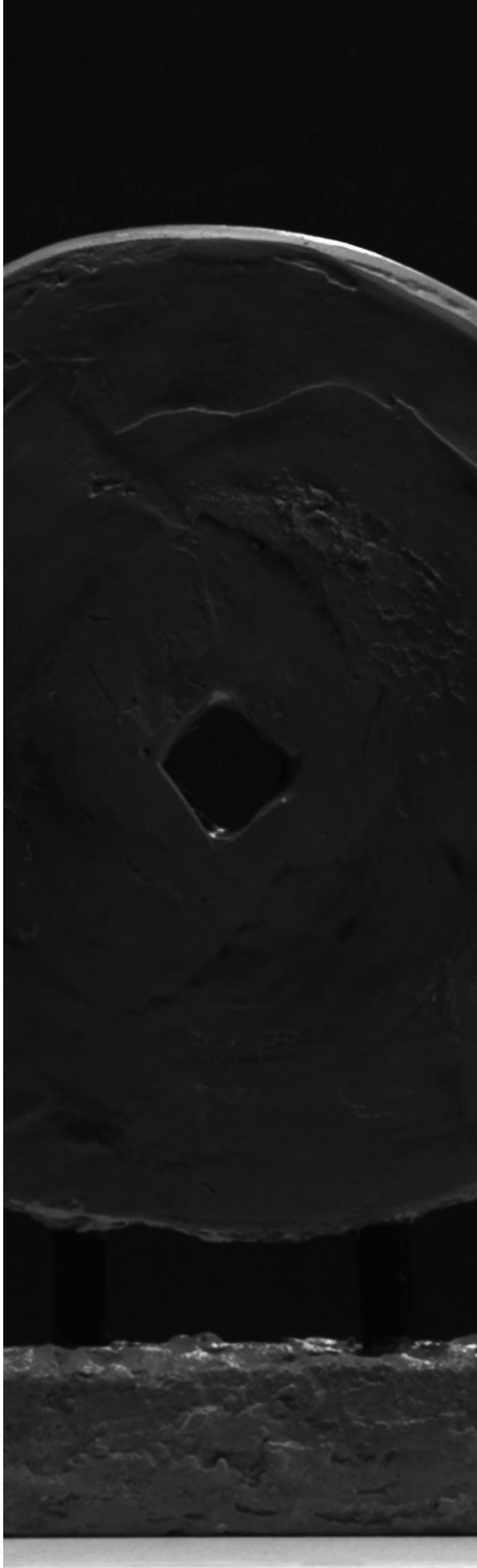




Planning During a Divorce

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Beyond the emotional complexities, high-net worth divorce comes with its own unique set of challenges. Your NewEdge Wealth team is here to help you work through this major life change by partnering closely with your divorce attorney and assembled team of advisors to help guide you every step of the way.

Here in the United States, the divorce process is run by the relevant states' civil court system. If the parties can agree on the critical divorce issues, the process may be uncontested. However, if one or more parties does not agree, the divorce is contested which generally takes a long time to resolve and may be relatively expensive.

Critical Divorce Issues:

Dissolution of Marriage: In some states, divorcing spouses have the option of filing either a “fault-based” or “no-fault” divorce. Other states allow only no-fault divorce.

Property Allocation: Divides assets and liabilities between the parties. Property transfers pursuant to property settlement agreements are generally nontaxable events for income and gift tax purposes.

Alimony: One spouse may have a much greater earning power or asset level than the other. The spouse with greater earnings may be required by the court to pay alimony to the other spouse.

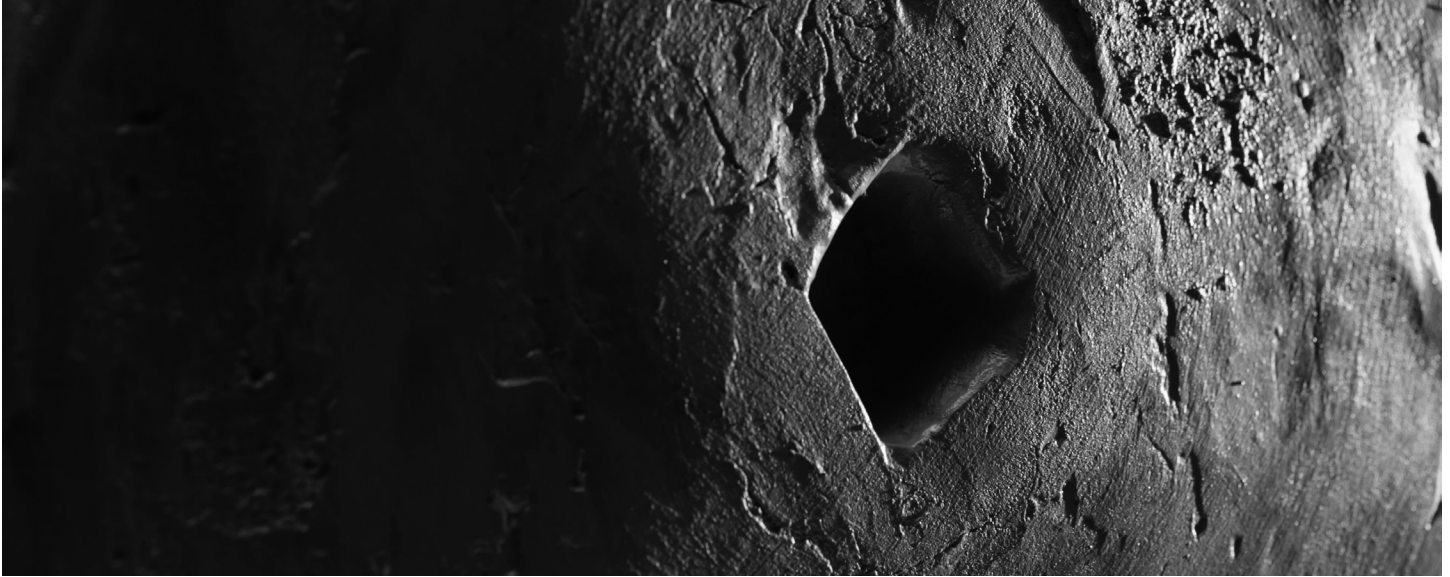
- Under current tax law, alimony payments will no longer be deductible by the payor, nor includable in the taxable income of the payee.

Child Custody: When a married couple has minor children, deciding who gets custody must be sorted out. The trend in recent years is that jurisdictions favor joint custody.

Child Support: When a married couple has minor children, one parent may be responsible to make payments to the custodial parent to cover some or all costs of raising the children.

- Child support payments are generally nondeductible by payor, nor includable in taxable income of the payee.

Divorce can oftentimes feel overwhelming. Here are a few things to consider prior, during, and after the process.



Prior to Filing a Petition for Divorce:

- Seek professional advice quickly and proactively
 - Conduct your own research and pick the attorney that is the best fit for your unique situation. An experienced high-net worth divorce attorney will likely refer you to a forensic accountant.
 - Meet with your NewEdge team and other specialized experts, such as a Certified Divorce Financial Analyst® (CDFA®), that you feel confident in and comfortable with.
- Anticipate how your life may change during the divorce process and after
- If applicable, review and have a professional interpret your premarital agreement

During the Divorce Procedure:

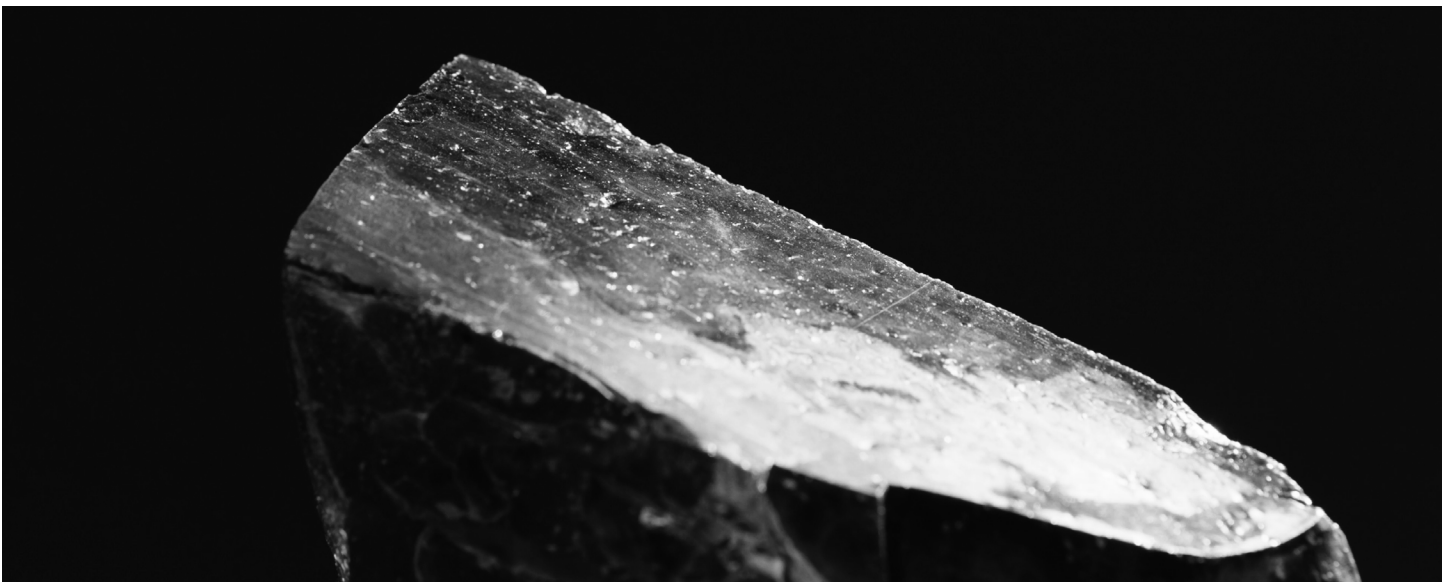
- Consult with your divorce team before making any significant financial purchases, movements, or decisions
 - When parties file a petition for divorce or separation, a court may impose a temporary restraining order (TRO). This restraint forbids any party from making transfers or changing beneficiary designations. TROs generally remain in force until the petition is dismissed or the divorce is final.
 - While you are unlikely able to retitle assets or fund new entities, you can begin engaging with an estate planning attorney.
- Gather appropriate documentation for necessary disclosures
 - This can be extremely cumbersome. Your NewEdge team will work with your divorce team to help get you organized. This includes gathering the necessary information needed, i.e., deeds, trust documents, account statements, business valuations, etc., and working with you to build your income and expense declaration.
- Work with your NewEdge Wealth Strategy team or Certified Divorce Financial Analyst® (CDFA®) to perform a settlement assessment
 - Understand the ways your divorce can affect your finances now and, in the future, to evaluate the alternatives and make informed decisions to optimize your settlement.

- A dollar does not equal a dollar when dividing assets. A common mistake is not assessing the future growth or tax ramifications of each asset to make the process of dividing assets more equitable.
- Interpret your current cash flow and help restructure your personal and business budgets if necessary.
- Consider that the cost of litigation, time taken away from income producing activity, and increased living expenses from separated households may quickly deplete liquid assets. It's important to address new circumstances.
- Try not to let emotion drive your decisions
 - Agreeing to settlement terms for the sake of getting out fast can have a devastating impact on your financial future.
 - Before you make or accept a divorce settlement offer, you should discuss with your divorce team the potential effect of settlement alternatives on your current and future tax liabilities, income potential, retirement plans, ongoing obligations, financial flexibility, and other financial matters. Their expert advice could be critical to your financial future.
- Work with a divorce attorney to fully understand the marital settlement agreement and contingencies

After the Divorce is Finalized:

- Revisit all dispositive documents such as estate planning documents, buy-sell agreements, and beneficiary designations
- Review all insurance coverage
- Continue working with your NewEdge Team to maximize post-divorce assets and cash flow, to ensure your family is set up for financial success

There are plenty of opportunities for mistakes during divorce. Your divorce attorney, NewEdge Wealth team, and assembled team of advisors are here to act as technical and practical guides for you and your family.



Let's talk.

For more information call 855-949-5855 or
visit www.newedgewealth.com.

Industry Designations

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