

Divorce and your Retirement



Divorce can be heartbreaking, and most people will agree that it's completely overwhelming. It's not something we plan for, but when it happens, there are many arrangements to be made with regard to dividing your assets as a couple.

When couples divorce, their retirement benefits can be divided, just like any other assets in their estate. Divorce will most likely have an impact on your expected retirement benefit and you will need to take that into account in your retirement planning. To avoid any confusion, we've compiled a checklist of the important facts you need to know.

Fact one

Legislation makes provision for your retirement fund credit to be shared between you and your ex-spouse if you divorce. If a divorce order or decree for the dissolution of your marriage is made against your retirement fund benefit (fund credit), a certified copy of the order must be sent to the administrators of the Fund as soon as possible.

Fact two

Keep your financial information and documentation organised. Provided the divorce order contains the required information, the Fund will pay accordingly. To ensure that the benefit can be paid from the Fund to your ex-spouse, you should ensure that the divorce order contains the following:

THE FULL NAME OF THE FUND

THAT THE FUND IS ORDERED TO PAY THE BENEFIT TO THE NON MEMBER SPOUSE

THE VALUE OF THE BENEFIT EITHER AS A PERCENTAGE OR RAND VALUE

Fact three

It is essential that you consult your legal and financial advisor. Their role will be critical in analysing your financial well-being. You need to be fully aware of the complete financial situation that you are facing.

Fact four

Once your divorce is finalised, you need to update your Will and your Nomination of Beneficiary Form accordingly. You need reconsider things like the following:

- Who would be the executor of the estate?
- If your children from your current marriage are included, how will they be cared for financially in comparison to possible future children or stepchildren?

The decision to divorce is never an easy one. Make the process as smooth as possible, by keeping your documents in order!

Disclaimer:

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