



Divorce Checklist

The U.S. Census Bureau estimates that nearly 10% of Americans age 15 and over – 8.5% of men and 10.8% of women – were divorced or separated in 2009.¹ These percentages translate into nearly 10 million men and 13 million women who were divorced or separated.¹

Few people expect they will get a divorce, and even fewer adequately plan ahead for the possibility. As a result, they're forced to make important decisions at a stressful and vulnerable time when they may not be able to consider the long-term implications.

This checklist is intended to help you think about issues you'll need to consider should the possibility of divorce arise in your life. Generally, the two major areas you'll need to make decisions about are the division of marital assets and the care of your children. Individual situations vary greatly. Your financial adviser and attorney, who are familiar with your individual situation, can suggest other issues you may need to consider.

At a glance

Divorce affects tens of millions of Americans.

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Assets

Identify all marital assets and decide how to divide them. Assets include:

- Investments.** How will stocks, bonds, bank savings accounts, stock options, etc., be divided?
- Family-owned businesses.** How will business interests be divided?
- Retirement assets.** How will 401(k)s, traditional IRAs, Roth IRAs and other retirement assets be divided? How can the 10% early withdrawal penalty be avoided? How will you update your beneficiary designation(s) to reflect your divorce?
- House(s).** Who will live in the family home? Can that person realistically afford to stay in the home and pay the mortgage, property taxes, insurance, utilities and maintenance?
- Automobile(s).** Who will make payments and pay insurance premiums? Are the values of your vehicles approximately equal? If your automobiles are paid for, who gets the titles?
- Life insurance.** Is it adequate? Are you or your child the named beneficiaries? How will you ensure that the named beneficiaries don't change?

Children

Consider the following items to protect the interests and well-being of your children (and yourself):

- Custody.** Where will the children live? Will both parents share custody, or will one parent have sole custody?
- Child support.** Who will pay? How much? What are the tax implications?
- College savings accounts.** Who will contribute? How much? Are the contributions adequate? If not, who will pay the difference?
- Spousal maintenance.** How much is needed? For how long? What are the tax implications?
- Health insurance.** Who will pay premiums? If there is an annual deductible, who will pay?

Other

Also consider:

- Debts.** What are the total debts owed by you and your spouse? What is your share of those debts? Include mortgage, car, credit card and business debts.
- Taxes.** Which spouse will get tax deductions for dependent children? Who will claim "head of household" status?
- Social Security.** Are you entitled to receive Social Security retirement benefits accrued by your spouse? (Generally, if your marriage lasted at least 10 years and you do not remarry, you're eligible for a portion of your spouse's benefits.)
- Credit cards.** Do you have, or can you obtain, credit cards in your name for use after you cancel joint credit cards?

Talk to your financial adviser

Your sights are set on a financial summit, such as a college education for your children or a secure retirement. One of the best ways to help reach your goal is to partner with a strong team: a financial adviser who can provide sound guidance based on your individual needs and an investment company that can deliver a broad range of diversified strategies. Talk to your financial adviser about how an investment plan and Invesco can help you pursue your financial goals.

1 Source: U.S. Census Bureau, Current Population Survey, America's Families and Living Arrangements, March 2009

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