

High Net Worth Divorce FAQ in Utah

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Below are some of the most important, common, and frequently asked questions (FAQs) about what to expect during a high net worth divorce. These are provided as family law tips for you to use in discussions with your Utah divorce attorney. This general information can help ***ensure that your rights are fully protected, that custody issues are quickly resolved, and that you receive all assets to which you are legally entitled in your Salt Lake City Utah high net worth divorce.***



What are Predictable Issues in High Net Worth Divorce Cases?

Some financial issues which can become an issue in high net worth cases include various valuations and distributions of financial and other assets such as:

- Your and/or your spouse's medical, legal, consulting, or other professional practice
- Your and/or your spouse's increased earning potential from academic degrees or professional licenses
- Family businesses and other closely held businesses
- Complicated transactions involving business(es) you and your spouse own together
- Primary residences, vacation homes, residential investment properties, commercial and industrial buildings, undeveloped land, and another real estate (real property)
- Retirement assets such as stock options, bonds
- IRAs, 401(k) accounts, and pensions
- Trusts, Money Market accounts, and bank checking and savings accounts, CDs, and other liquid assets
- Life insurance policies
- Intellectual property, such as patents, trademarks, and copyrights
- Personal property, including vehicles, boats, jewels, artworks, antiques, and other collectibles

Are there Child Custody Decisions Unique to High Net Worth Individuals in a Divorce?

Child custody cases can either go smoothly, when parents are able to plan and work well enough together to arrange a mutually agreed parenting plan. Or, they can be rough, but still get resolved without litigation. Or, they can be so contentious that the custody decision must fall to the authority of the family court judge.

Unless allegations of abuse, or of parental alienation or gatekeeping are involved, the family court typically does not intervene to decide custody arrangements. Use these tips to smooth the custody decision process, and to arrive at the best arrangement for your child and both parents:

Be realistic — Think about your schedule. Arrange your new role as a single parent with as much flexibility as possible in your work and travel routines.

Before you move out — There are pros and cons to moving out:

- If there is a risk of being falsely accused of domestic violence,
- Or, if you fear domestic violence may occur during the divorce, then it is necessary to move out.
- And, your spouse may be insisting that you move out.
- But, notwithstanding financial concerns, if your spouse fights to prevent you from seeing your children, then moving out can work against you in your custody case.

Get a written custody and visitation order — During the divorce process, be open to resolving issues and obtain temporary agreements in writing, including for child and spousal support, and major property distribution. Uncooperative posturing can put you at risk of court sanctions as well as providing leverage for your spouse to use in the child custody negotiations.

What Can I Do to Protect My Business from My Spouse?

If ***both*** parties in the marriage contributed to the growth of a business, or if the business's revenues have grown significantly during the marriage, then the business is classed as a ***joint asset***. To protect your business assets during a divorce, you should focus on:

- Obtaining a fair valuation
- Arriving at an agreement that removes your spouse (from whom you will soon be divorced) from the business
- And working on arranging for payment to your spouse at the time of the divorce settlement, to be made through your personal assets, and perhaps through raising capital

How Will We Split Our Ownership of the Business We Own Together?

This is typically the most complex area of property division in a divorce. But, the approach to determining the value of ownership by each spouse is relatively straightforward in principle. If both spouses are involved in operating a business, both need to have their interests in the business valuated.

Determining you're and your spouse's respective contributions to the business is likely to necessitate having the business evaluated in its entirety, having ***all of its assets assessed and the value of your spouse's and your own contributions each determined***, in addition to other factors.

My Spouse is My Retirement Plan Beneficiary. Can this be Changed?

Title 30, Chapter 3, Section 5 of the Utah Code, provides for changing your beneficiary after divorce. The statute states that ***if you do not change your beneficiary after divorce, then your ex-spouse, as the listed beneficiary, will be the legal recipient of the benefits under the plan and will receive the benefits as allocated in the retirement plan.***

What are the Special Issues Involved in Child Support and Alimony in a High Net Worth Divorce?

Child support — Child support is a relatively simple matter in most Utah divorces, including high net worth cases. It is calculated using basic formulae. Temporary spousal support is also calculated in a similar way.

However, do not assume that the calculation program used by the courts to determine child support or temporary spousal support will apply in your case. ***When income is very high, the computer may generate a support order that is beyond reason.*** An experienced attorney is adept at handling this complicated area with the family court.

Income for support purposes — Your income is sure to be one of the central areas of focus in your high net worth divorce case, especially when you have multiple income sources, such as:

- Base income
- Profit distributions and bonuses
- Interest or passive income
- Company perquisites
- Phantom Income

How are Social Security Benefit Amounts Calculated for a Divorced Spouse?

Persons divorcing at or after ten years of marriage can receive Social Security benefits from your ex-spouse's Social Security record. This applies ***even if your ex-spouse has remarried***. The following requirements apply:

- You must be unmarried.
- You must be age 62 or above.
- Your ex-spouse must be entitled to Social Security disability or retirement benefits.
- The benefit you would receive based on your own income earnings is a lesser amount than the benefit you would receive based on your ex-spouse's income earnings.

As an ex-spouse, you are entitled to Social Security benefits in the amount of ***half of your ex-spouse's full benefits amount at retirement*** (or in disability benefits). That applies if you begin receiving benefits at full retirement age.

You will not be eligible to collect benefits on your former spouse's Social Security record if you remarry, unless the later marriage ends (due to any usual cause, such as by death, annulment, or divorce).

Even if your ex-spouse has not yet applied for his/her Social Security benefits at retirement age, but is qualified for them, ***you can begin receiving benefits on his/her Social Security record, after you have been divorced for two years or longer***.

How Can I Ensure that all of My Assets are Properly Handled During the Divorce?

Your divorce attorney will work well with your real estate, corporate attorney, tax professional, and other professionals you retain to manage smooth transitions and address potential issues before they emerge as difficulties. For example, various real estate appraisals, capital evaluations, and financial statements may be necessary to sell or assess asset values.

High Net Worth Attorney David Pedrazas, Salt Lake City, Utah

Attorney David Pedrazas is a Salt Lake City family law lawyer at the Law Office of David Pedrazas, PLLC. ***For over 15 years, Attorney Pedrazas has been helping people going through divorce***. He is devoted to helping his clients move forward with their lives after divorce.

Efficient process — We know that you and your family are going through a very difficult situation, and we understand your need for help from caring professionals who are committed to making the process as simple and efficient and as possible.

Protecting your rights — Our priority is to make sure that each client fully understands her/his legal rights and to help every client make fully-informed decisions for the future of happier times to come, beyond divorce. And, the Pedrazas professional legal team work to defend your rights in a divorce case and ensure that you receive a fair division of property, including all marital assets to which you are legally entitled.

Professional Excellence — Utah attorney David Pedrazas has received much recognition for professional excellence throughout his years of serving the Salt Lake City community, including:

- One of the *Top 10 Attorneys in Salt Lake City, UT*, according to The National Academy of Family Law Association
- Included in the *Premier Top 100 Trial Attorneys in Family & Divorce*, evaluation by the American Academy of Trial Attorneys
- Named in the *10 Best Divorce Attorneys* for both years 2014 and 2015, per the American Institute of Family Law

For More Information

For more information about high net worth divorce, or to ***schedule a free 30 minute consultation***, contact the Law Office of David Pedrazas, PLLC. Attorney Pedrazas will answer all of your questions, evaluate your case and advise you on the best course of action based on your individual needs and preferences. ***Attorney David Pedrazas has been serving Utah families going through divorce and other matters of family law since 1998.***