

## **Divorce and Tax Season: A Timely Opportunity to Uncover Financial Accounts Amid Tax Season**

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As tax season approaches, individuals across the nation are busy gathering their financial documents and preparing for the annual ritual of filing taxes. Yet, for those contemplating or in the midst of a divorce, this time of year presents a unique and opportune moment. It's an ideal time to uncover all the crucial financial accounts and documents needed for the divorce process. In this article, we'll delve into why this timing is advantageous and provide guidance on how to use this opportunity to your advantage.

### **1. The Arrival of 1099s and Tax Documents:**

- Tax season brings with it the arrival of essential tax documents, including W-2s, 1099s, and more.
- These documents provide a comprehensive view of your income sources and financial accounts.
- They are crucial for accurately assessing your financial situation during a divorce.

### **2. Bank Statements and Account Information:**

- While gathering your tax-related documents, take the opportunity to collect bank statements, credit card statements, and other account information.
- These documents reveal detailed financial transactions and account balances.
- They are invaluable for property division, alimony calculations, and determining your financial health.

### **3. Retirement and Investment Accounts:**

- Pay special attention to the 1099s related to retirement accounts (e.g., 401(k), IRA) and investment portfolios.
- These forms provide a snapshot of your investment income, dividends, and capital gains.
- Accurate valuation of these accounts is crucial for equitable distribution in divorce settlements.

### **4. Income from Multiple Sources:**

- If you receive income from various sources, such as rental properties or side businesses, the associated tax documents will reveal these financial streams.
- Ensure that all relevant 1099 forms are included in your documentation.
- Full disclosure of all income sources is vital for a fair financial assessment.

## **5. Tax Deductions and Credits:**

- Collaborate with a tax professional and Certified Divorce Financial Analyst® professional (CDFA®) to understand how your divorce may impact tax deductions and credits.
- Certain tax benefits may change post-divorce, so it's essential to plan accordingly.
- Make sure you are well-informed about any tax implications that may arise.

## **6. Legal Counsel and Financial Advisors:**

- Seek advice from legal counsel and Certified Divorce Financial Analyst® professional (CDFA®) who specialize in divorce.
- They can help you navigate the intricacies of uncovering and interpreting tax documents.
- Professional guidance helps ensure you are well-prepared for negotiations and proceedings.

Divorce is a complex process that requires meticulous financial planning and disclosure. As tax season unfolds and 1099s and other tax documents flood your mailbox, seize the opportunity to uncover all your financial accounts and documents. This strategic timing allows you to gain a comprehensive understanding of your financial landscape, which is vital during divorce negotiations.

Remember, honesty and full disclosure are key elements of a fair divorce settlement. Consult with experts in divorce law and financial planning to help ensure you are well-prepared to address the financial aspects of your divorce. By leveraging this unique opportunity presented by tax season, you can set the stage for a smoother divorce process and a more secure financial future.

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