

TEN TIPS FOR KEEPING YOUR DIVORCE ON TRACK

1. Hire professionals

A lawyer makes sure all the T's are crossed and that your settlement agreement has your legal and financial interests represented.

Similarly, a therapist makes sure you stay on top of your emotional life. Divorces aren't cheap, but it's worth spending the money on professionals if it ensures your long-term protection and happiness.

2. Start researching insurance

Chances are you had some sort of life insurance before your divorce, that now needs to be changed since your beneficiary will most likely change from your spouse to your children. You should also think about how you will care for yourself and children if your former spouse dies and there is not enough money in the estate to pay support or child care expenses.

Research life insurance options and disability insurance options and choose one that best protects your family against loss. Also consider whether you will need to obtain your own health insurance coverage after the divorce is over and how much it may cost you to obtain that health insurance coverage for you and your children, if necessary.

3. Manage debt

If you have any jointly-held credit cards or bank accounts with your spouse, re-title those accounts or cancel them after the divorce is final. The same goes for mortgages: Refinance them so only the responsible spouse will be held accountable for payments.

4. Take care of the house

Before the divorce is final, use joint money to pay for maintenance and repairs on the home. If you plan to sell the home, do so before the divorce is final so that selling costs are a joint responsibility instead of yours alone.

5. **Rewrite your estate planning documents**

Talk to your attorney about modifying any trusts or wills that mention your spouse. This is also a good time to do some tax planning so that taxes are minimized upon your death.

6. **Fight for what you deserve**

Don't back down on what is owed to you. In California, you are entitled to 50% of all assets. It's tempting to just "give in" so you can get the divorce over with, but it's better to secure your financial future now.

7. **Don't wait to transfer funds**

Once it's been decided that you will receive a portion of your spouse's retirement account, get the paperwork in order to get the transfer done. If your spouse dies before the paperwork is completed, you could miss out.

If you are working with an IRA, hire an attorney to draft a Qualified Domestic Relations Order, which is required to make the transfer.

8. **Start saving**

Now that you're divorced, your retirement savings have been cut in half. Now is the time to double your savings each month to make up for what you lost.

9. **Set aside savings for taxes**

Alimony is considered income and will be taxed. Set aside money each month and pay quarterly estimated tax payments. You can also ask your employer to withhold more money from your check each month so you don't have to make quarterly payments.

If you are the one making alimony payments, remember you can claim one exemption for every \$2,500.

10. **Don't marry without a prenuptial agreement**

Now that you've been through a California divorce you can see the benefits to having a prenuptial agreement. The agreement will outline how finances work during marriage and if and when it ends.