

Important Financial Documents For Divorce

You probably already know that heading into a divorce is very overwhelming and stressful. Simply getting a handle on the financial piece is one of the things people struggle with most; however, having an understanding of the finances of the marriage will allow you to have confidence when you're moving ahead with negotiations to divide marital property and consider support calculations.

To help you get a handle on your financial situation, here's a list of documents that you might want to obtain when you're first heading down the path of divorce:

- **Bank statements:** Obtain the most recent statement for each account. Prior statements might also be useful if you think your spouse might have transferred or withdrawn funds.
- **Investment statements:** Again, the most recent statement, as well as prior statements if there may have been activity that you weren't aware of or don't understand.
- **Retirement account statements:** This includes 401(k)s, 403(b)s, 457 plans, and traditional and Roth IRAs, as well as information about pension plans for which you or your spouse are eligible. Obtain any information you can on outstanding loans from retirement plans as well.
- **Tax returns (2-5 years):** For simple tax returns (meaning just W-2 income and possibly a small amount of dividends or interest), two years should be sufficient; however, if there is a business or partnership involved or some other complexity, such as a rental property, going further back can provide more information. If you have used a professional tax preparer, that person should be able to provide you with your own copies of the final returns, even if your spouse is the one who always handled the taxes.
- **Recent pay stubs for both parties:** This is most important when either spousal support or child support may be an issue, although it may provide clues to payroll-related benefits, such as accumulated paid time off.
- **Employment contract, if one exists:** This is often important for executives; it may describe benefits such as stock options, bonuses, or deferred compensation
- **Details of any other assets:** Consider the value of your house and cars, as well as any other real estate, such as rental properties or vacation homes. Include motorcycles, snowmobiles, or other vehicles; any item with a value over \$1,000 should be included. Consider other types of assets, such as whole life insurance, annuities, frequent flier miles or credit card points, or any employee benefits leftover from a former employer, such as deferred compensation or stock options.
- **Details of any other debts or loans:** Obtain as many details as you can about any debts you or your spouse have outstanding, whether jointly or separately held. Important information includes the outstanding balance, monthly payment amount, interest rate, and the remaining term of the loan. Don't forget amounts owed to the IRS.
- **Your own credit report:** This will not only help you in considering your transition to post-divorce life, such as whether you may qualify for a mortgage on your own, but may possibly also reveal debts that you may not be aware of.

Having your own copies of these important documents will not only allow your attorney or financial professional to have a full understanding of the assets and debts and the income within the marriage, but will also help you to feel more in control of the process, and confident that you're looking out for yourself.