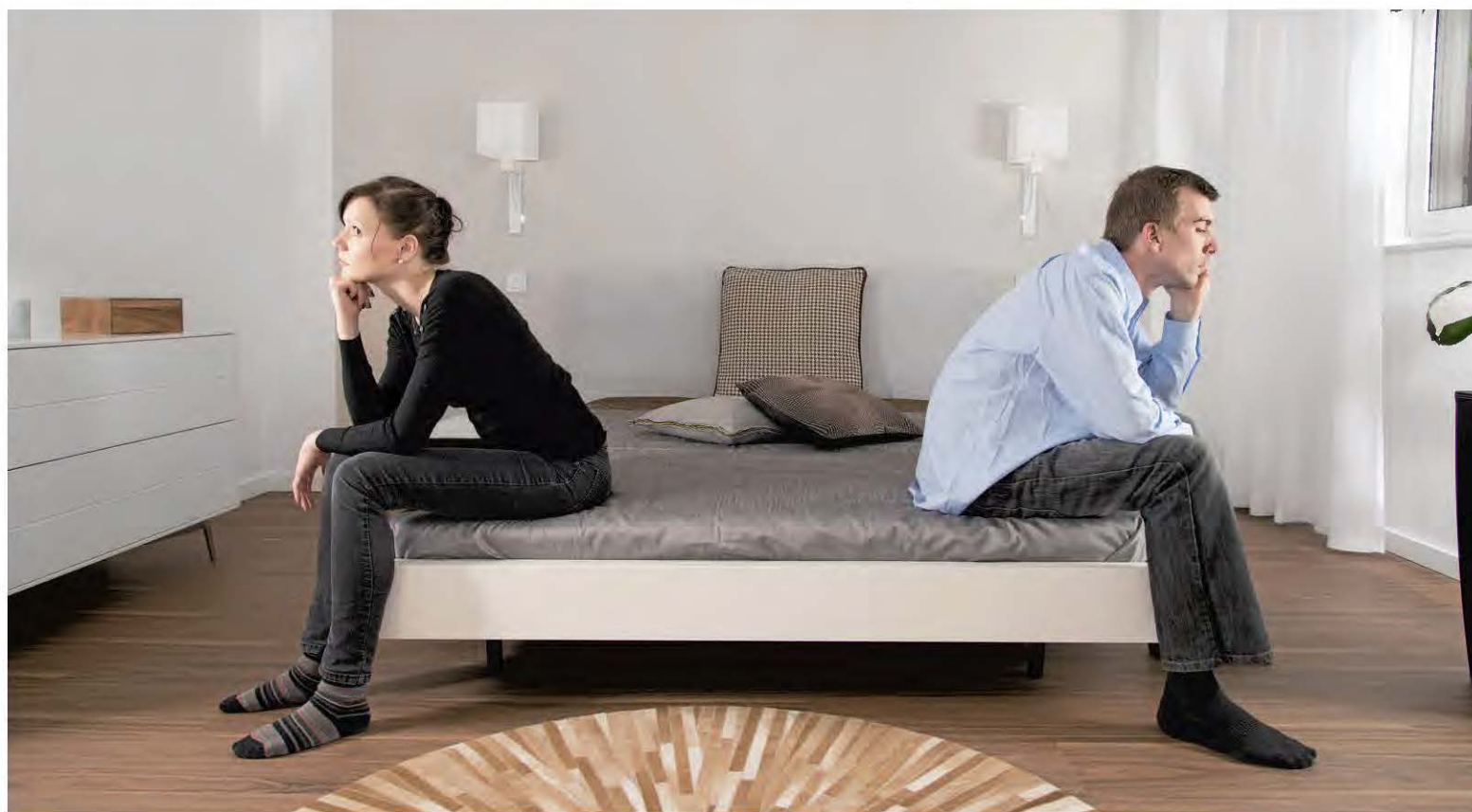




## The Bigger Picture



we need to talk about...

# Divorce - and how finances are likely to be divided

There are many common misconceptions about divorce and in particular, how a couple's finances are divided. During this highly emotional and difficult time, it helps to separate fact from fiction, as the family law team at Withy King explains.

**D**ivorce law has been evolving over the last 15 years in an effort to keep pace with modern family dynamics. It still has a way to go but there have been some important changes. One of these has been the move towards a 50-50 starting point. The pendulum can swing dramatically in either direction, depending on the individual needs of the couple and any children as well as a raft of other factors. While it is often assumed that any joint assets will be shared equally between the two parties on divorce, this is often not the case.

Another misconception is that the main bread winner usually gets the biggest share when in fact, contributions by homemakers are considered to be just as valuable.

We recently acted for a father of three who ran his own business and had a minority shareholding in a second, much larger company. He jointly owned a substantial property with his wife of 16 years as well as a holiday home. He had several historic pensions as well as a current pension which he

continued to pay into.

Mr Williams (not his real name) approached us for help at an early stage. Before we delved into the financials, we wanted to establish his personal priorities. Mr Williams explained: "In addition to safeguarding my business interests, it was really important to me that I kept hold of our holiday cottage which I'd bought two years into our marriage with money I'd inherited from my grandmother.

"My wife had recently started seeing someone else and I was concerned about the extent to which her new partner was influencing her views. At one point, communication broke down to such an extent that I thought we were going to have to resort to the courts.

"Fortunately, Withy King helped to establish that my wife's main priorities were actually different from my own and in the end we were able to agree terms. We ended up taking a collaborative approach, sitting around a table with our respective lawyers to work out an acceptable settlement. It took a few

sessions but we achieved the best outcome under the circumstances.

"Divorce is a horrendous process but I'm grateful for the pragmatic, sensible advice I received and that I ended up in a better position than I thought was possible."

When a relationship breaks down, it's important to get professional advice as quickly as possible. By establishing individual priorities at the outset, a lot of heartache, time and money can often be avoided.

Withy King also works closely with trusted third parties. In Mr William's case, we instructed pensions' experts to evaluate his complex pension arrangements, particularly in light of the forthcoming regulatory changes, as well as an accountant who advised on the tax status of three offshore investments.

Resolution through negotiation, mediation and collaboration are seen as the best options in most cases. Mr Williams and his now ex-wife were able to agree their divorce settlement collaboratively with support from their lawyers.

For others, we provide qualified mediators who enable clients to work out an agreement between themselves. In some cases, decisive court action is

needed and we will vigorously argue our clients' cases when required.

Whatever the approach, our role is to help our clients to arrive at the best possible outcome for themselves and any children involved in the relationship.

**Divorce is a horrendous process but I'm grateful for the pragmatic, sensible advice that I received.**



circumstances and work out effective ways to get the results you want.



**For a confidential conversation with a member of Withy King's family law team, please call Gwyn Randolph, Sharon MacDonald or Jon Toogood on 01225 730100 or visit [www.withyking.co.uk](http://www.withyking.co.uk)**

## THE FIRST FOUR THINGS YOU SHOULD KNOW IF...

You are thinking of ending a relationship

### Not all relationships are treated the same

Different laws apply to the breakdown of relationships between married couples, those in civil partnerships and cohabiting partners. In the eyes of the law, there is no such thing as 'common law'. Couples who live together have different legal rights to those who are married or in a civil partnership. A family solicitor will be able to advise you.

### A court battle should be the last resort

In most cases, it is in the best interests of the divorcing couple and their families to find a way of reaching an agreement without involving the court. There are a number of cost-effective approaches including mediation and collaboration, which your solicitor will discuss with you. However, if it is necessary to resort to the courts - for example, to force your spouse to engage with the process - we will handle this decisively and expertly.

### Pensions are often among your most valuable assets

It's surprising how many people forget to take their pensions into account when working out a financial settlement. Pension pots are often worth more than people imagine and may be shared on divorce.

### Don't assume everything will be split 50/50

The individual needs of the divorcing couple and any children will be considered along with many other factors, often resulting in an unequal division of assets. The main breadwinner will not necessarily get more.