



## Financial Disclosures

You must complete the financial disclosure process before the court can grant a divorce or legal separation.

You must complete this process even if you have no assets or debts, have already divided your property, or have an agreement with your spouse or domestic partner.

### Overview

During the financial disclosure process, you give your spouse or partner several documents. The documents describe all known assets, debts, income, businesses, and investments. After you give these documents to your spouse/partner, you must file a Declaration Regarding Service of Declaration of Disclosure (FL-141). This form describes how and when you gave your spouse/partner your disclosures.

Your spouse/partner must also complete this process if they have or will:

- File a Petition (FL-100) or Response (FL-120);
- File an Appearance, Stipulations, and Waivers (FL-130); or
- Sign an agreement that is to be part of the Judgment.

### Financial Disclosure Steps:

- ① Gather information and prepare financial disclosure documents
- ② Give your spouse/partner copies of the disclosure documents
- ③ Prepare and file form that describes how and when you gave disclosure documents to your spouse/partner

Financial disclosures help ensure that you and your spouse/partner are honest and open with each other about important financial matters in your case.


### Preliminary and Final Disclosures

You must make two disclosures to your spouse/partner. The first is a Preliminary Financial Disclosure. The second is a Final Financial Disclosure. The Preliminary Financial Disclosure is meant to be done early in a case to identify all assets and debts and includes two years of tax returns. You must disclose all income, assets, and debts to your spouse. The Final Financial Disclosure provides actual values, is detailed, and includes supporting documents. Tax returns are not required for Final Financial Disclosures.



You must also update your disclosure if you discover any mistakes or new information.

The difference between the Preliminary Financial Disclosures and Final Financial Disclosures are:

<p><b>Preliminary Disclosures:</b></p> <ul style="list-style-type: none"> <li>• Simple list of all community and separate assets and debts with approximate value</li> <li>• Income and Expense Declaration (FL-150)</li> <li>• Tax returns for the last two years</li> <li>• Cannot be waived by either party</li> <li>• Petitioner must complete within 60 days of filing Petition</li> <li>• Respondent must complete within 60 days of filing Response</li> <li>• If not completed within the 60 days, must still be completed</li> <li>•</li> </ul>	<p><b>Final Disclosures:</b></p> <ul style="list-style-type: none"> <li>• Detailed list of all assets and debts, including for each item: <ul style="list-style-type: none"> <li>○ Date it was acquired or other information to determine if it is community or separate property;</li> <li>○ Actual value and any supporting documents; and</li> <li>○ Debt owed for each item and supporting documents</li> </ul> </li> <li>• Income and Expense Declaration (FL-150)</li> <li>• Parties may agree to waive, or Petitioner may waive if requesting a default judgment without an agreement</li> <li>• Must be completed before any agreement resolving property or long-term spousal support, or at least 45 days before first trial date</li> </ul>
<p><b>Tips:</b></p> <ul style="list-style-type: none"> <li>• Disclose all known assets and debts, regardless of who is in possession of them or whether you believe they belong to you or your spouse/partner.</li> <li>• You may complete the Preliminary and Final Financial Disclosures at the same time.</li> </ul> <p> <i>Waiving the Final Financial Disclosures may hurt you later. It could keep you from correcting your judgment if your spouse or partner hid or lied about any property.</i></p>	

### Forms and Documents

The Court provides a packet of forms to assist you in completing the Financial Disclosure requirement:

<https://www.saccourt.ca.gov/family/docs/fl-financial-disclosures-packet.pdf>

This packet contains several forms:



Form Number	Description
FL-142	<u>Schedule of Assets and Debts</u> . This form can be used to list and describe all assets and debts. You may create your own list instead of using this form if you like. A copy of this and any attachments to it must be given to your spouse/partner. It is <b>not</b> filed with the court.
FL-150	<u>Income and Expense Declaration</u> . This form describes your current income as well as your monthly expenses. A copy of this and any attachments must be given to your spouse/partner. You may, but are not required to file this with the court as part of the financial disclosure process.
FL-140	<u>Declaration of Disclosure</u> . This form is a cover sheet for your financial disclosures that lets your spouse/partner know what forms or documents you are giving them. This form is <b>not</b> filed with the court.
FL-141	<u>Declaration Regarding Service of Declaration of Disclosure and Income and Expense Declaration</u> . This form describes how and what financial disclosures you gave to your spouse/partner. This form and one copy is filed with the court.



*Full disclosure is key. Your spouse/partner can use your disclosures as evidence if they later argue you hid property or lied about it..*

### Step 1: Identify all Property and Gather Documentation

The first step is to identify all assets and debts. Determine if each asset or debt was acquired before, during, or after marriage. Gifts, inheritances, and student loans are separate property. Property or debt acquired during marriage is community property. Property or debt acquired before marriage or after separation is separate property.

Community or Separate Property Based on Time		
Before Marriage	During Marriage	After Separation
Separate Property	Community Property	Separate Property

Separate Property Regardless of Time:
<ul style="list-style-type: none"> <li>• Student Loans</li> <li>• Gifts</li> <li>• Inheritance</li> </ul>





Part Community and Part Separate Property:
<ul style="list-style-type: none"> <li>• An asset or debt that is acquired or incurred both during marriage as well as before marriage or after separation.</li> </ul>



Determining what is community property and what is separate property can be complicated. Determining the value of property can also be difficult. It is recommended that you consult an attorney. This is especially true if you have high-value assets such as a home, business, retirement accounts, or a pension plan.

Once you have identified all the assets and debts, you will write them on the FL-142 form or another list that you create. Gather any needed documents for your disclosure. Your FL-142 or list as well as any supporting documents are not filed with the Court. Instead, make a copy for your spouse/partner. Keep the originals for your own records. You may provide only the last 2 or 4 digits of any account number. You may black-out (redact) all but these last digits on documents. You may also refer to the "account ending in..." followed by these numbers.

Completing your disclosures properly can also help you identify potential issues later in your case.

<b>Common Issues</b>	
	<p><b>House/Real estate:</b></p> <ul style="list-style-type: none"> <li>• Often part community property and part separate property</li> <li>• A spouse/partner may sell property owned before marriage to purchase the property or make a down payment. Equity that can be "traced" to separate property remains separate property</li> <li>• Use of the house by one spouse after separation may result in credit owed to the other spouse for use of the property ("Watts" credits)</li> <li>• A spouse paying the mortgage, or paying for repairs, or improvements after separation using their separate property funds is entitled to credit ("Epstein" credits).</li> </ul>
	<p><b>Vehicles:</b></p> <ul style="list-style-type: none"> <li>• Often purchased with long-term financing, so may be mixed separate and community property</li> <li>• Money or equity in a new vehicle from selling or trading-in a community property vehicle remains community property</li> </ul>
	<p><b>Pensions/Retirement Accounts:</b></p> <ul style="list-style-type: none"> <li>• Often mixed community and separate property, depending on when contributions were made</li> <li>• If not included in a judgment, a pension or retirement account might not be able to pay retirement benefits</li> </ul> <p> Many pensions are based on the number of years worked. For these pensions the value of separate and community property interests will be determined by the amount of time the plan was paid into during marriage. Determining the value is not easy. Pensions and other plans based on years of service should be determined by an expert called an actuary to ensure that you have an accurate figure.</p>



## **Complete Income & Expense Declaration FL-150**

If you have completed one of these forms within the past three months and the information is still current, you can simply make a copy of the one you have. If you need help filling out a new one, you may request assistance from the Self-Help Center.

## **Step 2: Give Copy of Disclosures to Spouse/Partner**



After you complete your documents, you must give a copy to your spouse/partner. Make one copy of all the documents, including any attachments. Mail or deliver the copy to your spouse/partner. Keep the originals for your records. You are allowed to deliver or mail disclosure documents yourself. You do not need to have them "served" by a third party.

## **Step 3: Prepare and file Declaration Regarding Service of Declaration of Disclosure and Income and Expense Declaration, form FL-141**

The Declaration Regarding Service of Declaration of Disclosure and Income and Expense Declaration (FL-141) is the only disclosure document that is filed with the court. The FL-141 is your declaration under penalty of perjury that describes when and how you completed your financial disclosures. Do not file any of your other disclosure documents with the court.

Read and complete the FL-141 carefully:

- The first paragraph identifies whether you are the Petitioner or the Respondent;
- The second paragraph is completed if you are describing service of your Preliminary Financial Disclosures;
- The third paragraph is completed if you are describing service of your Final Financial Disclosures;
- The second and/or third paragraph must describe whether your disclosures were given to your spouse/partner or their attorney, how you gave it to them (usually personally handing to them or by mail), and when you gave your disclosures and Income and Expense Declaration to them;
- The fourth paragraph can be used to waive the Final Financial Disclosures if you are the Petitioner and will be asking for a default judgment;
- The FL-141 can only be signed after you have mailed or delivered the financial disclosures described, and is not valid if signed before.

### **File**

Make **one** copy of the Declaration Regarding Declaration of Disclosure and Income and Expense Declaration (FL-141) file the original and copy at the Family Relations Courthouse. These documents may be filed either by using the Court's drop box or by mail. If you file by mail, be sure to enclose a self-addressed envelope with enough postage to return the filed copies back to you.



The court's address for filing is:  
Wm. R. Ridgeway Family Relations Court  
3341 Power Inn Road, Rm. 100  
Sacramento, CA 95826

### **Fees**



There is no fee for filing the Declaration Regarding Service of Declaration of Disclosure and Income and Expense Declaration (FL-141).

### **What's Next?**

The Declaration Regarding Service of Declaration of Disclosure (FL-141 form), tells the Court that you gave your Preliminary and/or Final Financial Disclosures to your spouse/partner. If your spouse/partner has filed a Response or enters into a Stipulated Judgment or Marital/Partnership Settlement Agreement with you, your spouse/partner must also complete this process. Once both of you have met the disclosure requirement, you may move forward to finalizing your dissolution.

For more information about requesting court orders or finishing your case, please contact the Self-Help Center through our e-Correspondence system, or consult a private attorney for further assistance. For an overview of all the steps required to finish a divorce or legal separation case, see the 10 Step Roadmap to Divorce on the Court's website:

<https://saccourt.ca.gov/family/divorce-roadmap.aspx>