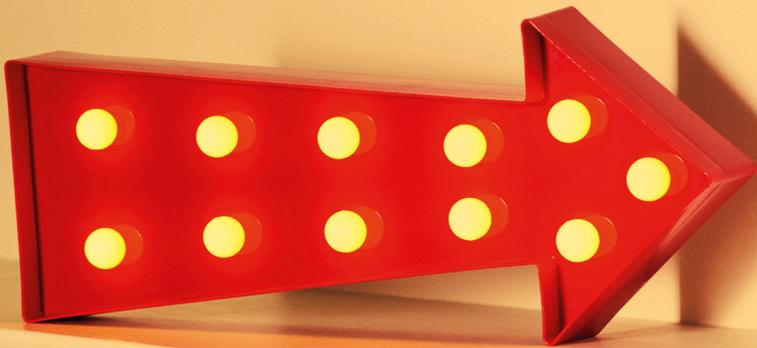


ROYAL  
GUIDE  
ROYAL  
LONDON

# Separation or divorce

A guide to reviewing your finances if you're recently  
divorced or separated



If you're recently divorced or separated you've probably gone through a big emotional upheaval. You may have moved home and your financial circumstances are likely to have changed. You may find you have less money to live on and your spending patterns may now be different.

A good way to assess your new financial position is to draw up a budget to see exactly what income you now have coming in and what your financial commitments now are. If it looks like you won't be able to make ends meet or your income could do with a boost, there may be state benefits you can claim or other things you can do to improve your financial situation.



## Your income

Start by working out your income. This could come from several sources such as your salary if you work, any pensions you receive and any maintenance payments you get from your former partner.

You may also be entitled to state benefits. For example, you may be eligible for benefits if you're on a low income, not working, sick, have children, are over 60, have a disability or have caring responsibilities. You can find out what benefits you might qualify for by using one of the benefits calculators in the "Where to find out more" section at the end of this guide.

You will need accurate information about your:

- income (such as from your pay slips) 
- existing benefits and pensions (including anyone living with you) 
- savings 
- outgoings (such as rent, mortgage, childcare payments) 

As well as state benefits, you may also be entitled to help from your local authority with your housing costs or Council Tax. If you're now the only adult in your household you will be entitled to the 25% single person discount on your Council Tax. If you're on a low income or state benefits, you may be entitled to Council Tax Reduction (sometimes called Council Tax Support) which could reduce your bill by up to 100%.

There are also grants available from charitable organisations for people on a low income and other types of help such as schemes and grants to help towards your energy costs, water bills and energy efficiency measures. For details see "Where to find out more" at the end of this guide.

## Your expenses

Next work out your expenses. You may have moved home or be paying for a place and all the household bills on your own now rather than sharing the cost. You also may have new expenses such as for car maintenance if your former partner did this. You may need to replace certain items if these were owned by them.

There may also be some savings. For example, you will only have your own bills to pay for now, so instead of two mobile phone contracts you might only need one now. You can stop paying for items or services that only your partner used and your food bills may be less.

It's a good idea to jot down all your expenses starting with essentials and then "nice to haves" so you can get an accurate picture of how much income you need. Some expenses will be quarterly or annual so you need to set aside some money for these each month so you don't get caught out with a bill you can't pay.

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 newspaper.

By taking a close look at your financial commitments and spending, you'll be able to see exactly how much money you need to get by and how you're currently spending your cash. You may also see ways you can cut back if necessary or where you're spending money unnecessarily.

For help drawing up a budget, you can try the Money and Pensions Service's free Budget Planner. You can find details for this in the "Where to find out more" section at the end of this guide.

For help  
drawing up a  
budget, you can  
try the Money  
and Pensions  
Service's  
free Budget  
Planner.

## Cutting your bills

It's a good idea to regularly review your household bills to make sure you're not paying over the odds for these services. Price comparison websites can help you spot if you could make savings by changing energy providers, mobile phone contracts, broadband deals and insurance providers. There are also websites to help you compare the cost of loans, mortgages and how much you can earn on your savings. There are websites to help you save on your grocery bills. For details see the "Where to find out more" section at the end of this guide.

Review your  
spending regularly.  
It takes time but  
can be worth it.







The Royal London Group consists of The Royal London Mutual Insurance Society Limited and its subsidiaries. The Royal London Mutual Insurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm is on the Financial Services Register, registration number 117672. Registered in England and Wales number 99064.  
Registered office: 55 Gracechurch Street, London, EC3V 0RL.