



CLEAR VIEW WEALTH ADVISORS, LLC
Plan Well. Invest Smart. Live Better.

Steve Stanganelli, MSF, CFP®[®], CRPC®[®]

An Introduction to Divorce Financial Planning



Divorce and Your Money

My focus and experience



Steve joined the financial services industry as a mortgage banker out of college. After several years as a mortgage broker, mortgage banker, underwriter and manager, he trained as a financial advisor. A graduate of University of Massachusetts at Lowell and Bentley University's Graduate School of Business, he holds a masters degree in finance. Steve has earned the designations of CERTIFIED FINANCIAL PLANNER™ and CHARTERED RETIREMENT PLANNING COUNSELOR and is registered as an investment advisory representative in the state of Massachusetts. Prior to forming Clear View Wealth Advisors, LLC in 2010, Steve was a senior financial planner with two other fee only Registered Investment Advisor firms in the Greater Boston area. Although he has a broad-based clientele, he has worked primarily with technology professionals and divorcing/divorced individuals. His particular expertise is retirement income planning, college funding strategies and estate planning.

A life-long resident of the Merrimack Valley area of Massachusetts, Steve is an active member of the Financial Planning Association of Massachusetts and the Merrimack Valley Estate Planners Council. Steve and his wife, Kristin, are avid cyclists and the parents of an active toddler, Spencer.

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Important information about Advisory & Brokerage Services

It is important that you understand the ways in which Clear View Wealth Advisors, LLC (Clear View) and Divorce Finance Pros conduct business and the applicable laws and regulations that govern the firm. As a firm providing financial planning, wealth management and investment advisory services to clients in the U.S., Clear View is registered with the Commonwealth of Massachusetts as an investment adviser, offering investment advisory and planning services.

Divorce Finance Pros is a unit of Clear View providing specialized planning and evaluation services for clients who are divorced or divorcing.

Clear View acts in the capacity as a fiduciary for investment services for clients while Divorce Finance Pros does not provide investment advice and is not a fiduciary.

Clear View and Divorce Finance Pros operate as a fee-only/fee-for-service firm.

The firm does not provide brokerage services and receives no compensation for placing business or transactions through other brokerage firms.

Divorce is not easy

The old adage, “Marriage is about love; divorce is about money,” succinctly conveys the emotional and financial confusion that can accompany even the most simple divorce case.

If you are facing divorce, the assistance of a knowledgeable and experienced financial advisor can be critical as you evaluate your options and make important financial decisions during this stressful and uncertain time in your life.

I focus my practice on working with divorcing individuals to provide clarity on the critical financial issues that arise before, during and after divorce.

I will help you take control of your financial life by guiding you through the practical steps of identifying and understanding your individual and marital assets and liabilities, analyzing and determining your personal financial needs, and preparing and monitoring a financial strategy to support your lifestyle.

My goal is to provide you with the tools that empower you to make long-term and short-term financial decisions. With the proper financial education and planning, you will be better equipped to make comprehensive, suitable, and sustainable choices. I will take the time to understand your personal circumstances and work in partnership with you to develop a custom financial plan.

In this brochure, I outline how I can help you identify, understand, and manage your present and future financial position. Understanding your finances is the most critical step in moving forward in your new life with confidence and independence.

Focusing on your individuality: How I can help

Building a comprehensive understanding of the financial issues around your present and future lifestyle will empower you to make reasonable and appropriate financial decisions.

I am able to work efficiently and effectively with you and your team of personal advisors: your attorney, paralegal, accountant and mediator.

I am available to discuss your financial needs with you and, by helping you to collect, assemble and organize your individual and marital estate, may save you time and legal fees.

In addition, with this information in hand, I am able to help you pursue your personal short-term and long-term financial goals. Please note, however, that I do not offer legal or tax advice and nothing here is intended to provide any legal or tax advice, which can only be provided by your attorney and accountant.

Defining and prioritizing your goals

The first step in my process is to take the time to get to know you and understand your personal financial requirements, objectives, and lifestyle. During your divorce negotiations, I will help you provide financial information and documents to your attorney or mediator.

What you can expect:

Three stages of divorce planning

I view divorce in three stages.

Before the divorce: Preparation and documentation **During the divorce:** Negotiation, conciliation and settlement **After the divorce:** Post-divorce financial management

Before the divorce

- Gather and assess financial assets and liabilities
- Categorize and review historical spending patterns
- Determine and document your individual and marital assets
- Document marital standard of living
- Review financial statements and tax returns
- Prioritize personal financial goals and responsibilities
- Project anticipated financial needs
- Review public and private sector pension plans
- Review and evaluate employee benefits (including stock options and restricted stock)
- Collect, analyze and review insurance policies (Term, Whole Life, Buy-Sell)
- Evaluate current long-term care insurance contracts
- Evaluate post-divorce estate planning strategies
- Analyze and review executive compensation plans
- Gather and consider college funding expectations and strategies
- Review and prioritize your personal financial goals

During the divorce

- Project post-divorce household funding requirements
- Calculate current and future inflation-adjusted cash flow models
- Determine life insurance requirements designed to replace support payments
- Assess and adjust retirement funding strategies
- Project education costs and funding strategies
- Equalize Social Security, retirement, pension benefits
- Review mortgage and debt structure
- Review real estate appraisals and business valuations

After the divorce through Clear View Wealth Advisors, LLC

- Facilitate and supervise asset and liability transfers
- Execute strategic financial plan
- Review insurance coverage
- Update financial plans as required
- Implement budget and resource management plans
- Launch long-term financial plan strategy
- Follow through with modified estate planning strategies
- Monitor investment performance, adjust as needed
- Monitor comprehensive results

Kinds of Divorce at a Glance

Kind of Divorce	How It Works	Hassle and Expense
Summary	Spouses, who haven't been married long and don't have children or many assets or debts, file together.	Relatively simple paperwork; lawyer usually not necessary; often only one filing fee
Default	One spouse files for divorce, the other doesn't respond	Relatively simple paperwork; lawyer may or may not be necessary
Mediated	Trained, neutral mediator helps spouses work out settlement agreement without court fight	Not cheap—except compared to a contested divorce; can help spouses communicate
Collaborative	Each spouse hires lawyer, but everyone agrees to settle out of court using negotiation and four-way meetings	Can take longer than mediation, but cheaper, nicer, and quicker than contested case
Arbitrated	Spouses hire private judge to hear evidence and decide contested issues outside of court	Faster and slightly less expensive than trial; can be more civil than court trial and provides greater privacy
Contested	Spouses hire lawyers and fight out issues at trial	Expensive, stressful for everyone (especially children), guaranteed to ruin chances of civil relationship in future

Types of Separation

Trial Separation	Living apart to decide whether to divorce. May or may not affect property rights, depending on length of separation and activities during separation.
Permanent Separation	Living apart with the intention to divorce. Property and income acquired, and debts incurred, after separation date belong to the spouse who acquires them.
Legal Separation	Legal status different from being married and different from being divorced; includes distribution of property; spouses are not free to marry again.

Before the divorce:

Preparation and documentation

The best way to get on the road to independence is to learn all you can about the monthly and annual flow of your personal and marital finances.

Before you can begin to discuss your settlement, collect the most recent copies of the following:

- Federal, state and local tax returns (past three years)
- Savings and checking account statements
- Brokerage and mutual fund account statements
- Executive compensation plans and agreements
- Insurance policies (disability, life, and long-term care), declarations pages and in-force illustrations
- Education funding statements (529 plans, Coverdell Education Savings, UGMA)
- Retirement plan statements (IRA, 401(k), 403(b), profit sharing plans) for you and your spouse
- Real estate/mortgage/lease documents
- Living wills, Power of Attorney/health care proxy/organ donor cards
- Trust documents and agreements
- Business and personal loan agreements
- Social Security benefits statements
- Credit card statements
- Birth records, marriage certificates, prenuptial agreements, divorce agreements
- Records of lawsuits
- Records of gifts from third parties and spouse
- Business valuations and personal property appraisal reports

Once you have identified your marital estate, you and your attorney may be able to negotiate more effectively and obtain the best settlement result.

Consider the following questions and review with your attorney's guidance:

- How much money will you need to maintain your current standard of living?
- How much will you ask for?
- How much are you willing to pay?
- If you request too much, will it delay your settlement and result in further costly litigation?
- What is the minimum settlement that you are willing to accept?

These are issues that I will help guide you through during the process.

During the divorce:

Negotiation, conciliation and settlement

As soon as you can, it's essential to take control of your finances. Here are some initial steps you can take as you work through your divorce. As always, it's best to consult with your attorney should you have questions.

Open a bank account in your own name

If you receive your paycheck by direct deposit or pay bills through an online service, you may want to use your new account information.

Protect your credit by cancelling joint credit cards

Establish new credit accounts in your name only. Obtain and review a copy of your credit report and work with your attorney to resolve any negative entries

Establish an interim joint checking account

For any money issues that may be unresolved at settlement, your attorney can advise you about creating a joint checking account. You can use this account to also cover family expenses during the period between separation and the final divorce.

Divorce impacts children, and their physical and emotional well-being should be your top priority.

You and your spouse can make matters easier by establishing a suitable financial basis to support them.

Child support

Each state maintains its own guidelines to determine how much child support a custodial parent should receive based on parental income. In some states, a judge decides the amount of child support that must be provided to the custodial parent. Other states determine the payment based on the parents' combined income and the number of dependent children.

Some expenses may be considered "extras" such as summer camp, special education needs, orthodontia, and psychotherapy. Your attorney can advise you about the laws in your state.

College expenses

Regardless of your child's age, it is important to project college education expenses and negotiate how much each parent will be expected to contribute. Both

parents' and the student's shares of college expenses should be clearly delineated in the divorce agreement. I can help you estimate the projected cost of your child's education, calculate how much you will need to save and in which type of account, and provide financial information to assist you with completing the Free Application for Federal Student Aid (FAFSA) forms.

Health insurance

Children are typically covered by a parent's health insurance until they reach the age of 18, or older if they are full-time college students. If one parent has reasonably priced health insurance, many states can permit or require that the court order a parent to keep their children covered under that health plan. If health insurance for the children is an additional cost that must be negotiated, it should be included in the child support calculation. You and your attorney can review these issues as well as any options you may have under the Consolidated Omnibus Budget Reconciliation Act ("COBRA").

I will help you analyze your budget, project your expenses, examine your mortgage options, and provide financial information that may assist you in determining whether or not you should negotiate to keep the house.

The family home

The home is typically one of a divorcing couple's largest financial assets and therefore involves the greatest amount of anxiety. Should you keep your home or sell it? Consider the following questions:

- Is it in your children's best interests to stay in the home?
- Can you afford the mortgage, taxes, insurance, and maintenance?
- How stressful is the atmosphere in your home?

Although you may love your home and neighborhood, bear in mind that a house is a very costly, illiquid asset. The mortgage, real estate taxes, capital gains taxes, utility bills, insurance and maintenance can add up over time. Will you be able to afford the house once the marriage is dissolved?

After the divorce:

Post-divorce financial management

During your divorce, planning for retirement is probably not your first priority. It is important, however, to establish a financial plan that is compatible with your long-term goals and future financial health.

Your retirement goals

I will help you set up a long-term investment strategy for retirement and advise you on appropriate asset allocation, strategic portfolio diversification, and suitable risk management. I will monitor your results and be prepared to recommend ways to adjust your portfolio should there be changes to your financial situation, risk tolerance, time horizon or long-term goals.

Keep in mind that retirement plans—yours and your ex-spouse's—may be considered marital assets. A Qualified Domestic Relations Order (QDRO) specifies the terms under which an ex-spouse can receive an interest in a former spouse's qualified retirement plan (typically a 401(k) or 403(b)).

The IRS provides for a non-taxable transfer of an IRA and most qualified retirement accounts to a spouse as part of a divorce agreement. Completed pursuant to a final divorce judgment, this transfer of assets is a non-reportable, non-taxable event only if all of the rules and requirements are followed, which is an important reason to have an experienced financial professional guide you through the process. You may want to also review these requirements with your attorney.

Determining the effect of divorce on your Social Security rights and benefits can be complicated.

Divorce and Social Security

If you change your name, you may want to inform both the Social Security Administration (SSA) and your employer. This will assure that your earnings will be properly reported by your employer and recorded in SSA records. You will be issued a new card from Social Security with your new name. The government's website, www.ssa.gov provides valuable information and answers to the following questions:

- How will divorce affect my retirement benefits?
- When can I begin to receive Social Security benefits?
- Does my ex-spouse receive less if I collect from his earnings record?
- How does divorce affect survivor's benefits?
- If I remarry, do I lose my retirement benefits?
- What if my ex-husband dies while I am collecting off of his earnings record?

The rules vary depending on your situation, so you should speak to your attorney or a Social Security representative at 800-772-1213.

Your estate planning goals

Once your divorce is final, you'll need to revisit your retirement and estate plans, your will, Powers of Attorney and health care proxy. Now that you are legally an unmarried person, you may need to make detailed guardianship arrangements for your children.

In order to maximize your financial health and minimize your risk, be sure to discuss with your attorneys the possibility of taking the following actions:

Update your beneficiary designations

If your ex-spouse is listed as a beneficiary on your life insurance policy, retirement account, annuity contract or other documents, be sure to change this as soon as your divorce is final to reflect your wishes regarding new beneficiaries.

Establish a trust

There are certain trusts available that can protect your children's inheritance if your former spouse remarries and subsequently divorces.

Consider dividing charitable trusts

If you have any irrevocable charitable trusts, you may be able to divide your charitable trust or family foundation between you and your former spouse.

I am available to work with you as you confront the unique circumstances that can arise from the division of assets in divorce proceedings.

You, Your Vision and Clear View

One Goal: Your financial success

As a Clear View client, you benefit from our experience, resources and training in the specialized areas of divorce and retirement planning.

Through our team of network professionals with their diverse expertise across a range of disciplines, we are able to help each client realize their own vision for financial success.

Our relationship with you

Our work ethic is simple and powerful. It is based on the value of collaboration.

We work side by side with our clients, taking the time to understand their individual needs and goals and the dreams they have for themselves, their families and their future.

About Clear View Wealth Advisors, LLC

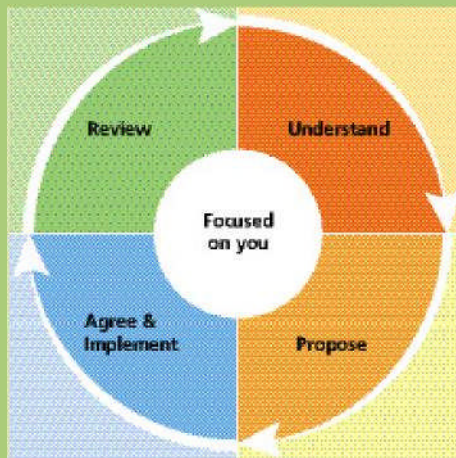
Clear View Wealth Advisors, LLC is an independent fee-only/fee-for-service Registered Investment Advisor providing comprehensive financial planning and investment management to successful Baby Boomers, Gen Xs and Millennials, and established organizations throughout Massachusetts.

Take the first step

Divorce is difficult. I understand how to navigate through the process and can provide you with financial direction.

We can talk in private about your questions, your options and your decisions. That is the first and most meaningful step you can take in becoming self-sufficient and in fulfilling your new, independent life.

Please contact me for a confidential, personal discussion: **Steve Stanganelli 617-398-7494 or 978-388-0020**
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The Clear View Client Experience

Our board-certified financial professionals take the time to understand your needs and goals and proactively provide appropriate solutions. We keep you informed on a periodic basis, and can monitor and update strategies, as appropriate, to respond to ever-changing markets and your evolving needs.



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Fee-Only Registered Investment Advisor

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Steve Stanganelli is a five-star rated, board-certified financial planning professional with over 20 years of experience coaching individuals and businesses on ways to improve and protect their personal or business bottom line. He also has completed specialized training in collaborative practice.

His practice encompasses retirement income planning, investment management, divorce settlement analysis and college funding strategies.

Steve works with a variety of individuals and families with a special focus on Baby Boomer pre-retirees, business owners, corporate executives and medical professionals.

Resources:

<http://moneylinkpro.wordpress.com/category/divorce-financial-planning>

<http://www.masscl.org> “Divorce without Litigation”

Divorce Financial Planning – Financial Steps to a Fresh Start

It is all the more important for individuals to prepare correctly with proper advice ahead of time so that each party can have a fresh start.

When love goes wrong, there are a host of money pitfalls and potholes on the road to and from the courthouse.

Soon-to-be singles will benefit greatly by adding a financial planning professional to the team, especially one with special training in the area of divorce planning.

Too often individuals are caught up in the emotions of a love gone wrong and are too distracted by grievances to see the bigger picture.

Regardless of who gets the house, there are issues that neither the court nor your attorney may be skilled enough to address with you.

Consider adding a certified financial planning professional to the divorce team.

While most financial planners and accountants excel in their chosen field, most may have little or no training specifically related to the financial issues of divorce.

Common mistakes include (but unfortunately are not limited to):

- Negotiating to retain the marital home when the client cannot afford it.
- Not obtaining complete information on all retirement plans, employee benefits and stock options.
- Not evaluating the defined benefit pension plan correctly.
- Thinking that retirement assets have the same value as an equal dollar amount of non-retirement assets.
- Not understanding the different division methods of a retirement asset and knowing which one is in your client's best interest.
- Not understanding the purpose of a Qualified Domestic Relations Order (QDRO) and the need to get it completed and filed at the time of the divorce or immediately after the divorce is final.
- Not looking at the long-term impact of a financial settlement.

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Neither Clear View Wealth Advisors, LLC nor any of its employees or members provide legal or tax advice. You should consult with your personal legal or tax advisor regarding your personal circumstances.

Financial planning Services are provided in our capacity as registered investment advisers.



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