

Prenup Outline & Post Divorce Finances



# Starting fresh Or starting over...

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HOW TO HANDLE ASSETS & DEBTS GOING FORWARD

- TO PROTECT YOUR STUFF
- AVOID COMMON PITFALLS
- GET A GLIMPSE AT STATE LAWS
- BUDGET & INVENTORY

# PRENUPTIAL AGREEMENT: START OFF ON AN EVEN PLAYING FIELD.

- Avoid conflict or confusion in the event of a divorce.
- A prenup protects individual assets a person earned before the marriage; **it doesn't mean that you won't have shared assets as a couple.**
- *You can continue to build a life with your partner while using a prenup to protect both of your best interests.*
- **Courts will divide marital property according to your state's laws** when you can't come to an agreement.
- So, it is important to create a Prenuptial Agreement in the event a relationship dissolves.



# OWNERSHIP OF PROPERTY

Make a worksheet on who owns what.  
Include sentimental items too. What did you come into the marriage with that you must still retain as yours. Worksheet enclosed.





# SHARED PROPERTY

Once married, how are you going to handle new assets and debts?

Typically, those are shared. Look up your state laws on **equitable distribution** (fair, not equal) of assets and see if you agree, because that is what you will be held to. Other states use the **community property** guidelines, where assets & debts are split equally in a divorce.

These only come into play during a trial where the judge decides. Most cases are settled before it reaches the courtroom so these guidelines would not apply.



# GIFTS & INHERITANCE

Gifts are gifts. They are always yours to keep. Inheritance is SOLELY for the person who inherited the asset.

Keep it in your name only.

If you buy anything that benefits the household with it, like a car or boat, then that asset may now be considered a shared asset.

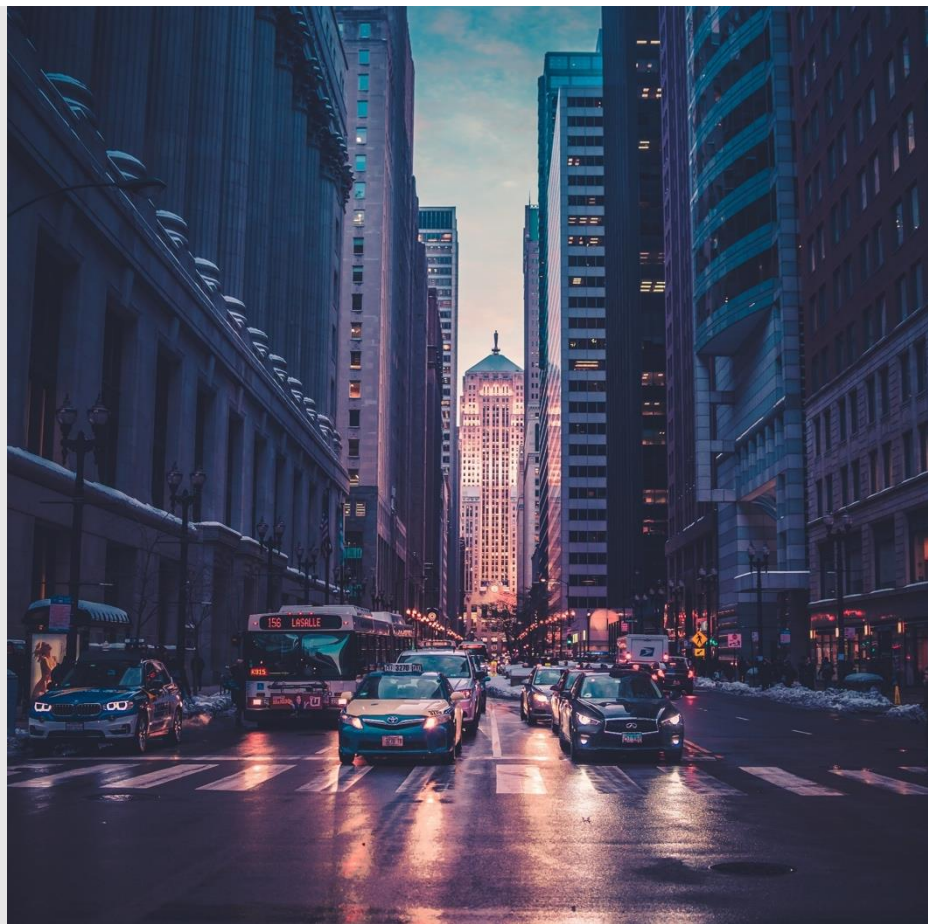




# DEBTS



## LIST DEBTS BEFORE THE MARRIAGE



## DEBTS DURING THE MARRIAGE ARE TYPICALLY SHARED.

Even if a credit card is NOT in your name, you may be held accountable for half the balance if it was incurred during the marriage or used on household expenses.

Even if you took out a shared loan and you never spent a penny, you will be held accountable for paying half.

And if your spouse has an affair? Keep a tally of those wasteful spendings because the offender will pay you half of those expenses, in the divorce. **But only if you find it.** There are ways to find it, so ask your coach.

# CHILD CUSTODY & SPOUSAL SUPPORT

## CUSTODY CAN'T BE INCLUDED IN A PRENUP



Check your states child support guidelines.

### What happens if a spouse is unemployed?

Not having an income does NOT save a spouse from paying child support or spousal support.

In fact, the court will impute an income. It can be much higher or much lower than historically earned. It is based on earnings potential which includes educational background.

A quick way to estimate spousal support is to take both parties incomes and subtract the difference. A quarter of that total is a typical support payment amount.

#### EXAMPLE:

Spouse A: \$135,000 annual income

Spouse B: \$65,000 annual income

$\$135,000 - \$65,000 = \$70,000$

$\frac{1}{4}$  of \$70,000 is: \$17,500 annually

Monthly Spousal Support would be: \$1,458.

Check your state alimony guidelines to see what factors need to be met to enact alimony.



## SPOUSAL SUPPORT DETAILS CAN BE INCLUDED IN A PRENUP

# REASONS A PRENUP IS ESSENTIAL AND IT'S NOT ALL ABOUT MONEY

*Contact an attorney to help with a prenup*



## OPENS COMMUNICATION ABOUT FINANCES

Since marriage is a legal partnership, it only makes sense to have full disclosure like any exciting new venture. This will prevent major issues down the road by opening this topic now.



## PREVENTS A PARTY FROM HIDING DEBT

Add a clause about hidden or forgotten debts that were not disclosed. Add that they not only assume their full debt but that you get paid back if any marital funds were used to pay that debt. Apply the same for assets and cash they may hide.



## DETAILS HOW TO HANDLE CHILDREN'S EXPENSES FROM ANOTHER MARRIAGE

This opens communication on how to financially handle a blended family.

Even add pet care or elder care guidelines.

Add cyber security so no party can disparage the other online or otherwise.



## DECLARED WHAT YOU OWNED PRIOR TO MARRIAGE

This doesn't mean just assets. Sentimental items like photos have value to you, so secure them in a prenup. A vindictive ex can't touch them without major financial consequences if you add a clause to the prenup. And let's face it, they go there first! So, take that off the table.



# PRENUP CHECKLIST

- Print both parties credit reports with credit score. Make sure those numbers are recorded in the prenup to prove how you started. You want a 650 or better credit score. (free copy annually)
- Print both social security statements. It details a history of annual income filed with the IRS. (you can access this online for free).
- List both parties' assets and debts
- Detail gifts and inheritance, as they are exempt from equitable distribution. Add sentimental items that you wish to retain, like photos.
- Add that once separated, that you and your family are protected from online harassment such as social media accounts and harassing emails. (see digital divorce chapter)
- Include how to handle a blended family financially.
- Don't forget pets and who pays for what.
- Review the Divorce Action Plan Kit to see what issues WILL be major if not addressed now.

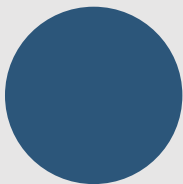


Do not  
sign a prenup  
  
too early!

Check with your state  
laws. Signing too early  
may void the  
agreement.

They are typically  
signed 1 to 3 months  
prior to the wedding.

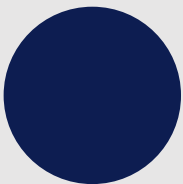
COMMON ASSETS ARE CASH, CARS, REAL ESTATE, ARTWORK, BOATS, PENSIONS, STOCKS, & COLLECTIONS, BUT A  
**MODERN PRENUPTIAL AGREEMENT MAY INCLUDE:**



**INTELLECTUAL PROPERTY**

- Stay at Home Parenting
- Rehabilitative Alimony
- Cryptocurrencies & NFT's

- Cyber Stalking
- Public Posts about the other party



**STUDENT LOANS**

- Pet Ownership
- Social Media & Blog Ownership
- Online Shop Ownership



Personal Property or Assets not to be included in community property or equitable distribution. Print your Social Security Statements (online) to see your reported income by year. Include personal items that may not have a monetary value and add gifts and inheritances.

Today’s Date:

Item Description (asset, property, gift)	Location	Date Acquired	Value	Party Retaining Ownership	Both Parties Initial to agree
NON-MARITAL					



Personal Debts not to be included in community property or equitable distribution.  
Print your credit report and review all those debts and credit scores.

Each Parties Credit Score: \_\_\_\_\_

Today’s Date:

Debt Description	Type	Date Acquired	Debt or Loan Amount	Party Retaining Responsibility	Both Parties Initial to agree
NON-MARITAL					

Intellectual Property not to be included in community property or equitable distribution.  
Print any related ownership from websites, podcasts, social media, patents, inventions, pet ownership etc.

Today’s Date:

Intellectual Property Description	Type / Brand	Date Acquired	Costs and Income associated with maintaining it	Party Retaining Responsibility	Both Parties Initial to agree
NON-MARITAL					

NET WORTH

Today’s Date:

Parties Name	Total Assets	(minus)	Total Debts	(equals)	Net Worth
	\$	-	\$	=	\$
	\$	-	\$	=	\$



# Shared Bank Accounts & Commingling:

Monies put into a shared account are **Marital Property**. Even if it came from your private account or inheritance. Once you put money in a shared account, it is both parties' property. Any purchase that benefits BOTH parties is shared. Regardless of where the money came from.

In order to keep your account exclusively yours and protected from being split in a divorce:

- In your name only
- Funds were earned before the marriage and still not used
- New deposits are NOT from job earnings
- Funds are not used for household bills and upkeep.



Your private account will be considered a commingled account if monies from it are used to pay shared expenses. If your credit card is used to pay a shared household expense, it is a shared debt.



Your private account will not be protected from equitable distribution if the funds in it are from a salary or gambling or lotto winnings.

TO EQUITABLY DISTRIBUTE MARITAL PROPERTY MEANS A JUDGE “FAIRLY” DIVIDES THEM. IT IS NOT AN EQUAL SPLIT. IN NEW JERSEY, THE FACTORS INCLUDE:

- The length of the marriage
- The value of the property
- The parties’ ages and health condition
- The income or property each party brought into the marriage
- The marital standard of living
- The parties’ economic circumstances
- The parties’ earning capacity

Parties can agree to their own terms of dividing assets to avoid the court ruling based on the factors.



If you are not the bread winner, you may get more assets if your state uses “equitable distribution”. States that use “community property” split assets and debts equally.

# PRENUP OUTLINE TOPICS

- The Couple**

- Mailing Address
- Reasons for Divorce
- Engagement Period
- Minor Children
- Children Outside the Couple
- Support
- Alimony
- Term (Alimony)
- Payment (Alimony)
- One (1) Time Payment
- Earnings
- Bank Accounts

- Disability
- Change of Circumstance
- Health Insurance
- Marital Home
- Financial Disclosure
- Assets BEFORE the Marriage
- Assets DURING the Marriage
- Debts BEFORE the Marriage
- Debts DURING the Marriage
- Inheritance
- Additional Terms & Conditions
- Governing Law
- Signing Requirements
- Acknowledgment
- Agreement Date

There are many free forms you can fill out to create a prenup online. Or consult legal counsel. Either way you need to supply this information.



# Budget – Quick Calculator

## Quick Calculations

Annual Take Home Income: \$

35% Housing, Utilities, taxes

15% Food

10% Car/Transportation

10% Savings/Insurance

5% Debt / Credit card repayment

25% left over to allocate  
(Childcare, health Insurance, entertainment, home maintenance, personal, vacations, pet care, etc.)



This is how much you can spend on:

- Housing: \$
- Utilities: \$
- FOOD: \$
- Car/Gas: \$
- Savings: \$
- Debt Repayment: \$

Remaining Expenses: \$  
\$  
\$  
\$



# CONGRATS ON YOUR FRESH START!

REVIEW THE DIVORCE ACTION PLAN TO SEE THE TOPICS YOU WILL ENCOUNTER IF A DIVORCE IS IMMINENT.

IT'S ALL ABOUT A PEACEFUL FUTURE BY BEING PROACTIVE WITH OPEN COMMUNICATION.

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