

Subject: News from Divorce Matters

Reply: lili@divorcematters.com



Dear Lili,

"There are only two ways to live your life. One is as though nothing is a miracle. The other is as though everything is a miracle."

- Albert Einstein

## (Some of) The Biggest Financial Mistakes People Make

**Published By: The Fidelity Independent Adviser Hotline for Thursday, March 15, 2012**

There are probably a limitless number of financial mistakes people can make. But here are some of the biggest and most common.



**Not paying off your credit card bill in full each month.**

**Refinancing your home too often.**

**Leasing a car.**

**Not maximizing your retirement contribution at work.**

**Investing in family members or friends.**

**Leaving your investments entirely in the hands of an outside adviser.**

**Buying on a whim, or a tip.**

**Not paying you bills online.**

**Carrying too little insurance on your home, or not having life insurance if you have a spouse or dependents.**

**Not having a savings plan.**

### In This Issue

[1. \(Some of\) The Biggest Financial Mistakes People Make](#)

[2. When It Comes to Retirement...](#)

[3. The Perfect Storm: Divorcing Baby Boomers](#)

[4. Divorce Retirement](#)

[5. Five Tips from the IRS](#)

[6. Divorce Events: Party Time!](#)

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Not writing a will.

## When it Comes to Retirement, One Is Still the Loneliest Number: Study



**By: Lili A. Vasileff, CFP(r),  
CDFA(tm)**

"The odds of being single at some point during retirement are high and present unique challenges for both "ever single" retirees who never married and for those who become "suddenly single" in retirement due to divorce or death of a spouse. Regardless of how or why one finds themselves single in retirement, one thing is certain: it presents a unique set of financial, emotional and planning challenges."

The BMO Retirement Institute Report on Single in Retirement U.S. Edition March 2012.

This is such a hot topic. I am presenting twice in my presentation on Baby Boomers and Divorce at the upcoming [Start Over Smart Expo on March 31st and April 1st in NYC](http://startoversmartny.com) (for tickets go to <http://startoversmartny.com>.) Here is a repeat of my article as the popularity of this trend was gained recognition.

## The Perfect Storm: Divorcing Baby Boomers

**Published By: FPAnet.org**

**By: Lili A. Vasileff, CFP(r),  
CDFA(tm)**

As Baby Boomers approach the last hurdle before the magic retirement age of 65, it is becoming increasingly newsworthy that growing legions of older Americans are untying the marital knot. With this trend for "gray" divorces, there are



several challenges: dividing one household into two; re-evaluating near term retirement and estate planning goals; addressing gaps in health insurance coverage; re-examining investment decisions for longer life expectancies. It is truly a "perfect storm" where not only are your financial goals turned upside down, but planning is further complicated by emotional and psychological turmoil affecting your rational decision-making.

Every 10 seconds a Boomer turns 60 years old. Boomers are unlike predecessor generations in a myriad of ways. One of the most pronounced differences is that there was a shift in attitudes to more of a "me" generation focused on personal rewards and self fulfillment.

So has this attitude resulted in an increasing rate of gray divorces?

Surprisingly, the answer is no. The divorce rates for seniors have remained nearly steady since the 1970s. The surge in divorcing Boomers actually reflects that more divorced adults are becoming divorced seniors. More Boomer women initiate divorce (66 percent) and claim satisfaction (70 percent) than men. The biggest fear expressed about divorce is the prospect of living alone. Interestingly, the traditional moral taboo against divorce has little effect on holding together troubled marriages. [Read More About Unique Financial Challenges](#)

## Divorce Retirement: Financial Advisers Face Challenges When Couples Split Later

By: **Jessica Toonkel**

Published By: **Huffington Post**



NEW YORK, March 12 (Reuters) - As part of the retirement planning process, financial advisers often help married couples prepare for the eventuality of one dying before the other.

What few people talk about is what happens if the couple divorces as they are

approaching retirement.

For financial advisers, a divorce by clients can be a minefield of strong emotions and conflicting interests, not to mention their shock at seeing their assets get cut in half.

But advisers say they can get their clients through this trying time with a significant amount of hand-holding and expectation-setting. In some cases, they may even refer them to other financial advisers who do not have a previous relationship with either of the clients.

### PLANNING FOR THE UNPLANNABLE

While advisers agree that there is no way to plan long-term for divorce, they can take steps to be more prepared for it.

A growing number of advisers are becoming "certified divorce financial analysts" by taking a four-part, self-paced course covering such issues as tax ramifications, property division and budgeting matters.

Often, once a couple starts thinking about divorce, the husband, wife or both will ask the adviser what to do. This presents a tricky situation.

If only one spouse is coming for help, advisers have to be sure to include the other in the conversations, or else they are opening themselves up to lawsuits down the road.

Some advisers feel that there is too much potential for a conflict of interest if they continue to work with a couple during a divorce. In

these cases, they often refer their clients to another adviser just to help them through that process.

And lawsuits are something to be concerned about. "Most clients coming through a divorce want to blame someone," said Lili Vasileff, President of Divorce and Money Matters LLC and president of the International Association of Divorce Financial Planners. "Advisers need to make sure they have liability insurance."

[See Entire Article](#)

## Five Tips for Recently Married or Divorced Taxpayers with a Name Change

**By: IRS Tax Tip 2012-23,  
February 3, 2012**

If you changed your name after a recent marriage or divorce, the IRS reminds you to take the necessary steps to ensure the name on your tax return matches the name registered with the Social Security Administration.

A mismatch between the name shown on your tax return and the SSA records can cause problems in the processing of your return and may even delay our refund.

Here are a few tips from the IRS for recently married or divorced tax payers who have a name change.

1. If you took your spouse's last name - or if you hyphenated your last names, you may run into complications if you don't notify the SSA. When newlyweds file a tax return using their new last names, IRS computers can't match the new name with their Social Security Number.
2. If you recently divorce and changed back to your previous last name, you'll also need to notify the SSA of this name change.
3. Informing the SSA of a name change is easy. Simply file a Form SS-5. Application for a Social Security Card, at your local SSA office or by mail and provide a recently issued document as proof of your legal name change.
4. Form SS-5 is available on SSA's website at [www.socialsecurity.gov](http://www.socialsecurity.gov), by calling (800) 772 - 1213 or at local offices. Your new card will have the same number as your previous card, but will show your new name.
5. If you adopted your spouse's children after getting married and their names changed, you'll need to update their names with SSA too. For adopted children without SSNs, the parents can apply for an Adoption Taxpayer Identification Number - or ATIN - by filling out Form W-7A, Application for Taxpayer Identification Number



for Pending U.S. Adoptions with the IRS. The ATIN is a temporary number used in place of an SSN on the tax return. Form W-7A is available on the IRS.gov website or by calling (800) TAX-FORM.

## Divorce Events: Party Time!

By: [Divorce.com](http://Divorce.com)

Going through a divorce in a modern western country today is usually not a time when most people want to think about having a big celebration.

Terminating a multi-year marriage can be an emotionally and financially exhausting

experience for most people. However, the Times of India, reporting on event trends on the island nation of New Zealand, recently noted that an increasing number of Kiwi women are now holding separation or divorce parties that transform the end of their relationship into a celebration of sorts. An article in the Times quoted an event organizer in New Zealand as saying that women on the more urban North Island have been booking divorce bashes for a while and that the trend is now gaining popularity on the South Island too.

Instead of getting depressed about the end of their marriages, the women in New Zealand are turning their frowns upside down to mark becoming single again. Even if they aren't booking time at commercial venues, they are throwing wild bashes in their homes and backyards complete with food, drink, decorations and male strippers. With or without the strippers, throwing a party is certainly better than throwing a fit, and getting together with friends and relatives to celebrate is probably a good mental health practice for those recently divorced.

The Times article made no mention of the habits of recently divorce men in New Zealand, but it does bring to mind one inevitable question; If the Kiwi women are having such a good time with their divorces, what are the Kiwi men doing?



Sincerely,

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