

Video Script- 6 Steps to Help Prepare Your Wealth During Divorce

A divorce is one of the most difficult transitions you can go through. When you add uncertainty about money, that transition can get even more stressful.

Hello, I am Tripp Boyer and this is David Ramey. We are Partners of the Boyer Ramey Wealth Management Group.

Here are six steps to help keep your finances intact during—and after—a divorce:

Step 1. Assess your finances and make a budget

As divorce proceedings get underway, take stock of your finances. Start by reviewing your income, retirement accounts, investment portfolio, and insurance policies. Next, make a budget that reflects your income and projected monthly expenses.

Step 2. Target shared debts first

Debt on joint accounts can be problematic. Whatever your divorce agreement says, creditors will continue to consider both of you liable for the shared debt. Keeping those accounts open may pose problems later if your former spouse falls behind on payments.

Step 3. Divide assets thoughtfully

You and your former spouse may agree about dividing shared assets equally. There's more to consider than the relative size of each party's share—namely, tax implications and liquidity needs. For assets that come with tax obligations, the higher-earning spouse will likely take the greater tax hit from keeping them while the lower-earning spouse may struggle with paying the taxes for them.

Step 4. Review your retirement goals

The costs and financial changes that come with divorce can set back your retirement plan. Check to see how the terms of your divorce may alter your path toward your retirement goals.

Step 5. Revise your will and other documents

In general, a divorce won't automatically remove a former spouse as the primary beneficiary of your estate and other assets. Designate new beneficiaries for your estate, life insurance, annuities, and retirement accounts.

Step 6. Make a Plan B

Keep money in an emergency fund to cover expenses, such as childcare, in the event your ex-spouse fails to pay. Also, ask your lawyer about ways to guard against nonpayment in the divorce agreement.

Call-To-Action

We understand that this is a difficult time emotionally and financially. If you are looking for additional guidance reach out we would love to discuss how we help clients through divorce.

Until next time.

- Disclosure added to video:

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