



# Divorce

## Taking the first step towards your new life

The end of a significant relationship is a difficult time, marking the move into a new phase of your life. It's hard enough navigating the emotional upheaval and dealing with often conflicting emotions, let alone working through the practical considerations of finances and the separation of joint assets.

Sadly, divorce is something that many people face during their lives, as an expected one in three marriages end in divorce\*\*. The need to start afresh applies equally to people in de facto relationships.

Where there are children involved it's important to try to put your grievances aside and agree on exactly what's in their best interests. Custody and visits to either parent or grandparents have to be discussed, as well as expenses like health care and education.

Coming to an equitable solution isn't always straightforward. One partner might gain an asset like the family home but struggle to meet everyday costs (and retirement savings goals) because of the drop in household income. Conversely, separating finances may mean one partner taking on more debt to buy another house, or car, or furniture: the list goes on...

### Looking ahead

While the challenges of separation are considerable, there is a real opportunity for you to seek professional support and work towards a positive future for yourself.

Having the support of a financial adviser in your corner can be beneficial. Your financial adviser can give you valuable financial advice and put you in touch with other specialists like legal professionals who can help everyone involved avoid legal arguments and the courts.

Many people often think a property settlement involves just the house. Property settlement can cover everything from investments, superannuation and trusts right through to cars, family companies and other assets. When all is said and done, we can advise you about how to be financially prepared, so you are confident in your entitlements and options.

If your relationship is ending, professional financial advice can be a good place to start.

### Getting expert help

We can help you through this difficult time. We'll talk through your concerns and questions about your financial situation, refer you to legal professionals, who could help you understand your legal position, and work with you to develop a way forward to address your immediate needs.

Together, we'll create a detailed plan that takes into account your goals and aspirations, and covers all the financial aspects of building your new life.

If you would like us to, we can periodically review your achievements and ongoing needs to help you keep your vision alive and help you achieve it.

## The end of an era\*

John had two teenage children, a large home, joint bank accounts and a life's worth of superannuation savings from his 17-year marriage to Angela. So when they separated, he knew their circumstances would take some serious sorting out.

The obvious issues were custody, finances, asset splitting, disentangling bank accounts, car leases, and insurance.

"We agreed that the kids would spend a week with me and then a week with Angela, and everybody was happy with that," says John.

*"We had a joint account, some investments and the house which we bought together so they were also reasonably easy to split 50-50. The big issue for me was my super which I was told I also had to share," he says. "I wasn't expecting that."*

### How financial advice helped

John had no idea that under the current law, superannuation was treated as property in a property settlement. "Suddenly, I felt quite uncertain. Talking to the legal professional my adviser referred me to helped me get my head around it all," says John.

With John having custody fifty per cent of the time, his adviser helped him find a way to manage his income and budget to allow him to work flexible hours. John has heard that Angela has continued to work part time and now has some money behind her, which has helped everyone.

Friends who've been down the same path assured him he'd come through in the end. John is glad he listened to them and sought financial advice, through what's been a bumpy ride at times.

\* The above example is illustrative only and is not an estimate of the investment returns you will receive or fees and costs you will incur.

\*\*39th AMP.NATSEM report – For Richer, For Poorer: Divorce in Australia. December 2016

Explore your options with the help of an expert

*We take the time to get to know your circumstances and what's important to you. And we create a plan that's tailored just for you.*

**Talk to us today.**



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