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What to Do With Your Finances After Divorce: *A Step-by-Step Checklist*

The financial decisions that can't wait and the ones that can

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Divorce changes nearly every part of your financial life—sometimes in ways that aren't obvious. This checklist walks you through the most important steps, in the right order, so nothing falls through the cracks.

phase one

In the First 30 Days

These are the most urgent steps. Getting these done early protects you and sets a stable foundation for everything that follows.

- [x] **Open new checking and savings accounts in your name only**
  Tip: Make sure your paycheck, automatic payments, and recurring bills are redirected to your new accounts right away.
- [x] **Ensure you have immediate access to cash for living expenses and legal fees**
  Tip: Aim to have at least three months of essential expenses liquid and accessible before anything else.
- [x] **Gather your key financial and legal documents**
  Tip: This includes your divorce decree, settlement paperwork, QDROs, tax returns, and account statements.
- [x] **Review your credit report for any joint debts or accounts you may not be aware of**
  Tip: You can request a free report at annualcreditreport.com. Look for anything in both names.
- [x] **Close or separate joint credit cards and lines of credit**
  Tip: Confirm in writing with each lender how joint debts will be handled going forward.
- [x] **Update your mailing address and contact information with all financial institutions**
- [x] **Review your health insurance coverage**
  Tip: If you were on your spouse's plan, you have 60 days from the divorce date to enroll in COBRA or sign up for a plan through your employer or the marketplace.
- [x] **Notify your employer's HR department of your change in marital status**

phase two

Within 3 to 6 Months

Once the immediate pressure settles, these steps help you build a clear picture of where you stand and where you're headed.

- **Update beneficiary designations on all retirement accounts and life insurance policies**
  Tip: These designations override your will. An outdated beneficiary is one of the most common and costly oversights after divorce.
- **Update your will, power of attorney, healthcare directive, and any trusts**
  Tip: Until these are updated, your ex-spouse may still have legal authority over your affairs.
- **Retitle property and investment accounts as required by your settlement**
- **Ensure any required QDROs have been filed and processed correctly**
  Tip: A QDRO (Qualified Domestic Relations Order) is the legal document required to divide retirement accounts like a 401(k). Errors here can be expensive.
- **Build a new budget that reflects your income and expenses as a single household**
  Tip: Many people underestimate the cost of living alone for the first time. Build in a buffer.
- **Reassess your insurance needs—life, disability, and long-term care**
  Tip: Your coverage needs likely changed. This is worth a dedicated conversation with an advisor.
- **Review your investment accounts and assess whether your current strategy still fits your goals and risk tolerance**
- **Check whether you may be eligible for Social Security benefits based on your ex-spouse's record**
  Tip: If your marriage lasted at least 10 years, you may qualify for divorced spousal benefits even if your ex has remarried.
- **Consider the tax implications of your settlement**
  Tip: Property transfers, retirement account distributions, and changes in filing status can all affect your tax picture in the year of divorce and beyond.

phase two

Looking Ahead—6 Months and Beyond

This phase is about building the financial life you want going forward, on your terms, with a clear plan behind it.

- **Build a comprehensive net worth statement reflecting your current assets and liabilities**
  Tip: A financial advisor who has experience working with individuals going through this life transition is very helpful at this stage
- **Revisit your retirement timeline and savings strategy**
  Tip: Divorce often means starting retirement planning from a different place than you expected. A fresh look can reveal more options than you might think.
- **Establish or rebuild an emergency fund—target 6 to 12 months of essential expenses**
- **Set new financial goals that reflect this chapter of your life**
  Tip: Short-term goals (cash flow stability) and long-term goals (retirement, legacy) may both need to be redefined.
- **Review your estate plan annually or after any major life change**
- **If you have children, review college funding plans and update FAFSA information as needed**
  Tip: After divorce, financial aid calculations are based on the custodial parent's information for FAFSA and both parents' information for CSS Profile.
- **Consider working with a financial advisor who has experience working with individuals going through major life changes, such as divorce**
  Tip: The financial decisions made in the first year after divorce have long-term consequences. Having the right guidance during this period matters.
- **Protect yourself from identity theft—update passwords, enable two-factor authentication, and freeze your credit files if needed**

We're here when you're *ready to talk.*

Every divorce is different. If you're working through these steps and want a second set of eyes or just want to talk through where you are, our team can help you think through these financial considerations.

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