNER™** and a *Certified Divorce Financial Analyst*. She is an independent, fee-only financial consultant who helps clients achieve lifelong financial independence, grow and preserve wealth and enjoy a fulfilling retirement. She is a frequent lecturer and writer on personal financial topics. Visit www.robinyess.com for a list of upcoming seminars or to schedule a speaking engagement for your group or organization.