

CALCULATION EXAMPLES

1. Simple NFP Calculation

Husband	Wife								
<ul style="list-style-type: none"> • At separation <ul style="list-style-type: none"> • Assets \$200,000 • Debts \$20,000 <ul style="list-style-type: none"> • Net worth at separation - \$180,000 • At marriage <ul style="list-style-type: none"> • Assets \$25,000 • Debts \$5,000 • Net worth at marriage - \$20,000 • NFP <ul style="list-style-type: none"> • $\\$180,000 - 20,000 = \\$160,000$ 	<ul style="list-style-type: none"> • At separation <ul style="list-style-type: none"> • Assets \$100,000 • Debts \$5,000 • Net worth at separation - \$95,000 • At marriage <ul style="list-style-type: none"> • Assets \$45,000 • Debts \$10,000 • Net worth at marriage - \$35,000 • NFP <ul style="list-style-type: none"> • $\\$95,000 - 35,000 = \\$60,000$ 								
Equalization Payment									
<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Husband's NFP</td> <td style="text-align: right;">\$160,000</td> </tr> <tr> <td>- Wife's NFP</td> <td style="text-align: right;"><u>60,000</u></td> </tr> <tr> <td></td> <td style="text-align: right;">$100,000/2 =$</td> </tr> <tr> <td></td> <td style="text-align: right;">\$50,000</td> </tr> </table>		Husband's NFP	\$160,000	- Wife's NFP	<u>60,000</u>		$100,000/2 =$		\$50,000
Husband's NFP	\$160,000								
- Wife's NFP	<u>60,000</u>								
	$100,000/2 =$								
	\$50,000								
Husband pays Wife \$50,000									

2. The spouse with more property doesn't always pay the spouse with less

Husband	Wife						
<ul style="list-style-type: none"> • At separation <ul style="list-style-type: none"> • Assets \$200,000 • Debts \$20,000 • Net worth at separation - \$180,000 • At marriage <ul style="list-style-type: none"> • Assets \$ 200,000 • Debts \$ 20,000 • Net worth at marriage - \$180,000 • NFP <ul style="list-style-type: none"> • $\\$180,000 - 180,000 = \\0 	<ul style="list-style-type: none"> • At separation <ul style="list-style-type: none"> • Assets \$100,000 • Debts \$5,000 • Net worth at separation - \$95,000 • At marriage <ul style="list-style-type: none"> • Assets \$45,000 • Debts \$10,000 • Net worth at marriage - \$35,000 • NFP <ul style="list-style-type: none"> • $\\$95,000 - 35,000 = \\$60,000$ 						
Equalization Payment							
<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Wife's NFP</td> <td style="text-align: right;">\$60,000</td> </tr> <tr> <td>- Husband's NFP</td> <td style="text-align: right;"><u>0</u></td> </tr> <tr> <td></td> <td style="text-align: right;">$\\$60,000 / 2 = \\$30,000$</td> </tr> </table>		Wife's NFP	\$60,000	- Husband's NFP	<u>0</u>		$\$60,000 / 2 = \$30,000$
Wife's NFP	\$60,000						
- Husband's NFP	<u>0</u>						
	$\$60,000 / 2 = \$30,000$						
Wife pays Husband \$30,000							

3. When to Buy a Matrimonial Home

Matrimonial Home Bought Before the Wedding	Matrimonial Home Bought After the Wedding
<p>Harry</p> <ul style="list-style-type: none"> • At separation <ul style="list-style-type: none"> • Assets – matrimonial home (owned at marriage) \$500,000 • No debts • Net worth at separation - \$500,000 • At marriage <ul style="list-style-type: none"> • Assets – matrimonial home worth \$250,000 • No debts • Actual net worth at marriage - \$250,000 • Modified net worth at marriage - \$0 • NFP <ul style="list-style-type: none"> • $\\$500,000 - 0 = \\$500,000$ <p>Wanda</p> <ul style="list-style-type: none"> • At marriage net worth = 0 • At separation net worth = 0 • NFP = 0 <p>Equalization payment $\\$500,000/2 = \\$250,000$ paid by H to W</p>	<p>Harry</p> <ul style="list-style-type: none"> • At separation <ul style="list-style-type: none"> • Assets – matrimonial home (not owned at marriage) \$500,000 • No debts • Net worth at separation - \$500,000 • At marriage <ul style="list-style-type: none"> • Assets – cash/investments \$250,000 • No debts • Actual net worth at marriage - \$250,000 • NFP <ul style="list-style-type: none"> • $\\$500,000 - 0 = \\$250,000$ <p>Wanda</p> <ul style="list-style-type: none"> • At marriage net worth = 0 • At separation net worth = 0 • NFP = 0 <p>Equalization payment $\\$250,000/2 = \\$125,000$ paid by H to W</p>

4. Exclusion of Gifts

Harry's NFP with the Gift	Harry's NFP without the Gift
<p>Harry</p> <ul style="list-style-type: none"> At separation <ul style="list-style-type: none"> Assets \$500,000 including gift of shares worth \$200,000 No debts Actual net worth at separation - \$500,000 Modified Net worth at separation - \$300,000 (value of shares is excluded) At marriage <ul style="list-style-type: none"> Assets \$250,000 No debts Net worth at marriage - \$250,000 NFP <ul style="list-style-type: none"> $\\$300,000 - 250,000 = \\$50,000$ <p>Wanda</p> <ul style="list-style-type: none"> At marriage net worth = 0 At separation net worth = 0 NFP = 0 <p>Equalization payment $\\$50,000/2 = \\$25,000$ paid by H to W</p>	<p>Harry</p> <ul style="list-style-type: none"> At separation <ul style="list-style-type: none"> Assets \$500,000 No debts Net worth at separation - \$500,000 At marriage <ul style="list-style-type: none"> Assets \$250,000 No debts Net worth at marriage - \$250,000 NFP <ul style="list-style-type: none"> $\\$500,000 - 250,000 = \\$250,000$ <p>Wanda</p> <ul style="list-style-type: none"> At marriage net worth = 0 At separation net worth = 0 NFP = 0 <p>Equalization payment $\\$250,000/2 = \\$125,000$ paid by H to W</p>

5. Timing of Gifts

Gift Given During the Marriage	Gift Given Before the Marriage
<p>Harry</p> <ul style="list-style-type: none"> At separation <ul style="list-style-type: none"> Assets - Painting worth \$100,00 No debts Actual net worth at separation - \$100,000 Modified Net worth at separation - \$0 (Painting is excluded) At marriage <ul style="list-style-type: none"> Assets \$0 No debts Net worth at marriage - \$0 NFP <ul style="list-style-type: none"> $\\$0 - 0 = \\0 <p>Wanda</p> <ul style="list-style-type: none"> At marriage net worth = 0 At separation net worth = 0 NFP = 0 <p>Equalization payment \$0</p>	<p>Harry</p> <ul style="list-style-type: none"> At separation <ul style="list-style-type: none"> Assets - Painting worth \$100,00 No debts Net worth at separation - \$100,000 (no exclusion) At marriage <ul style="list-style-type: none"> Assets - Painting worth \$20,000 No debts Net worth at marriage - \$20,000 NFP <ul style="list-style-type: none"> $\\$100,000 - 20,000 = \\$80,000$ <p>Wanda</p> <ul style="list-style-type: none"> At marriage net worth = 0 At separation net worth = 0 NFP = 0 <p>Equalization payment $\\$80,000/2 = \\$40,000$ paid by Harry to Sally</p>

6. Marriage Contracts

Without a Marriage Contract	With a Marriage Contract
<p>Harry</p> <ul style="list-style-type: none"> At separation <ul style="list-style-type: none"> Assets - matrimonial home (a gift during marriage) \$500,000 No debts Net worth at separation - \$500,000 No modification - matrimonial home is not excluded At marriage <ul style="list-style-type: none"> No assets No debts Net worth at marriage - \$0 NFP <ul style="list-style-type: none"> $\\$500,000 - 0 = \\$500,000$ <p>Wanda</p> <ul style="list-style-type: none"> At marriage net worth = 0 At separation net worth = 0 NFP = 0 <p>Equalization payment $\\$500,000/2 = \\$250,000$ paid by H to W</p>	<p>Harry</p> <ul style="list-style-type: none"> At separation <ul style="list-style-type: none"> Assets - matrimonial home \$500,000 No debts Actual net worth at separation - \$500,000 Modified net worth at separation - \$0 - matrimonial home is excluded by marriage contract At marriage <ul style="list-style-type: none"> No assets No debts Net worth at marriage - \$0 NFP <ul style="list-style-type: none"> $\\$0 - 0 = \\0 <p>Wanda</p> <ul style="list-style-type: none"> At marriage net worth = 0 At separation net worth = 0 NFP = 0 <p>Equalization payment \$0</p>