



Financial Planning for Divorce Checklist

Step-by-Step Guide to Planning for Divorce or Separation

1. Collect important financial documents

First, collect important documents that will be used and referenced throughout the financial planning and divorce process. These documents include:

- Financial statements for both parties
- At least three years of income tax returns for both parties
- Details regarding investments
- Employee benefit/retirement information
- Information regarding your mortgage(s)
- Most recent pay stubs for both parties
- List of assets
- List of debts
- Marital property inventory and/or receipts
- Non-marital property inventory and/or receipts
- Household inventory
- Household bills and/or receipts
- Bank account statements (*joint and separate*)
- Credit card statements (*joint and separate*)
- Child or spousal support (*paid or received*)
- Insurance information
- Any other documents that impact your financial situation

2. Consult a professional

A professional, such as a Certified Divorce Financial Analyst (CDFA), can help you through the financial planning process for divorce. They can:

- Save you time
- Offer financial clarity
- Help with long-term financial planning
- Create a realistic post-divorce budget
- Reduce stress

You can find a CDFA in your area here: <https://institutedfa.com/find-a-cdfa>

3. Discuss the big topics with your spouse

The major issues that are important for spouses to discuss, and ideally develop an agreement to, are the custody of any minor children, the amount of child and spousal support to be paid/received, and the division of property.

If you cannot agree, these items will be discussed and settled in court, but it will likely be much more expensive and stressful to all involved.

Custody of children

The custody arrangement of any children is one factor that will influence child support payments, so it's important to discuss this with your spouse. It's also a sensitive and important topic that may require significant thought.

Read more at: <https://www.justice.gc.ca/eng/rp-pr/fl-lf/famil/flc2002/flc2002c.html>

Child and spousal support

Review the factors that are used to calculate how much spousal support (alimony) and/or child support will be paid or received.

You can use the *Canadian Child Support Table Look-Up* to help determine child support payments. (<https://www.justice.gc.ca/eng/fl-df/child-enfant/2017/look-rech.aspx>)

Calculating spousal support is one of the most complex areas of Family Law in Canada. You can reference the Government of Canada's spousal support fact sheet to learn more. (<https://www.justice.gc.ca/eng/fl-df/fact3-fiches3.html>)

Division of property

Review all property and determine a plan for how to divide it. In general, the law considers the term 'property' to include a variety of items, including:

- ✓ your home
- ✓ furniture and other contents of your home
- ✓ other real estate
- ✓ pensions from employment
- ✓ Canada or Quebec Pension Plan credits
- ✓ RRSPs
- ✓ Investments
- ✓ bank accounts
- ✓ cash
- ✓ pets

This property is all subject to review and negotiation in divorce proceedings, so it's important to be prepared.

4. Determine a strategy for dealing with debt

Evaluate your shared or joint debt, as well as any debt incurred by your spouse.

Shared debt

Discuss a repayment plan and/or strategy to pay off or divide any shared debt. This includes mortgages, auto loans, joint credit cards, etc.

Spouse's debt

In general, you will not be liable for paying any debt that your spouse acquired before you were married. However, if your spouse acquired debt during the marriage, family law courts in Canada could treat that debt as joint debt. Evaluate what debts your spouse has incurred and determine if there is a need to divide or share them.

5. Make a plan to improve your credit

Your credit score will likely be negatively impacted post-divorce, from closing credit accounts and applying/opening new ones. There are several factors that impact your credit score, including:

- ✓ Your payment history or ability to make on-time payments
- ✓ Your credit utilization ratio
- ✓ The length of your credit history
- ✓ The number of credit accounts you have
- ✓ The types of credit you have, or your credit mix

Your credit score is a key component to financial success, so make sure you have a plan to address each of these factors.

6. Update your will and estate plan

Update your will so that it reflects your wishes post-separation or divorce. This includes updating:

- Your last will and testament
- Your power of attorney for personal care
- Your power of attorney for property
- Any insurance policies and their beneficiaries
- Any trusts you have created
- Any other housing, funeral or burial arrangements you have documented