



## Navigating Tax Law Changes in Divorce

### IF YOU MISSED THE CONVERSATION...

Attorneys Kyleigh A. Weinfurtner and Amy M. Keating, from the Domestic Relations Practice Group of the Zashin & Rich law firm, shared their perspectives on recent tax law changes in divorce. With Luma Wealth's advisors, they spoke about how women facing divorce can position themselves for financial success under the new rules.

### HERE ARE THE HIGHLIGHTS....

#### **Addressing questions about alimony**

Beginning in 2019, alimony (referred to as spousal support in Ohio) is no longer tax-deductible to the payor and is no longer taxable income to the recipient. "One of the most common concerns we hear from our clients receiving spousal support under the new law is that the amount they will receive will be less under the new rules," Kyleigh explained, but "this is not necessarily the case." When evaluating a settlement, the important figure to consider is the amount net of taxes, and for settlements that go into effect after the tax change, spousal support is not taxable income.

### Getting advice

Although well-meaning friends and family may offer suggestions, “There is a lot of misinformation out there. You should only take legal and financial advice from your lawyer and financial professional because no one has been through your exact situation.”

### Maintaining financial control

Luma Wealth Advisor, Michelle Taylor, explained that the certainty of knowing what you will receive (or pay) allows you to adequately budget your household expenses and lifestyle. Amy added, “During divorce settlements, we work with financial advisors, such as Luma Wealth, to carefully consider all of the factors that will financially impact the income and asset decisions for all of our clients.”

### Facing divorce

The role that each type of asset plays in a divorce settlement is changing. Spousal support is only one tool to consider against the backdrop of your entire settlement. Your Luma Wealth Advisor will work with your attorney to guide you through the process and suggest best practices to position you for financial success. In addition, consult your Luma Wealth Advisor and attorney to decide whether it’s best to wait a bit before finalizing your divorce. You may want to let the tax law changes settle in and additional interpretation of the code become clear before finalizing the terms.

**If you’re getting divorced, contact your Luma Wealth advisor for help starting your next chapter.**

For more information, call Luma Wealth, toll free, at 866-995-6191, email [info@lumawealth.com](mailto:info@lumawealth.com) or visit our website [lumawealth.com](http://lumawealth.com).

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