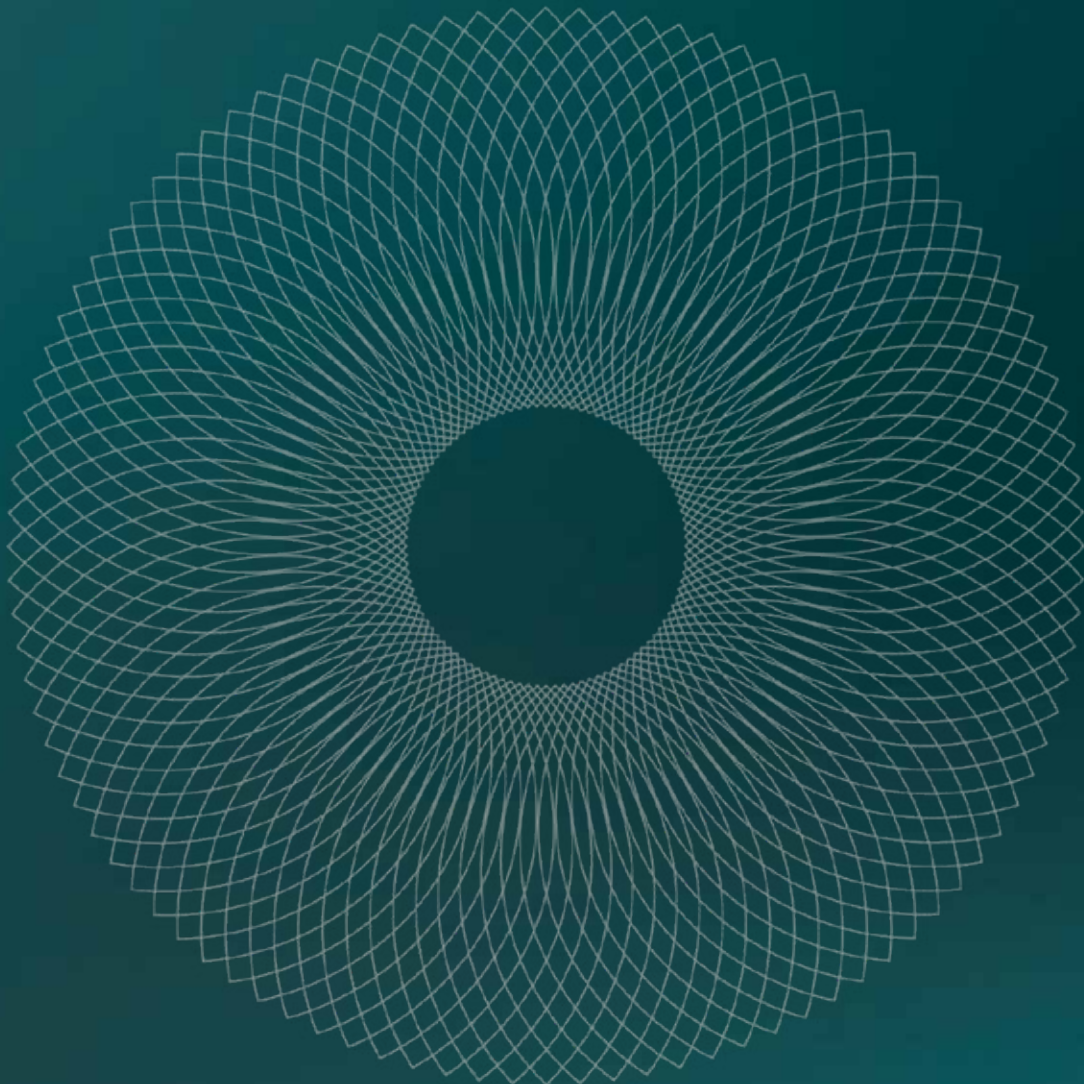




# Divorce and Wealth Planning

Supporting you on your divorce journey



# Getting divorced

We understand that divorce can be a stressful and difficult time. Any decisions made should be well thought out, as they can have lifelong consequences.

You may already have a good understanding of your financial situation, or you may be feeling anxious and overwhelmed about your finances. Either way, engaging with a financial planner early in the divorce process can be hugely beneficial.

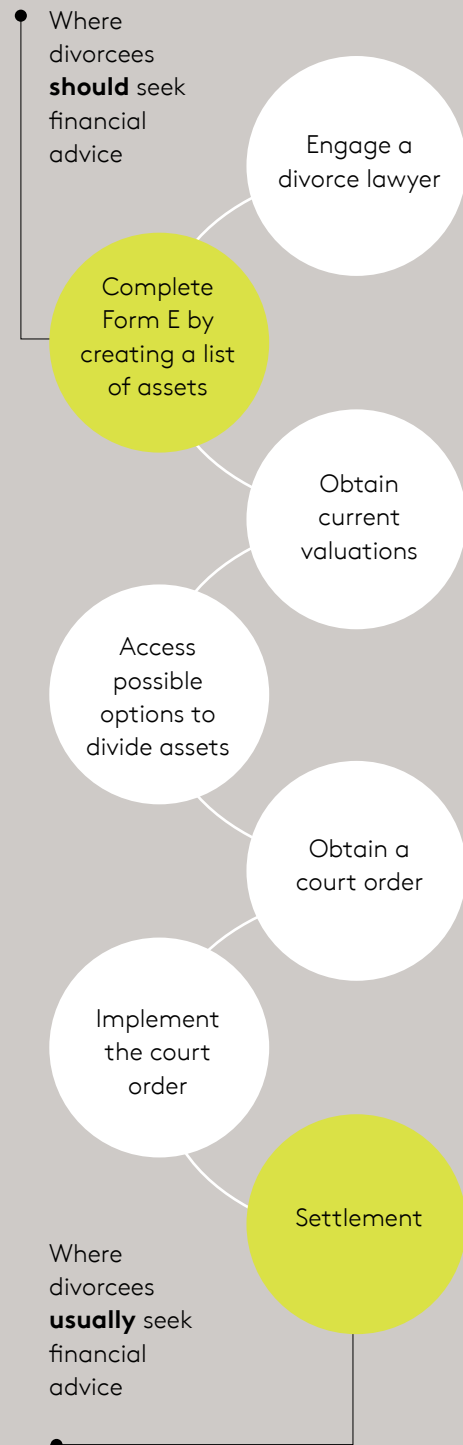
Often people seek financial advice once their divorce settlement has been agreed but getting advice much earlier in the process means you can make informed decisions.

As specialist divorce financial planners, we are experienced in working alongside your legal team to provide financial planning and analysis. We can help in pre-divorce and settlement negotiations and post-divorce financial management.

There is cost involved in divorce but paying for expert advice, both legal and financial, can help you to move on in the strongest position possible.

*“So grateful to Lucy for her sound advice. She helped to make complex pensions make sense! I now have a much better understanding and feel confident about heading into retirement.”*

DM, Director BioPharma



# Understanding your assets



The key to getting a fair financial settlement on divorce is to understand the assets owned by both parties.

Both of you are required to disclose your matrimonial assets at some stage during the divorce process. You do not have to go through any legal formalities to divide your finances but, if you don't, your ex-spouse could make a claim against you at a later date.

You also need to know your liabilities, such as outstanding mortgage balance or car loans.

We can help you obtain the information needed for your pensions and investments and guide you in completing the disclosure forms (Form E or mediation financial disclosure form).

*"I've known Lucy for several years and built up a trusted relationship with her. She is proactive in providing financial advice and I very much look forward to our regular 'planning ahead' meetings."*

MC, property developer

Assets can include:

**Family home**



**Other property**



**Savings**



**Pensions**



**Investments**



**Motor vehicles**



**Furniture and appliances**



**Business assets**



# Gaining clarity

When thinking about a divorce settlement, there are so many ‘what if’ questions about areas such as the family home, changing or returning to work, supporting children with educational expenses and much more.

Through our process we can help you understand what may be achievable in the future and the possible different scenarios for splitting marital assets. Getting that initial understanding and reassurance can be hugely helpful in the early stages.

During negotiations, our financial analysis and modelling can help illustrate what a proposed settlement could look like in the short, medium and longer-term.

**The Courts have wide discretion over splitting marital assets and they can make a variety of orders including:**

- Payment of a lump sum
- Sale or transfer of property
- Pension sharing
- Spousal maintenance
- Child maintenance

*“Lucy goes above and beyond. She has helped me understand my finances and feel confident about my future. So grateful that she was referred to me and I would recommend Lucy to my friends.”*

SB, retired Head of Compliance

With our modelling, different versions can be built to show the impact of small changes to any proposed settlement. It can also help to highlight any shortfalls and what could be done to remove or reduce those.

By understanding the options, it can give you the confidence to make informed financial decisions throughout the process, providing peace of mind.

And finally, post-settlement, the modelling can be updated to help you achieve your financial goals and objectives going forward. It can enable you to understand your investment options to ensure that your money continues to work hard for you.

We will help you take into account any income tax implications, retirement provisions, and the impact on future financial stability. We help you think longer-term.



# Pensions in Divorce

Pensions are often overlooked by divorcing couples yet they can be the most valuable assets owned after the family home.

Taking pensions into account in any settlement can be crucial to ensuring financial wellbeing in retirement. This is especially important where there is a disparity in pension savings, often due to one partner being the main wage earner whilst the other may have taken on more family responsibilities.

Women often lose out when it comes to pensions in divorce. There is already a gender pensions gap and this can be exacerbated following divorce.

Pension wealth is unequally distributed and men have substantially more private pension wealth than women with disparities across age ranges. For those aged 65-69, median pension wealth for men is just over £212,000 compared to just £35,000 for women. According to research by University of Manchester in 2021<sup>1</sup>.

One common mistake is to agree to a split based solely on the value of the pension plans rather than the level of income they could provide. There are different types of pensions and it is important to understand the potential income that each arrangement might pay.

Pensions should form part of the financial disclosures in divorce and in any calculations all pensions should be considered, including the state pension and any pensions set up before the relationship. Some or all of the pensions can be shared.

There is sometimes the misconception that when sharing pensions, there can't be a clean break between parties and they remain tied to each other throughout retirement. This is not the case. Pension sharing splits the pension between the divorcing parties giving each a pension in their sole name.

We can help you understand and gather all the relevant information about all pensions. We can help "translate" complex pension information, including information in a pension actuarial report, and help you ask the right questions. From there, we model the options available to you and make recommendations.

We enable you to make informed decisions about splitting pensions, taking into account the wider context of other matrimonial assets and your financial needs and objectives.

## Options

There are two main options for splitting pensions:

1. Pension sharing – this is the most common route, where one party gets a percentage share of their ex-spouse's pension(s). A pension sharing order is given by a Court and usually the given share can be transferred into a pension in the other party's sole name.

2. Pension offsetting – this is where one party gets a greater share of another asset, instead of receiving a share of the pension, such as the family home.

Pension sharing is also available from pensions already in payment, although the process is different.

<sup>1</sup>Buckley, J., & Price, D. (2021). Pensions and Divorce: Exploratory Analysis of Quantitative Data: Report of a MICRA Seedcorn Project supported by the Pensions Policy Institute. University of Manchester, Manchester Institute of Collaborative Research on Ageing.

# Our Approach

We always offer a complimentary initial consultation to help you understand how we can help you and if we are the right fit for each other.

We offer a bespoke service following our 4 -step approach:

**1. Understanding you & analysis** – we want to get to know you and understand your current situation. We build a clear picture of what you have now, what you think you will need post-divorce and what you may have in the future. This allows you to understand your priorities in divorce.

**2. Plan creation** – we come up with a bespoke financial plan depending on the stage of divorce you are at. This plan will be clear and detailed, yet easy to understand with limited jargon. We will include modelling based on different scenarios so you can make informed decisions. We help to empower you with key knowledge about your finances.

**3. Implementation** – at this stage, we work closely with you to ensure you are comfortable with the strategy and the way forward. We can help you make the most of your money and deal with all the financial planning to help you build a confident future.

**4. Review** – your financial plan needs to grow and change with you; this is especially true post-divorce. We take a proactive approach to ensuring that your plan stays on track to help you achieve your objectives.

## Fees

Our fees are fair and transparent. Once we understand your situation and how we can help you, we provide you with a proposal including a fee breakdown.

Our fees are determined by the complexity of the work and the amount of time it will take to complete. You will always be told in advance of any work starting.

We can offer flexibility regarding the timing of fee payment so please do have a chat with us about it.

### Example based on financial modelling:

A client wants to understand their current financial position and possible settlement options; value of existing joint pensions and investments totalling £1.7m.

Scope	Cost
Initial consultation	Complimentary
Detailed modelling with up to three 'what if' scenarios; written report of outcomes and points to consider; personalised video recording of key findings	£3,000 plus VAT



# Contact

We are here to help guide and support you throughout your divorce journey.

## **Lucy Cahil**

Senior Wealth Planner

Tel: 020 7469 6830

Email: [lcahal@ipscap.com](mailto:lcahal@ipscap.com)



Specialist divorce financial planner. Experienced in advising those going through divorce, helping them to take control of their finances.

Working alongside solicitors, she provides financial advice to those going through the divorce process with the aim of helping them attain financial security and taking control of their finances. Every divorce is unique and by providing bespoke, tailored, financial advice Lucy helps clients navigate through to settlement and beyond.

Lucy has a wealth of experience gained in her roles at Smith & Williamson (now Evelyn Partners) and Charles Stanley, prior to joining IPS.

Lucy is often featured in the national press on all aspects of financial planning.

### Professional Qualifications and Memberships

- Member of Resolution
- Part of Resolution's Collaborative Working Party Committee
- CISI Level 6 Advanced Financial Planning (MCSI)
- LIBF Level 4 Diploma for Financial Advisers (DipFA)

Please contact us for a complimentary, confidential consultation.

### IMPORTANT INFORMATION

This document has been approved by IPS Capital LLP ('IPS') for promotion for the purposes of section 21 of the Financial Services and Markets Act 2000 ("FSMA"). IPS is authorised and regulated by the Financial Conduct Authority with FRN 471375. This document is not intended to be a source of advice and in particular the information herein will not address your particular circumstances, investment objectives and attitude to risk. It is not intended to be, and should not be relied on for accounting, legal or tax advice. IPS Capital has expressed its own views and opinions in this document and these may change.

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.



## IPS Capital

IPS Capital LLP is an independently owned partnership, offering investment management, wealth planning and consulting services. Originally founded in 2007, IPS Capital provides an outstanding and personal service to align with your financial goals.

## Contact

**Telephone**

+44 (0)20 7469 6830

**Email**

[lchahil@ipscap.com](mailto:lchahil@ipscap.com)

**Address**

4 Eastcheap  
London  
EC3M 1AE