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In many ways, 'gray divorce' more trying than when young

While the overall divorce rate continues to decline, the divorce rate for adults 50 and older has roughly doubled in the past 25 years. Similar to younger divorcing couples, older adults deserve to start a fulfilling and meaningful next chapter in life.

Many explanations exist for "gray divorce." One of the most common trends is the decreased societal stigma of divorce, together with the tendency for women to file for divorce, as they tend to be more likely able to support themselves financially than in the past.

Regardless of a person's age, divorces are emotionally taxing on everyone. Increased emotions, coupled with a sense of urgency to plan for retirement can exacerbate the already daunting nature of divorce. A gray divorce has some unique challenges, which are discussed in this article.

Divorce methods

With fewer years to recover financially and protect retirement assets, it is more economically sound for a couple in a gray divorce to use alternative dispute resolution (mediation or collaborative divorce).

These approaches create more amicable, equitable and durable agreements. These processes are often less expensive and less time-

consuming than a traditionally litigated divorce.

This also preserves any chance of having goodwill going forward so they can enjoy their children's adult celebrations like weddings and having children of their own.

These ADR processes can help the spouses minimize conflict and portray a sense of maturity and wisdom as the leaders of their families.

Financial considerations

Divorcing on the brink of retirement easily can be unsettling. Whether a long- or short-term marriage, the financial considerations of a divorce can be complex.

Depending on age and health complications, a spouse may have been financially and physically dependent on the other spouse for support. A comprehensive budget for the immediate and future retirement needs of each spouse is crucial.

After strategically planning and saving for retirement, the chance of losing half the accumulated assets can be difficult to comprehend. However, these retirement assets all have different considerations to be examined in dividing property.

"Both parties must consider the additional challenges of going through the divorce process later in life," said Wendy Baum, a certified



COLLABORATIVE CONCEPTS

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"There is a shorter time horizon to accumulate wealth and less time to have an impact on the financial estate. Relying upon an attorney who understands these additional challenges can have significant impact as to the strength of the division of assets, especially if the couple is near or at retirement."

For example, maintenance (alimony), life insurance policies and savings accounts may all be at issue. A spouse may be at the peak of his or her career, whether as a CEO or lead executive, earning complex stock options,

bonuses, executive compensation packages and much more.

There may be challenges dividing pension plans and other retirement accounts such as individual retirement accounts and 401(k) accounts. These assets should be reviewed with significant care and attention for a couple in a gray divorce. Not only that, but an attorney can maximize dollars received.

Health

In a gray divorce, one or both parties may also confront health-related concerns. Some spouses might receive continuous health care, while others may require long-term care later.

Health-related issues are intertwined with financial disputes as health insurance, uncovered medical expenses, medication and other associated costs are considered during the financial planning phase.

Obtaining an equitable portion of assets to cover future medical expenses can be crucial. These couples should strongly consider a referral to a financial adviser who is well versed with these complexities.

Adult children

The most highly contentious aspect of a divorce typically concerns the children. In a

gray divorce, the couple often has adult children. If spouses have not yet executed a will or established trust accounts for their adult children and grandchildren, a divorce may also be an ideal time to think about their wishes.

If they are working together consciously as a couple, they may work together with a neutral estate planning attorney or two like-minded estate planning attorneys who will assist them in attaining their common goals.

Choosing the right divorce attorney is critical to obtaining a divorce outcome that is acceptable, cost-effective, timely and best for the family.

A gray divorcing couple has unique challenges, which could ideally be resolved more thoughtfully outside of

court. After carefully selecting a divorce attorney that best fits their ultimate goals, these couples can feel confident that they can work together as adults to craft a comprehensive and acceptable agreement, preserving their time and hard-earned money.