

Loss of a loved one financial checklist



Loss of a loved one is a sad time. Anything that can be put off should be put off while you come to terms with the situation. But sometimes, financial issues may be just too pressing to ignore or postpone. So here is a guide to help you set some priorities.

The first thing to keep in mind is that your actual responsibilities and duties depend on your relationship to your lost loved one. They also depend on the state where you live and the state where your loved one lived. If you believe that the burden of immediate action may fall on you, you should consider consulting a lawyer to help you understand your rights and responsibilities.

If you have primary financial responsibility, here's a checklist for tasks best done sooner than later:

✓ Gather all important financial documents.

- Will and any statements of intent for executors, trustees and guardians
- Death certificate
- Insurance, bank, investment and retirement account statements
- Tax documents (state and local where applicable, as well as federal)
- Property deeds, contracts, leases and agreements

✓ Notify institutions responsible for payments and assets, such as:

- Banks and trust companies
- Life insurance and annuity providers
- Stockbrokers and investment custodians
- Retirement plans, pension administrators and IRA trustees
- Social Security Administration, Railroad Retirement Board and Federal Employees Retirement System (Keep in mind that railway workers are the only private-sector employees who do not participate in Social Security. Also, while current federal employees are now included in Social Security, many federal retirees are not.)
- Department of Veterans Affairs

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✓ If the funeral was not preplanned, set a budget for it now.

- Decide how much you want to spend, keeping in mind that you are making this decision on behalf of your loved one's estate.
- Understand what other resources may be immediately available from death benefits, family and friends.
- Determine when and where the funeral and burial should take place.

✓ Consider the executor.

- If you can determine who the executor is, consult with him or her as soon as possible about settling debts (including funeral-related expenses) and addressing the legal and tax alternatives for settling the estate.
- If there is no will or you cannot determine who the executor might be, you should consult with an attorney about how your state's laws might apply to your situation before taking any action.

✓ Some things can be put off until you are in a better frame of mind.

In fact, many important decisions can be deferred (for days, weeks, or sometimes months) until you feel ready to calmly evaluate your options. Here are some tasks that you can take on when you are ready:

- If you are the beneficiary of an IRA or retirement savings plan, you will be subject to required minimum distribution (RMD) rules. How you take your RMDs will depend on your age and relationship to the deceased. Think carefully about the tax implications of the choices you have.
- If you are receiving securities held in taxable investment accounts, your tax issues will vary depending on whether you decide to hold or sell those securities. Consult a tax professional to understand how your choices may impact your tax situation.
- If you already have an investment portfolio, you will probably need to determine how any newly received investment assets fit with your existing investment plans and objectives.



If you have questions about your workplace retirement plan, please contact your Human Resources department or your retirement plan provider's customer service center.