# FINANCIALJOURNEYS

FINANCIAL & RETIREMENT PLANNING FOR LIFE

## Dealing with divorce

Parting ways with a spouse can be stressful and challenging, and navigating the process requires careful planning to answer questions like: Where will you live? How will this affect your children? How will the divorce impact your financial future?

These questions may lead to difficult conversations, but they're worth having, no matter how overwhelming the prospect of life on your own may be. The answers will help you better navigate the legal, financial and emotional issues to come. Start by building a team that will see you through the emotional aspects and keep your best interests top of mind.

**Consult your client advisor**
Your client advisor is available to work with your team of professional advisors to help protect your interests. He or she can provide invaluable guidance when it comes to getting organized, estimating spousal and child support needs and sorting out the future value of retirement assets.

**Find a shoulder to lean on**
Divorce involves loss, uncertainty and upheaval – even when it's something you both want. It's best to have someone you trust to talk things out.

**Gather important documents**
When you consult a lawyer or a financial professional, bring the documents they'll need to help you assess your situation.

- Prenuptial agreements
- Estate plan documents
- Bank, brokerage, credit card and retirement account statements
- Business ownership and financial/tax records
- Life, health and disability insurance policies
- Auto, homeowners and renters insurance policies
- Tax returns for the past five years
- Mortgage or home equity loan documents

*(continued on next page)*

**FIRN, BRANCH OR FA NAME**
FA title (if applicable)
12345 Streetname Lane
Cityplace, ST 00000
T 000.000.000 // T 800.000.0000
websiteaddress.com

**FA NAME**
FA approved title
FA approved title

**FA NAME**
FA approved title
FA approved title

**FA NAME**
FA approved title
FA approved title

RAYMOND JAMES®

# Dealing with divorce (cont.)

- Outstanding bills or obligations
- Real property deeds
- Motor vehicle titles
- Credit reports
- Current income and expenses
- Pay statements for you and your spouse
- Loan applications and related personal financial statements
- Personal property documentation for valuable assets
- Wills, living wills, powers of attorney, trust documents
- Inventory of safes and safe deposit boxes

## MONEY MATTERS

Sure, relationships aren't all about money. But too many allow the emotional aspects to overwhelm the practical ones. Instead, approach and address these important topics in an objective manner.

**Create cash flow**
Liquidity can be essential as you think about hiring a lawyer, moving out, etc. Make sure you'll have enough cash to cover your expenses throughout the process.

**Develop a budget**
List your current income and expenses, then work with your client advisor to develop a spending plan until the divorce is final and get an estimate of what your post-divorce income may look like.

**Be vigilant about your credit**
If you don't already have one, open a credit card in your own name and use it wisely. Keep tabs on your credit score, too.

## PREPARING YOURSELF

During negotiations, compromise and civility are key; however, don't agree to anything without first considering the long-term implications.

**Approach negotiations with the right frame of mind**
Seek a fair and equitable settlement. Your client advisor can help you determine which assets are the most valuable to you and help you avoid settling for less.

**Divide assets**
Even short marriages accumulate quite a bit of joint assets. It's important to identify those that should be part of a fair and equitable distribution.

**Divide the business**
A jointly owned business can be a sticking point in a divorce. Ideally, you'll already have a tentative plan in place that separates the personal from the professional and ensures the continuity of the business.

**DIVORCE AFTER 50** Among those ages 65 and older, **the divorce rate has roughly tripled since 1990.**
Sources: National Center for Health Statistics, U.S. Census Bureau

**Be smart about housing**
Experts caution against automatically choosing the house over other assets. Determine whether you can afford its current and future costs, including insurance and property taxes.

**Deal with debt**
Come to an agreement about who will pay the mortgage and other ongoing bills until proceedings are final. Stay current on all bills to keep from damaging your credit.

**Know your retirement options**
You may have a right to a portion of your spouse's pension benefits, retirement assets, company stock options and other types of deferred compensation.

**Read up on Social Security**
If you've been married at least 10 years, you could be eligible to receive half your spouse's benefits. Visit ssa.gov for more information.

## PLANNING YOUR FUTURE

Taking the time to plan for your new life can help make the transition much smoother and ensure that divorce does not derail your financial plan.

**Get a handle on your finances post-divorce**
It's time to reassess your investments and financial plan to ensure it's aligned with your new goals. Your client advisor can help with budgeting, cash flow, financial goals and making the most of your settlement.

**Establish your new identity**
If you submitted a name change request with your divorce petition, make it official. Once complete, don't forget to notify your employer, Social Security Administration and the Department of Motor Vehicles.

## STANDING ON YOUR OWN

It can be difficult to picture what life will be like after a divorce, but your client advisor can help you see the possibilities more clearly and help you make decisions that align with your goals. ■

### NEXT STEPS

- Educate yourself on the many details of divorce
- Gather important documents
- Discuss strategies with your advisor and legal professional

# Get financially fit

## Eight moves to whip your tax strategy into shape

Tax season isn't the only time you should be mindful of your taxes. Challenge yourself to tone up your tax strategy and help you keep your taxes in top form year-round. Of course, also be sure to consult your tax professional and financial advisor.

### 1. FIND A TRAINER

You'll want a heavyweight tax professional in your corner. Don't have one? Ask your financial advisor, other professionals, friends and family for a recommendation and get interviewing. You'll need a tax trainer to keep you focused.

### 2. TAKE IT TO THE MAX

Push your retirement contributions to the limit. For 2018, you can add $18,500 to your employer-sponsored plan and/or $5,500 to an IRA, with additional $6,000/$1,000 catch-up contributions if you're over 50. Ask your advisors for details. Bulking up your tax-advantaged savings trims your taxable income, too.

### 3. DIG DEEP

Look long and hard at how your life has changed since the last tax season. Did you get married, have a baby, or send a son or daughter to college? Make sure you understand how life changes can impact your tax bill.

### 4. CRUNCH YOUR NUMBERS

Your employer withholds a certain amount of pay for taxes based on your W-4, which outlines the exemptions you want to claim. Withhold too much and you're giving the IRS an interest-free loan; too little and you'll owe. Find the number that's just right by using the withholding calculator on the IRS website (irs.gov/Individuals/IRS-Withholding-Calculator) or discussing your W-4 with your tax pro.

### 5. GET DISCIPLINED

Getting your taxes in shape takes dedication and commitment. Diligently track and review your deductible expenses, donations and mortgage interest, as well as any credits you're eligible for. Don't forget relevant documentation.

### 6. NO GAINS, NO PAIN

If you sell an appreciated asset, you'll need to pay resulting capital gains taxes. You can use the proceeds or pump up savings. While you're at it, check out any capital losses you may have on the books, too.

### 7. LOSE THE WEIGHT

Cut loose any investments that are weighing down your portfolio to offset gains from the winners. This strategy is called tax-loss harvesting.

### 8. SET A GOAL

Flex the power of your generosity by focusing your giving strategy on a specific location or single cause. A more organized and tax-efficient approach, perhaps through a donor-advised fund or other dedicated vehicle, could help you help others more effectively.

○ ○ ○

Discuss these steps and others with your professional tax advisor; your financial advisor can help coordinate the conversation. Then you can relax, knowing you're in great shape for the next tax season. ■

### NEXT STEPS

- Familiarize yourself with tax-saving strategies
- Make a commitment to be mindful of taxes year-round
- Consult your tax professional and financial advisor

# Eight estate planning essentials

Here is an overview of eight different documents you may need to prepare for yourself and your family. Talk to your advisor about navigating this process.

### 1. LAST WILL AND TESTAMENT

A legal document used to distribute property to heirs, specify last wishes, name guardians for minors and identify who is responsible for managing the estate and implementing your wishes. Every adult needs one. If you don't specify who will take care of your children and who gets your possessions, the state will specify.

### 2. DURABLE FINANCIAL POWERS OF ATTORNEY

A durable power of attorney gives someone you trust authority to handle your financial and legal decisions if you're unable to do so yourself. Of course, the person selected needs to be someone who will represent your best interests.

### 3. DURABLE MEDICAL POWER OF ATTORNEY

You assign a healthcare proxy or durable power of attorney to make medical decisions for you when you are incapable to do so for some reason. This person will need relevant health information so be sure to include a HIPAA provision that gives your physicians permission to disclose your medical information.

### 4. LIVING WILL AND MEDICAL DIRECTIVES

A living will lets you specify what types of medical treatment you want to sustain your life, if you're terminally ill or are in a vegetative state. Medical directives apply if you become incapacitated and are unable to communicate your wishes for treatment.

### 5. REVOCABLE OR LIVING TRUST

In many states, a living trust can be used to distribute property a little more privately than a will. It also can help avoid a costly and stressful probate court process and may offer substantial tax benefits. Living trusts can also be used to transfer assets in an orderly, and private, manner. You can even stipulate provisions for the bequests, if you wish.

### 6. BENEFICIARY FORMS

For insurance policies, retirement accounts and some other assets, the beneficiary form prevails over the will. So whomever you've named will receive those assets unless you update the form. It's a good idea to keep current copies, as well.

### 7. LETTERS OF INSTRUCTION

A way to share any wishes not covered by a will, such as preferences on your funeral, how to care for your pets or whether you want to donate your organs.

### 8. LIST OF CONTACTS

A detailed list of people to contact in certain circumstances, including family, friends and the professionals who oversee your legal, financial, insurance and health matters. ■

### NEXT STEPS

- Make sure your estate plan is complete and in order
- Familiarize yourself with the important documents you need
- Talk to your advisor about navigating this process