

**LIFE EVENTS**

**By the numbers**

- **40%–50%** of first marriages end in divorce.
- The divorce rate for second marriages is **60%**.
- The divorce rate for third marriages is **73%**.

Source:  
<http://www.divorcestatistics.org>.

This material should be used as helpful hints only. Each person's situation is different. You should consult your investment professional or other relevant professional before making any decisions.

## DIVORCE WORKSHEETS

With so many emotions involved in the dissolution of a marriage, you will probably want to make the financial aspects of your divorce proceed as smoothly as possible. Here are some important issues to consider as you start the divorce process.

### Financial affidavit and property settlement

Each spouse must complete a financial affidavit. The document is filed in court records and lists each spouse's income, expenses, assets and debts. This checklist may help you gather this information.

### Income and expenses

On either a monthly or annual basis, determine your household budget.

### Assets

Determine what your assets are by putting together an overall inventory of your property.

You will also need to divide your marital property. Different states have different laws regarding property distribution.

It may be helpful to find out about your state's law (in other words, how a state

determines what each of you would get should you take your divorce case before a judge) and use that information as a guide when dividing your marital assets. Or you may want to look over your list and each take a turn choosing who gets what. Some couples may want to try a trade approach, where one spouse agrees to take an item or items considered equal in value to those the other spouse chooses to keep.

### Debts

In a divorce, joint debt is considered marital property. You should carefully determine which debts are individual and which are shared.

You and your spouse may want to order credit reports in order to determine exactly who is responsible for each of your debts.

### Key points

An important distinction to consider when determining ownership is separate versus marital property.

#### Separate property

- Items brought into the marriage
- Items inherited during the marriage
- Items received as gifts during the marriage

#### Marital property

- Everything (except personal gifts and inheritance) acquired during the marriage, no matter whose name it is in

- In some states, any increase in the value of separate property, no matter whose name it is in

Review this checklist with your financial advisor and your lawyer to complete an equitable property settlement.



# Life Events

## Assets worksheet

Bank accounts	Value	Separate property (indicate owner)	Marital property (indicate owner)
Savings	\$		
Checking	\$		
CDs	\$		
Safety deposit box	\$		
Other (list)	\$		
	\$		
<b>Investments</b>			
Stocks	\$		
Bonds	\$		
Mutual funds	\$		
Life insurance (cash value)	\$		
Other (list)	\$		
	\$		
<b>Retirement funds and/or corporate benefits</b>			
401(k)	\$		
Defined contribution	\$		
IRAs	\$		
Pension	\$		
Stock options	\$		
Other (list)	\$		

# Life Events

## Assets worksheet

Property	Value	Separate property (indicate owner)	Marital property (indicate owner)
House	\$		
Second home	\$		
Land	\$		
Commercial real estate	\$		
Other (list)	\$		
	\$		
<b>Household items</b>			
Furniture	\$		
Clothing	\$		
Crystal	\$		
Silver	\$		
China	\$		
Jewelry	\$		
Books	\$		
Art	\$		
Collectibles	\$		
Electronics	\$		
DVDs/CDs/Records/Tapes	\$		
Tools	\$		
Other (list)	\$		

# Life Events

## Assets worksheet

Vehicles	Value	Separate property (indicate owner)	Marital property (indicate owner)
Automobile(s)	\$		
Boat	\$		
RV	\$		
Trailer	\$		
Motorcycle	\$		
Other (list)	\$		
	\$		
	\$		
<b>Miscellaneous</b>			
Memberships	\$		
Outstanding tax refunds	\$		
Business partnerships	\$		
Copyrights	\$		
Timeshares	\$		
Other (list)	\$		
	\$		
	\$		

## Life Events

### Debts worksheet

	Spouse A (indicate amount)	Spouse B (indicate amount)	Payment schedule
Mortgage <sup>1</sup>	\$	\$	
Car loan <sup>1</sup>	\$	\$	
Bank credit card(s)	\$	\$	
Store credit card(s)	\$	\$	
Personal loan(s)	\$	\$	
College loan(s) <sup>2</sup>	\$	\$	
Children's medical/Dental <sup>2</sup>	\$	\$	
Other (list)	\$	\$	
	\$	\$	

<sup>1</sup> Debt associated with an asset belongs to the owner of the asset.

<sup>2</sup> Debt related to caring for children is generally split between the two spouses.

#### After your divorce

You should remember to revise legal documents and policies after your divorce to reflect your changed marital status. Here are some items you will want to review and potentially change or revise:

- Will
- Trusts
- Guardianship
- Insurance policies
- Income tax exemptions
- Retirement asset beneficiary

#### Resource

On the Internet

The American Bar Association  
[abanet.org/family/familylaw](http://abanet.org/family/familylaw)

#### Contact your financial advisor for more information or visit [mfs.com](http://mfs.com).

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