**The Top 3 Stupid Divorce Settlement Mistakes**

When you are facing a life changing decision like divorce, what do you think you will find more valuable: Someone to make you feel better by saying that nothing has to change, or someone who will give it to you straight, no chaser? I feel strongly that not enough people in the world of divorce professionals will truly tell it like it is. They tell you want you to hear which can lead you to make some stupid mistakes. Easily Avoidable mistakes; Mistakes that need not happen!

I tell it like it is. Your household income as a couple will now be supporting two households, so yes, things will change. Let me guide you through that change with some simple points. Basically, let me help you not be stupid!

Here are a few things that I see repeatedly when it comes to divorce. Settlements are agreed to (and sometimes even ordered by a judge!) then the people come to me after-the-fact confused and bewildered and I read through their decree and just shake my head. Please, please, please – don’t make these mistakes!!

**#3 – The settlement doesn’t take taxes into effect – AT ALL!**

 We all know that Uncle Sam will dive into our pockets at every opportunity. Absolutely do not agree to a settlement without knowing the tax implications! What people often find is that the tax burden on their half of the marital assets is significantly higher than their spouse’s making their “half” of the assets worth significantly less than they thought! More specifically, don’t expect your attorney to do this! Attorneys are not accountants or financial advisors and a lot of them won’t bother to warn you of that. Buyer beware.

**#2 – Pensions are split 50/50 but no one knows what that really means.**

 Over and over and over I see divorce decrees that order pensions split 50/50 but no one has any idea what will actually happen. When do you start collecting? Is there an option to take a lump sum? Will there be a cost of living increase each year? What if you or your spouse dies? Will it keep paying? Will it double? When I ask these questions, no one has ANY IDEA what the answers are? Really? How can you possibly agree to a settlement without understanding something so crucial to your retirement? Again, do not expect attorneys or mediators to be of much help here.

**#1 – Drum Roll – The biggest stupid mistake I see is keeping a house you can’t afford.**

 I understand you can get emotionally tied to the family home and really want to stay. Before you even consider this option, you must do a budget. I also strongly suggest you meet with a financial planner. I have witnessed where one or two years down the road the spouse who “won the house” has run out of cash and realized that they can’t sell a window to put food on the table, they can’t refinance because now they don’t have enough income, and they have no choice but to sell. The selling costs are about 8% of the sale – all of which would have been split 50/50 with the ex if they had sold as part of the divorce. Stupid, stupid, stupid.

And completely avoidable.

So listen, I know “stupid” is not a very nice word and ignorance is probably more accurate. But please, realize you don’t know what you don’t know. Bring in the right experts for your divorce to make sure that you are smart and make the best decisions you can with all the information! Don’t go this alone. As we say at (insert your company name), “You only have one chance to get it right!” Let us help.