

# Divorce Tax Mistakes Checklist

Avoid IRS penalties and protect your financial future

01

## Filing Status Mistake

**Mistake:** Filing with the wrong tax status.

**Avoid it:** Your marital status on December 31 decides your status for the year. Double-check before filing.

02

## Dependent & Child Credit Error

**Mistake:** Both parents are claiming the same child.

**Avoid it:** Only the custodial parent can claim, unless they sign Form 8332 giving permission.

03

## Retirement Account Blunder

**Mistake:** Splitting a 401(k) or pension without a QDRO.

**Avoid it:** Use a Qualified Domestic Relations Order or proper IRA transfer rules to avoid taxes and penalties.

04

## W-4 Withholding Oversight

**Mistake:** Forgetting to update your W-4 after divorce.

**Avoid it:** File a new Form W-4 with your employer so your paycheck and withholding reflect your new situation.

05

## Settlement Reporting Error

**Mistake:** Misreporting alimony, child support, or property transfers.

**Avoid it:** Property transfers aren't taxable, alimony rules depend on divorce date, and child support is never taxable.

06

## House Sale & Capital Gains Slip-Up

**Mistake:** Ignoring capital gains rules when selling the family home.

**Avoid it:** Claim the \$250k/\$500k exclusion if eligible, track timing to avoid an unexpected tax bill.

07

## Beneficiary & Legal Fee Mistake

**Mistake:** Forgetting to update beneficiaries or misreporting legal fees.

**Avoid it:** Update life insurance, retirement accounts, and estate plans, and only deduct legal fees related to tax advice.