



## Hindsight in Family Law By Jodi Wyman

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As they say, hindsight is always twenty-twenty. Many people who have gone through a messy divorce realize at the end that if they had known then what they know now, they would have made some different decisions.

Planning your life around being prepared for the end of your marriage may sound cynical, but it could save having regrets later.

Once of the most common things people wish they had done was enter into an agreement at the time they started their common-law relationship or before they got married. Pre-nuptial and cohabitation agreements which can protect you from a variety of unfortunate outcomes. Getting a proper legal agreement prepared may seem like an unnecessary expense, but it could save you a lot of money in the long run.

Purchasing a house together is a perfect example. Perhaps you receive a large sum of money from your family as a gift or inheritance or from the sale of the house you owned before

marriage. If you put those funds into the new house, which is then registered in both names, you may later wish you had paid for an agreement. If you separate, unless you have an agreement allowing you to get your money out later, you will have to share the full value of the house equally.

Some people end up with regrets over other assets owned jointly. There are some important exceptions in the law which are not available for jointly-owned assets. For example, assets you owned before you entered into the relationship do not have to be shared if you split up. However, the law of asset and debt division does not apply to jointly-owned assets. If the item is in both names, it is generally presumed to be fifty-fifty shareable.

So, generally speaking, if you owned bank accounts, investments, revenue houses or business assets before the relationship started, they would not be shareable. If you put them in joint names, they would

be. Often people decide to put assets in joint names as part of their estate or tax planning. It may be wise in that context, but could be something you regret later.

Similarly with inherited money, if you keep it separate, it is not shareable upon separation. Many people choose to pay family debt or take a vacation with it instead, meaning the money cannot be retained by the spouse after separation.

Many spouses regret not putting away money or having investments in their own name so they have access to funds immediately if they separate. Or, they regret not having access to credit or a credit rating so they can support themselves short-term if necessary. A separation can be a very financially difficult time.

Some partners later kick themselves for agreeing to sign on for joint debt, or co-signing a loan for their spouse. When couples separate, both spouses usually suffer some degree of financial hardship. At the time you co-sign a loan for your

partner you may not expect for a minute to have to pay the loan, but if your partner cannot make the payments for any reason, the creditor will be looking to you. A court order in family court will not help you escape from the debt. Bankruptcy is sometimes the only option at that point.