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Case Study – February 12, 2009

She planned to retire at 55. But now, what she'd not planned, the breakup of her marriage. Her call to us reflected the anxiety and the difficult decisions we all face when plans go awry. Would she be able to remain in her home? How would they provide for their child's college expenses? After enjoying a successful medical career, would she be able to take that early retirement she hoped for? Her husband was seeking a sizable equitable distribution in the form of a lump sum payment. To do this, she'd almost certainly have to refinance her home and split off nearly half her 401(k) plan, while making significant alimony payments. We began by providing a cash flow analysis of her current household budget, including the potential payments to her husband under the proposed settlement. We then explored other settlement scenarios using our [Family Financial Model](#) and focused on the need to adjust her lifestyle expenses, including a sale of their large house in favor of a luxury townhouse. Selling the house while still a joint asset with her husband would allow them to take advantage of the \$500,000 gain exemption as a couple and shelter her from a high tax liability down the road. With this alternative, she would have a manageable mortgage, higher liquidity, full funding of their daughter's college, and a financially sustainable lifestyle that allowed her to still retire early.

Important Disclosure:

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