

Divorce – Why is Breaking Up So Difficult?

Financial decisions connected to the dissolution of marriage pose complex problems that may require specialized professional skills and expertise. As your financial life becomes more complex as you are granted stock options or restricted stock units, form your own business, establish and fund trusts, participate and/or vest in employer sponsored pension plans, participate in non-qualified retirement plans, become forced to elect COBRA coverage for health coverage due to the divorce, or face other difficult decisions surrounding financial assets. As the complexity of couple's marital assets increase, then divorcees are faced with engaging financial advisors capable of assisting with proposed strategies for unwinding the financial bonds of matrimony. The three WHATs may go a long way in resolving many of the financial issues. These three WHATs are: What assets are involved? What is the value of the assets? What are the tax implications?

The judge presiding over the divorce is the only authority who can determine an equitable division of assets. Financial advisors trained in this area can work with attorneys to create possible scenarios for dividing assets. During negotiations to divide marital property, the tax implications should be considered to attempt to create a more even property division, economically. However, when both parties are determined to settle this process in court, many judges refuse to include the tax implications. Judges have decided that future tax implications have too much uncertainty, primarily because of the unknown about future tax rate.

For further details please don't hesitate to call.

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