A POST-DIVORCE FINANCIAL GUIDE

Financial Steps After Your Divorce

A practical checklist for the months after your divorce is final — protecting yourself, untangling your finances, and building an independent future.

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Please read first

This guide is general information, not legal or financial advice, and does not create an attorney-client relationship. Divorce laws, tax rules, and financial circumstances vary and change. Consult a licensed attorney and, where noted, a qualified financial or tax professional about your specific situation.

1. A New Chapter — and a New Financial Life

The decree is signed. After months of stress, it's tempting to file everything away and never look at it again. But the period right after a divorce is when a handful of practical financial steps can save you money, protect you legally, and set the foundation for real independence.

This guide walks through what to do once the divorce is final. First we'll deal with the administrative loose ends, then the work of building a stable financial future on your own terms.

> **Start with the decree**
> Your divorce decree and judgment is now the rulebook for your financial life. Keep a copy somewhere safe and accessible. Many of the steps below come directly from obligations and rights spelled out in it. Read it carefully, and flag anything you don't understand for your attorney.

2. The First 30–90 Days: Administrative Loose Ends

These tasks are tedious but time-sensitive. Working through them early prevents expensive problems later.

Separate and update your accounts

- ☐ Open individual checking and savings accounts if you haven't already
- ☐ Close or divide joint accounts per the decree
- ☐ Remove your ex from accounts that are now yours, and vice versa
- ☐ Update direct deposit and automatic payments to your own accounts

Handle the property transfers ordered in the decree

- ☐ Transfer vehicle titles as ordered
- ☐ Complete the deed transfer or refinance on real estate
- ☐ Ensure retirement accounts are divided properly (often via a QDRO — see below)
- ☐ Confirm each debt has been assigned and, ideally, refinanced into one name

Update beneficiaries and documents

This step is missed constantly and the consequences can be severe — an ex-spouse left on a beneficiary form can inherit despite the divorce.

- ☐ Life insurance beneficiaries

- ☐ Retirement account beneficiaries (401(k), IRA)
- ☐ Payable-on-death designations on bank accounts
- ☐ Your will, trust, and estate plan
- ☐ Powers of attorney and health care directives
- ☐ Emergency contacts and insurance policies

The QDRO — don't let it slip

If retirement accounts are being divided, it usually requires a Qualified Domestic Relations Order (QDRO), a separate legal document that instructs the plan administrator. Without it properly filed and accepted, the division may not happen — and you could lose what you were awarded. Confirm with your attorney that any required QDRO is completed.

Change your name (if applicable)

If your decree restores a prior name, update it with the Social Security Administration first, then your driver's license, passport, bank accounts, employer, and other records.

3. Rebuild Your Credit and Financial Identity

Divorce can leave your credit tangled with your ex's. Untangling it protects your independence.

Check your credit report

Pull your credit report and review every account. Look for joint accounts that should be closed and any activity you don't recognize. You're entitled to free reports from the major bureaus.

Separate joint debt

Remember: a divorce decree assigning a debt to your ex does not remove your name in the eyes of the lender. If your name is still on a joint loan or card, you remain liable if they don't pay. Where possible, refinance or transfer debts into a single name, and monitor any that remain joint.

Build credit in your own name

- Ensure you have at least one credit card in your own name
- Pay every bill on time — payment history is the biggest factor in your score
- Keep balances low relative to limits
- Monitor your credit periodically for surprises

4. Build Your New Budget

Your income, expenses, and obligations have all changed. A fresh, realistic budget built around your actual new circumstances is the single most useful financial tool you have now.

1. Total your real monthly income, including any spousal maintenance or child support you receive.
2. List your real monthly expenses in your new household.
3. Account for support you pay out, if any.
4. Identify the gap or the surplus, and adjust deliberately.

Don't forget the hidden changes

- You may now cover expenses two incomes used to share
- Your tax filing status and withholding have likely changed — update your W-4
- Health insurance may need replacing if you were on your ex's plan
- Support payments can affect your taxable income — confirm current rules with a professional

5. Protect Yourself: Insurance and Estate Planning

Health insurance

If you were covered under your ex's employer plan, that coverage typically ends. Explore your own employer's plan, the marketplace, or COBRA continuation, and act before any gap opens up.

Life and disability insurance

If your decree requires either parent to carry life insurance (often to secure support obligations), make sure the required policy is in force with the correct beneficiary. Consider your own coverage needs now that you're a single-income household.

Estate plan

Update or create your will, and review any trusts. Reassign powers of attorney and health care directives, which likely still name your ex. Guardianship provisions for minor children deserve fresh thought.

6. Rebuild Your Savings and Look Ahead

Once the immediate items are handled, shift from defense to offense — from cleaning up to building.

Emergency fund first

Aim to rebuild a cushion of a few months' essential expenses. As a single-income household, this safety net matters more than ever.

Retirement

Divorce often sets retirement savings back, especially if accounts were divided. Restart or increase your contributions as your budget allows, and capture any employer match — it's free money.

Set new goals

This is your financial life now, defined by your priorities alone. Whether it's homeownership, education, travel, or simply security, name a few goals and build toward them. A fee-only financial planner can help you chart the path, especially in the first year.

> **Give yourself time**
>
> You don't have to rebuild everything at once. Handle the time-sensitive items now, then tackle the rest steadily. Financial recovery after divorce is a marathon — consistent, deliberate steps beat frantic ones. Many people emerge more financially confident than they've ever been, precisely because they finally understand and control their own money.

7. Printable Checklists & Worksheets

Print these and work through them at your own pace.

Post-Divorce Action Checklist

ACCOUNTS & TRANSFERS

- ☐ Individual accounts opened
- ☐ Joint accounts closed or divided
- ☐ Automatic payments and deposits updated
- ☐ Property titles and deeds transferred
- ☐ Debts refinanced or reassigned
- ☐ QDRO completed (if retirement divided)

BENEFICIARIES & DOCUMENTS

- ☐ Life insurance beneficiaries updated
- ☐ Retirement beneficiaries updated
- ☐ Will and estate plan updated
- ☐ Powers of attorney / health directives updated

IDENTITY & CREDIT

- ☐ Name change completed (if applicable)
- ☐ Credit report reviewed
- ☐ Credit established in own name

PROTECTION

- ☐ Health insurance secured
- ☐ Required life insurance in force
- ☐ W-4 / tax withholding updated

New Monthly Budget

Category	Amount
Income (wages)	
Support received (if any)	
— TOTAL INCOME —	
Housing	
Utilities	
Food & household	
Transportation	
Insurance	
Child-related costs	
Support paid (if any)	
Debt payments	
Savings	
Discretionary	
— TOTAL EXPENSES —	
— SURPLUS / GAP —	

My Financial Team

Attorney:

CPA / tax preparer:

Financial planner:

Insurance agent:

A Word From Attorney Sam Khoroosi

The end of a divorce is a new beginning. The steps in this guide turn a daunting pile of loose ends into a clear path toward independence and stability. Handle the urgent items, then build steadily and give yourself credit for every step forward.

Our practice focuses on family law and complex financial matters in Minnesota. If questions come up as you settle into this next chapter, or you need help enforcing or interpreting your decree, we're here to help.

Schedule Your Consultation

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