Money Mechanics

Strategic Financial Advice

2026–27 EDITION

MONEY MECHANICS E-BOOK

Separation and Divorce

Your money, your super and your next chapter, explained in plain English

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About Us

Scott Malcolm is director and principal consultant of Money Mechanics, a specialist Financial Life Planning firm in the areas of Superannuation, Wealth Creation and Education services.

Our values-based financial life planning process brings together technical expertise and the human touch to create a solution tailored towards your overall life goals. We choose not to take upfront or ongoing commission on financial products, so our clients have a clear fixed fee for advice that isn't tied to any product provider.

Money Mechanics believes in the value of education and financial literacy. There is an array of jargon in the financial world and we aim to demystify it through regular education programs, our podcast and our social channels.

Our mission

To educate and inspire people around their money, so that they can live a rich life. Everything in this e-book starts with your values – the 'why' behind your money decisions – before we get anywhere near products or strategies.

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Podcast	Money Mechanics with Scott Malcolm (Apple Podcasts, Spotify and more)

Notice: While we have checked everything within this booklet, no person should rely on the contents without first making their own inquiries or obtaining advice from a qualified person regarding their personal circumstances. This e-book is general information only and does not take into account your objectives, financial situation or needs.

Please read this e-book together with our Financial Services Guide (FSG) and Privacy Policy, issued by Infocus Securities Australia. Both are available on our website or on request.

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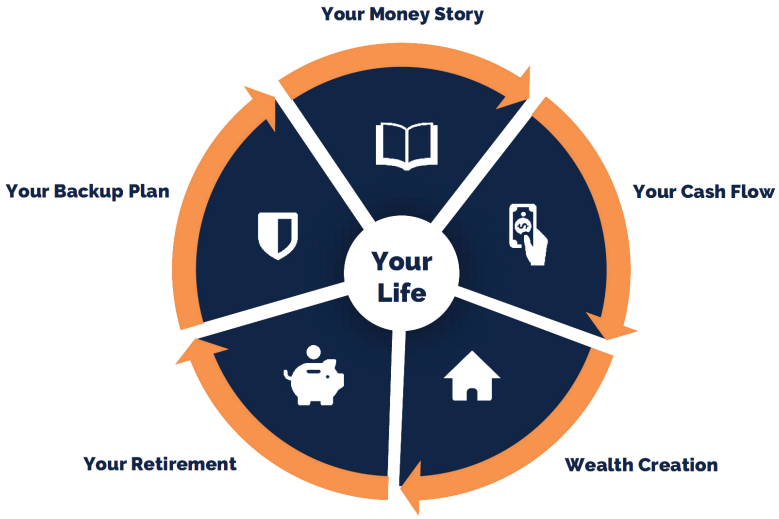
Our Advice Proposition

Money Mechanics brings the following elements together to create your **Financial Decision Making Framework**. It's a fluid process – as your life changes, so does your plan.



Your Life – The who, what, where, when and why this is important to you. This may be a specific financial goal or outcome you are aiming for. What matters most is alignment to what you value and the role money plays in your life. This connects to **Your Money Story** – your conscious and unconscious past behaviours, thoughts and feelings when it comes to money.

Your Cash Flow – What you earn and where it goes, knowing what it really costs to be you. Cash flow management, salary sacrifice and packaging strategies. Your budget should tell your story.

Your Wealth Creation – Pay as you earn, company, family trust, partnership, borrowed funds, regular savings plans and dollar cost averaging strategies and structures.

Your Retirement – Your post-retirement strategies and your ability to sustain your lifestyle without the need to work. Defined benefit, accumulation, self-managed super and retail or industry super funds can be product solutions, as well as top-up amounts through the Centrelink system.

Your Backup Plan – What if the worst was to happen? These are your estate planning and protection strategies – insurances, wills, powers of attorney and testamentary trusts.

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Separation and Divorce – Introduction and Outcomes

Separation is one of the hardest transitions any of us will go through. It touches everything at once: where you live, your kids, your friendships, your sense of who you are, and your money. It's also a time when people are asked to make some of the biggest financial decisions of their lives, while feeling at their most tired and emotional.

This e-book won't replace a good family lawyer, and it isn't legal advice. What it will do is help you understand how the money side works, what to do first, and what to ask – so you can make decisions with a clearer head and come out the other side with a plan for the life you want next.

At Money Mechanics, we start with values. A settlement isn't just a number on a page. It's the foundation for your next chapter, so the question isn't only "what do I get?" but "what do I need to build the life that matters to me, and to my kids?"

By the end of this e-book you should be able to:

- Take the practical first steps to protect yourself and your finances.
- Understand the difference between separation and divorce, and the time limits that apply.
- Understand how property is divided, including the changes that started on 10 June 2025.
- Understand how super can be split, including defined benefit schemes.
- Know who to tell – Centrelink, Child Support, the ATO and your super fund.
- Update your backup plan, and build a new cash flow and goals for life on your own.

> **If you are not safe**
>
> If you or your children are in immediate danger, call 000. For confidential support, 24 hours a day, call 1800RESPECT on 1800 737 732.[1] Financial abuse is a form of family violence, and help is available.

The First 30 Days

I often talk about the power of the pause. When life is turned upside down, the urge is to do something – sell, buy, move money, sign. Most of the time, the better move is to keep things safe and simple until the emotional dust settles. Park money somewhere secure, keep paying the essentials, and give yourself time to get advice.

Practical first steps

- [ ] Agree on short-term arrangements if you can: who stays in the home, how the bills, rent or mortgage get paid, and where the kids will live.[2]
- [ ] Open a bank account in your own name, and have your pay or Centrelink payments go into it.
- [ ] Think carefully about joint accounts, redraw facilities and credit cards. Talk to your bank about requiring both signatures, rather than emptying accounts.
- [ ] Gather documents: payslips, tax returns, bank and super statements, loan statements, insurance policies and property valuations.[3]
- [ ] Change your passwords and PINs, and check who has access to your email, banking apps and myGov.
- [ ] Write down what you own and what you owe – together and separately.
- [ ] Start a simple separation diary of key dates, including the date you separated.
- [ ] Look after yourself. Lean on friends, family, your GP or a counsellor.

> **Scott's tip**
>
> Leaving the family home doesn't mean giving up your share of it. Don't agree to anything permanent in the first few weeks – get advice first.

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Separation, Divorce and the Time Limits

Separation is when one or both of you decide the relationship is over and act on it. There's no form to fill in. **Divorce** is the legal end of a marriage. The only ground for divorce in Australia is the irretrievable breakdown of the marriage, shown by 12 months of separation.[4] Your former partner doesn't need to agree, and divorce doesn't decide property or parenting arrangements – those are separate.

- **Separated under one roof:** you can be separated while still living in the same house. Centrelink looks at things like your finances, sleeping arrangements, social life and how you present to others.[5]
- **De facto couples** don't divorce, but the same family law rules generally apply to property and children.

Time limits for property settlement

Relationship	You must apply to the court within
Married	12 months of your divorce becoming final[6]
De facto	2 years of the relationship ending[6]

After these deadlines you need the court's permission, which isn't guaranteed. Many people divorce and forget to finalise their property settlement, leaving assets and super tied together for years.

> **Two sides of the coin**
>
> Separation is an ending, and it hurts. It can also be the start of a life that fits who you are now. Holding both sides at once – grieving what's lost and planning what's next – is a normal part of the process.

Dividing Your Property

There's no automatic 50/50 split in Australia. Changes to the Family Law Act from 10 June 2025 set out more clearly how property is divided, whether by agreement or by the court.[7] In most cases the approach looks like this:[8]

Step	What it means
1. Identify and value	List everything you own and owe, together and separately: the home, super, investments, cars, businesses, savings and debts.
2. Contributions	Look at what each of you contributed before, during and after the relationship – financial and non-financial, including caring for children and the home.
3. Current and future circumstances	Consider things like age, health, earning capacity, care of children, and housing needs.
4. Just and equitable	Check that the overall result is fair, then decide who gets which assets and debts.

What changed in June 2025

- The **economic effect of family violence**, including financial abuse, is now a specific factor.[7]
- So is the need to provide housing for children under 18, any wastage of assets, and the nature of debts.[8]
- **Pets** are treated as companion animals. The court can give ownership to one person, or order a sale, but can't order shared care.[8]
- Both of you have a legal **duty of disclosure** – to share all relevant financial information.[8]

Making it official

- Most couples reach agreement without a court hearing, often with help from mediation (family dispute resolution).[9]
- Formalise your agreement with **consent orders** through the court, or a **financial agreement** with independent legal advice for each of you.[10][11]
- An informal handshake deal doesn't stop a claim later, and may miss tax and stamp duty relief.

Super and Separation

For many couples, super is the second-biggest asset after the home – and sometimes the biggest. Super is treated as property, and it can be split by agreement or court order.[12]

- Splitting creates a new interest for the non-member partner. Depending on the fund, it stays in the same fund or is rolled over to a fund in their name.[12]
- A split doesn't usually give you cash. The money stays in super until you meet a condition of release, such as retiring after 60.
- Tax-free and taxable components are split in the same proportions, and a split can change each person's total super balance – which affects contribution caps and carry-forward rules.[12]
- If you have a self-managed super fund, it may need to be restructured or wound up.

Public sector and defined benefit super

If you or your former partner is in the CSS, PSS, MSBS or DFRDB, ask CSC for the **family law value** before you negotiate. It's worked out using a legislated method and can be very different from the balance on a statement.[13] A split can become a lifetime pension for the non-member partner, so the choices deserve careful advice. Our Understanding Public Sector Superannuation e-book covers this in detail.

> **Scott's tip**
>
> A dollar of super isn't the same as a dollar in the bank. Super is locked away, but it's taxed lightly, while cash is available now. When you swap one for the other in a settlement, think about when each of you needs the money, not just how much there is.

Tax, Centrelink and Child Support

Tax

- Assets transferred under a court order, a financial agreement or another qualifying arrangement may be eligible for **capital gains tax rollover relief**. The person receiving the asset takes on its cost base, so the tax is deferred, not removed.[14]
- Think about the tax that comes with each asset. An investment property with a large capital gain isn't worth the same after tax as the same value in cash.
- Stamp duty relief may apply to transfers under formal family law arrangements. Check the rules in your state.

Centrelink

- If you receive a payment, tell Services Australia that you've separated. Your payments may change, because you'll be assessed as single.[15]
- Your entitlements may change – for example, to Family Tax Benefit, Parenting Payment or the single rate of a pension.

Child support

- You can make a private arrangement, a formal agreement, or ask Services Australia for a child support assessment.[16]
- Child support is separate from your property settlement, and is based on income and the care arrangements.

> **Two sides of the coin**
>
> The partner who keeps the home may feel secure but be asset-rich and cash-poor. The partner who takes cash or super may have flexibility, but has to start again in the housing market. Neither side is the "winner" – what matters is which mix fits your next chapter.

Updating Your Backup Plan

This is the step people most often forget. If something happened to you during or after separation, would your money, super and insurance go where you'd want them to?

What to check	Why it matters
Your will	In most states, separation doesn't change your will. Divorce may revoke gifts to, and appointments of, a former spouse, but not the whole will.[17] Make a new will.
Super death benefit nominations	A binding nomination in favour of your former partner may still be valid. Check and update every fund.
Life, TPD and income protection insurance	Update beneficiaries and policy owners, and check your cover still fits your new costs and responsibilities.
Powers of attorney	Revoke and replace any enduring power of attorney naming your former partner.
Guardianship for children	Think about who would care for your children and manage money for them.

Scott's tip

Update your nominations and insurance beneficiaries early, even before your settlement is finalised – but talk to your lawyer first, as some changes may be restricted while proceedings are under way.

Rebuilding – Your Next Chapter

Once the dust settles, it's time to rebuild your money system around one household, and around the life you want now. Start with what it costs to be you, then set up the four accounts again:

Account	Purpose
1. Working	Your pay comes in here, and day-to-day spending comes out.
2. Bills	Rent or mortgage, utilities, insurance and school costs.
3. Active lifestyle savings	Holidays, kids' activities, gifts and the things that make life good.
4. Future savings and debt reduction	Your emergency buffer, extra debt repayments and investing for the future.

> **Flying solo?**
> Have a money date night with yourself. Pick a time each month to check your accounts, review your goals and celebrate the progress. It's your plan now.

Your rebuilding checklist

- [ ] Build a new budget for one household, using real numbers from the last three months.
- [ ] Rebuild your emergency buffer – aim for three to six months of essential costs.
- [ ] Refinance or restructure debts in your own name, and check your credit report.
- [ ] Review your super: fund, investment option, insurance and contributions.
- [ ] Set new V-SMART goals that reflect your values today.

Thinking Back to Our Goals

The rules give us the framework, but your values are the compass.

- What matters most to you now, and what are your ideal life outcomes for the next five years?
- What do you need from your settlement to build that life – a home, cash, super, time?
- If you have children, what do you want them to experience through this change?
- Who is on your team: a family lawyer, a financial adviser, an accountant, a counsellor, friends?
- What is one step you can take this week?

My notes

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Listen and Learn – Our Podcast

Want to go deeper? Each of these episodes of our podcast, **Money Mechanics with Scott Malcolm**, unpacks a topic from this e-book in plain English – often with a guest expert. Click a title to listen on Apple Podcasts.

Divorce and Separation (with Kasey Fox) 2021
The money and the emotions of separating, and how to look after yourself through it.
Resources mentioned: Family Relationship Advice Line

DIY Divorce (with Siobhan Mullins) 2021
What you can do yourself when you separate, and when you really need a lawyer.

Divorce and the Public Sector Super Schemes (PSS, CSS) 2021
How defined benefit super is valued and split when a relationship ends.

Wills and Estate Planning (with Rebecca Tetlow) 2020
Wills, powers of attorney and making sure your wishes are clear.

Estate Planning for Blended Families and Estate Disputes (with Rebecca Tetlow) 2022
Why blended families need extra care with wills, super nominations and expectations.

Money Mindset (with Georgia Ellis) 2020
Where our money beliefs come from, and how to shift the ones holding you back.

Find every episode

Search 'Money Mechanics with Scott Malcolm' on Apple Podcasts, Spotify or your favourite app, or visit moneymechanics.com.au/thehood. Got a question you'd like us to unpack on the show? Email advice@moneymechanics.com.au.

Episodes are general information only. Rules, rates and thresholds change – episodes recorded before 2026 reflect the rules at the time, so check the current position in this e-book or ask us.

How We Work With You

The Money Mechanics Formal Advice Process – a clear five-stage journey designed around you. It always starts with a conversation about what matters to you, not with a product.

1

Connect

We connect to understand your goals and priorities and define the scope of our advice.

2

Collect & Scope

We gather the information we need and explore your current position, goals and opportunities.

3

Design (Analyse + Strategy)

We analyse your situation and design a tailored strategy to help you achieve your goals.

4

Agree & Document (Present + SoA/RoA)

We present our advice and recommendations and document the advice in your Statement of Advice (SoA) or Record of Advice (RoA).

5

Implement & Review

We implement your strategy and regularly review progress to keep you on track.

Advice that's strategic. Personal. Ongoing.

Client focused
Your goals and priorities are at the centre of everything we do.

Expert advice
Thoughtful strategies backed by experience and ongoing education.

Clear communication
We explain things simply so you can make informed decisions with confidence.

Ongoing support
We review, adapt and support you as your life and goals evolve.

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Glossary of Separation Terms

Binding financial agreement – A private contract about how property is divided, which needs independent legal advice for each person.

Child support assessment – A formula-based calculation by Services Australia of what one parent pays the other.

Consent orders – Orders made by the court, by agreement, without a hearing.

Duty of disclosure – The legal obligation to share all relevant financial information during a property matter.

Family dispute resolution – Mediation with an accredited practitioner to help you reach agreement.

Family law value – The value of a super interest for family law purposes, worked out using a legislated method.

Irretrievable breakdown – The only ground for divorce in Australia, shown by 12 months of separation.

Non-member spouse – The partner who receives part of the other partner's super in a split.

Rollover relief – A CGT rule that defers capital gains tax on assets transferred under a qualifying family law arrangement.

Separated under one roof – Separated, but still living in the same home.

Super split – Dividing a super interest between partners under an agreement or court order.

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Further Resources

Government agencies

Australian Securities and Investments Commission (ASIC) – Moneysmart
Consumer protection regulator for financial services, with free calculators and guides.
Phone: 1300 300 630 Web: moneysmart.gov.au

Australian Taxation Office (ATO)
Information on tax and super, including your caps, carry-forward amounts and lost super (via myGov).
Personal tax: 13 28 61 | Super: 13 10 20 Web: www.ato.gov.au

Services Australia – Centrelink and the Financial Information Service (FIS)
Government payments, the Age Pension and free, independent financial information seminars.
Retirement services / FIS: 13 23 00 Web: www.servicesaustralia.gov.au

National Debt Helpline[18]
Free, independent and confidential financial counselling across every state and territory.
Phone: 1800 007 007 Web: ndh.org.au

Complaints, advice and super

Australian Financial Complaints Authority (AFCA)[19]
Free, fair and independent dispute resolution for super, insurance and financial advice. AFCA replaced the Superannuation Complaints Tribunal and the Financial Ombudsman Service.
Phone: 1800 931 678 Web: www.afca.org.au

Financial Advice Association Australia (FAAA)[20]
Find a qualified financial planner or CFP® professional (formerly the FPA).
Phone: 1300 337 301 Web: faaa.au

SMSF Association
Find a specialist SMSF adviser (formerly SPAA).
Web: www.smsfassociation.com

Family Relationship Advice Line
Information, advice and referrals for families affected by separation, including family dispute resolution.
Phone: 1800 050 321 Web: www.familyrelationships.gov.au

1800RESPECT
Confidential family and domestic violence counselling, 24 hours a day.
Phone: 1800 737 732 Web: 1800respect.org.au

Federal Circuit and Family Court of Australia
Divorce applications, consent orders and court information.
Web: www.fcfcoa.gov.au

Victoria Legal Aid (and Legal Aid in your state or territory)
Free legal information and, if you're eligible, legal help.
Web: www.legalaid.vic.gov.au

Australian Securities Exchange (ASX)
Share market information and investor education.
Phone: 131 279 Web: www.asx.com.au

CPA Australia
Represents accountants, including those who provide financial advice.
Phone: 1300 737 373 Web: www.cpaaustralia.com.au

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Web: www.moneymechanics.com.au | Book a chat: calendly.com/moneymechanics

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Sources and References

The information in this edition was checked against the following official sources in October 2026. Family law is complex and every situation is different – always get legal advice about your circumstances.

1. 1800RESPECT – National domestic, family and sexual violence counselling service – https://1800respect.org.au/

2. Moneysmart – Getting divorced or separating – https://moneysmart.gov.au/family-and-relationships/getting-divorced-or-separating

3. Moneysmart – Divorce and separation financial checklist – https://moneysmart.gov.au/family-and-relationships/divorce-and-separation-financial-checklist

4. Federal Circuit and Family Court of Australia – How do I apply for divorce? – https://www.fcfcoa.gov.au/fl/faq/hdi-apply-divorce

5. Department of Social Services – Social Security Guide 2.2.5.50, Separated under one roof – https://guides.dss.gov.au/social-security-guide/2/2/5/50

6. Legal Services Commission of SA – Law Handbook: time limits for property settlement – https://www.lawhandbook.sa.gov.au/ch21s09s07s02.php

7. Federal Circuit and Family Court of Australia – Family law (property) changes from 10 June 2025 – https://www.fcfcoa.gov.au/news-and-media-centre/fla-changes/fla2024

8. Attorney-General's Department – Family law changes June 2025: information for professionals – https://www.ag.gov.au/families-and-marriage/publications/family-law-changes-june-2025-information-family-law-professionals

9. Family Relationships Online – Family mediation and dispute resolution – https://www.familyrelationships.gov.au/separation/family-mediation-dispute-res

10. Federal Circuit and Family Court of Australia – Financial or property: we have agreed – https://www.fcfcoa.gov.au/fl/fp/agree

11. Federal Circuit and Family Court of Australia – Financial agreements – https://www.fcfcoa.gov.au/fl/fp/financial-agreements

12. ATO – Superannuation and relationship breakdown – https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/superannuation-and-relationship-breakdown

13. CSC – Separation and divorce (super splitting) – https://www.csc.gov.au/Defined-benefit-members/Manage/Separation-and-divorce

14. ATO – Conditions for the marriage or relationship breakdown rollover – https://www.ato.gov.au/forms-and-instructions/capital-gains-tax-guide-2021/whats-new/marriage-or-relationship-breakdown/conditions-for-the-marriage-or-relationship-breakdown-rollover

15. Services Australia – Update your details with us when you're separating – https://www.servicesaustralia.gov.au/update-your-details-with-us-when-youre-separating?context=60015

16. Services Australia – Learning about child support – https://www.servicesaustralia.gov.au/learning-about-child-support?context=60015

17. Lawyers – How to make a valid will in Victoria (Wills Act 1997 (Vic)) – https://pl.com.au/information-centre/how-to-make-a-will-victoria

18. Department of Social Services – Financial counselling and the National Debt Helpline – https://www.dss.gov.au/financial-counselling

19. AFCA – Contact us – https://www.afca.org.au/contact

20. Financial Advice Association Australia – Find a planner – https://faaa.au/find-a-planner/

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Important Information

Separation and Divorce
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Podcast	Money Mechanics with Scott Malcolm (Apple Podcasts, Spotify and more)