

JANET M. NAST

 A LIVE, LOVE, LEARN SERIES

Shifting to
the Business
of Life *A Survival Guide
for Young Adults*



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Divorce

Overview

You file for divorce when you and your spouse decide that you can no longer live together peacefully. This is when you truly learn that a marriage is a financial arrangement.

Although I have been through three divorces of my own, I do not claim to be an expert on the topic. But I do know divorces can go one of two ways:

- **In a friendly divorce**, or one where there's really nothing (*no real property, children or pets*) to split between the two of you, you could just use a paralegal to assist with completing all the legal paperwork and filing it with the family courts.
- **In a nasty divorce** where there's a lot of fighting going on, I strongly suggest you consult a divorce lawyer in order to protect yourself and your finances.

In either situation, here are a few things to consider:

- A friendly or "amicable" divorce (*in California*) will take a minimum of six months from the minute you file the initial paperwork in family court. If it's an unfriendly or nasty divorce, it could take years. In either time frame a lot can happen.
- In order to protect yourself financially, file for a legal separation immediately. This will cut your responsibility for any debt your spouse incurs during the divorce proceedings.

With a friendly divorce in which you are both talking to each other and working together to divide property, and are discussing money, alimony, child custody and child support, you probably don't need to do this. Only you can decide for sure.

- Make copies of all bank account statements and credit card statements. This will help both of you determine what debts (*money owed*) and assets (*money and property owned*) you share. When it comes to dividing it up, having these documents will make the discussion much easier, especially if one party empties the bank account without the other one's knowledge.



- Close any joint credit cards as soon as possible. This will protect both of you from one spouse running up more debt just to upset the other spouse. One of you can do this without the other's approval. You might want to be nice though, and let the other party know you are doing this to avoid him or her the embarrassment of using a closed credit card account in front of friends or coworkers.
- Get copies of all retirement account statements. Any funds added to these types of accounts during a marriage are considered community property.
- Get copies of all pay stubs. These are needed in cases where alimony and child support are determined.
- If you own vehicles of any kind, a home, a business or any other property get it appraised. Again, this aids in determining the value of community property and how it's to be divided between both parties.

This is by no means a complete list, just some suggestions to get you going in the right direction. You really should consult a divorce attorney to get all your questions answered.

Filing Income Taxes After a Divorce

You do have the option of filing taxes jointly for the last year in which you were still legally married. That said, it might not be the best choice for you financially or even emotionally. Talk to a tax professional to find out the best way to handle this.

