



# Loss of Spouse or Family Member & Estate Executor Checklist

## A guide for legal and financial steps to take after losing a loved one

By Mike Beaulieu, CFP®, CFA

The loss of a loved one is incredibly emotional and may carry additional responsibility if you've been appointed executor of the estate. In this role, your duties include locating and securing the decedent's assets, ensuring debts are paid, and distributing remaining assets in accordance with their wishes. Follow these steps to help make the process go as smoothly as possible.

### Final Arrangements

Arrange for funeral, burial or cremation, and memorial service. Notify family members and consider publishing an obituary in the local newspaper or online service. The medical examiner will provide a death certificate, but you should order several certified copies through the funeral home as well. You will need them at various times when applying for benefits and settling the estate.

### Getting Organized

You will need to gather several documents. The first step is to locate the will and file it with the local probate court in order to obtain a Letter of Representation (i.e. Letters Testamentary). This will need to be accompanied by a certified copy of the death certificate. If there is no will, contact the probate court or your attorney for instructions. \*Note: If your loved one owned real estate outside of the domiciled state, you must also file ancillary probate in that state.

Locating and briefly reviewing the following materials will also be helpful: trust, birth, death, and marriage certificates, Social Security card, military discharge papers, list of assets and liabilities (e.g. real-estate, investments, business interests, insurance policies, credit cards, loans).

### Administration of the Probate Estate

Many states either wave probate or offer simplified procedures for smaller estates with assets under a certain amount. Check with your attorney or the states' probate court to determine the specific rules that apply to your situation.

Remember that not all accounts will be part of the "probate" estate you're responsible for distributing. Examples of non-probate assets include property that is owned jointly with right of survivorship, tenants by the entireties, or which pass to designated beneficiaries by operation of law such as life insurance and retirement arrangements.

Notice to interested parties: You must publish a notice of probate that identifies you as the executor and gives the interested parties a chance to contest or object to the probating, the terms of the will, or to file claims against the estate. By giving notice, the statute of limitations on claims starts to run. Statutes on the length and type of notice vary from state to state. Placing a notice in the newspaper is common as is 30 days from actual notice for claims.

Once the interested parties have had the opportunity to contest, administration of the estate can be completed. As the executor, you should make an inventory of all probate assets owned on the date of death along with corresponding values. If formal probate is required, this list will need to be filed with the probate court (which then becomes a matter of public record). All debts, expenses, and taxes must then be paid, so it's a good idea to obtain a tax ID from the IRS in order to establish a bank account in the name of the estate. Before paying any bill you aren't certain of, request an original invoice to avoid scams.

Final Accounting: Upon completion of all payments, a final accounting must be filed with the court. Notice is generally given to all interested parties to review. When the court approves the final accounting, remaining assets can then be distributed to beneficiaries in accordance with the will provisions. The executor will typically then be required to file a petition of discharge with the court. Once approved, the probate estate will be closed, relieving executor from further obligations.

### **Non-Probate Affairs Checklist**

- Contact Social Security ([ssa.gov](https://ssa.gov)). Surviving spouses and family members may be eligible for a death benefit and/or survivor benefits.
- Contact former employers regarding pension plans, medical coverage or other benefits.
- File claims with insurance policies: individual, group life, mortgage insurance, auto credit life insurance.
- Notify all credit card companies to close accounts.
- Contact one of the credit bureaus (Experian, TransUnion, Equifax). Notifying one of the companies will flag the account at all three credit bureaus so that no new credit lines will be issued.

### **Filing Tax Returns**

You may have to file state and federal tax returns, including Form 1040 (U.S. Individual Income Tax Return), Form 1041 (Fiduciary Income Tax Return), and, if the gross estate is large enough, Form 706 (U.S. Estate Tax Return). In addition, your state may impose state death taxes (e.g., an inheritance tax).

The same filing requirements that apply to individuals determine whether a final income tax return must be filed for your deceased family member. In other words, if the decedent's level of income during the year was so low that he or she would not normally be obligated to file an income tax return, then an income tax return need not be filed for the year of death. When you file a return for the decedent, you must write "DECEASED" across the top of the decedent's tax return, along with the decedent's name and date of death.

Generally, the estate tax return must be filed within nine months posthumously, but an automatic six-month extension is available if Form 4768 is filed on or before the due date for filing Form 706. An additional six months may be granted for good cause shown. The late filing penalty is 5 percent of the taxes due per month, up to 25 percent. This is in addition to any late payment penalty.

# Executor Checklist

## Documents to gather and/or review

- Will
- Death Certificate
- Marriage Certificate
- Social Security Number
- Trust documents
- Life Insurance policies
- Health insurance policies
- Credit card statements
- Mortgage and loan statements
- Utility & Service bills
- Bank statements
- Retirement & Investment account beneficiaries
- Vehicle titles
- Real estate deeds

## Steps to consider within the first few weeks

- Prepare funeral arrangements
- Order certified copies of death certificates
- File the will at the local probate court
- Obtain court decree appointing you as executor
- Contact employer about continuing medical and/or pension benefits
- Contact Social Security & Medicare
- Forward Mail
- Notify attorney, financial advisor and tax preparer

## Steps to consider within the first few months

- Revise titling and beneficiary designations on investment, savings and retirement accounts
- Contact credit card companies
- Notify one of the credit bureaus (Equifax, Experian or TransUnion)
- Submit a claim for any life insurance policies
- Establish a bank account for the estate
- Cancel any memberships & subscriptions

As always, your MAI team is here to help. Please reach out to your advisor for additional information and guidance throughout this process.

*authored by Mike Beaulieu, CFP®, CFA | Information updated as of 07.23.21*