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## Divorce finances: You may need a planner

By [Pat Curry](#) • Bankrate.com

Participants in the tug of war that often accompanies a divorce can add a powerful new member to their team -- a certified divorce planner.

A certified divorce planner (CDP) is a financial planner who has undergone additional education and training in the specific financial issues related to divorce.

Prior to the divorce, the certified divorce planner can assist in working out the settlement and preparing for the future. After the divorce, they provide guidance in long-range financial planning.

Rates for a CDP can vary as widely as the cost for an attorney or an accountant, but Janen Moyer, a CDP in Deerfield Beach, Fla., says the average ranges between \$100 and \$150 per hour. She charges an up-front retainer of \$1,800 and \$150 per hour.

Her preference is to work with clients both before and after the divorce, handling both the pre-settlement chores and the post-divorce financial planning. For those who commit to the whole package, she charges \$2,500 start to finish.

"It's a two-step process," she explains. "The divorce process discussion is useless unless you're going to implement that plan."

If you're thinking of hiring a CDP, start at the Web site of the [Institute for Certified Divorce Planners](#). The site has a search function to locate CDPs in your area. As Atlanta-based CDP Matt Bernstein notes, the series of courses required to receive the certification ensures that the planner is "knowledgeable or knows where to get the answers."

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"If you go to a financial planner who hasn't taken the classes, you'll have to ask questions about their ability to handle divorce issues," he says. "I was unfamiliar with even the basic terms. I couldn't help a person unless I knew those."

From there, it's important to ask a planner how many divorce cases he's actually handled.

"A lot of people get the certification for continuing education but they don't practice," Moyer says. "A couple of people down here refuse to work with the attorneys. I think you need to work with the client all the way through the process."

The bottom line is that you need someone who understands overall financial planning and investment management, and the specific financial issues related to divorce.

"Divorce attorneys do their thing and do it well for the most part," Bernstein says. "Where the divorce planner comes in is to tell them what kind of things they need to talk about in the settlement. It's a matter of looking at all the assets to work them around so both parties are satisfied.

"We try to avoid the battles to come up with something that's fair and reasonable for both sides."

Bernstein sees himself as something of a coach, helping people who are going through a divorce see the big picture of their settlement. What seems like a great deal today may not be so helpful 10 years down the road.

The opposite can be equally true. The settlement may indeed be generous, but if the spouse receiving it doesn't have any experience in handling money, the windfall can be difficult to manage.

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That's typically when Bob Nachshin, an attorney in West Los Angeles who specializes in family law, refers clients to a CDP.

"If people receive a nice pot of money and don't manage it properly and don't have someone looking out for them, they could end up losing everything they've gotten from the settlement or the trial," he says.

"I had a woman who was married for 19 years to a man. He managed all the finances during the marriage, and was worth \$50 million to \$60 million. She got a house and \$10 million. What does she do with the \$10 million? A responsible planner has been, for the last five years, of enormous benefit to her."

A CDP also can deal with some of the complex technical issues that can arise in the separation of property.

Bernstein first became involved when he started working with a woman going through a divorce. When she met with Bernstein for the first time, she started talking about something called a 'quadro'. He had never heard of it.

What she actually needed was a qualified domestic relations order, or QDRO for short, a document that's submitted to the plan administrator of a 401(k) to divide the assets after a divorce. Highly technical and extremely important since it usually involves tens or even hundreds of thousands of dollars, a QDRO is a staple of nearly every divorce settlement these days.

"It was really just to help out a client," Bernstein says. "She had finished her divorce and the attorney left gaping holes in the settlement. The QDRO wasn't done. That's like driving a car down the road with a door opened."

The paperwork for a qualified domestic relations order is so complicated that Nachshin says he won't draft them because they're so technical and the laws governing them are extremely strict.

"If you leave something out, such as you missed a number of someone's Social Security number, you can invalidate the whole order," he says.

The CDP can help with other technical matters, too. While Nachshin usually relies on forensic accountants to value the assets before a settlement or trial, North Miami Beach, FL, attorney Maria Gonzalez often calls in a CDP to perform those tasks.

They're especially helpful in smaller cases in which the client can't afford a CPA or forensic accountant. They also can provide valuable financial help to the client during mediation, she says.

Moyer says she differs from a forensic accountant in that she doesn't handle business valuations. She does draft the all-important QDROs and provides long-term financial planning after the divorce, which is outside the scope of a forensic accountant's work.

Moyer likes to talk to her clients before the divorce is final so she can help them plan out their future. That includes pre-qualifying for a mortgage while they still can list their spouse's income.

She also often advises clients to take some of the money from their portion of any profit-sharing account to get out of debt. It's taxable, but women often don't work the first year after a divorce, putting them in a lower tax bracket.

"These are conversations most attorneys don't have with their clients," she says.

Sometimes, the tasks are complex estate planning matters. Other times, it involves teaching a client how to create and stick to a budget.

"Some of them have never handled money," she says. "It's very time-consuming."

*Pat Curry is a free-lance writer based in Georgia.*

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