GLENMEDE
PRIVATE WEALTH

Navigating Through a Divorce

While going through a divorce, you will make decisions that could have serious financial implications. We suggest working with a team of advisors, including your divorce attorney or mediator, accountant, wealth advisor and insurance agent, so you are well-positioned to make intelligent, fact-based decisions in the context of your needs. Below are several action items associated with the divorce process.

Get Organized

Early in the process, you will need to produce detailed lists and schedules of your personal assets and liabilities, as well as jointly owned assets, properties and liabilities.

- Identify individual and jointly held business and personal assets.
- Obtain current statements for bank accounts, investment accounts, retirement plans (e.g., 401(k), traditional IRA, SEP, Roth), pensions and Social Security, and education savings accounts. Obtain business governance documents (shareholders' agreements, partnership agreements, buy-sell agreements).
- Gather your will and trust agreements as well any pre- and post-nuptial agreements.
- Collect insurance policies, including home, umbrella, life, long-term care, health and auto.
- Determine if there are any assets or accounts that have been inherited and in separate accounts (i.e., non-commingled inherited assets).
- Identify beneficiary designations.
- Ascertain liabilities, such as mortgage statements, outstanding lines of credit or loans.
- Obtain copies of real estate deeds to properties co-owned with spouse as well as titles for cars and lease agreements.
- Secure tax returns, such as income tax (last three years) and gift tax return(s), to look for any deferred tax assets (e.g., capital loss carry forwards or charitable carry forwards).

Establish a Property Settlement

Meet with your divorce attorney or mediator, accountant and financial advisor to discuss the proposed property settlement, child custody arrangement and other issues. Be sure to:

- Discuss distribution of property and assets; pay particular attention to the tax costs of dividing assets.
- Consider child custody and support, including current and future educational expenses, along with alimony and spousal support, if applicable.

- Determine if you need a qualified domestic relations order (a decree or court order requiring that a portion of a retirement plan be assigned or paid to another person, such as a spouse or dependent, in a divorce).
- Notify insurance companies and financial institutions to change joint-account titling, and open new accounts in your name.
- Revisit and update beneficiary designations for life insurance policies and retirement plans.
- Consider retaining your own accountant if you do not already have one.
- Work with your Glenmede Relationship Manager to establish an investment plan and discuss time horizon, risk and liquidity needs.

Create a New Financial Path

It could take a year or longer to finalize a divorce. Use the interim to think about your immediate financial future and discuss options with your wealth advisor. You may want to explore and create a plan for your lifestyle, legacy and philanthropic objectives. We often begin with these financial planning fundamentals:

Create a balance sheet to determine your net worth (what you own minus what you owe). Identify sources of income, including salary, investment income and dividends, annuities, trust distributions, Social Security, retirement plans and IRA distributions. Determine fixed versus discretionary expenses.

Evaluate annual spending and develop a budget. Assess special budget items such as tuitions, medical expenses, children with special needs or assistance to family members.

Partner with your advisors to develop future lifestyle goals, such as spending needs, charitable goals and multigenerational planning. Review your estate planning documents, including your will, trust agreements, power of attorney and healthcare directives. Review your current and future tax planning, including income tax and gift tax.

Fixed (constant) expenses include income taxes, housing (mortgage, utilities property taxes, insurance, maintenance, rent), transportation, medical insurance, education and childcare.

Discretionary expenses include food, clothing, entertainment, travel and gifts.

Regaining a Sense of Stability

A divorce is a life-changing event. Your Glenmede team will work with you through this life transition, helping you to regain a sense of stability and confidence.

To learn more about navigating life transitions, please contact your Glenmede Relationship Manager.