



Equitable Distribution

Aside from child custody and support issues, the distribution of marital property — which includes both marital assets and marital debts — can be one of the most controversial issues in a divorce matter. In Pennsylvania, the process of distributing assets and debts in divorce cases is defined as “equitable distribution.” Contrary to what its name implies, equitable distribution does not consist of an equal division of assets and debts. Equitable distribution is based, instead, on what the court believes is a fair distribution of property.

The experienced family law attorneys at Williams Family Law, P.C., are available to help you to receive a fair outcome during the equitable distribution process.

Our Advantage: Extensive Knowledge of Equitable Distribution in Bucks County

At Williams Family Law, we are committed to making the property distribution process as smooth and stress-free as possible. Our attorneys have extensive knowledge of the court system and various financial matters critical to obtaining an equitable and balanced distribution of marital assets and liabilities.

Occasionally, a person will try to hide assets during a divorce proceeding in order to deprive the other party of certain rights he or she may have to those assets. We help our clients to locate hidden assets and income which a spouse may possess and attempt to preserve for themselves. As a result of our long-standing reputation, our firm has access to a unique network of the most highly-qualified business valuation and forensic accounting specialists. We work with each of our clients to create an individual solution for remedies sought such as:

- The exclusive right for one party to live in the marital property;
- Payment of health insurance or life insurance premiums;
- Liens as security for the payment of alimony or other awards for the other party; and/or
- Special relief including injunctions or orders necessary to prevent the removal, dissipation, transferring or encumbering of real or personal property.

Overview of Equitable Distribution in Pennsylvania

In Pennsylvania, the process of distributing assets and debts in divorce cases is defined as “equitable distribution”. The division of marital property is based on what the court views as equitable. Furthermore, marital misconduct or fault is not taken into consideration during the equitable distribution process.

If the parties cannot agree, the court will decide how the marital assets and liabilities will be distributed. Pennsylvania courts base their decisions on the principles of equity and the court considers, among others, the following factors when determining equitable distribution:

- Length of the marriage;
- Previous marriages of either party;
- Age and health of the parties;
- Amount of marital assets, non-marital assets and debts owned by each party;
- Existing prenuptial agreements;
- Occupation of each party;
- Tax implications;
- Child custody arrangements (if applicable);
- Contributions toward the advancement of the other’s education, training or income; and
- Standard of living during the marriage.

In conjunction with determining the distribution of marital assets and liabilities, the court will consider if it is appropriate to award alimony to the dependent spouse and, if so, for what period of time.

Marital Assets | Marital Property

Marital assets (also referred to as “marital property”) can include homes, real estate, cars, furniture, businesses owned by the spouses, jewelry, art, investments and retirement accounts. It may also include different financial instruments such as:

- Compensation packages, including, ESOPs, cash balance accounts, etc.;
- Deferred income benefits;
- Savings, profit sharing and overseas accounts;
- Defined benefit and defined contribution pensions; and
- 401(k) plans and other retirement packages.

Anything purchased during the marriage will be deemed marital property – even if it was purchased or placed in only one party's name. For example, even if a spouse’s name does not appear on the title to a vehicle purchased by the other spouse during the marriage, the vehicle will still be considered a marital asset for purposes of equitable distribution. Any pensions, 401(k) plans, restricted stock plans, stock options, deferred compensations and other retirement incentives acquired during the marriage are also deemed marital property and subject to equitable distribution. At times, a party may be able to trade other assets or come to an agreement if they wish to keep their pension or retirement accounts intact.

Non-Marital Assets | Separate Property

In Pennsylvania, the law allows non-marital or separate assets to be omitted from the equitable distribution process including any:

- Property that was excluded by a prenuptial agreement;
- Property brought into the marriage and kept separate during the marriage;
- Gifts received by just one spouse during the marriage; and
- Inheritances received before or during the marriage (and are kept separate from marital assets).

However, if the value of any of the non-marital property increases during the marriage, the increase in value may be considered marital property. Furthermore, if one party has non-marital assets, this may skew the distribution of marital assets in favor of the party who has fewer non-marital assets. If a spouse chooses to use non-marital funds for a common purchase — such as buying a home — that money will often be considered marital property.

Marital Debts and Non-Marital Debts

In Pennsylvania, marital debts are defined as debts that were acquired by either spouse after the marriage date and before the date of separation. Common marital debts include credit card bills, mortgages, car loans, home equity loans, tax obligations and judgments. For example, even if a credit card was only in one spouse’s name, if the credit card was used during the marriage, any debt incurred will be considered marital debt for equitable distribution purposes..

Contact Us for Guidance with Equitable Distribution in Bucks County

If you are considering a divorce or have questions about the division of marital and non-marital assets after your divorce, Williams Family Law is here to help you. To discuss your concerns regarding equitable distribution of property and assets with an experienced family law attorney, please contact our office.

News

Salzer Presents at Bucks County Bar Association Annual Bench Bar Conference

September 24, 2018

Shauna Quigley Joins Williams Family Law

August 8, 2018

Jeff Williams Discusses “Double Dipping” in Divorce At Pennsylvania Bar Association Summer Meeting

July 27, 2018

Williams Family Law Attorneys Named 2018 Super Lawyers

June 4, 2018 Williams Family Law Partner Co-Authors Book on Divorce

August 17, 2017 Jeffrey M. Williams Organizes AAML PA Spring Retreat
April 17, 2017 Williams Family Law Welcomes Attorney Melanie J. Wender
July 18, 2016 Divorce Attorney Jeffrey M. Williams Named Secretary American Academy of Matrimonial Lawyers
July 18, 2013 Bucks County Family Law Firm Williams Family Law Ranked as U.S. News & World Report Best Lawyers 2013 'Best Law Firm'

November 2012

Events & Presentations

Family Lawyer Jeffrey M. Williams Presents at Pennsylvania Bar Institute
September 9, 2014 Family Lawyer Jeffrey M. Williams to Speak at Pennsylvania Bar Institute
September 8, 2014 Divorce Attorney Jeffrey M. Williams Speak at Advanced Matrimonial Litigation Symposium on Valuing Marital Assets

September 5, 2013

Blog

How Financial Implications of Divorce Will Change in 2019

September 11, 2018

Finances After Divorce

February 15, 2018

Four Myths About the Division of Marital Assets

September 29, 2017

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Frequently Asked Questions

- What types of assets are divided in a divorce?
- What is equitable distribution?
- My father passed away five years ago and I received a large inheritance. Is my spouse entitled to any of this inheritance as part of a divorce action?
- What factors influence the division of marital property?
- I just filed for divorce. Can I move out with my kids immediately?
- My spouse will not consent to a divorce simply to avoid paying alimony. Can the court grant me a divorce without mutual consent?