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RETIREMENT PLAN ADVISORS

THE FUTURE IS BETTER THAN YOU THINK

A Checklist for When a Spouse or Parent Passes

An overview of some of the fundamental steps to take

WHEN YOU LOSE A SPOUSE, PARTNER, OR PARENT, THE GRIEF CAN BE OVERWHELMING. In the midst of that grief, life goes on. There are arrangements to be made, things to be taken care of – and in recognition of this reality, here is a checklist that you or a loved one may find useful at such a time.

FIRST, GATHER DOCUMENTS. Ask for help from other family members if you need it. Start by gathering the following:

- A will, a trust, or other estate documents. If none of these exist, you could face a longer legal process when settling the person's estate. If a trust exists, consider contacting the professional or firm who helped set up the document.
- A life insurance policy. As a rule, you will need the death certificate, with the cause of death listed, to move forward with any claim.
- A Social Security card/number. Generally the person's Social Security number will be retired shortly following the death.

THEN, GATHER THESE ADDITIONAL HIGHLY IMPORTANT ITEMS:

- Bank account, investment account, and retirement plan statements.
- Deeds/titles to real estate.
- Car titles or lease agreements.
- Storage space keys/account records.
- Safe deposit box keys.
- Any bills due or records of credit card statements.
- Any social media platforms, if applicable.

Last, but not least, look for a computer file or printout with digital account passwords. Prior to their loved one's passing, some family members may try to centralize all this information or determine where it can be found.

In addition, see if the person left a letter of instructions. A letter of instructions is not a legal document, it's a letter that provides additional and more personal information regarding an estate. It can be addressed to whomever the author chooses, but typically letters of instructions are directed to the executor, family members, or beneficiaries.



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NEXT, TAKE CARE OF SOME IMMEDIATE NEEDS. One, contact a funeral home to arrange a viewing, cremation, or burial, in accordance with the wishes of the deceased.

Two, call or email the County Clerk or Recorder to request 10 to 12 death certificates. A funeral home director oftentimes can help with this matter. (Counties usually charge a small fee for each copy issued.) Ten to 12 copies may seem excessive, but you may need them many while working with insurance companies and various financial institutions.¹

Three, if the person was still working, contact the Human Resources Officer at your loved one's workplace to inform them of what has happened. The HR Officer might need you to fill out some paperwork pertaining to retirement plans, health benefits, and compensation for unused vacation time.

Four, consider speaking with an attorney – ideally, this is the lawyer who helped your loved one create a will or estate plan. Should your loved one die without a will, you may want to contact a lawyer regardless, for an overview of how the probate process will work and to see to what degree you might become liable for your loved one's debt.

Five, resolve to keep track of any recurring debts that your loved one had set to autopay. The monthly bills for these debts should now be put in your name and paid from your accounts. (Creditors can be sympathetic in these situations and may be lenient with you if you ask.)

FOLLOWING THESE STEPS, ADDRESS FINANCIAL, INSURANCE, AND CREDIT MATTERS. Investment and retirement plan accounts and insurance policies should have beneficiaries, so reach out to the financial and insurance professionals who helped your loved one as well as the person overseeing their workplace retirement plan. Talk with these professionals to learn about your options as a beneficiary and the possible tax implications from inheriting these assets.

You will also probably need to update the listed beneficiaries on any investment accounts you inherit. (The same applies to your own will, insurance policies, and estate strategy.) Titles and deeds for real estate and vehicles also need updating.

If you have lost your spouse, check with Social Security to see what spousal and survivor benefits you might be eligible to receive. If your spouse was a veteran, the Veteran's Administration will want to know of their death, as you may be due spousal benefits.

Certain employers and labor unions may offer pensions or life insurance benefits to spouses of past employees or members. If your late spouse once worked for a large employer or belonged to a union, this is something to ask about.

Notify creditors and credit card companies that were part of your loved one's credit history. You can close accounts held solely by the deceased; those jointly held will need to have your loved one's name removed from them. Creditors may want to know when existing debts will be paid, either by you or your loved one's estate. You can also notify the "big three" credit bureaus – Experian, Equifax, and TransUnion – of the death, which can be done online, over the phone, or by letter.²



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State and federal taxes for your loved one also will need to be paid, and possibly other taxes for the year of their death. Talk with a tax professional about this.

Are you the parent of a college student? Your student may now be eligible for a greater degree of financial aid.

Ask your child to speak with a financial aid officer about this. If your loved one owned a small business or professional practice, a discussion with business partners (and clients) may be necessary as well as a consultation with the attorney who advised that business.

Look after your future. Your retirement and estate strategies are poised for change because of this life event. The way you invest and the amount you save for the future may change, especially in relation to your household's evolving expenses, income, and assets. A chat with a financial professional in the weeks or months ahead may well be in order.

CITATIONS.

1 – Nolo, July 30, 2020

2 – Credit.com, February 14, 2020

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