

A Checklist For Maintaining Financial Well-Being Through a Divorce

Navigating a divorce is emotionally and financially challenging – and rest assured, your Baird Financial Advisor is ready to support you through this transition, partnering with your divorce attorney and other advisors as needed. Use this guide to protect your financial well-being as you turn the page into a new chapter of life.

BEFORE FILING FOR DIVORCE

Gathering the necessary information can be time-consuming, but evaluating your financial situation before you begin the divorce process can make it much more efficient.

Compile Crucial Documents

- A summary of household assets
 - Personal property such as car titles, real estate deeds, jewelry and collectibles
 - Bank statements for checking and savings accounts
 - Statements for retirement plans, brokerage accounts, annuities, pensions and other investment accounts
 - Household inventory like furniture, appliances, family heirlooms and pets
- Documentation of personal and family liabilities
 - Mortgage statements and real estate tax bills
 - Credit card balances
 - Personal loans, student loans and business debts
- Tax and income information
 - Most recent paystubs
 - Ideally, three or more years of your most recent tax returns (both yours and your partner's if you file separately)
 - The previous year's W-2s, 1099s and other tax documents
- Insurance coverage details
 - Homeowners, health, life and auto policies
 - Health savings account balance
- Retirement and estate planning documents
 - Any financial plans you may have created
 - Your will, power of attorney and beneficiary designations
 - Trust documents
- Prenuptial or postnuptial agreements that may include the conditions for transferring property, accounts and debt allocation

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Document Account Information

- Financial accounts: Record where they are held, who the owner of the account is and any beneficiary or transfer on death designations
 - Include shared monthly expenses such as a mortgage or rent, utilities, loans and credit cards
 - For joint accounts, prepare to distribute balances in accordance with your forthcoming settlement agreement
 - If you and your partner are currently investing in education accounts like a 529, these details will be important to note as you consider how to manage moving forward
- Online accounts: Credentials, passwords and any two-factor authentication protocols
 - Include recurring payment accounts like streaming services, gym memberships, internet and cellular plans

ONCE DIVORCE IS UNDERWAY

Consider updating and securing your individual and shared accounts during the divorce proceedings. Be sure to consult with your divorce attorney on timing before completing any of these steps.

Update Your Account Information

- Shared accounts
 - Clear outstanding checks before closing or freezing joint accounts
 - Open new accounts and credit cards for yourself, without your spouse's name on them
 - Continue to monitor your credit to maintain a payment record of any joint accounts like mortgages, loans and credit cards
- Financial and online accounts
 - Change passwords and credentials
 - Update direct deposit information to individual accounts
 - Update automatic payment information
- Email addresses
 - If you shared an email address with your spouse, create a new one in your name along with a new password

AFTER THE DIVORCE IS FINAL

Divorce may render your previously well-laid plans obsolete, so after you've split any shared accounts, it's time to revisit your plan with your Financial Advisor to ensure it reflects your new vision for the future.

Split Your Shared Accounts as Documented by the Divorce Decree

- Investment and retirement accounts
 - To make transfers, connect with your Baird Financial Advisor, as they can help you avoid withdrawal fees and minimize tax implications.
 - Splitting retirement accounts will require a copy of a Qualified Domestic Relations Order (QDRO) from the final divorce documents.
- Notify the necessary entities of any changes (names, addresses, etc.) to the following information:
 - Bank accounts and credit cards
 - Deeds to real estate property
 - Car titles and insurance
 - Utility bills

A Checklist For Maintaining Financial Well-Being Through a Divorce *continued*

Update Your Financial and Estate Plans

- Make name and designation changes (as needed) for:
 - Account beneficiaries, executors and trustees
 - Your will, trusts and power of attorney designations
 - Life, disability and long-term care insurance policies
 - Employer benefits plans
- Revisit the following topics with your Baird Financial Advisor:
 - Cash flow needs
 - Your budget, income and expenses
 - Retirement savings plan
 - Insurance needs
 - Education funding needs

While divorce is complex and emotional, it can be expensive, too. By taking proactive steps at each stage with your Baird Financial Advisor, you can make well-informed decisions before, during and after the divorce to help ensure you have the best strategies and plan in place.

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