

Post Divorce Critical Actions

You might view divorce as a series of distinct steps: filing the paperwork, negotiating with your ex, getting a settlement and reaching the end of your marriage. Yet still more work – sometimes lots of it – remains after your divorce.

First, your settlement agreement likely stipulates actions and tasks that you must finish, often under deadlines. Develop a checklist with each action item and due-date, with room for comments and additional steps.

The court may not specifically set the deadline for other post-divorce activities that you nonetheless need to complete. For example, if resuming use of your maiden name, you need to call your credit card companies and banks to ask about documentation requirements (probably a copy of your divorce decree or other such paperwork).

Paperwork associated with name changes can take time, so make a list of all of firms and individuals who need to know about your name change, such as the human resources department at the Social Security Administration and your employer's office, school administrators, investment advisor, insurance company and doctor.

Other possible paperwork and tasks after your settlement:

Reevaluate estate plans. Consider revising beneficiaries for your will, life insurance and bank and retirement accounts. You may also wish to draw up: a new power of attorney so someone can handle your financial affairs if you are unable to revised medical directives and possibly assign custodians for underage children in case both you and your ex-spouse die unexpectedly.

Track funds' transfers. You may be required to transfer some or all of your individual retirement accounts, 401(k)s or pension plans to your ex-spouse. Administrators of 401(k) or pension plans generally require court-signed qualified domestic relations orders (QDROs) to begin any transfers or to divide a pension plan – and usually won't accept any documents that don't conform. Carefully track the movement of the accounts involved.

If you are to receive transfer of IRA or 401(k) money, you must decide where the funds will go. If you don't currently have an IRA, be certain that you open the correct type. For example, if you are receiving funds from a Roth IRA, open a Roth IRA if receiving funds from a traditional IRA or a 401(k), open a traditional IRA.

To ensure you receive transferred funds without incurring taxes, transfer funds (if the plans allow) to your IRA or current 401(k), from custodian to custodian.

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Document any transfers and save the paperwork for tax filing and other purposes.

Pre-plan to sell property. If you are required to sell your marital home, start preparing for the sale. Engage an experienced real estate agent to help you determine where to improve the home to fetch the best price. If you already moved and your ex-spouse still lives in the home, make arrangements so you can remove any remaining items.

Keep good records. Retain all documents relating to your divorce, such as the decree, the settlement agreement and parenting plan. Keep copies that prove you performed in time the actions that the settlement agreement required.

Also keep copies of receipt or payment of alimony, child support, children's expenses and property.

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Let's Have a Conversation

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