**Financial Checklist: Post-Divorce Tips**

If you’re recently divorced, it’s normal to worry about your financial situation. Settling into a new financial life will take time, but here are some tips that may help.

* **Create a personal financial statement.** A personal financial statement is a great way to keep track of your monthly income and expenses. Try segregating your basic, have-to-pay expenses from discretionary expenses so that you can see where you have flexibility to make changes. You can create your statement on paper, with a software program like Quicken, or with free online tools such as [www.mint.com](http://www.mint.com/).
* **Organize your financial records.** Whether they’re scanned and stored in your computer or locked in a safety deposit box, it’s important to know where your important papers are. Give a list of their locations to a trusted family member or your financial advisor, along with a list of contact numbers for people who should be notified in an emergency.
* **Establish a savings plan.** Even if your goal is to pay down debt, be sure to set aside some money for an emergency fund and long-term savings. If your employer offers a 401(k) retirement plan, don’t overlook the employer match, which is essentially “free money.”
* **Simplify your money life.** Many banks offer online bill payment services that can help you automate your money management. Just set the future payment dates online and let the bank pay your bills automatically.
* **Improve your credit.** A divorce can play havoc with your credit through no fault of your own. Get free copies of your credit report from the three major credit reporting agencies— TransUnion, Experian, and Equifax—through [www.annualcreditreport.com](https://www.annualcreditreport.com/index.action). If the problems were caused by your ex-spouse, submit an explanation to the credit bureau.
* **Change beneficiaries.** Don’t neglect to select new beneficiaries for your life insurance, retirement accounts, and transfer-on-death brokerage accounts (unless your divorce settlement prevents you from doing so).
* **Retitle property.** If you haven’t done so already, change the ownership of property according to the terms of your divorce settlement.
* **Check on the status of the settlement.** It’s a good idea to verify that both parties have completed their obligations, such as refinancing a mortgage into one name or removing the other’s name from credit cards. If a portion of your ex-spouse’s retirement assets were supposed to be segregated for you through a qualified domestic relations order (QDRO), verify with the plan administrator that it has been done.
* **Reassess your investing risk tolerance.** Your financial advisor can help you determine if your current investment plan suits your new goals.
* **Review your insurance.** If you are working, verify your employer’s disability benefits and consider a supplemental policy to replace your income in the event you become disabled. If you’re not working, explore long-term care insurance, which will allow you to receive care in your home if you can’t care for yourself. Now that you’re single, don’t be too quick to let your life insurance policies lapse, especially if you have family members who depend on you. Check on your homeowners and auto insurance, and make any necessary adjustments.
* **Apply for COBRA health benefits.** Under COBRA, you may be eligible to continue health insurance through your former spouse’s employer for at least 36 months. Keep in mind that there is a deadline to apply for these benefits.
* **Execute new estate planning documents.** Your ex-spouse’s fiduciary appointments or beneficial interests are not necessarily terminated upon your divorce. Consider updating your will, trusts, powers of attorney, health care proxies, and living will.
* **Inform the social security office of your new status and name change.** One of the few things that can’t be done online, a name change requires a visit to your local social security office. Don’t forget to bring originals of your proof of citizenship and identity, as well as the divorce decree. After you receive a new social security card, you can update other identification, such as your driver’s license.

**A Final Word**

For the first six months after your divorce is finalized, it’s wise to step back and approach any major changes or purchases cautiously. Many well-meaning friends may provide advice, but ultimately, only you will live with your decisions.