

# FAMILY MATTERS<sup>®</sup>

## Trend of the Law: Financial Planning

By Phoebe P. Hall, Attorney, Mediator and Former Judge

Good financial planning is the key to your financial future. Perhaps you already have a good plan in place. If you do not, it is easier than you may think.

You can start with a visit to websites that help you organize your information. Some of the most basic financial websites our clients have visited included Quicken.com, Fool.com, TurboTax.com, Lendingtree.com, ssa.gov, Forbes.com.

To keep track of your finances, you can purchase easy to use financial software such

as Quicken, which after you put your information on the computer will give you helpful reports that keep you in control of your own finances. These



GOOD FINANCIAL PLANNING IS A MUST!

programs are easy to use and once you have them set up, they can be the basis for a strong financial system. Also, if you need them, there are tutorials with the computer program or you can consider taking

a course at a local university or community college (and you don't have to be a regular college student to take one of these courses). Some people hire professional financial planners to help them make and carry out their financial plans. Often financial planning is triggered by the birth of a child, a job change, children approaching college age, the death of a parent, or the approach of retirement, but don't wait to do your planning until one of these events occurs if you want to be ahead of the game.

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- *Serving Richmond for over 30 years*
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- *Offering prompt and affordable services*
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- *Contested and uncontested matters and mediation*
- *ZSmart<sup>sm</sup> Divorce*

## Important News at Hall and Hall

*Our law firm is dedicated to family law matters, and we are called upon by people from all walks of life to counsel them about courses of action they are contemplating, situations they are facing or to provide ongoing representation.*

### Our services include:

- Wills and estates
- Separation
- Divorce
- Mediation
- Custody and visitation
- Child support
- Spousal support
- Equitable distribution
- Zsmart<sup>sm</sup> Divorce

### We help with:

- Prenuptial agreements
- Property settlement agreements
- Negotiations
- Litigation
- Uncontested matters
- Contested matters

*We seek to provide what our clients need and want.*

## Important Facts - Did you know?

By Melissa S. VanZile, Esquire

- In a divorce, the court can divide marital assets and debts equitably or fairly.
- It is often 50/50 but this is not automatic.
- Inheritances or gifts to one party from a third party are treated differently.
- Even assets in one party's name alone can be divided.
- Retirement assets can be divided through orders to the employer's plan administrator.
- Investments can be divided.
- Courts can require people to produce complete financial records including tax returns, bank statements and canceled checks, IRA and stock brokerage account records, retirement records, business records and to answer financial questions under oath.
- Courts allow records to be subpoenaed from banks brokerage firms and other holders of records.

## Understanding Your Investments

by Willson & Susan Craigie

Guest Columnists

Many people own retirement plans, personal investments, and trust benefits that they really do not understand. Frequently, family members have acquired assets in different work-related situations and/or purchases that are difficult to value accurately. And, in some instances, people are not actually sure who really owns certain family investments.

Some investments, for instance, may contain the word "trust" in their name. Does that mean they are safe? Can bonds lose value? Can your 11 year old daughter own stock? What are the rights and responsibilities of a "custodian?" How are gifts to minors treated?

So many of us have questions about our investments but do not feel we know enough to ask the "right" questions. Never hesitate to ask. Other people may have uncertainties about the investment advice they have been receiving.

Wise investors do not have to be experts in order to do the right thing. However, they must have knowledgeable, expert advice from someone they trust. If you need advice, ask. If you need a second opinion, you are entitled to obtain one.

*Willson & Susan Craigie are with Morgan Keegan. They offer investment advice and have written this article as this month's guest columnist.*

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## The 1-2-3s of Starting to Manage Finances

Just start with today. Take a look at your income and expenses. What are your income sources? Is your income regular and dependable or does it fluctuate? Are the fluctuations predictable? Consider your expenses. Which of your expenses are fixed and which are discretionary:

- ★ Necessary and fixed expenses
- ★ Discretionary expenses
- ★ Taxes
- ★ Possible unplanned expenses

Do you have a budget? Are you staying within budget? Are you able to save and invest? Are you living within your means? Or are you spending more than you

make? How can you maximize your income? Better manage your expenses? Are you using modern programs (such as Quicken or Quickbooks) to help you track how you are doing? If you need help, have you considered taking a course at a local university or community college?

## Budgeting

People who work from a budget are more likely to manage their finances well than people who just spend what they need without regard to where the money will come from to pay their bills. If you

want to manage your finances well and get ahead, start with a budget that projects what your income from all sources will be and what your taxes and expenses will be. Using a budget helps you make

decisions about how much each person will work and how much money you will spend, based on *economic realities*.



## Protecting yourself in case of separation or divorce

Most people enter into marriage with a strong sense of commitment, expecting that their marriage will last “until death do us part”. Sometimes, however, despite their best intentions, a couple ends up with separation or divorce. The best protection for the parties in a marriage is for each party to understand and know

about the finances, keep their spending and debts under control, maximize their income, and plan for savings and investments. If a separation or divorce seems likely or possible to occur, it is important to consult an attorney concerning your rights and what you need to do to protect yourself at the earliest time. Try to find a way to

engage in a collaborative process (such as ZSmart<sup>sm</sup> Divorce) rather than an expensive divisive court battle. Some people enter into a Prenuptial Agreements before they marry covering the financial future (especially people entering into a second marriage or where one person has significant assets).

## Protecting yourself in case of death or disability

No one like to think about death or disability, but a good financial plan covers such matter. People need to have wills, perhaps trusts, general powers of attorneys, medical powers of attorneys and living wills that

they execute and keep in a safe and accessible place. Recent public attention to issues of life support have caused people to think more about adequacy of their own legal documents.



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*The content of this newsletter is for informational purposes only. The information contained herein is not intended to constitute legal advice. You should consult an attorney for advice regarding your particular legal situation.*

## Be Informed

by Julie M. Cillo, Esquire

Whether you are happily married or considering a separation/divorce, it is important that you know what assets you and your spouse have. Your financial well-being and, therefore, your daily needs are dependent on being an informed spouse. Some steps for you to consider include but are not limited to:

- Understand the household, (including each individual's) monthly expenses, how they are paid and from what sources

- Take steps for safekeeping of wills, trusts, powers of attorney, living wills



- Have a regular conversation with your spouse about bank accounts, retirement benefits, life insurance policies, household expenses, debts, plans for your future
- Know where important financial documents are kept and maintain access to them including tax returns, account statements insurance policies, and beneficiary designations
- Work to develop short term goals, 5 year goals, 10 year goals for your financial future including retirement, college, etc.