

Let's Talk



Relationships ending

A divorce or separation is a difficult time emotionally and financially and can also be quite complicated.

There are only certain conditions which mean you are eligible for a divorce; these can be found [here](#) if you live in England and Wales. For Scotland click [here](#) and Northern Ireland [here](#) for more details.

When you begin the process of divorce or dissolving your civil partnership, whether you need professional help or not will depend on several things, including if it's possible for you to discuss financial issues with your ex-partner.

The simplest thing to do is make an agreement with your ex-partner about how you're going to divide your finances up. You'll need to consider things like:

- Your money (including any savings, debts, pensions, and investments)
- Your property
- Your assets (including any cars, furniture, and possessions)
- Your business (if you're self-employed)

If you and your ex-partner can't agree how to split the finances or on the childcare arrangements, you may need to use a solicitor.



If you've been living together as a couple and then separate, you have fewer rights than couples who divorce or dissolve their civil partnership.

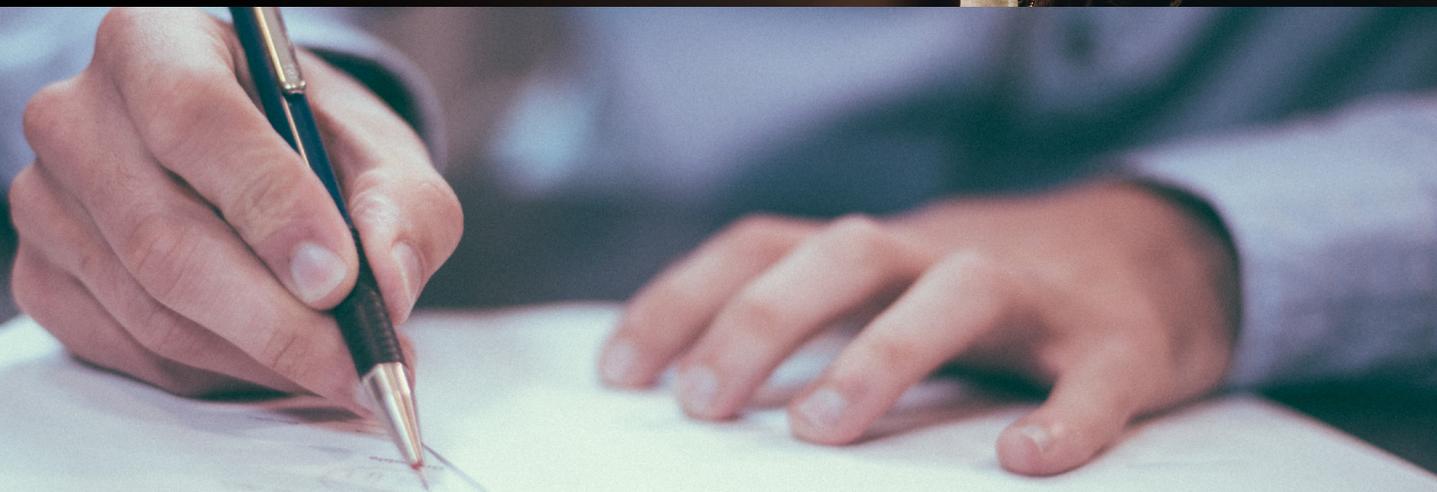
Your break-up will be more straightforward if you can agree about the things you are dividing, such as your property, possessions, and assets.

Many couples who live together separate without using a solicitor. Unlike divorce or dissolving a civil partnership, there's no formal legal process to go through. But you might still want to take legal advice or mediation.

There's no set formula as to how your assets and income will be divided.

Unmarried couples don't have the same legal protection as those who are married and have no financial responsibility to each other should they decide to separate, unless there are children involved. They are not entitled to spousal maintenance which would apply to a divorcing married couple. However, if you have children, you may be eligible for child maintenance.

If you end up going to court, they'll seek to achieve fairness. Generally, the starting point is a 50:50 split, but this can be adjusted if it doesn't achieve a fair result.



One of the assets you may need to divide are any pensions you have. What exactly can be divided depends on where in the UK you're divorcing.

- **In England, Wales and Northern Ireland:** The total value of the pensions you've each built up is considered. This doesn't only mean the pensions that you or your ex-partner built up while you were married or in a civil partnership, but all of your pensions – except the basic State Pension.
- **In Scotland:** Only the value of the pensions you've both built up during your marriage or civil partnership is considered. This means that anything built up after your 'date of separation' or before you married or became civil partners doesn't count.

Each divorce settlement is different which means that the treatment of any pensions will also be different from case to case. In some cases, they could be ignored altogether if you and your ex-partner both have your own pensions.

For divorces after December 2000, pensions can be considered in one of three ways:

- Offsetting - the value of any pension is offset against the other assets. So, you'd keep your pension and in return, your ex-partner would receive a greater share of the other assets.
- Attachment order - works by allowing the partner without the pension to receive income and/or lump sum payments from it in the future. This is also known as 'earmarking'. A payment can also be ordered to be paid from the pension on the ex-partners death.
- Pension sharing - this works by splitting the pension benefits at the time of the divorce. The partner without the pension receives a share of the pension benefits which are transferred into their name.



However, this could be potentially different for those with a Police Pension, for more details click [here](#).

Your basic State Pension can't be shared if you divorce. However, under the current rules, if one of you has paid enough National Insurance contributions, this could increase the State Pension the other gets providing they don't remarry or enter a civil partnership before they reach their State Pension age.

If you have an additional State Pension, you may have to share this with your ex-partner. But if they later remarry or enter a civil partnership, they could lose this right.

Following your separation, you may have moved home, and your financial circumstances are likely to have changed. A good way to assess your new financial position is to draw up a budget to see exactly what income you have coming in and what your financial commitments now are.

Start by working out your incomings. This could include your salary or pensions and any maintenance payments you get.

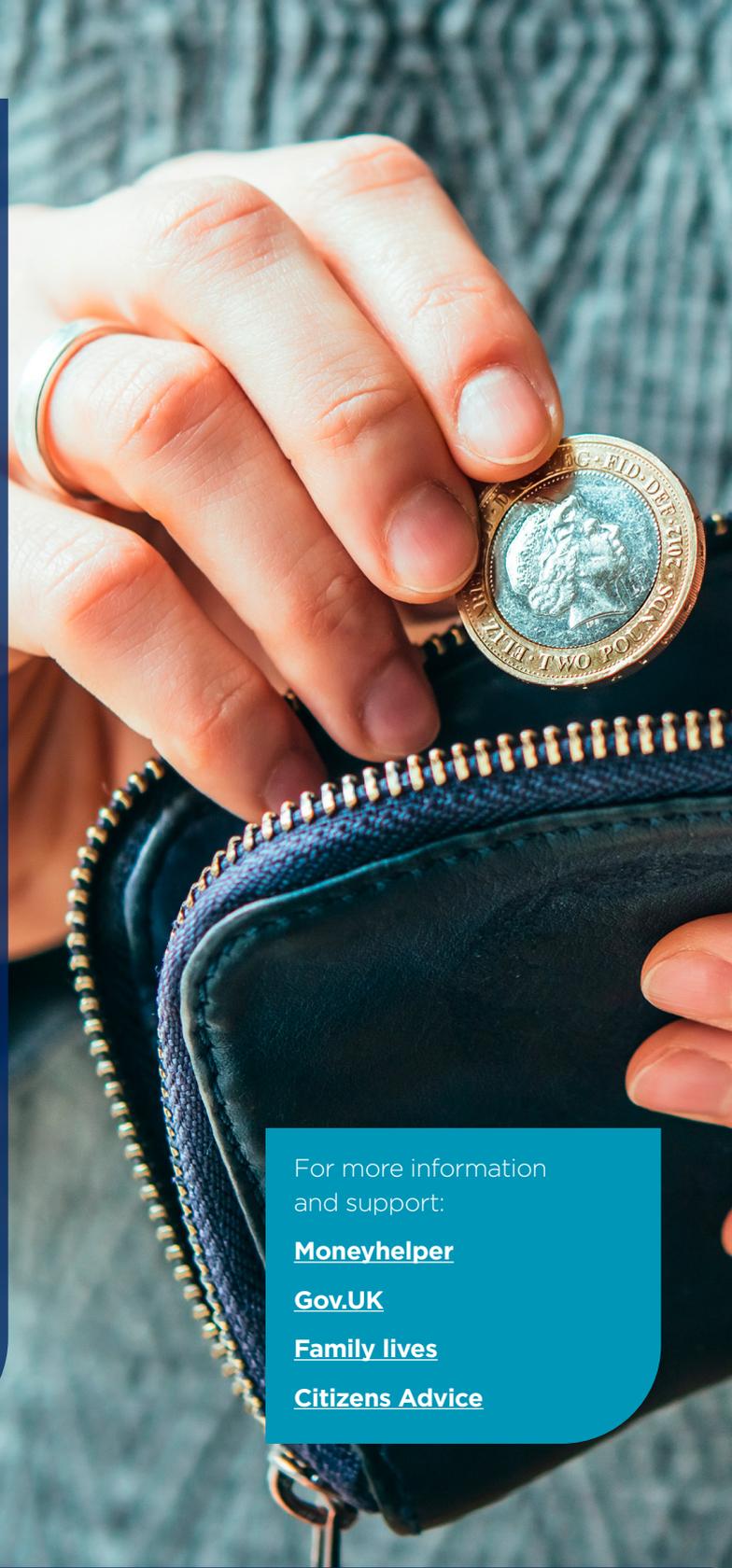
If you're now the only adult in your household, you will be entitled to the 25% single person discount on your Council Tax. For more details on state benefits, read our guide [here](#).

Next work out your expenses. You may have moved home or be paying for all the household bills on your own now rather than sharing the cost. You also may have new expenses and you may need to replace certain items if your ex-partner took these items. There could be divorce legal and court expenses to consider.

Some of your bills, like for food will reduce and you may be able to stop paying for items or services that only your partner used.

It's a good idea to write down all your expenses starting with essentials so you can get an accurate picture of how much income you need. Some of your expenses will be quarterly or yearly so you need to set aside some money for these each month.

If you're not sure how much you spend on a daily basis, try keeping a spending diary for a few weeks or better still a month. A spending diary is simply a list of everything you spend down to the smallest expense such as a coffee when you're out with a friend, treats for children or a magazine.



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