

Understanding How Stock Assets Are Treated in a Divorce

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A divorce requires assets to be identified, valued, and divided between both parties. This includes real estate property, automobiles, and other personal items of significant value.

Stock assets are also subject to division in many cases. But this depends on a wide range of factors that you need to understand.

A family law attorney will provide the information needed in order to protect stock assets in a divorce. Georgia equitable distribution laws impact the division of stocks and other assets.

Understanding those laws and choosing the right legal solutions will protect your financial wellbeing before, during, and after your divorce.

Stock Asset Considerations in a Divorce

Although there are many types of assets that can be scrutinized in a divorce, stocks and other financial assets can make up a large portion of the marital assets.

Many professionals are issued stock options by employers. These give them the right to own a specific number of shares in a company's stock within a specified time period and price.

But the individual receiving the stock option must choose to exercise the option to buy the stock. Whether this is done before or during a marriage is an important factor in how these assets may be divided in a divorce.

There may be restrictions in place that prevent the employee who owns the stocks to transfer them to a spouse who isn't employed by the company.

In addition, stock options may have been awarded and vested before an individual was married. But if those stock options were exercised during the marriage, they may be viewed as marital property.

Restricted stocks can be difficult to divide in a divorce compared to those that can be easily liquidated. Offsetting the value of restricted stocks with other assets is one way to ensure their equitable distribution.

Your attorney can help you determine all of the options that are available to you as you move forward in your divorce proceedings.

Georgia Law, Stocks, and Divorce

Georgia views assets that are acquired as a result of the work and investments carried out during a marriage as subject to equitable division. This applies to all property and assets.

When dividing stock assets, the dates on which stocks are purchased, awarded, vested, or exercised must all be taken into account. This can mean the difference between those assets being viewed as marital or separate property.

The reasons why employers issue stock options and any funds used when exercising those options can also impact how they're viewed and divided in a divorce case.

If stock options are viewed as marital property, courts can use a quantitative formula to determine what portion relates to the marriage period and is subject to division.

Protecting Your Stock Assets in a Divorce

Having the right legal resources helps you protect your stock assets in a divorce.

Understanding the factors that impact whether or not they can be divided along with your other assets is the first step in ensuring that your rights are protected under Georgia state law.

Your attorney can help you determine how much of your stock assets may be considered separate property and how much may be viewed as marital property by the courts.

Stock options that are granted for future services, as opposed to those granted for current and previous services, can be protected from equitable division in a divorce. But these and other factors depend on the unique circumstances of your case.

A skilled family law attorney understands the laws related to stock assets, the calculations used to determine their value and divisibility, and the best legal options for your needs.

Obtaining a fair divorce settlement secures your financial wellbeing and prevent many of the costly issues that can arise when your stock assets are at stake in a divorce.