

Unsolicited Advice for Brad & Angelina... from a Divorce Financial Planner

Divorcing? Here's useful information for you too.

Angelina Jolie and Brad Pitt are not so different from you and me—at least when it comes to divorce.

Dividing the spoils of celebrities is basically the same as it is for not-so-famous couples, except for the (usually) larger amounts of money, property, and other assets at stake.



Now that Angelina has filed to end the couple's two-year marriage, what wealth and potential income in the Jolie-Pitt household could be up for grabs? Multiple homes—they have a place in California, another home in New Orleans, career earnings, future royalties and works in progress.

They'll also have to address financial issues related to their six children.

What do they need to know about financial issues related to divorce? And what do you need to know should you have a non-celebrity divorce?

I don't know where Brangelina's legal residence is, but let's say it's California or Louisiana.

In terms of divorce law, both of these states are what's known as "community property" states. In a community property state, everything that either spouse accumulates,

acquires, or purchases during their marriage is equally shared. (In contrast, most U.S. states are “equitable distribution” states, in which property might be divided between divorcing spouses at the discretion of the court—say, for example, in a 60/40 split). Other property, known as “separate property,” is retained by its owner after the divorce.

If you’re in a community property state, keep this in mind:

- If you have separate property acquired before the marriage, you’ll need to document it. Let’s say you funded a brokerage account with your earnings from the 2001 movie *Lara Croft: Tomb Raider*. The money you had in that account before your marriage is yours. Any subsequent earnings are community property.
- Did you contribute separate property to the purchase of a joint asset? Did you take your earnings from 2008’s *The Curious Case of Benjamin Button* and use it on a down payment on a jointly owned apartment? That money will be considered marital property, unless you have evidence that you intended to keep your share of the home as separate property, and it’s not a joint gift.
- Be aware of all the debts you’ve taken on in marriage. In general, marital debts are split evenly, just like property.

Any prenuptial agreement between Jolie and Pitt, however, would circumvent the issue of dividing marital property.

Barring a prenuptial agreement, Brangelina’s next concern is maintenance, or alimony—a court-ordered sum of money to be paid by the spouse with greater assets to the less-wealthy spouse at regular intervals either for a set period of time—“durational maintenance”—or permanently. The goal of durational maintenance is to enable the less-wealthy spouse to earn a greater wage, hopefully comparable to the standard of living during the marriage. Permanent maintenance is generally awarded only after long-term marriages in which there is a great disparity in the income, assets and earning capacities of the spouses—probably not an issue for this particular couple.

The general rule is that if a marriage is over 10 years, spousal support lasts for half of the length of the marriage. So, if a couple is married for nine years, the supported spouse may be entitled to support for a period of four-and-a-half years. If the marriage made it past a decade, the general rule is that support may last until the remarriage of the supported spouse, normal retirement age of the payor, death of either party, or further court order.

Again, probably not an issue for Brad and Angelina, but maybe for you. The amount of money the supported spouse receives is determined by the couple’s marital lifestyle and the ability of the supporting spouse to pay. Whether you’re the supporting spouse or the supported one, you need to make sure that lifestyle is accurately determined, or you could end up with a support order that is too high or too low.

The final financial concern relates to the couple’s children.

There are two types of custody: legal and physical. Let's make the safe assumption that both Angelina and Brad love their children dearly. They'll likely end up with joint legal custody, meaning they'll make decisions together about their schooling, medical care, religious upbringing, and other childrearing issues.

Physical custody is a whole other subject to be negotiated. Usually, there's a primary custodial parent, who has physical custody of the children. The other parent is expected to supply child support in the form of cash.

Each state has its legal guidelines for a mandatory minimum amount, but you can always negotiate for more. In this case, I'm guessing the legal minimum would fall short.

What Brangelina will have to do, and what you'll have to do, is come to an agreement about what expenses should be covered, how much money it will take to fund them, and what the payment logistics will be. Brad and Angelina, for example, could set up a trust to pay for the kids' expenses.

So think about all possible expenses. Here are some major ones for the Jolie-Pitt kids, beyond the usual food and clothing:

- Education
- Travel (It costs a lot of money for kids to jet back and forth from Dad's movie set to Mom's charity work)
- Caregiving
- Bodyguards

Although couples regularly nickel-and-dime each other over child support, I doubt in this case that either party will.

And that's good. Failure to properly negotiate a sustainable and discreet outcome in a high-net-worth divorce often sabotages the outcome.

The best way to bring closure to a highly public marriage, and now divorce, is for Jolie and Pitt to maximize the points of agreement they can reach—for the sake of their children and their privacy too.

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