

A Timeline For Settling Your Loved One's Estate

Losing a loved-one is one of the most difficult events in life we will all face. While there are many financial and legal issues that will need to be addressed, it's important you take time to mourn with your family and not attempt to address all these issues at once. This guide will help you navigate through these issues in an orderly fashion and hopefully relieve some worries of not knowing what to do next.

While we've worked hard to provide a detailed guide to help you through this difficult time, it cannot address every situation you may face. Therefore, we encourage you to reach out to us for help along with the help of your attorney and accountant. If you don't have an attorney or accountant, we can recommend one to you.



This material is not intended to replace the advice of a qualified tax advisor, attorney, or accountant. Consultation with the appropriate professional should be done before any financial commitments regarding the issues related to the situations below are made.

PHASE ONE – Final Arrangements & Legalities

As you initiate this process, gather all of the personal information of your loved one and maintain it in an easy to access file. Either a digital file or hard copies kept in a folder to help facilitate providing information to companies, account holders, and attorneys.

Information you will need when making the first calls and notifications:

- Legal name of the deceased
- Deceased's resident address
- Deceased's Social Security Number
- Time of death
- Current location of the body — Facility name / Address / Phone #
- Attending physician name and phone # or coroner's contact information
- Your name and relationship to the deceased
- Your address and phone number

Notify the following:

Local law enforcement/coroner if death was not attended by a physician. Generally, the local coroner is required to investigate a death that takes place under the following circumstances:

- Unattended deaths — no licensed physician was in attendance at the time of death or for a continued period prior to death.
- A physician is unable to state the cause of death.
- Suspected homicide.
- Suspected suicide.
- Accidental death.
- Suspicious or unusual circumstances are involved.
- Death occurring during medical procedures.
- Death due to food, chemicals, or drug poisoning.
- Death suspected to be due to occupational causes.
- Death suspected to be due to known contagious diseases constituting a public health hazard.
- Death by drowning, fire, etc.
- Deaths occurring while in prison or in police custody.
- Suspected sudden infant death syndrome.

- Close family and friends
- Deceased's place of worship – depending on their group support system, they can assist you in notifying family, friends, planning memorial service.
- Personal representative/personal representative & financial advisor
 - Contact first if you think there might be pre-arranged funeral and burial services.
- Funeral home
 - Funeral director can assist with transportation of the deceased from the place of death to the funeral home. They should provide you with a checklist or guide for planning the funeral and/or memorial service.

Initial Documents to Gather:

- Pre-paid Funeral & Burial Arrangements or Cremation Documents
- Death Certificates – 15-20 certified copies (at least one with a raised seal)
 - Needed to execute will, ownership changes (bank accounts, real estate, brokerage accounts, notification to employers for benefits, insurance claims).
 - Death certificates can be obtained from the county clerk's office in the county where your loved-one died. You can also obtain certificates online at the Texas Vital Statistics website <http://www.dshs.state.tx.us/VS/> under Death Records.

Arrange for:

- Your own bereavement leave from work
- Obituary
- Security for deceased's home and close relatives during the funeral
- Care for minors and dependent family members
- Care for pets

PHASE TWO – Communication & Taking Inventory

As you navigate through this process, it is vitally important to communicate with family, beneficiaries and keep good records. Document your actions and account for all expenses incurred by the estate.

Communicating with Beneficiaries:

- Communicate directly with beneficiaries and set realistic expectations and timeframes.
- Update beneficiaries regarding the status of the estate settlement process.
- Provide required notices and accountings in a timely fashion.
- Document and disclose the distribution or sale of estate assets.

Notify the Following:

- Financial Advisor
- Insurance Agent
- Accountant/CPA
- Attorney

These professionals can assist you in locating and gathering important documents and statements. If you don't have an accountant or attorney, we can recommend one who can help.

Protect Financial Assets and Personal Property:

Notify:

- Decedent's banks and other financial institutions of his or her death.
- Notify credit card companies of the decedent's death and cancel the cards.
- Notify the mortgage company of the decedent's death.
- Credit Reporting Agencies

Maintain & Protect:

- Property owned by the estate property until it is distributed.
 - Home (maintenance, utilities, insurance, etc.)
 - Personal Property (household goods, vehicles, collections, etc.)

Documents to Gather:

- Last Will & Testament
 - If there isn't a will, your attorney will guide you through your state's intestacy laws for settling estates without a will. Intestate means there isn't a will for the deceased.
- Trust Documents
- Marriage Certificate (if applicable) - You may need copies of your marriage certificate to apply for certain dependent benefits. Obtain copies through the county or town in which your marriage license was issued. You can also use the CDC's Where to Write for Vital Records page, mentioned above, to obtain contact numbers for where to get this information in your state.
- Divorce, Pre-nuptials, Child Support and Military Discharge Documents
- Birth Certificates or Adoption Documents – Yours, your loved-one and children.
 - Official copies can be obtained by contacting your state's Department of Vital Statistics
- Social Security Numbers - Yours, your loved-one and children.

- If you cannot locate, contact the Social Security Administration at SSA.gov.
- Tax identification numbers (TINs). You, your spouse's executor, or your spouse's trustee will need to obtain TINs for the estate and for any formerly revocable trust. Give these numbers to your bank and brokerage firms.
- Life Insurance Policies
 - For coverage written in the past 15 years, you may be able to locate missing policies through MIB Group, Inc., a company that provides services to the insurance industry. You can access the company's Policy Locator Service, for a \$75 fee, at www.mib.com/lost_life_insurance.html.
 - Contact numbers for old policies may no longer be valid. Get in touch with your state's department of insurance to obtain new telephone numbers for filing death claims with carriers that do business in your state.
 - Contact your deceased partner's most recent employer regarding group benefits.
 - Check with your credit card, bank, and loan companies regarding eligible death benefits.
- Bank Statements & Safe Deposit Box Location (if applicable)
- Deeds
- Mortgage Documents
- Investment Account Statements
- Retirement Account Statements
- Credit Card Statements
- Military Discharge Papers
 - For copies, contact the National Archives and Records Administration at www.archives.gov/veterans.
 - Veterans may be eligible for burial benefits. Contact the U.S. Department of Veterans Affairs at www.va.gov
- Last two years' of income tax returns
- Inventory household and personal property
- Inventory collections (jewelry, art, coins, guns, sports memorabilia, etc)

Inventory Digital Assets:

- List of digital accounts and their custodians (such as Google or Facebook)
- Usernames and passwords to digital accounts (if available)
- Copies of digital custodians' access-authorization allowances (if available)

Former Business Owners, Business Partners or Self-employed, Obtain the Following:

- Buy-Sell Agreement
- Business Continuity Plan
- Shareholder Agreement
- Company Owned Life Insurance Policies

Asset Valuation:

- Obtain valuations for collections from certified appraisers.
- Value the estate – For estate tax purposes, decide on the best date for valuing the estate between the actual date of death or the Alternate Valuation Date. This is important if the deceased's estate may be subject to estate tax. Your advisors can assist you with this.
- Record the value of the estate (assets-liabilities) on the date of the decedent's death.

Debts Owed:

- Identify debtors
- Record the value of all debts owed

PHASE 3 – Settling the Estate

Just like in Phase 2, it is vitally important to maintain good records and notes of phone calls, emails, or even text message exchanges with anyone involved in the settlement process. Reach out to your trusted professionals for additional guidance or assistance in completing different tasks.

Obtain an EIN (Employer Identification Number) for the Estate:

- Apply for an EIN with the Internal Revenue Service by visiting www.irs.gov. Search for “EIN”.

This is a free service offered by the IRS. Beware of websites on the internet that charge for this free service.

Meet with Your Financial Advisor To:

- Assist in identifying assets to help meet immediate financial needs
- Initiate life insurance claims process.
- Notify insurance companies, including health, dental, life, disability, long-term care, automobile, and home insurers
- Initiate claims on non-probate investment accounts (jointly owned accounts, IRAs, HSAs, etc)

Meet with Your Attorney To:

- Discuss the process known as probating the will. If you don't have an attorney, we can recommend one to you.
- Petition to open probate estate and file will with the court.
- Provide inventory of household and other assets specified in the will.
- Assist in establishing trusts stipulated in the will.

Meet with Your CPA, Accountant or Tax Preparer To:

- Apply for an EIN (Employer Identification Number)
- Discuss preparation of the final income tax return (Form 1041).
- Provide valuation of estate for estate tax purposes.
- Discuss preparation of the estate tax return (Form 706).
- Consider Charitable Contributions/Memorials
- Pay all outstanding income, estate, and inheritance taxes.

Contact Bank To:

- Open a checking account in the name of the deceased's estate for depositing income, paying expenses, and transferring balances.

- Convert jointly owned accounts to individually owned accounts in your name since they are not part of the probate process. Accounts owned individually by your spouse must be transferred to an estate account.
- Transfer funds held in individually owned accounts to the estate bank account. Close individual accounts in your loved-one's name.

Contact Former Employer's Human Resources Department:

Inquire about benefits that may be available and request forms to initiate claims. This may include:

- Employer paid life insurance
 - Requested claim forms on _____
 - Submitted claim form on _____
 - Benefit received on _____
- Group supplemental life insurance
- Health insurance or extended coverage under COBRA
- Compensation due, deferred compensation, stock options, pay for unused vacation
- Retirement plan (401k, 403b, SEP, SIMPLE)
- Pension benefits
- Personal items (request to be delivered or mailed to you).

Contact Social Security Administration To:

- Apply for survivor benefits. You and your dependent children may be eligible to receive a small social security death benefit and survivor income benefits. Contact your local social security office or visit the Survivors Benefits section of the SSA website at www.ssa.gov/benefits/survivors.

Contact Mortgage Company To:

- Retitle personal residence
- Ask if mortgage life insurance was purchased to pay off mortgage

Contact Vehicle Loan/Lease Companies or Department of Motor Vehicles To:

- Re-title vehicles

Contact Credit Card Companies To:

- Cancel any cards solely in your loved-one's name
- Ask if there was a payoff clause in the event of death
- Remove loved-one's name from jointly held cards

Contact Any of the Following Service Providers To:

1. Cancel service or request name change on account
2. Pay off any debt or request funds for credits
 - Utilities (only if residence is being sold)
 - Subscriptions (Netflix, HULU, Amazon, etc.)
 - Housekeepers
 - Landscapers
 - Landlord
 - Doctors, dentists, and other health care professionals
 - Associations, clubs, unions, and professional organizations

Notify:

- U.S. Post Office
- U.S. Citizenship and Immigration Services (if not a U.S. citizen)

Watch the Mail:

- Keep an eye on incoming mail and e-mail, if accessible. There will likely be some accounts, policies or services that may have been overlooked or missed.

Safeguarding Digital Assets:

- Review the will for language covering digital assets (e.g., “digital device” or “social media accounts”).
- Determine whether the decedent used the digital custodians’ access-authorization tools (e.g., Facebook’s “legacy contact” feature) for how such accounts should be managed.
- Verify whether the decedent granted access to the content of his or her digital accounts to anyone.
- If anyone has the right of access, work with each person to delete any remaining online accounts.

Working with Custodians of Digital Assets:

- Ask custodians what administrative fees they will charge for disclosing digital assets.
- Confirm whether custodians will provide full access, partial access, or a “data dump.”
- If the decedent granted the executor access to digital assets, carry out his or her wishes for their preservation or deletion.
- Complete the account termination process.

Making Distributions From an Estate:

- Initiate the sale of assets and title transfers.
- Confirm that legal expenses, professional expenses, debts, and administrative fees are paid.
- Distribute specific bequests.
- Distribute assets to beneficiaries in accordance with decedent’s will or state intestacy statutes.
- Obtain receipts from all beneficiaries for assets distributed to them.
- Close estate accounts.
- Prepare a final accounting of all assets, liabilities, expenses, and distribution of assets for beneficiaries.
- Obtain approval for final accounting from each beneficiary (or guardian).

PHASE FOUR – Survivor Planning

Your Personal Financial Affairs:

It is advisable to avoid major changes for at least six months after a loved one's death or until you feel that you can make sound financial decisions. Take time to consider any proposals from family, friends, and professional advisors. Ask as many questions as necessary, and have a trusted advisor look over any financial decision you are considering during this stressful time.

Meet with Your Financial Advisor To (*FOR SURVIVOR*):

- Review last two years' income tax return – These can assist in identifying additional assets, receivables or tax credit / loss carryovers from prior years. If you cannot locate prior year tax returns, contact your tax preparer or the Internal Revenue Service for copies.
- Update your personal financial statement
- Calculate financial need for maintaining your current lifestyle and cash needs.
- Describe what lifestyle you'd like maintain now and into retirement.
- Identify all available assets and income sources.
- Determine feasibility of current and future lifestyle expectations.
- Develop a plan to invest benefits due to you (IRA, 401k, life insurance).
- Determine your income and cash needs, arrange access to 3-6 months of living expenses
- Develop a budget/spending plan to evaluate ongoing income needs
- Update beneficiary designations on your:
 - Life insurance policies
 - Investments (IRAs, investment accounts)
- Re-evaluate investment portfolio objectives to align with your goals

Contact Your Human Resources Department To:

- Determine how much time you have to make changes to your employer group benefits
- Update beneficiaries on retirement plans
- Update/apply for health insurance coverage

College Considerations:

- If you have children in college, notify the financial services office. A change in financial status may qualify them for financial aid or other assistance.

Plan for Your Future – Update your:

- Will and/or Trust
- Living Will – In the event you are incapacitated or severely ill, a living will specifies your healthcare wishes.
- Healthcare Proxy – Enables you to appoint someone to make healthcare decisions on your behalf if you are unable to do so.

Hold A Family Meeting:

This is an opportunity to get everyone on the same page. Have your financial advisor review your assets, liabilities, income needs, location of important documents (wills, trusts, medical directives, etc), insurance, plans for long term care needs.