

# WEALTH PLANNING CHECKLIST:

## Divorce in Progress: What to Focus on Now

Navigating a divorce can feel overwhelming and highly emotional. As decisions are being made and details are unfolding, staying organized and informed can help you maintain clarity and confidence throughout the process.

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**A resource to help you navigate critical steps and considerations throughout the divorce process**

The following checklist is designed to help you manage key financial, legal, and personal considerations while your divorce is in progress:

### 1. Financial Clarity (with support from a CDFA® professional)

- Prepare a comprehensive marital balance sheet outlining all assets and liabilities
- Clearly distinguish between community property, separate property, and any commingled assets
- Identify and resolve any missing, incomplete, or unclear financial information

### 2. Scenario Planning

- Compare and evaluate different settlement options (such as retaining the home versus receiving liquid or investment assets)
- Assess the after-tax value of each asset to understand its true economic worth
- Analyze the long-term financial impact of each decision, including liquidity needs, tax consequences, and sustainability over time

### 3. Cash Flow Planning

- Estimate post-divorce income sources, including earned income and any support payments
- Develop a realistic monthly budget based on post-divorce living expenses
- Identify potential cash flow shortfalls in advance to allow for proactive planning

### 4. Tax Considerations

- Evaluate the tax implications of dividing assets, including taxability of different account types
- Review filing status options and the impact on deductions and potential tax credits
- Plan for taxes related to capital gains, retirement account distributions, and future withdrawals

### 4. Negotiation Preparation

- Clarify financial priorities, distinguishing between essential needs and acceptable tradeoffs
- Establish target ranges as well as clear walk-away thresholds for key settlement items
- Prepare clear financial summaries to support discussions during mediation or settlement negotiations
- Coordinate closely with your attorney and financial advisors to ensure alignment in strategy and positioning

### 5. Key Asset Decisions

- Evaluate whether to retain or sell the primary residence, considering both financial and lifestyle impacts

- Review the division of retirement assets, including QDRO requirements and pension entitlements
- Identify and assess stock options, RSUs, and any forms of deferred compensation, including vesting schedules and tax implications

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