



Air Force Financial Readiness Divorce Checklist Talking Points



Studies at the National Institutes of Health (NIH) verify that money is a leading cause of stress in relationships. Even when a relationship ends in divorce, money often continues to be an issue. This checklist, supplemented with information and referrals from Airman and Family Readiness Center (A&FRC) staff, can help you assist divorcing or newly divorced individuals to reorganize their finances efficiently as they work through the many dimensions of this difficult life event.

Use this checklist as a solution-focused tool to help your counselee, in a one-on-one conversation, set goals, establish priorities, and develop a personal action plan. Space is provided to add local resources and reminders about additional topics.

Ask your counselee where he or she is in the divorce process. Are they separating? Separated? Have legal papers been filed? Remind your counselee that you are not a lawyer and that he or she will need the advice and guidance of an attorney throughout the divorce process. The base legal office may be able to help the counselee find pro bono or reduced-fee assistance if he or she finds the cost of adequate legal counsel prohibitive.



Documents

- ☐ Obtain an official copy of your Marital Settlement Agreement (divorce decree).

Suggest that the counselee get several certified copies in case he or she needs to file them with multiple agencies.

Make sure your counselee knows that his or her divorce decree should specifically address spousal support, child custody, division of property (including financial assets), and other pertinent matters. Note that under the terms of the Uniformed Services Former Spouses' Protection Act of 2011, certain former spouses may be entitled to a portion of retired pay. (For more information, see <https://www.militaryonesource.mil/family-relationships/relationships/relationship-challenges-and-divorce/uniformed-services-former-spouse-protection-act-for-divorced-spouses-in-the-military>.)

Also, consider how the divorce impacts Social Security benefits planning, if the counselee was married for more than 10 years. See *Retirement Planner: Benefits For Your Divorced Spouse*, www.ssa.gov/planners/retire/yourdivspouse.html.

- ☐ Bring the divorce decree to the nearest Defense Enrollment Eligibility Reporting System/Real-Time Automated Personnel Identification System (DEERS/RAPIDS) office. If you are changing your name, get a new military ID.

Remind the counselee that this must be done in person. He or she may view a list of acceptable identification documents at http://www.cac.mil/Portals/53/Documents/List_of_Acceptable_Documents.pdf. Your counselee can find the nearest DEERS/RAPIDS office at <https://www.dmdc.osd.mil/rsl/appj/site>.

- ☐ Check your Leave and Earnings Statement (LES) after DEERS updates.

If the counselee's divorce leaves him or her with no dependents living with him or her, the counselee should be sure that his or her housing allowance reflects this status.

- ☐ See your base legal office (active duty) or other legal counsel (Guard/Reserve) to determine the proper course of action regarding powers of attorney (POA) of your ex-spouse, if POAs are in place.

- ☐ Update your estate plan as appropriate.

If the counselee does not yet have an estate plan, provide the *Estate Planning* handout and suggest that he or she develop an estate plan with assistance from the base legal office (active duty) or civilian legal services (Guard/Reserve; legal services are sometimes available through civilian employers). To help active-duty counselees learn more about Air Force legal services, refer them to https://aflegalassistance.law.af.mil/apps/aflass_public/bin/main.php. Suggest that the counselee seek legal assistance as soon as possible. He or she should not wait until right before temporary duty (TDY) travel or deployment, when appointments may be difficult to get.

- ☐ If you are changing your name, get a new Social Security card, driver's license, and passport.

Additional Notes: _____



Financial Planning

- ☐ Make a spending plan (budget) for your new situation, or revise your current spending plan to account for current income, expenses, and indebtedness. Include spousal and child support, as applicable. As necessary, consider potential financial implications of divorcing in the state where the decree is issued, such as travel to that location, required classes, filing fees, and other legal fees.
- ☐ Get a credit report, including credit score. Plan and execute a strategy to establish and maintain good credit, as necessary. Monitor the progress of your strategy. Recheck credit reports six and 12 months after the divorce.

Remind the counselee that free credit reports are available through the A&FRC, along with financial counseling and coaching.

- ☐ Sign up for free credit monitoring, if eligible.

Emphasize that Airmen are eligible for free credit monitoring, depending on their duty status. Credit monitoring means that the reporting agency will alert the Airman about unusual account activity. Each of the credit-reporting agencies (Transunion, Equifax, and Experian) has its own application procedure. The important point is that the Airman must request this service. Though free, it is not automatic.

- ☐ If possible, settle all outstanding joint debts. Continue to pay and monitor outstanding joint debts, as these continue to be your legal responsibility until your name is removed from the account or the debt is paid off.

Suggest to your counselee that he or she verify that closed joint accounts have been removed from his or her credit report.

- ☐ Where appropriate, close all joint bank/credit union accounts and open new ones in your own name. If you are unsure about taking this step, seek professional financial counseling and/or legal counsel before acting.

Remind your counselee to be sure that the new account is open and that all outstanding checks for an existing account are cleared before closing an existing account.

Ideally, this task will be accomplished with the knowledge, cooperation, and assistance of the ex-spouse. Refer your counselee to legal counsel for help if the ex-spouse cannot or will not participate.

- ☐ Clean out any joint safe-deposit box(es) and rent new one(s) in your name.

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- ☐ Establish an effective bill-paying system to ensure that bills are paid on time.

If your counselee's ex-spouse paid the bills when they were married, suggest that he or she consider financial coaching and/or taking a financial management class. Make referrals to local resources, as appropriate.

- ☐ Create or restart your emergency reserve fund.

Strongly suggest that your counselee increase emergency savings to cover three to six months of income, if not presently funded to that level. This is especially important if he or she is the sole source of income for himself or herself and his or her dependents.

- ☐ Update beneficiaries of your Thrift Savings Plan (TSP) account, as appropriate.

- ☐ Work with your legal counsel and your brokers or other financial professionals to reshape your retirement funding, as necessary. Ensure you understand your ex-spouse's rights to your retirement funds and benefits, and ensure that Individual Retirement Account (IRA) and other investment accounts are in your name only or your interest in those accounts is legally protected to the extent possible under the law.

Remind your counselee of the Uniformed Services Former Spouses' Protection Act, as it may apply to his or her situation (see the link in the Documents section above). Be sure your counselee knows that in some cases, a qualified domestic relations order (QDRO) is required to split a retirement account. If so, the divorcing couple should be sure to include one in the divorce settlement. After submitting the QDRO, the counselee should follow up to confirm that plan administrators have accepted it and that it has been filed with the court.

For more information about QDROs, refer your counselee to: <https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/publications/qdros.pdf>.

If your counselee is close to retirement, refer him or her to a Survivor Benefit Plan (SBP) counselor to discuss the impact of the divorce on SBP.

- ☐ Use a written receipt system to document payment or receipt of alimony/maintenance funds.

Tell your counselee that good records will be important if payments are chronically late or withheld.

- ☐ Seek out and take advantage of financial workshops that address the needs of divorced persons.

Additional Notes: _____



Housing

- ☐ Transfer ownership on any real estate deeds so they are in your name only.

Suggest to your counselee that as appropriate, that he or she may need to execute a quitclaim deed to transfer title of real property to his or her former spouse, and/or make sure that the ex-spouse does the same, as required by the divorce decree. The counselee should then ensure the deed is filed by the county recorder where the property is located. The counselee should also complete any refinancing or mortgage assumptions as necessary.

- ☐ Change utilities and other household accounts to your name.
- ☐ Update your mailing address with all creditors.
- ☐ Work with your base housing office for any housing needs.

Additional Notes: _____



Automobiles

- ☐ Update your car title(s) and registration(s) so they are in your name only.
- ☐ Update your auto insurance policies.

Remind your counselee to inform his or her insurance carrier of his or her new marital status and remove the ex-spouse from the list of drivers in the household.

Additional Notes: _____



Insurance

Health insurance

- ☐ If you are covered by TRICARE, change your TRICARE medical and dental enrollments, as necessary. If you are covered by any other health policies, adjust coverage to suit your current circumstances.

Property insurance

- ☐ Review and update your homeowners or renters property and liability insurance policies to ensure they are in your name and are adequate for your new situation.

Life insurance

- ☐ Update the beneficiaries of your Servicemembers' Group Life Insurance (SGLI).

Inform counselees that the SGLI Online Enrollment System (SOES) allows service members with full-time SGLI coverage to make fast and easy changes to their life insurance coverage and beneficiary information at any time without completing a paper form or making a trip to their personnel office. To access SOES, they must sign into <https://milconnect.dmdc.osd.mil/milconnect/> and go to the "Benefits" tab, Life Insurance SOES-SGLI Online Enrollment System.

- ☐ Check the total amount of life insurance you have against your insurance needs and update beneficiaries for any privately owned life insurance policies.

Disability Insurance

- ☐ If your ex-spouse pays alimony or child support and if it is possible and feasible, take out a life and/or disability insurance policy on him or her.

Explain to your counselee that this will protect his or her income should the ex-spouse die or become disabled. The counselee should be both the owner and beneficiary, and should control payment of premiums. (The cooperation of the ex-spouse may be required.)

Additional Notes: _____



Taxes

- ☐ Review your new tax situation and change federal and state withholding as needed. (This can be done in MyPay for Airman pay. Guard and Reserve members will need to do it with their employers as well.)

The counselee should be sure to have the Social Security numbers of the former spouse and all children. Remind your counselee the he or she may need the numbers for tax returns. The counselee may also need the former spouse to sign an IRS Form 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent, to indicate what the divorcing partners' agreement is regarding claiming the children as exemptions.

- ☐ Update personal property tax records in your city and/or county to reflect your new marital status.

Additional Notes: _____

