



Preparing for Divorce Checklist

Planning is essential for success in all aspects of life, including separation and divorce. This Checklist is designed to help you achieve a successful divorce.

Get the help you need

1. Divorce is a legal process

- Understand the important parts of the law that govern this process. There are both federal and provincial laws that are part of this process.
- Understand about the ways to negotiate the terms of your divorce: mediation, collaborative or the court system.
- Understand the steps in the process you have chosen.
- Hire a lawyer you understand and you can trust and who practises in the type of process you want to use in your divorce.
- Distinguish between short and long-term priorities and concerns.

2. Take care of your health

- This means both your physical and emotional well-being.
- Talk to your doctor if you are not feeling well.
- Seek out a counsellor to help you process your emotional reactions to the changes in your life.

3. Hire financial expertise

- If you need help figuring out your budget, or assessing the different financial scenarios of your divorce, hire a financial divorce expert.

Get clear on the financial facts

Gather together all of your legal and financial documents

1. Legal Documents:

- Driver's License/Passport/citizenship documents or other identification to prove your identity
- Children's birth certificates and/or adoption papers and passports
- Pre-nuptial or marriage agreement if one exists
- Marriage certificate - the original and a notarized copy of the certificate for both of you
- Wills, Powers of Attorney and Health Care Directives/Representation Agreements
- Other agreements (shareholder agreements, IOUs, promissory notes, trusts)

2. Financial Documents:

Tax and Investment Documents

- Tax returns and Notices of Assessment for each spouse for the last 3 years
- A current and end-of-year pay stub for each spouse
- Tax returns and Notices of Assessment for any corporate entities, trusts or children for the last 3 years
- Investment and insurance statements for each spouse for all RRSPs, TFSAs, RESPs, and non-registered investment accounts
- Confirm the beneficiaries for all Registered (RRSP, TFSA, pension and RESP accounts)
- Canada Pension Plan Statements and any other national pension statements you or your spouse may have (e.g. UK, USA)
- Pension statements and group benefit information booklets
- If you are already claiming your pension: Documents regarding the pension options that were chosen at your retirement
- Property valuation, appraisal or government assessment or tax notice for each piece of real estate that you own

Personal Assets – jewellery, antiques, art and other collections of value

- If these assets are of significant value try to provide an appraisal or insured value for each asset (especially if they are disputed)
- Ownership papers for every vehicle (cars, boats, snowmobiles etc)

Debts

- Get statements for each debt if possible
- For every debt – mortgage, car loan, credit cards, secured and unsecured lines of credit, education debts, and all other debts – find out the name of the institution, balance owing, security provided, interest rate and amortization, along with the monthly payment amount
- Ensure you include any debts you have guaranteed or co-signed for a company or a family member or other person

Banking, Spending and Consumer Debts

- Statements for all banking and credit accounts
- For existing joint debt, make sure you understand what obligation you have, and what controls are in place (or should be) so that the debt does not mount without your knowledge or consent
- If you don't have separate accounts, consider opening a separate account for yourself
- If you don't have separate credit cards, consider applying for your own credit card for your own expenses
- If you have children, be sure to document how much you spend on direct children's expenses (clothes, activities, sports, music lessons, schooling/supplies, medical)

Individual Life, Disability, Long Term Care and Critical Illness Insurance

- Get copies of all the policies in force, understand the coverage in place on each spouse, the cost of each policy and the beneficiaries appointed
- Confirm with your lawyer when and how the beneficiaries can be changed and put in place the required checks and balances if necessary

Medical Insurance

- If you are covered under your spouse's medical plan, find out about coverage options available to you, either through your employer or by getting estimates for purchasing your own coverage
- Make sure your health and dental claims are up to date

Business Assets (incorporated or un-incorporated)

- If you or your spouse are owners of a business, provide any partnership agreements or any other relevant agreements
- Provide the corporate structure: Is there one company or more? Who owns the company? Who has voting shares? Who owns the dividend shares? Has there been a re-organization or any tax planning done with these entities?
- Are there any business debts that have been co-signed or guaranteed by you or your spouse?
- Are there any assets owned by the business (cars, real estate)?
- Get the most recent 3 years of financial statements for the business including notes

Housing

If you will be moving after your divorce, get informed about the cost of either renting or owning in your area and in other areas you might consider. Look around – DO NOT COMMIT to something just yet – to see what your money will buy. Consider costs of furnishings and household goods.

Special Situations

Be sure to tell your lawyer and financial professional if there are special considerations such as:

- Dependent parents
- Physically disabled individuals
- Children or others with learning or other disabilities
- Children from a previous relationship of either spouse
- An inheritance received during the relationship

Work on your Budget

- Determine your current budget and your interim cash management strategy
- Figure out your post-divorce cash flow needs, and what expenses are required for your children

Make the transition for children as easy as possible

- Unless there are safety issues, ensure children have access to both parents until a regular schedule can be determined.
- Don't involve the children in your divorce. Don't talk to them about the problems you are having settling your affairs with their other parent, or try to alienate them from the other parent.
- Children feel the stress of this process too. Watch for changes in their behaviour and in school performance. Make sure to keep their teacher and school counsellor informed. Don't hesitate to get them professional help or support if they are acting out or need to talk to someone who is uninvolved.

Disclaimer:

This list is not inclusive of all considerations but is a starting point for consideration. This document is not legal or financial advice. Family law and procedures change frequently. Complete and current legal information and advice can only be provided by your lawyer. Use of this checklist does not create a relationship with the advisors listed on the DivorceFinancialPlanners.ca website.

Divorce in Canada is a legal matter with legal consequences. Divorce Financial Planning clients are advised to obtain independent legal advice. Legal advice is the exclusive purview of members of the Law Society of British Columbia. Divorce Financial Planners do not provide legal advice. When hiring any of the listed Divorce Financial Planners you agree that no legal advice will be requested or given by that Divorce Financial Planner.

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