GenCrest
CAPITAL PARTNERS

FINANCIAL VOCABULARY GUIDE

"For wisdom will enter your heart, and knowledge will be pleasant to your soul."

Proverbs 2:10 (NIV)

A Companion Resource to the Marital Asset Protection Plan™ (MAPP)

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This guide demystifies the financial and legal language of divorce. Whether you are at the beginning of the process, in the middle of negotiations, or rebuilding your life after a settlement, these definitions give you the clarity and confidence to understand every conversation, every document, and every decision.

⋆ *Affirmation* ⋆

Understanding my finances is not optional - it is my power. Knowledge is the first step to freedom.

How to Use This Guide

This guide is organized into three sections covering every stage of your divorce journey:

Section 1	Legal Terms - language you will hear from attorneys, in courtrooms, and in legal documents during your divorce
Section 2	Financial Terms - words related to assets, debt, income, and the money mechanics of the divorce process
Section 3	Retirement & Investment Terms - vocabulary you will need as you build and protect your long-term financial future

> Each term entry includes: What it means (the formal definition), In plain English (what it actually means for you), an Example to make it real, and (where relevant) how it connects directly to the Divorce MAPP™ process.

You do not need to memorize any of this. You simply need to understand enough to ask the right questions, recognize when something does not add up, and advocate for yourself with confidence in every room you walk into.

SECTION 1

Legal Terms -The Language of the Divorce Process

Proverbs 4:7 (NIV)
"The beginning of wisdom is this: Get wisdom, and whatever you get, get insight."

These are the words you will hear from your attorney, see in court documents, and encounter throughout the legal process. Knowing them puts you in the room as an informed participant - not a bystander.

A

Affidavit

What it means: A written statement made under oath, used as evidence in court proceedings.

In plain English: A formal, sworn document you sign stating everything listed is true. If you lie on one, it is a crime.

Example: Your Financial Affidavit lists all your income, expenses, assets, and debts. It is required in virtually every divorce case.

In the MAPP™: The Affidavit MAPP™ system creates a court-ready financial affidavit supported by detailed transaction data, saving thousands in attorney prep time.

Alimony (Spousal Support)

What it means: Court-ordered payments from one spouse to the other during or after divorce.

In plain English: Regular money your ex is required to pay you - or you may be required to pay to help bridge the income gap caused by divorce.

Example: If you were a stay-at-home parent and your spouse earned all household income, a judge may order him to pay monthly alimony for several years.

In the MAPP™: We analyze your marital lifestyle, income history, and projected needs to support your attorney in arguing for the right amount and duration of support.

Answer (Response)

What it means: The formal legal document filed by the respondent in reply to a divorce petition.

In plain English: Your official written response to your spouse's divorce filing, where you agree, disagree, or respond to each point made.

Example: If your husband files for divorce and lists the date of separation incorrectly, your Answer is where your attorney corrects that record.

C

Contested Divorce

What it means: A divorce in which spouses cannot agree on one or more key issues and require court intervention to resolve them.

In plain English: When you and your spouse cannot work it out, so a judge decides. This is typically longer, more expensive, and more emotionally draining.

Example: If you and your spouse disagree on how to divide retirement accounts or who keeps the house, the divorce is contested.

Custodial Parent

What it means: The parent with whom a child primarily resides following divorce.

In plain English: The parent the children live with most of the time. This affects child support, tax benefits, and long-term financial planning.

Example: If your children live with you 70% of the time, you are likely the custodial parent.

D

Decree of Divorce

What it means: The final court order that legally ends the marriage.

In plain English: The official document that says your divorce is legally complete. Keep it permanently — you will need it for beneficiary changes, name updates, and new accounts.

Example: You will need your divorce decree to update your name with Social Security, change beneficiaries on life insurance, and open your own financial accounts.

Discovery

What it means: The legal process by which each party obtains financial information from the other before trial.

In plain English: The information-gathering phase. Your attorney can legally demand bank statements, tax returns, business records, and more from your spouse.

Example: During discovery, your attorney requests five years of your husband's business financial statements to check for hidden or underreported income.

In the MAPP™: We support the discovery process by analyzing financial documents and identifying discrepancies, hidden assets, or unreported income.

Dissipation of Assets

What it means: The wasteful, reckless, or intentional spending or hiding of marital assets by one spouse, typically during the breakdown of the marriage.

In plain English: When your spouse drains bank accounts, spends lavishly on a new partner, or hides money that should be part of your settlement. It is illegal and more common than most people realize.

Example: Your spouse spent $80,000 on a boat and gambling in the year before filing. That dissipation can be factored into your settlement to compensate you.

In the MAPP™: Our forensic financial analysis identifies and documents dissipation, giving your attorney powerful evidence.

E

Equitable Distribution

What it means: The legal standard used in most states to divide marital property fairly, based on multiple factors rather than an automatic 50/50 split.

In plain English: Fair does not always mean equal. Judges weigh the length of your marriage, your earning capacity, contributions as a homemaker, and more.

Example: Married 22 years, you sacrificed your career to raise children. The judge may award you 60% of marital assets to account for your lost earning years.

Expert Witness

What it means: A qualified professional called upon to provide specialized knowledge or analysis in court proceedings.

In plain English: A professional — such as a business valuator, forensic accountant, or financial analyst — who testifies or submits reports to help the court understand complex financial matters.

Example: A forensic accountant serves as an expert witness to explain how your husband underreported his business income over several years.

In the MAPP™: Sherry and the GenCrest team provide expert financial witness support for courtroom and mediation proceedings.

F

Financial Affidavit

What it means: A sworn legal document disclosing all income, expenses, assets, and liabilities, required in all divorce proceedings.

In plain English: The complete financial picture you swear is true and submit to the court. Every dollar you earn, spend, own, and owe must be listed honestly.

Example: You complete a detailed financial affidavit listing your salary, monthly expenses, retirement accounts, home equity, and all debts.

In the MAPP™: The Affidavit MAPP™ system produces a court-ready, comprehensive financial affidavit supported by actual transaction-level data.

Forensic Accounting

What it means: The use of accounting and investigative techniques to uncover financial fraud, hidden assets, or misrepresentation in legal disputes.

In plain English: Financial detective work. A forensic accountant can trace hidden money, find underreported income, and reconstruct years of financial history.

Example: A forensic accountant reviews five years of your husband's business statements and finds $200,000 in personal expenses routed through the company.

In the MAPP™: We incorporate forensic analysis into high-asset and business-owner divorce cases to ensure complete financial disclosure.

G

Guardian Ad Litem

What it means: A court-appointed advocate representing the best interests of a child in divorce proceedings,

In plain English: A neutral professional – often an attorney or social worker – appointed to speak for your children's best interests, not either parent's.

Example: If custody is heavily disputed, the court may appoint a guardian ad litem to interview the children and recommend a custody arrangement.

I

Imputed Income

What it means: Income attributed to a spouse by the court based on their earning capacity, even if they are not currently earning that amount.

In plain English: If your spouse quits his job or works less to reduce support payments, the court can assign him an income level based on what he should be earning.

Example: Your husband resigns his $180,000 position right before the divorce. The court imputes income at his prior earnings level when calculating support.

Injunction / Temporary Restraining Order

What it means: A court order restricting a party from taking certain actions during the divorce process.

In plain English: A legal stop sign. A judge can order your spouse not to sell assets, transfer money, take the children out of state, or contact you in harmful ways.

Example: An automatic temporary restraining order (ATRO) freezes both parties from moving, hiding, or spending down marital assets while the case is pending.

M

Mediation

What it means: A voluntary, confidential process in which a neutral third party helps divorcing spouses negotiate and reach agreement.

In plain English: A less adversarial alternative to court. A mediator helps you and your spouse find common ground but does not take sides or make binding decisions.

Example: Instead of fighting over the vacation home in court, you attend mediation and agree to sell it and split the proceeds.

In the MAPP™: We provide financial analysis to support mediation, helping you understand whether a proposed settlement truly serves your long-term interests before you sign anything.

Motion

What it means: A formal written request submitted to the court asking a judge to make a specific ruling or take a specific action.

In plain English: Your attorney formally asking the judge for something — for example, requesting temporary support while the divorce is in progress.

Example: Your attorney files a Motion for Temporary Support so you receive regular income from your spouse while the case is pending.

N

No-Fault Divorce

What it means: A divorce granted without requiring either spouse to prove wrongdoing, based on irreconcilable differences.

In plain English: You do not have to prove your spouse cheated or abused you. You can file simply because the marriage is irreparably broken.

Example: Most divorces today are no-fault. You cite irreconcilable differences and the court does not require blame to be assigned.

P

Petition for Divorce

What it means: The formal legal document that initiates divorce proceedings, filed by the spouse who acts first (the petitioner).

In plain English: The paperwork that officially starts the divorce. The person who files is the petitioner; the other spouse is the respondent and has a deadline to respond.

Example: When your husband files divorce papers, he is the petitioner. You are the respondent and typically have 20 to 30 days to file your Answer.

Prenuptial Agreement

What it means: A legal contract signed before marriage outlining how assets and debts will be handled in the event of divorce.

In plain English: An agreement made before the wedding about what happens to money and property if the marriage ends. It can protect both parties or favor one significantly.

Example: If your husband had significant wealth before marriage and you signed a prenup, it may limit what you are entitled to in the divorce.

In the MAPP™: We review prenuptial agreements to identify enforceability issues and model their limit what you are entitled to in the divorce.

Q

QDRO (Qualified Domestic Relations Order)

What it means: A legal order required to divide a qualified retirement plan such as a 401(k) or pension as part of a divorce settlement.

In plain English: The special court document that allows your divorce settlement to transfer retirement funds from your spouse's account to yours without triggering taxes or penalties.

Example: Your settlement awards you 40% of your husband's 401(k). The QDRO is submitted to his plan administrator, who then transfers your share into your own IRA.

In the MAPP™: We work with your attorney to ensure QDROs are correctly prepared and submitted. Errors can cost you thousands or delay access to your retirement funds.

S

Settlement Agreement

What it means: A written contract between divorcing spouses that resolves all issues including asset division, support, and custody, without going to trial.

In plain English: The final deal you and your spouse reach on everything. Once signed and approved by the court, it is legally binding and very difficult to undo.

Example: After months of negotiation, you sign a settlement awarding you the house equity, seven years of alimony, and 50/50 custody of your children.

In the MAPP™: We review every proposed settlement for long-term financial viability before you sign. What looks fair today may not sustain you in 10 years.

Subpoena

What it means: A legal order requiring a person or institution to produce documents or testify in a legal proceeding.

In plain English: A court-ordered demand for records or testimony. Your attorney can subpoena your husband's employer, bank, or business for records he has not voluntarily disclosed.

Example: Your attorney subpoenas your husband's employer to produce complete compensation records including bonuses, commissions, and stock awards.

T

Temporary Orders

What it means: Court orders put in place at the start of divorce proceedings to govern finances, custody, and support while the case is pending.

In plain English: Rules the judge sets immediately so life can function during the divorce process - who pays which bills, who lives where, who has the children when.

Example: A temporary order may require your husband to continue paying the mortgage, health insurance, and household expenses until the divorce is finalized.

U

Uncontested Divorce

What it means: A divorce in which both spouses agree on all terms with no need for a judge to resolve disputed issues.

In plain English: The smoother, faster, and less expensive path - when you and your spouse agree on everything and simply need the court to approve the paperwork.

Example: A couple with no children, minimal shared assets, and full agreement on all terms may file an uncontested divorce completed in a matter of weeks.

V

Affirmation

Valuation

What it means: The process of determining the monetary value of an asset, business, or property for purposes of the divorce settlement.

In plain English: Getting a professional estimate of what something is worth. Critical for the marital home, a business, retirement accounts, and unique assets like art or real estate.

Example: Your husband's dental practice must be professionally valued by a business valuator so its worth can be divided fairly in the settlement.

In the MAPP™: We coordinate business valuations and complex asset appraisals for high-net-worth divorces.

★ *Affirmation* ★

I am not intimidated by legal language. I am learning it - one term at a time - so that no one can use it against me.

SECTION 2

Financial Terms - The Money Mechanics of Divorce

Luke 14:28 (NIV)
"Suppose one of you wants to build a tower. Won't you first sit down and estimate the cost to see if you have enough money to complete it?"

Money is the language of divorce settlements. These terms will help you understand what you own, what you owe, and what you deserve - so you can negotiate from a position of knowledge rather than fear or uncertainty.

A

Asset

What it means: Anything you own that has monetary value.

In plain English: Your stuff- bank accounts, home, car, retirement savings, jewelry, and business interests. If you can sell it or it earns you money, it is an asset.

Example: Your house, your 401(k), your savings account, your vehicle, and any ownership in a business are all assets subject to division.

In the MAPP™: We conduct a full asset inventory as the first step of the MAPP process. You cannot fight for what you do not know you own.

B

Balance Sheet

What it means: A financial statement listing all assets, liabilities, and net worth at a specific point in time.

In plain English: A snapshot of everything you own versus everything you owe. Assets minus liabilities equals your net worth.

Example: Your divorce balance sheet shows a home worth $400,000, a $250,000 mortgage, $180,000 in retirement accounts, and $12,000 in car debt.

Bankruptcy

What it means: A legal process allowing individuals unable to pay their debts to seek court-supervised relief from some or all obligations.

In plain English: A legal fresh start for people overwhelmed by debt. If your spouse files for bankruptcy during or after divorce, it can significantly impact what you receive.

Example: If your husband files bankruptcy after the divorce, debts he agreed to pay in the settlement may be discharged by the bankruptcy court, potentially making you liable.

Budget

What it means: A detailed monthly or annual plan for income and spending.

In plain English: Your financial playbook for life on your own. What comes in, what goes out, and how you keep everything covered - sometimes for the first time in your life.

Example: Your post-divorce budget reflects your salary, child support received, your own health insurance premium, and a smaller housing payment.

In the MAPP™: We build both a current marital budget and a projected post-divorce budget as part of the MAPP process to clearly show your lifestyle funding gap.

C

Capital Gains Tax

What it means: A tax on the profit earned from selling an asset that has increased in value.

In plain English: When you sell something for more than you paid, you may owe taxes on the profit. This is critical when evaluating the marital home, investment accounts, and business interests.

Example: You and your spouse purchased your home for $200,000 and sell it for $600,000. Depending on residency rules, you may owe taxes on a portion of that profit.

In the MAPP™: We model the after-tax value of every asset in your settlement so you compare what you will actually keep, not just face values on paper.

Cash Flow

What it means: The movement of money into and out of your accounts over a period of time.

In plain English: How money moves through your life - what comes in from income and support, and what goes out for living expenses.

Example: If you earn $5,000 a month but spend $5,800, your cash flow is negative. That gap must be addressed in your settlement and post-divorce planning.

CDFA (Certified Divorce Financial Analyst)

What it means: A financial professional specially trained in the financial and tax issues unique to divorce.

In plain English: A financial expert who speaks divorce fluently. A CDFA understands how settlements, support, taxes, and retirement interact in ways a general financial advisor may not.

Example: Sherry Campbell, CFP, CDFA, CEPA, brings specialized divorce financial expertise to help you understand the long-term impact of every option before you agree to anything.

Child Support

What it means: Court-ordered payments from one parent to the other to cover the costs of raising shared children after divorce.

In plain English: Regular payments to help cover your children's basic needs - housing, food, clothing, healthcare, and education. Calculated by formula in most states.

Example: The court orders your ex-husband to pay $1,800 per month in child support based on his income and the agreed custody arrangement.

COBRA

What it means: A federal law allowing individuals to continue employer-sponsored health insurance coverage temporarily after losing that coverage through divorce.

In plain English: A way to stay on your spouse's employer health plan for up to 36 months after the divorce, but you pay the full premium yourself, which is often expensive.

Example: After divorce, you elect COBRA coverage while searching for your own plan. You pay $980 per month for the same coverage that was free through your husband's employer.

Community Property

What it means: A marital property system in which most assets acquired during marriage are owned equally by both spouses.

In plain English: In community property states such as California, Texas, and Arizona, almost everything earned or purchased during the marriage belongs 50/50 to both of you regardless of whose name is on it.

Example: In a community property state, the retirement account held only in your husband's name still has half its marital-period contributions legally owned by you.

D

Debt (Marital)

What it means: Financial obligations incurred during the marriage that may be assigned to one or both spouses in the divorce settlement.

In plain English: Money owed together during the marriage that must be divided just like assets. Credit card balances, car loans, mortgages, and business loans all count.

Example: You and your spouse accumulated $45,000 in credit card debt. The settlement assigns $20,000 to him and $25,000 to you, tied to the assets each of you received.

E

Equitable Distribution

What it means: The standard used in most U.S. states to divide marital property fairly based on multiple factors rather than an automatic equal split.

In plain English: Fair does not always mean 50/50. Judges weigh the length of the marriage, each spouse's earning ability, homemaking contributions, and much more.

Example: Married for 22 years with your career on hold to raise children, the court may award you a larger share of marital assets to compensate for that sacrifice.

H

Hidden Assets

What it means: Marital property deliberately concealed or undervalued by one spouse to reduce what the other party receives in settlement.

In plain English: Money, accounts, or property your spouse is hiding from you and the court. It is illegal and far more common than most people expect.

Example: Common hiding places include business expense accounts, cryptocurrency wallets, deferred bonus arrangements, cash payments from clients, and offshore accounts.

In the MAPP™: Our forensic financial review is designed specifically to detect and document hidden assets before your settlement is finalized.

Home Equity

What it means: The current market value of a home minus the remaining mortgage balance.

In plain English: What your house is actually worth to you — the difference between what it could sell for today and what you still owe on it.

Example: Your home is worth $450,000 and you owe $310,000. Your home equity is $140,000 — a significant marital asset that must be addressed in the settlement.

I

Income

What it means: Money received regularly from employment, business activity, investments, support payments, or other sources.

In plain English: Every source of money coming in - salary, bonuses, commissions, rental income, alimony, interest, dividends, and child support all count toward your financial picture.

Example: Your post-divorce income may include your salary, child support, and part-time freelance earnings, all of which factor into your budget and tax planning.

L

Liability

What it means: A financial obligation or debt owed to another party.

In plain English: Everything you owe - mortgage, car loans, student loans, credit card balances, and other debts. In divorce, liabilities are divided alongside assets.

Example: Your marital liabilities include a $280,000 mortgage, a $15,000 car loan, and $32,000 in joint credit card debt - all of which must be assigned in the settlement.

Lifestyle Analysis

What it means: A detailed examination of a couple's historical spending patterns to establish the marital standard of living.

In plain English: A thorough look at how you actually lived during the marriage - what you spent on housing, travel, dining, clothing, and everything else - used to support alimony and settlement claims.

Example: A lifestyle analysis reveals the family spent $12,000 per month. That becomes the baseline for calculating alimony and the support needed to maintain a similar standard of living.

In the MAPP™: We conduct comprehensive lifestyle analyses as a core step of the MAPP process, using actual bank and credit card transaction data.

Liquid Assets

What it means: Assets that can be quickly and easily converted to cash without significant loss of value.

In plain English: Money you can access quickly - checking accounts, savings accounts, and money market funds. Real estate and retirement accounts are far less liquid.

Example: In negotiating your settlement, liquid assets matter for your immediate cash needs, while retirement accounts matter most for your long-term security.

M

Marital Estate

What it means: The total collection of all assets and debts accumulated by either spouse during the marriage, subject to division in divorce.

In plain English: Everything the two of you built together - all assets and all debts - that goes into the pile to be divided.

Example: Your marital estate includes the family home, both retirement accounts, two vehicles, savings accounts, and $40,000 in credit card debt.

Marital Property

What it means: Assets and debts acquired by either spouse during the marriage, regardless of whose name is on the account or title.

In plain English: Just because something is only in your husband's name does not mean it is only his. Property and money accumulated during the marriage generally belongs to both of you.

Example: The 401(k) your husband contributed to throughout your 18-year marriage is marital property - even though your name was never on the account.

N

Net Worth

What it means: The total value of all assets minus all liabilities at a specific point in time.

In plain English: What you are actually worth: everything you own minus everything you owe. This number is your clearest snapshot of financial health.

Example: Assets of $650,000 minus liabilities of $310,000 equals a net worth of $340,000 — your starting point for rebuilding.

Non-Marital Property (Separate Property)

What it means: Assets owned by one spouse before the marriage, or received individually as a gift or inheritance during the marriage, typically excluded from division.

In plain English: What was truly yours before the marriage (or given only to you during it) generally stays yours. However, mixing it with marital money can blur this line legally.

Example: You inherited $50,000 from your grandmother and kept it in a separate account with only your name. In most states, that remains your separate property.

P

Pension

What it means: A retirement plan that pays a defined monthly benefit upon retirement, typically based on years of service and salary history.

In plain English: A guaranteed monthly check in retirement from an employer. Pensions are often one of the most valuable marital assets and must be carefully valued and divided.

Example: Your husband's 30-year teacher's pension is a major marital asset. You may be entitled to a share of the monthly benefit he will receive at retirement.

S

Standard of Living

What it means: The level of income, comfort, and material goods maintained by a household, used in divorce to assess support needs.

In plain English: The lifestyle you built together during the marriage. Courts use this as a benchmark when determining how much support is needed after divorce.

Example: If you lived in a $600,000 home, traveled annually, and spent $15,000 per month as a couple, those figures become the baseline in your support calculation.

T

Tax Implications of Divorce

What it means: The various tax consequences arising from divorce, including how assets are divided, how support is taxed, and how filing status changes.

In plain English: Divorce changes your tax life dramatically. Filing status, who claims the children, how retirement accounts are divided, and what support you receive all have real tax consequences.

Example: Alimony under older divorce agreements may be taxable income. Child support is never taxable. Taking retirement funds improperly triggers penalties and taxes.

In the MAPP™: We model the after-tax impact of every settlement option so you understand what you will actually keep, not just what the papers say you receive.

Title

What it means: Legal documentation establishing ownership of a specific asset such as real estate, a vehicle, or a financial account.

In plain English: The paper that legally says who owns something. After divorce, titles, deeds, and account ownership must be updated to reflect the new arrangement.

Example: After the divorce, you will need to have the house deed retitled in your name alone and have your ex-husband removed from the vehicle title.

★ *Affirmation* ★

I understand the financial landscape of my divorce. I will not be confused, misled, or shortchanged. I know the language and I know my worth.

SECTION 3

Retirement & Investment Terms - Building Your Long-Term Future

Jeremiah 29:11 (NIV)
"For I know the plans I have for you, declares the LORD, plans to prosper you and not to harm you, plans to give you hope and a future."

Divorce is not the end of your financial story — it is the beginning of a new chapter you get to write on your own terms. These terms will help you understand how to build, protect, and grow your wealth from here forward.

4

4% Rule

What it means: A retirement planning guideline suggesting that withdrawing approximately 4% of portfolio value annually provides a high probability of not outliving your savings over 30 years.

In plain English: A starting point for how much you can take from savings each year in retirement without running out. Post-divorce, this should be customized to your specific situation.

Example: With $500,000 in retirement savings, the 4% rule suggests $20,000 per year as a baseline withdrawal - then adjusted based on your actual needs and income.

A

Annuity

What it means: A financial product purchased from an insurance company that provides guaranteed income payments over a set period or for life.

In plain English: You pay a lump sum and receive a guaranteed regular paycheck - monthly or annually - for a fixed term or for as long as you live.

Example: You use a portion of your divorce settlement to purchase an annuity that pays $1,200 per month for the rest of your life, regardless of market conditions.

B

Beneficiary

What it means: The person or entity designated to receive the assets of an account or insurance policy upon the account holder's death.

In plain English: Who gets your money when you die. Updating beneficiaries on every account and insurance policy immediately after divorce is one of the most critical financial steps.

Example: If you forget to update your life insurance beneficiary after divorce, your ex-husband could still legally receive the entire death benefit.

Bond

What it means: A fixed-income investment in which the investor lends money to a government or corporation in exchange for regular interest payments and return of principal.

In plain English: A loan you make to a company or government that pays you interest on a schedule. Generally more stable than stocks but with lower long-term growth.

Example: Government bonds are a common Stability Bucket holding, providing steady income with lower volatility than the stock market.

D

Diversification

What it means: The investment strategy of spreading money across different asset types, sectors, and geographies to reduce overall risk.

In plain English: Do not put all your eggs in one basket. By owning a variety of investments, losses in one area are offset or cushioned by stability in others.

Example: Instead of concentrating your settlement in one type of investment, you spread it across index funds, bonds, and real estate investment trusts.

Dividend

What it means: A portion of a company's earnings distributed to shareholders on a regular basis.

In plain English: A share of profits paid to you simply for owning stock in a company. Dividends can become a reliable source of passive income in retirement.

Example: Your portfolio of dividend-paying stocks generates $400 per month in income deposited directly to your account without selling any shares.

G

Guardrail Strategy

What it means: A dynamic withdrawal approach that adjusts spending up or down based on portfolio performance to preserve long-term sustainability.

In plain English: Instead of withdrawing the same amount regardless of market conditions, you adjust modestly up when the portfolio grows and pull back when it drops. This protects your long-term security.

Example: Your plan: if your portfolio grows by 15%, you may increase withdrawals by 5%. If it drops by 15%, you reduce spending by 10% until it recovers.

I

Inflation

What it means: The rate at which the general price level of goods and services rises over time, eroding the purchasing power of money.

In plain English: Why $100 today will not buy the same amount in 20 years. If your income does not grow with inflation, your lifestyle slowly shrinks.

Example: If inflation averages 3% annually, the $5,000 monthly budget you need today will require nearly $9,000 per month in 20 years to maintain the same lifestyle.

IRA (Individual Retirement Account)

What it means: A personal retirement savings account that provides tax advantages, available in Traditional (tax-deferred) and Roth (tax-free growth) versions.

In plain English: Your own personal retirement savings vehicle, separate from any employer. Traditional IRAs defer taxes until withdrawal; Roth IRAs grow and withdraw completely tax-free.

Example: As part of your divorce settlement, a QDRO transfers $120,000 from your husband's 401(k) into a rollover IRA in your name — with no taxes or early withdrawal penalties.

L

Longevity Risk

What it means: The financial risk of outliving your savings and income sources.

In plain English: The very real possibility that your money runs out before you do. Women statistically live longer than men, making this one of the most important risks to plan for.

Example: If you retire at 62 and live to 92, you need 30 full years of income. Without careful planning, savings can be depleted long before your life ends.

M

Medicare

What it means: The federal health insurance program for Americans age 65 and older and for certain younger individuals with disabilities.

In plain English: Government health coverage that begins at 65. It has several parts covering hospital stays, doctor visits, and prescriptions - and requires you to pay some premiums.

Example: At 65 you enroll in Medicare Parts A and B, then purchase a supplemental Medigap policy to cover costs Medicare does not pay.

P

Portfolio

What it means: The complete collection of financial investments owned by an individual across all accounts.

In plain English: Your full investment lineup - everything you own in every account, working together to grow your wealth and generate the income you need.

Example: After your divorce, you build a portfolio of index funds, bonds, and dividend stocks across your IRA and brokerage account.

R

Required Minimum Distribution (RMD)

What it means: The minimum amount the IRS requires you to withdraw from certain retirement accounts annually beginning at age 73.

In plain English: Once you turn 73, the government requires you to start taking money out of traditional IRAs and 401(k)s and pay taxes on it. Missing this triggers steep penalties.

Example: At age 73, your traditional IRA balance may require a withdrawal of roughly $15,000 that year - which is then subject to ordinary income tax.

Roth IRA and Roth Conversion

What it means: A Roth IRA is a retirement account funded with after-tax dollars, allowing completely tax-free growth and withdrawals. A Roth conversion moves money from a traditional IRA to a Roth account.

In plain English: You pay taxes now, then never pay taxes on that money again. If your income drops after divorce, that is the perfect window to convert traditional retirement funds to Roth at a lower tax rate.

Example: The year after divorce, your taxable income drops significantly. You convert $30,000 from your traditional IRA to a Roth, paying a low tax rate now for completely tax-free income later.

S

Social Security

What it means: A federal program providing retirement, disability, and survivor benefits funded through payroll taxes paid during working years.

In plain English: Your government retirement income check. When you claim it matters enormously - claiming early reduces your monthly benefit permanently, while waiting until 70 maximizes it.

Example: Claiming at 62 provides smaller checks for more years. Waiting until 70 gives you up to 77% more per month than claiming at 62.

Social Security Divorced Spousal Benefit

What it means: A provision allowing a divorced spouse to claim up to 50% of their ex-spouse's Social Security benefit if specific eligibility conditions are met.

In plain English: If you were married at least 10 years and are currently unmarried, you may collect Social Security based on your ex-husband's earnings record without reducing his benefit at all.

Example: You were married for 14 years. At 62, your ex-husband's Social Security benefit is significantly higher than your own. You may claim up to 50% of his benefit - a meaningful monthly income addition.

T

Tax Bracket

What it means: A range of income subject to a specific tax rate within the federal progressive tax system.

In plain English: The more you earn, the higher percentage you pay on income above each threshold. After divorce, your tax bracket often shifts, sometimes dramatically in your favor.

Example: Filing jointly may have placed you in the 22% bracket. After divorce, filing as head of household with children, your income may fall into the 12% bracket, meaning you keep more of what you earn.

Three-Bucket Income System

What it means: A retirement income framework that organizes investments into short-term safety, mid-term stability, and long-term growth buckets based on time horizon and purpose.

In plain English: A simple way to organize your money so you always have what you need now, growing what you need next, and building what you need decades from now.

Example: Bucket 1 holds two to three years of living expenses in cash. Bucket 2 holds bonds and dividend stocks for years four through fifteen. Bucket 3 holds growth investments for everything beyond that.

W

Withdrawal Strategy

What it means: A planned approach for drawing income from retirement accounts and investments in a tax-efficient and sustainable manner over time.

In plain English: Your personal game plan for taking money out of savings in retirement — which accounts to tap first, how much to take, and in what order to minimize taxes and make it last.

Example: Your strategy: draw from taxable brokerage accounts first, then traditional IRA funds, then Roth last - preserving tax-free growth as long as possible.

⋆ *Affirmation* ⋆

My future is not defined by what I lost. It is defined by what I build from here. I have the knowledge, the guidance, and the God-given strength to flourish.

Companion Resources

- The Marital Asset Protection Plan™ (MAPP) Book
- Lifetime Income Workbook
- Post-Divorce Financial Checklist
- Legacy Vision & Affirmation Workbook
- Affidavit MAPP™ System

A Word from Sherry

You are not behind. You are not broken. You are a woman learning the language of her own future - and that is one of the bravest things anyone can do. I am honored to walk beside you every step of the way.

Your Next Step

You do not have to navigate this alone.

Schedule your complimentary strategy session with Sherry and the GenCrest Capital Partners team.

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