



I don't... Getting Divorced?

- ⇒ Consult with an attorney, mental health practitioner and financial advisor before making any significant changes. It is important to be educated about potential issues beforehand to minimize the financial and emotional toll this process takes.
- ⇒ Consider closing out unused credit cards and limiting balances on active accounts.
- ⇒ Since few states recognize same sex marriage, obtaining a divorce is subject to state jurisdiction and may require periods of residency within those states.
- ⇒ Because same sex spouses are not considered married federally, division and reallocation of retirement assets may create undue and unexpected tax burdens to the owner of those accounts.
- ⇒ Talk to a financial specialist to discuss the differences between federal and state tax treatment of property settlements and "alimony payments".
- ⇒ Property settlements, may be taxable transactions creating unexpected gift and income tax liabilities.
- ⇒ If children are involved, care must be taken in determining deductibility of the noncustodial parents payment of medical and health insurance.
- ⇒ It is important to review the IRS requirements for claiming dependents and head of household status during custody discussions. This is one of the most highly contentious divorce areas.
- ⇒ Post divorce, ensure beneficiaries on life insurance policies and retirement plans are updated to reflect your true wishes.
- ⇒ Wills need to be rewritten as well.

These are just some items that may arise in your marital status change. It is important to consult an attorney and tax advisor regarding these matters. Please do not hesitate to contact us with your questions.