Understanding Your Divorce Settlement

You’ve made it to the other side. The divorce is final and it’s time to start moving forward. You’ve made it through the tears and anger. The overwhelm of change that occurs through the divorce process did not defeat you and you are facing a new life that you can’t even really envision yet. I see a lot of people get stuck here for a while. I’ve even witnessed some revert to the single days of youth with no responsibilities or boundaries. This is where some not-so-smart choices about money, jobs and homes are made. Don’t be that person. It’s a waste of time and it’s guaranteed to bring regret. Now, is ultimately the time to start to heal and move forward. This is where you can begin to build something positive and meaningful from all that you’ve been through.

Job number one to build a healthy new life is KNOW YOUR SETTLEMENT! I know it’s been a difficult process and you really want to take a break, but this is of crucial importance. I come across tons of people who aren’t really sure exactly what they’ve been awarded. And still, because they really just want to be done with attorney fees, they don’t call their attorneys. But believe me, this may very well represent the best return of all the fees you have paid. Read through your final decree and MAKE SURE you understand everything in it. If you don’t, either suck it up and schedule another hour with your attorney or use a divorce specialist like me to help you. Part of the post-divorce transition assistance that my company and others like it offer includes reviewing your decree, setting up accounts and walking through the transfer of any assets that need to be transferred.

At this time, if you haven’t heard it before, you’ll likely hear that dreaded term, QDRO. (Pronounced quadro.) This is another legal document that you might need if you’re supposed to get part of your former spouse’s retirement account. I’ve had individuals come to me years after their divorce who can’t figure out why they never got the 401k or pension payments they were supposed to. Because no one did a QDRO or told anyone they needed to! It’s crazy! But it does happen, and you don’t want to be the one to miss out on an awarded pension because the QDRO was filed too late.

Once you know what you have, now you need to know how to manage it to make sure it lasts! Enter your trusted partner financial advisor. Get one!!! Don’t even question it. You need a professional. Here’s my best advice about finding one. The truth is they all have the same products and services at their disposal. Some only use one or two, some use 20. Some like complex and some like simple. Bottom line is know and understand all the expenses you are paying to them and here’s the biggest one – hire someone you like and trust! Even if it’s just a gut feeling. Trust it. Don’t be dazzled by sales tactics. Choose the person who felt like a friend. In the long run, you’ll be much happier.