

# aging news alert

## THE SENIOR SERVICES & FUNDING REPORT

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## Considerations of a ‘Gray’ Divorce

*By Jeffery N. Greenblatt, Esq.*

You’ve been married around 25 years. Your children have become more self-sufficient or they’re gone. You shifted your attention back to your spouse, which led to a realization: you are really not happy in your marriage.

Well, you are not alone. The rate of uncoupling over age 50 has increased in recent years and it’s prompted the catch phrase: “gray divorce.”

While the consequences of this “gray” revolution are largely unknown, there are some things we can conclude. When couples divorce later in life, they have fewer years left and fewer opportunities to make up for the financial losses often associated with divorce. Some may opt to stay in the workforce longer. Many will be forced to reenter the job market late in life. For economically secure adults who are healthy, a divorce may have minimal negative consequences and actually can be empowering, at least for the initiator of the divorce.

But for older adults, divorce brings the realization that their nest egg will have to be divided, between them, and this can be difficult. Furthermore, expenses will increase when each has to pay for their own health insurance, housing and everyday expenses like utilities and auto insurance. The cost burden can become unnerving.

So, where do you begin?

Start with a list of necessary and discretionary living expenses. Estimate how much income you’ll need — and consider some of the factors that could save you another heartbreak.

**Tax Liability:** Make sure that tax issues are reviewed prior to finalizing a Separation Agreement so that neither spouse ends up with a tax bill that could have been reduced or avoided. To split retirement assets, a divorcing couple will need a Qualified Domestic Relations Order (QDRO) designed to accomplish the division of these assets and to ensure a tax-free transfer.

**Retirement Savings:** Spouses in a “gray divorce” have less working years left to contribute to retirement accounts. Early withdrawals from retirement funds can result in penalties and fees, so one or both spouses may have to delay their retirement and ultimately adjust their standard of living.

**Spousal Support/Alimony:** It's not guaranteed. In Maryland (where *Aging News Alert's* editorial offices are located) it is dependent on a dozen different statutory factors that include the length of the marriage, the age and health of the parties etc. Spousal support/alimony provides a spouse with periodic payments from the former spouse that continues after the divorce. Spousal support is not automatically ordered.

**Financial Survival After Divorce:** You'll want to thoroughly research your options for health insurance coverage. This is one of the biggest concerns and biggest budget items for those 50+ years of age. Project accurate living expenses and accept that your lifestyle may need to change. Some people find they need to return to the workplace or work longer than anticipated.

**Estate Planning:** You may have acquired, during the marriage, insurance policies, drafted a will or powers of attorney that benefit the other spouse, or that name the other spouse as an executor. Before filing for divorce you should discuss these issues with divorce counsel to determine if changes should be made sooner rather than later. You may not want your soon-to-be-ex-spouse to have powers under a health care directive or general power of attorney. Estate planning can be a relevant part of a property settlement agreement.

**Post Divorce:** If you haven't already done so, you will want to revise your estate plan, wills and change insurance beneficiaries. Your will should be in compliance with the applicable provisions in your Separation Agreement.

**Life After Divorce:** Picking up and starting over can be emotionally and financially challenging. Start by making a conscious effort to move forward and make the next chapter of your life worth living. Stay active. Volunteer. Find your passion. It is not too late to live your best life!

**Info:** The preceding article comes to *Aging News Alert* by way of its author Jeffrey N. Greenblatt, a renowned family law attorney with more than 40 years of experience. Greenblatt represents clients in matters including prenuptial agreements, divorce, alimony, child custody, visitation and support, complex marital property division, and domestic violence. He has a reputation as a highly skilled advocate, sympathetic and compassionate listener, and powerful guardian of his clients' rights.

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