

## **Divorce**

There are plenty of emotional issues around divorce. But whilst divorce is a reflection of the past and present, it can have a serious impact on your clients financial future.

Pensions are often worth more than the house especially for defined benefit pensions given the increases we have seen in their transfer values

Class of 2018s research shows that those who have divorced have an income that's £3,800 less than those who have never divorced.

The effect of pension sharing/offsetting/earmarking can be very significant.

So, is your client's 'expression of wish' in need of an update?

Wills: Are you aware that your clients will likely need to update this (assuming that they don't already have one)?

What will happen to their pension scheme benefits if they have no legal dependants anymore? This is important to know if they're looking to pass benefits onto children or other loved ones.

Do they have any joint assets, what will happen to these, will there be a liability to tax on first death now as opposed to second death as you no longer have a spouse you no longer have the inter-spousal exemptions.

IHT planning may be affected if you were factoring in using the spouses NRB to your clients IHT planning, although some may argue that divorce is a sure-fire way to reduce an IHT bill!!