NORTH CAROLINA • CLIENT WORKBOOK

THE GRAY DIVORCE

Financial Independence Worksheet

A workbook for people over 50 considering divorce in North Carolina

SEVEN SECTIONS	REAL NUMBERS	NO FILLER

Includes companion spreadsheet

CFFL Gray Divorce Financial Calculator (.xlsx)

Wilmington • Durham • Jacksonville • Raleigh

Board-Certified in Family Law by the North Carolina State Bar

Welcome

If you are reading this, one of three things may be true. You are over 50 and quietly contemplating the end of a marriage. You are standing next to a parent who just used the word “divorce” over Sunday dinner. Or you are an adult child trying to figure out how to help without making it worse.

Wherever you sit, this workbook was written for you. It is the financial half of a gray divorce in North Carolina, mapped section by section, with worksheets you can actually fill in.

How to use this workbook

1. Print it, or open the PDF on a tablet you control. Do not store the completed version on a shared family computer or cloud account.
2. Work through the sections in order — they build on each other.
3. Use the companion spreadsheet for the math. It does the calculations so you can focus on the decisions.
4. Watch for the red STOP boxes. They mark moments where a workbook is no longer enough and you need an attorney before the next move.
5. When ready, bring the completed workbook to a consultation. It cuts meeting time in half because we are not starting from zero.

THE SEVEN-QUESTION RULE

Before you sign anything in a gray divorce, you should be able to answer all seven of these questions. Most people can answer one or two — this workbook is designed to get you to seven.

1. How many years have we actually been married? (Social Security counts months.)
2. What is in every retirement account, on both sides?
3. Who is the current beneficiary on each account, and when was it last updated?
4. What is actually owed on the house(s), and what would be net after sale costs and taxes?
5. Is there cryptocurrency — disclosed or otherwise?
6. Is there a long-term care insurance policy, and who has been paying the premium?
7. What does post-retirement income look like for each spouse if we split today?

This is not legal advice. It is a financial preparation tool. The answers you generate here will help you have a smarter conversation with a Board-Certified Family Law Specialist when the time comes. Federal rules summarized in this workbook (Social Security, IRS RMD age, TSP procedures) are current as of publication and may change.

SECTION 1

Social Security Spousal Benefit Eligibility Checklist

This is the most important number in gray divorce, and most people do not know it. If you were married at least 10 years, are at least 62 years old, and are currently unmarried, you can claim Social Security spousal benefits on your ex-spouse's earnings record — up to 50% of their full retirement benefit — without affecting their own benefit in any way.

Your ex does not have to consent. Your ex does not have to be notified. But the marriage must cross 10 years. Months matter.

Step 1 — Marriage duration check

Date of marriage (MM/DD/YYYY)

Date of separation or divorce filing (MM/DD/YYYY)

Total years and months from marriage to expected divorce decree

If the answer is 9 years 11 months or less: read the STOP box on the next page before you do anything else.

Step 2 — Eligibility yes/no

- ☐ I am, or will be, age 62 or older when I claim.
- ☐ I am currently unmarried, or I would be unmarried at the time of claiming.
- ☐ My ex-spouse is at least age 62 (or deceased).
- ☐ If divorced, the divorce has been final for at least 2 years (otherwise my ex must already be claiming benefits).
- ☐ I did not earn enough on my own work record to receive a higher benefit than 50% of my ex-spouse's.

Step 3 — Remarriage rules

Remarriage changes everything. The federal rules:

- ☐ Remarriage before age 60: you generally forfeit your right to claim on your ex-spouse's record.
- ☐ Remarriage after age 60: you keep your right to claim on your ex-spouse's record, even if you stay remarried.
- ☐ Multiple ex-spouses: if you were married 10+ years to more than one person and never remarried, you can claim on whichever record gives you the higher benefit — not both.

SECTION 1

Social Security Spousal Benefit Eligibility Checklist (continued)

Step 4 — Decision-driving question

Without looking it up, write down your best estimate of your ex-spouse's monthly Social Security benefit at full retirement age. Then write your own. The difference matters more than you think.

Estimated ex-spouse monthly SS benefit at FRA

Estimated my own monthly SS benefit at FRA

If 50% of ex's benefit is greater than my own benefit, the ex-spouse benefit is the right claim. Yes / No?

☐ STOP — CALL CFFL BEFORE FILING IF:

You have been married 9 years and 6 months or fewer, and the case is on the fast track. Every month you cross before separation can be worth — or cost — you tens of thousands of dollars in lifetime Social Security benefits.

You are uncertain about your ex-spouse's full retirement age benefit. Your attorney can pull Social Security earnings records through discovery.

You are contemplating remarriage and you are between ages 55 and 60. The math changes dramatically across that birthday.

ACTION ITEMS — SECTION 1

- ☐ Pull my Social Security Statement at ssa.gov/myaccount (free, takes 5 minutes).
- ☐ Calculate exact marriage duration in years and months.
- ☐ If under 10 years: discuss timing of legal separation date with attorney before filing.
- ☐ Update Social Security number-of-credits estimate.

SECTION 2

Retirement Account Inventory — Both Spouses

Retirement accounts earned during the marriage are marital property in North Carolina equitable distribution. The mechanism of division depends on the account type. Pensions, 401(k)s, and most employer plans require a Qualified Domestic Relations Order (QDRO). IRAs use a “transfer incident to divorce.” The federal TSP uses a Retirement Benefits Court Order. Military retirement is governed by the USFSPA.

Inventory everything before anything else. List every account on both sides — yours, your spouse's, and any account you cannot remember closing.

Account type key: 401(k), 403(b), Pension, Traditional IRA, Roth IRA, TSP, SEP-IRA, SIMPLE IRA, Annuity, Military retirement.

Account Type	Account Holder	Institution	Current Balance	Beneficiary	Last Updated

TAX TREATMENT MATTERS MORE THAN THE NUMBER

A $300,000 Traditional 401(k) and a $300,000 Roth IRA are not the same asset. The first is fully taxable on withdrawal. The second is not. A buyout calculation that treats them as equal will cost you tens of thousands of dollars in retirement.

Before signing any equitable distribution agreement, run the after-tax math on every retirement account. The companion spreadsheet does this automatically.

SECTION 2

Retirement Account Inventory (continued)

Beneficiary designation audit

Beneficiary designations control retirement accounts and life insurance — not your will. A 30-year-old beneficiary line naming “my spouse” may still pay out to the now-ex-spouse after divorce if you do not update it. NC has automatic-revocation provisions, but they do not catch everything, and some plans are governed by federal law (ERISA) that overrides state law.

Pull every account statement and write down who the named beneficiary is, today, on each one.

- ☐ 401(k) primary beneficiary: name and date set
- ☐ 401(k) contingent beneficiary: name and date set
- ☐ Pension survivor benefit: yes / no
- ☐ IRA(s) primary beneficiary on each
- ☐ Life insurance — employer-provided
- ☐ Life insurance — personally owned
- ☐ Health Savings Account (HSA) beneficiary
- ☐ Annuity death benefit designation
- ☐ TSP / military benefits beneficiary

☐ STOP — CALL CFFL BEFORE FILING IF:

Your spouse has a pension and you do not understand whether the survivor election has been made. Once a pension begins paying, the survivor election generally cannot be changed.

Either spouse holds significant deferred compensation, restricted stock units, or stock options. These require specialized valuation.

You suspect a retirement account has been moved, drained, or borrowed against in the last 24 months.

ACTION ITEMS — SECTION 2

- ☐ Request current statements on every retirement account (yours and your spouse's, if accessible).
- ☐ Document beneficiary designations on each account.
- ☐ Open the companion spreadsheet, Tab 1, and enter all accounts.
- ☐ Flag any account where the pre-marriage balance is unclear — this affects the marital-property calculation.

SECTION 3

Required Minimum Distributions — The Age-73 Wrinkle

Under current federal law (SECURE Act 2.0), the age at which you must begin taking distributions from your traditional retirement accounts is 73. That age increases to 75 starting in 2033. RMDs apply to traditional IRAs, 401(k)s, 403(b)s, the TSP, and most other tax-deferred accounts. They do not apply to Roth IRAs during the owner's lifetime.

In a gray divorce, this matters in two ways. First, if you receive a portion of an ex-spouse's IRA via QDRO or transfer, the RMD clock starts based on your age, not theirs. Second, if alimony or buyout amounts are projected based on retirement income, the RMD floor sets a baseline you cannot avoid.

IRS Uniform Lifetime Table — selected ages

Your RMD for the year = the account balance on December 31 of the prior year, divided by the lifetime factor for your age.

Age	Lifetime Factor	Age	Lifetime Factor
73	26.5	82	18.5
74	25.5	83	17.7
75	24.6	84	16.8
76	23.7	85	16.0
77	22.9	86	15.2
78	22.0	87	14.4
79	21.1	88	13.7
80	20.2	89	12.9
81	19.4	90	12.2

WORKED EXAMPLE

Account balance on 12/31 of prior year: $400,000

Your age this year: 75 | Lifetime factor: 24.6

RMD for this year: $400,000 ÷ 24.6 = $16,260 (must be withdrawn this year, taxable as ordinary income)

Use Tab 3 of the companion spreadsheet to run this calculation for any account you currently hold or expect to receive in division.

SECTION 4

House Valuation & Buyout Math

The marital home is often the single most emotional asset in a gray divorce and the single most financially complicated. Three options exist under NC equitable distribution: sell and split, one spouse buys the other out, or continued joint ownership. Each has a different tax footprint.

Step 1 — What the house is actually worth

Estimated current market value (recent comp or licensed appraisal)

Outstanding mortgage principal balance

HELOC or second mortgage balance

Estimated sale costs (realtor + closing, typically 7%–8% of sale price)

Net equity after sale = (Market value) − (mortgage + HELOC + sale costs)

Step 2 — The capital gains exclusion

Federal law lets you exclude up to $250,000 of gain on the sale of a primary residence ($500,000 if married filing jointly), provided you have lived in the home as your primary residence for at least 2 of the last 5 years. Once you divorce, you lose the joint exclusion — and the spouse who moves out can lose their exclusion entirely if they wait too long to sell their share.

Original purchase price (cost basis)

Major capital improvements added to basis

Adjusted basis (purchase price + improvements)

Estimated gain on sale (market value − adjusted basis)

Filing status at sale (Joint / Single)

Excludable amount ($500,000 joint; $250,000 single)

Taxable gain = (gain) − (exclusion); enter 0 if exclusion exceeds gain

SECTION 4

House Valuation & Buyout Math (continued)

Step 3 — Three scenarios

OPTION A — SELL AND SPLIT

Cleanest financially. Each spouse gets cash, neither has to qualify for a refinance, and the capital gains exclusion is preserved at the joint $500,000 level if the sale happens before the divorce is final.

Best for: spouses who agree the house is too much to maintain alone, downsizing both, or where neither side has the cash to buy the other out.

OPTION B — ONE SPOUSE BUYS OUT THE OTHER

The buying spouse refinances or liquidates other assets to pay the departing spouse half (or the agreed share) of the net equity. The departing spouse loses their joint exclusion on future sale of this home.

Best for: a spouse who wants to stay (stability, aging in place, or adult-child considerations) and has the income or liquidity to qualify for a new mortgage at current rates.

Refinance amount needed = existing mortgage + departing spouse's share of equity.

OPTION C — CONTINUED JOINT OWNERSHIP

Rare in gray divorce. Used when one spouse needs short-term housing stability or when adult children are still partly dependent. Comes with ongoing entanglement and unresolved tax exposure.

Best for: very specific transitional situations; never as a default.

☐ STOP — CALL CFFL BEFORE FILING IF:

The house is in only one spouse's name but was maintained or improved with marital funds. This is a source-of-funds tracing issue and it can dramatically change the math.

The home was inherited or owned before the marriage. NC equitable distribution treats inherited and separate property differently — but commingling complicates everything.

You are considering Option B (buyout) but the buying spouse cannot qualify for a refinance on their income alone.

ACTION ITEMS — SECTION 4

- ☐ Get a current market valuation — licensed appraisal or two CMAs.
- ☐ Calculate net equity using the companion spreadsheet, Tab 2.
- ☐ Calculate capital gains exposure under each scenario.
- ☐ If considering buyout, get pre-qualified for a refinance before negotiating.

SECTION 5

Cryptocurrency Disclosure Questionnaire

Five years ago, this was a footnote. Today it is a routine line item in NC equitable distribution. Cryptocurrency held in self-custody wallets is not reported to the IRS or anywhere else — only the holder knows the holdings exist. Discovery has to go after exchange records, bank transfers in and out, and increasingly, blockchain forensic analysis.

Fill out this questionnaire honestly for yourself, and check the same boxes for what you know or suspect about your spouse.

Self-disclosure

- ☐ I have held cryptocurrency at any point during the marriage (yes / no).
- ☐ I have an active account at an exchange (Coinbase, Kraken, Gemini, Binance.US, Crypto.com, or other).
- ☐ I hold cryptocurrency in a self-custody wallet (hardware wallet, MetaMask, Phantom, Ledger, Trezor, or other).
- ☐ I have received cryptocurrency from an employer, a gift, mining, staking, or DeFi protocols.
- ☐ I have transferred cryptocurrency to or from a bank account during the marriage.
- ☐ I have purchased NFTs or other digital assets during the marriage.

Spouse — what you know or suspect

- ☐ My spouse has, at some point, held cryptocurrency.
- ☐ I have seen statements or screenshots of exchange accounts in my spouse's name.
- ☐ I have noticed bank transfers to a crypto exchange (Coinbase, Kraken, etc.).
- ☐ My spouse has discussed crypto investments with me or others.
- ☐ Hardware wallets, seed-phrase paper, or recovery cards have been visible in our home.

WHAT TO DO IF YOU SUSPECT HIDDEN HOLDINGS

Do not confront. Do not search the cloud account, attempt to log into their wallet, or take photos of seed phrases. Most of those actions are illegal under federal computer fraud statutes and will hurt your case far more than they help.

Do document. Bank statements showing transfers to known crypto exchanges, screenshots of conversations you are a party to, and dates of suspected purchases are all admissible. Bring the documentation to a Board-Certified Family Law Specialist before any other step.

□ STOP — CALL CFFL IMMEDIATELY IF:

You suspect six figures or more in undisclosed cryptocurrency. Blockchain forensic analysis is most effective when started early.

You have already seen large unexplained transfers out of joint accounts in the last 12 months.

SECTION 6

Long-Term Care Planning Before Divorce

The math nobody wants to do but everyone has to: the national average cost of a private nursing-home room runs roughly $10,000 to $12,000 per month, and North Carolina costs track close to the national average. A 65-year-old has roughly a 70% chance of needing some form of long-term care. Long-term care planning has to be coordinated with equitable distribution — not done afterward.

Step 1 — Insurance audit

Do you have an LTC insurance policy? (Yes/No/Unknown)

Does your spouse? (Yes/No/Unknown)

Policy carrier(s)

Annual premium and who pays it

Benefit period (years) and daily benefit amount

Elimination (waiting) period in days

Inflation protection rider? (Yes/No)

Step 2 — Health status disclosure (private to you)

This worksheet is for your own planning. Do not share it without an attorney's guidance — health information is protected and can become a discovery issue.

Current diagnosed conditions affecting future care needs

Family history of dementia or Alzheimer's (yes/no)

Spouse's family history of dementia or Alzheimer's (yes/no)

Spouse's current diagnosed conditions

SECTION 6

Long-Term Care Planning Before Divorce (continued)

Step 3 — Cost projection

Run the numbers — not because they are pleasant, but because they are necessary.

Estimated monthly LTC cost in your area (default $10,500)

Estimated years of care likely needed (avg. 2.5–3 yrs)

Annual inflation assumption (default 4%)

Estimated total cost in today's dollars

Estimated total cost adjusted for inflation

Use Tab 4 of the companion spreadsheet to run this calculation.

THE TWO MISTAKES WE SEE MOST OFTEN

1. The healthy spouse keeps “the good assets” (retirement, savings, the house) and the spouse with declining health takes “the easy cash,” which is then exhausted in 18 months of memory care — leaving no resources for the years that follow.

2. Long-term care insurance policies get cancelled during separation when one spouse stops paying the premium. The now-uninsurable spouse discovers it after the divorce is final.

□ STOP — CALL CFFL BEFORE FILING IF:

Either spouse has a current diagnosis of dementia, Alzheimer's, or significant cognitive decline. Capacity to enter into a divorce agreement may be an issue — and a divorce executed without capacity can be set aside later.

Either spouse is within 5 years of likely Medicaid application. The Medicaid “look-back period” treats certain transfers during divorce as disqualifying.

The long-term care insurance premium is about to be cancelled or has been cancelled without your knowledge.

If long-term care is on the horizon, coordinate with an elder-law attorney in addition to your family law specialist. Cape Fear Family Law maintains a referral network and can connect you to coordinated counsel.

SECTION 7

Protecting Adult Children in Blended-Family Scenarios

In North Carolina, a will or estate plan made during a marriage can be radically affected by divorce. In blended families — second or third marriages, children from prior relationships, stepchildren who were never legally adopted — the gap between intent and legal reality can be staggering. This section is for inventorying who is who, and what protections (if any) already exist.

Family inventory

Children from this marriage (names and ages)

My biological/adopted children from prior relationships

Spouse's biological/adopted children from prior relationships

Stepchildren — legally adopted by either spouse?

Estate document audit

- ☐ Will exists (yes / no), date last updated
- ☐ Living trust exists (yes / no), date last updated
- ☐ Powers of attorney (financial + health care) executed and who holds each
- ☐ Beneficiary designations on every account match current intent
- ☐ Life insurance beneficiaries match current intent

STEPCHILDREN IN NC — THE HARD TRUTH

Unless a stepchild has been legally adopted, North Carolina does not give stepchildren automatic inheritance rights from a stepparent. No automatic survivor benefits. No automatic standing in probate.

Decades of love and presence do not, in NC law, create a legal relationship. The only fix is paperwork — a will, a trust, a beneficiary designation, or some combination of the three.

ACTION ITEMS — SECTION 7

- ☐ Update will and powers of attorney to reflect post-divorce intent.
- ☐ Review every beneficiary designation — retirement, life insurance, annuities, HSAs, POD/TOD accounts.
- ☐ If stepchildren were intended to inherit but are not legally adopted, see an estate attorney about specifically naming them.

You finished the workbook. Now what?

If you worked through all seven sections, you can now answer the seven-question test from the beginning. That puts you ahead of roughly 95% of people sitting down for a first divorce consultation. The next step is not another worksheet — it is a conversation with an attorney who has done this hundreds of times.

SCHEDULE A CONFIDENTIAL CONSULTATION

Cape Fear Family Law — Wilmington, Durham, Jacksonville/Camp Lejeune

Bring this completed workbook. It cuts initial-consultation meeting time in half, because we are not starting from zero. Phone, web, and in-person consultations available. Board-Certified in Family Law by the North Carolina State Bar.

Useful authoritative resources

- ☐ Social Security: ssa.gov/myaccount — to pull your earnings record and estimate benefits.
- ☐ IRS RMD rules: irs.gov/retirement-plans (Publication 590-B for the Uniform Lifetime Table).
- ☐ Federal TSP court orders: tsp.gov — search “Retirement Benefits Court Order.”
- ☐ NC General Statutes: ncleg.gov — §§ 50-20 through 50-21 (equitable distribution) and § 50-16.3A (alimony).
- ☐ NC State Bar: ncbar.gov — to verify Board-Certified Specialist credentials.

If you have not already, download the companion CFFL Gray Divorce Financial Calculator (.xlsx) and use it alongside this workbook. It runs the math — retirement totals, RMD estimates, house buyout calculations, long-term care projections — so you can focus your energy on the decisions.

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