



SmartJudge Settlement Options

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SAMPLE REPORT. The figures describe the same fictional couple as the SmartJudge sample report, so you can see what this report looks like.

Illustrative figures inside the range in your SmartJudge report. Nothing here is legal advice, and the figures are only as good as the answers given.

This report does not change the division range in your SmartJudge report. It shows the main ways a settlement inside that range could be arranged, using your own figures.

IN SHORT

The home is worth £298,000 in equity after sale costs, and the pensions total £224,000 at their cash equivalent value. You are the primary carer of two children and the SmartJudge range favours you at 55% to 65% of the pot on a needs basis.

QUESTIONS TO TAKE TO A SOLICITOR

These are the questions your own figures raise. A solicitor can answer them for your case; this report cannot.

1. Can the home be kept, for example through a deferred sale (a Mesher-type order) or a charge, and what would that mean for each of us?

On these figures a straight buy-out does not reach the borrowing indication or the monthly budget.

2. Is a Pensions on Divorce Expert's report worth the fee here, and should any pension share aim at equal income rather than equal CEVs?

The figures raise at least one of the usual reasons for asking a pensions expert.

3. If one of us keeps the home, how could the balancing lump sum be paid, and would a charge back over the home be accepted instead?

Keeping the whole home puts the keeper above their share in the keep-the-home rows.

4. If one of us cannot rehouse on these figures, how does a court usually balance the housing needs of both parties?

At least one party's money and borrowing do not comfortably reach a suitable home.

THE FAMILY HOME AND REHOUSING

The home is valued at £480,000 with a mortgage of £170,000, leaving £298,000 in equity after your stated sale costs of £12,000. At equal division, each of you would receive £149,000 from a sale. At the middle of the SmartJudge range (60%), you would receive £178,800 and the other party £119,200.

If you bought out the other party at equal division, you would need to pay them a lump sum of £149,000. The mortgage you would need is £319,000. This is above your borrowing indication of £70,500 to £94,000 (built on your P60 gross income of £23,500). Your own stated mortgage

capacity of £120,000 is higher than the borrowing indication but still below the £319,000 needed. At the middle of the range, the lump sum would be £119,200 and the mortgage needed would be £289,200, still above your borrowing indication. The repayment would be £1,601 a month at the typical rate and £1,965 at the stress rate. After it, your budget shows a shortfall of £676 at the typical rate and a shortfall of £1,040 at the stress rate, so it is not affordable on your budget.

If the other party bought out your share at equal division, they would pay you £149,000 and need a mortgage of £319,000. This is above their borrowing indication of £174,000 to £232,000 (built on their P60 gross income of £58,000). The repayment would be £1,829 a month at the typical rate and £2,223 at the stress rate. After it, their budget shows a surplus of £405 at the typical rate and a surplus of £11 at the stress rate, so it is affordable even at the stress rate. At the middle of the range, they would pay you £178,800 and need a mortgage of £348,800. The repayment would be £2,000 a month at the typical rate and £2,431 at the stress rate. After it, their budget shows a surplus of £234 at the typical rate and a shortfall of £197 at the stress rate, so it is affordable at the typical rate only.

Because you have two children under 18, cannot buy out on your borrowing indication, and cannot carry the buy-out repayment on your budget, a deferred sale or Mesher-type order may be worth considering. This is an order that leaves the home in joint names but lets you stay in it with the children, with a sale triggered later (for example when the youngest child finishes full-time education, or at a set date). The court uses such orders where the primary carer cannot afford to buy out or rehouse immediately but may be able to do so later. The main drawback is that the other party's capital is locked into the home and they cannot access it or use it as security for their own borrowing until the sale happens. The home's value and the mortgage may also change, which affects what each of you receives when it is eventually sold.

If you do not keep the home, you would need to buy or rent a suitable home. A suitable home for you costs £360,000. At equal division you would have £170,000 in capital and would need a mortgage of £190,000, above your borrowing indication. The repayment would be £1,052 a month at the typical rate and £1,291 at the stress rate, leaving a shortfall of £127 and £366 respectively, so it is not affordable on your budget. At the middle of the range you would have £204,000 in capital and would need a mortgage of £156,000, still above your borrowing indication. The repayment would be £864 a month at the typical rate and £1,060 at the stress rate. After it, your budget shows a surplus of £61 at the typical rate and a shortfall of £135 at the stress rate, so it is affordable at the typical rate only. A suitable home for the other party costs £260,000. At equal division they would have £170,000 in capital and would need a mortgage of £90,000, within their borrowing indication of £174,000 to £232,000. The repayment would be £516 a month at the typical rate and £627 at the stress rate, leaving a surplus of £1,718 and £1,607 respectively, so it is affordable even at the stress rate. At the middle of the range they would have £136,000 in capital and would need a mortgage of £124,000, still within their borrowing indication. The repayment would be £711 a month at the typical rate and £864 at the stress rate, leaving a surplus of £1,523 and £1,370 respectively, so it is affordable even at the stress rate. Remember that a borrowing indication is not an offer; lenders apply their own affordability tests.

THE PENSIONS

You hold a personal pension with a cash equivalent value (CEV) of £36,000. The other party holds a workplace pension with a CEV of £188,000. The total is £224,000 at CEV. A CEV is not cash: it cannot be spent now and is taxed as income when you draw it in retirement. Your figures also show each holder's illustrative cash value, adjusted for the tax and utility cost of drawing a pension later rather than having cash now. Your cash-adjusted value is between £18,900 and £30,600 depending on the offsetting assumption used. The other party's is between £98,700 and £159,800. The pot with pensions at their cash-adjusted value ranges from £457,600 to £530,400, compared to £564,000 at CEV.

There are two main ways to divide pensions on divorce: offsetting and a pension sharing order. Offsetting means one party keeps their pension and the other receives a larger share of the non-pension assets to compensate. A pension sharing order means the court orders the pension scheme to transfer part of one party's pension to the other. The other party's pension is the larger holding. If you offset, the other party would keep their £188,000 CEV pension and you would receive a larger share of the home and other assets. The offsetting range for the other party's pension, based on its cash-adjusted value, is £98,700 to £159,800. If instead the court made a pension sharing order, it could equalise the CEVs: the other party would transfer £76,000 (40.4% of their pension) to you, leaving each of you with a CEV of £112,000. Both approaches have trade-offs: offsetting is simpler and faster, but a pension sharing order may be fairer if the parties' retirement ages or scheme types differ significantly.

Because both pensions are defined contribution schemes (money-purchase, not final salary), and the combined CEVs are £224,000, a pensions expert (PODE) is flagged as worth asking about. A PODE can help you understand the retirement income each arrangement would give, which matters more in a needs case than equalising the capital value alone. The flag comes from the combined CEV being at or above the £100,000 threshold. Practical points about pensions are listed below the report.

THE SCENARIOS SIDE BY SIDE

The first scenario is equal division of the net pot at 50% each. You would receive £282,000 and the other party £282,000. This is the starting point where the sharing principle applies to matrimonial property. Pensions are counted here at their CEV and make up 39.7% of the pot. A pound of pension is worth less than a pound of cash or home equity, so the side holding more of the pensions is worse off than these figures suggest.

The next three scenarios are needs-led, reflecting the SmartJudge range of 55% to 65% in your favour. At the bottom of the range (55%), you would receive £310,200 and the other party £253,800. At the middle (60%), you would receive £338,400 and the other party £225,600. At the top (65%), you would receive £366,600 and the other party £197,400. These rows show how a settlement could be structured within the range that the court is likely to consider, given that you are the primary carer of two children and the case is needs-led.

The final two scenarios show you keeping the whole home and the pensions being offset against it. In the first, pensions are valued at the lighter cash adjustment (the higher end of the offsetting range). You would have £334,000 in total, or £328,600 when pensions are adjusted to their cash

value, which is 62% of the pot. The other party would have £230,000 in total, or £201,800 adjusted, which is 38% of the pot. You would need to pay the other party a balancing lump sum of £10,360, take on more of the debts, or give the other party a charge back over the home. In the second, pensions are valued at the heavier cash adjustment (the lower end of the offsetting range). You would have £334,000 in total, or £316,900 adjusted, which is 69.3% of the pot. The other party would have £230,000 in total, or £140,700 adjusted, which is 30.7% of the pot. You would need to pay the other party a balancing lump sum of £42,340, take on more of the debts, or give the other party a charge back over the home. Most of the other party's side is pension, which cannot be spent now and is taxed when drawn.

In the first keep-the-home scenario, you would need a mortgage of £180,360 to fund the balancing payment. This is above your borrowing indication of £70,500 to £94,000. The repayment would be £998 a month at the typical rate and £1,226 at the stress rate. After it, your budget shows a shortfall of £73 at the typical rate and a shortfall of £301 at the stress rate, so it is not affordable on your budget. In the second keep-the-home scenario, you would need a mortgage of £212,340, also above your borrowing indication. The repayment would be £1,175 a month at the typical rate and £1,443 at the stress rate. After it, your budget shows a shortfall of £250 at the typical rate and a shortfall of £518 at the stress rate, so it is not affordable on your budget. These scenarios are illustrative ways of arranging a settlement inside the SmartJudge range, not several predictions of what the court will order.

THE FIGURES BEHIND THIS REPORT

The pot

Net pot	£564,000
Of which: home equity	£298,000
Of which: other assets less debts	£42,000
Of which: pensions (CEV)	£224,000
Pensions at an illustrative cash value	£117,600 to £190,400
Net pot with pensions at that cash value	£457,600 to £530,400

The family home

Market value	£480,000
Mortgage outstanding	£170,000
Sale costs	£12,000
Equity after sale costs	£298,000

You buys the other out

Lump sum to the other party (equal division)	£149,000
Mortgage needed (equal division)	£319,000
Borrowing indication (3 to 4 times P60 income)	£70,500 to £94,000

Borrowing verdict (equal division)	above the indication
Monthly repayment, equal division (28 years)	£1,766 typical / £2,168 stress
Budget left after it, equal division	-£841 / -£1,243
Monthly verdict, equal division	not affordable on the budget

The other party buys the other out

Lump sum to the other party (equal division)	£149,000
Mortgage needed (equal division)	£319,000
Borrowing indication (3 to 4 times P60 income)	£174,000 to £232,000
Borrowing verdict (equal division)	above the indication
Monthly repayment, equal division (26 years)	£1,829 typical / £2,223 stress
Budget left after it, equal division	+£405 / +£11
Monthly verdict, equal division	affordable, even at the stress rate

Could each of you rehouse?

You: cost of a suitable home	£360,000
You: capital, not pensions (equal division)	£170,000
You: verdict (equal division)	above the indication
The other party: cost of a suitable home	£260,000
The other party: capital, not pensions (equal division)	£170,000
The other party: verdict (equal division)	within the indication

The pensions

Personal pension (you)	£36,000
Workplace pension (the other party)	£188,000
Totals at CEV: you / other party	£36,000 / £188,000
CEV-equalising pension share	£76,000 (40.4%)
Illustrative cash value of the larger holding	£98,700 to £159,800

Scenarios side by side (you / other party)

Equal division of the net pot	£282,000 (50.0%) / £282,000 (50.0%)
Needs-led: bottom of the SmartJudge range (55% to you)	£310,200 (55.0%) / £253,800 (45.0%)
Needs-led: middle of the SmartJudge range (60% to you)	£338,400 (60.0%) / £225,600 (40.0%)
Needs-led: top of the SmartJudge range (65% to you)	£366,600 (65.0%) / £197,400 (35.0%)
You keep the home; pensions offset against it (pensions at the lighter cash adjustment)	£334,000 (59.2%) / £230,000 (40.8%); cash-adjusted £328,600 / £201,800
You keep the home; pensions offset against it (pensions at the heavier cash adjustment)	£334,000 (59.2%) / £230,000 (40.8%); cash-adjusted £316,900 / £140,700

These rows are ways of arranging a settlement inside your SmartJudge range. They are not separate predictions.

Practical points to check

- The new State Pension cannot be shared on divorce and is not in any CEV. Some older State Pension entitlements (the Additional State Pension, and a protected payment for some people) can be shared. A State Pension forecast is free at gov.uk/check-state-pension.
- Pension schemes can charge for putting a pension sharing order into effect. Charges vary from nothing to several thousand pounds, and the order can say who pays them.
- A pension sharing order cannot take effect until the final order in the divorce and the appeal period have passed. The scheme then has four months to put it into effect.
- Keeping the home usually means taking the mortgage into one name. The lender must agree to release the other party and applies its own affordability test. A court cannot make a lender agree.
- A transfer of the home between spouses under a court order, or an agreement made because of the divorce, is exempt from Stamp Duty Land Tax (Land Transaction Tax in Wales).
- Since 6 April 2023, separating spouses can move assets between them without Capital Gains Tax for up to three tax years after they separate, or at any time under a court order or formal agreement. A spouse who leaves the home but keeps a share in it can in some cases still claim relief when it is sold.
- The rehousing figures do not include the costs of buying a new home (Stamp Duty Land Tax or Land Transaction Tax, legal fees, survey and moving costs).

WHAT WOULD SHARPEN THIS

- The other party's stated mortgage capacity: you have given your own, but the other party's lender's view would help assess whether they can carry a buy-out or keep the home.
- Whether you expect your earnings to increase as the children get older: you noted that you work part time and expect to increase hours. A clearer picture of your future income would sharpen the affordability of a buy-out or a new home.

ASSUMPTIONS USED

Borrowing indication

3 to 4 times gross annual income from your P60 only

Source: Frank Arndt, 23 September 2026 (M1 and M3). Lenders apply their own affordability tests.

Sale costs where not given

3% of the market value

Source: Step 2 guidance. Your own figure is used when you entered one.

Pension offsetting: tax adjustment

15% to 30% off the cash equivalent value

Source: Pensions Advisory Group report (PAG2), Part 6: pension income is taxed when drawn.

Pension offsetting: utility discount

0% to 25%

Source: PAG2, Part 6: cash now is worth more than a pension later. Courts differ on whether to apply one.

When a pensions expert (PODE) is flagged

Combined CEVs of £100,000 or more, a defined benefit scheme, an age gap of 10 years or more, a party

within 10 years of retirement, or a pension already in payment

Source: PAG2 rules of thumb. A flag means worth asking, not that an expert is required.

Scheme types treated as defined benefit

Defined benefit / final salary and the Pension Protection Fund. A workplace pension, Other or Unknown is treated as uncertain.

Source: Step 6 scheme type. A workplace pension can be either kind: the annual statement says which.

When a CEV-equalising figure is shown

Only when every scheme with a CEV is known to be defined contribution and no public service scheme is flagged

Source: PAG2: equal CEVs across different scheme types, or in a public service scheme, rarely give equal retirement income.

Public service scheme flag

Raised when a scheme's name matches a main public service scheme (for example NHS, Teachers, Police, Armed Forces, Civil Service, Local Government, Firefighters)

Source: Name match only. A flag means worth checking, not a finding.

Pensions in the keep-the-home scenario

Balanced on each pension's cash-adjusted value at both ends of the offsetting range, not on its CEV

Source: PAG2. The CEV is still shown so nothing is hidden.

Monthly mortgage repayment illustration

Capital and interest at 5%, stress-tested at 7%, over a term ending at age 70 (between 5 and 35 years; 25 years where age is not known)

Source: Illustrative. Lenders set their own rates, terms and stress tests.

Housing in the monthly budget

The mortgage and rent lines of the Step 7 budget are taken out and replaced by the illustrated repayment when checking a buy-out. Child maintenance in or out is counted, as in the Maintenance report.

Source: Your own Step 7 figures.

Rehousing check

Capital from the settlement (never pensions) plus the borrowing indication, against the cost of a suitable home entered on Step 7

Source: Illustrative. Purchase costs are not included.

Scheme retirement age where not given

67

Source: State pension age for those born after 1960. Enter the scheme's own age on Step 6 for a better flag.

NEXT STEPS

If you would like Paradigm Family Law to review this assessment in detail with you, they offer an assessment for £300 which can help answer your questions and guide your next steps. If you want to get a judge or barrister's written opinion on your suggested settlement for a fixed fee of £1,800 or £3,600, the links below have the details.

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A computer produced this assessment, not a person. It is not legal advice. It does not predict what a court will order. It explains how a settlement within the SmartJudge range could be structured and what each arrangement would mean in practice. You should discuss it with a solicitor or mediator before taking any step. Every figure is based on the information you entered; if any of it changes, the assessment changes too. Lenders, pension schemes and the court apply their own tests and have their own discretion.

This AI-generated report is provided for educational purposes only and does not constitute legal advice. It is based on general principles of England and Wales family law and on the answers given. You should seek independent legal advice from a qualified family law solicitor before making any decisions.

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