

Courtesy of: Royalty Owner Help Desk



Life events

### By the numbers

- Each year, Americans arrange more than 2 million funerals for family and friends.<sup>1</sup>
- The average cost of death care is currently \$7,520 per person.<sup>2</sup>
- Roughly 23% of Americans who pass away each year have some form of prepaid funeral arrangement.<sup>3</sup>

1 ama-assn.org, January 2005

2 Senate Special Committee on Aging, April 2000

3 chicagotribune.com, March 2009

## A checklist: What to do when a relative dies

When a loved one dies, the details that need to be taken care of by survivors may be particularly overwhelming during such an emotional time. This checklist is intended to be a reminder of some of the details that may need to be attended to, both at the time of death and afterward.

### Immediately

There are tasks that family members will need to take care of very soon after the relative's death.

- Arrange for a funeral or memorial service
  - Determine if the decedent made his or her wishes regarding his or her funeral or memorial service known, either in writing or verbally.
- Contact a funeral home or memorial society.
- Tell friends and family what the plans are. Ask them to help you contact people.
- Determine if all or part of the decedent's funeral costs have been prepaid. (You can refer to agreement documents the deceased may have kept or ask at the funeral home. Also check with the cemetery to see if the

deceased paid for a plot and/or burial insurance.)

- Veterans, service members, and their dependents can be buried in a national cemetery for free. If buried elsewhere, veterans who at the time of death were entitled to receive Veterans Affairs (VA) disability payments can receive an allowance toward burial and funeral expenses. Other benefits may include a ceremonial American flag, headstone, and presidential memorial certificate.
- Submit an obituary to the decedent's local paper(s). You may want to include a charitable organization for donations if that is preferred over flowers.
- Make a list of everyone who sends donations, flowers, and/or cards so acknowledgements can be sent.

### Key points

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#### Immediately

- Determine the decedent's wishes.
- Contact the funeral home and determine costs.
- Create an obituary.
- Track donations, flowers, and cards received.

#### After the funeral

- Notify the decedent's attorney of the death.
- Determine if there is a will and, if so, who has been appointed executor.

#### Down the road

- Probate can be lengthy — work with your investment and legal professionals to deal with the many issues involved.



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Secure the decedent’s tangible property, such as silverware, dishes, furniture, or artwork. Later on, you and the executor will need to have these items appraised and distributed according to the decedent’s wishes. This may be a difficult task if the property has already been distributed to various family members. The executor is responsible for filing an inventory and appraisal of the decedent’s assets with the probate court within 90 days following the death.

**After the funeral**

There are several financial matters that need to be taken care of when a relative dies. However, you may not need to take these steps immediately. You and your family will need time to grieve. Most financial advisors recommend that you do not make any changes in or long-term decisions about finances for at least six months to a year after your loved one’s death. But there are some issues that have to be dealt with within legal time periods. Here are some of the initial steps that may need to be taken.

- Notify the decedent’s attorney about the death.
- Find out if there is a will and who has been appointed executor.
- If you are named executor in the will or by the court, contact witnesses to the will or the executor of the estate, if someone else has been appointed to that role.

- Organize a meeting to review the will and handle the estate settlement. If interested parties are unable to attend, they can obtain copies of the will.
- The executor needs to determine the contents of the decedent’s safe deposit box, if there is one, and acquire permission to remove the contents.
- Meet with the attorney (or your own attorney) to review the steps necessary to administer the decedent’s estate (the probate process). Bring as much information as possible about finances, taxes, and debts. Don’t worry about putting the papers in order first; the lawyer will have experience in organizing and understanding complex financial statements. Documents you should bring include
  - **copies of the death certificate** – You can get these from the funeral director, and it is a good idea to get at least 10 to 20 copies.
  - a copy of the **decedent’s birth certificate** (and your marriage license if the deceased is your spouse)
  - **financial statements**, including those from banks, brokerage houses, and insurance agencies
  - **other financial documents**, including tax forms from prior years, unpaid credit and utility bills, and mortgage payments
  - **the decedent’s Social Security number and Veterans Affairs identification number**, if applicable

- Find a financial institution (*i.e.*, a bank or credit union) in your area who can provide you with signature guarantees for certain documents if necessary.
- Notify the decedent’s creditors. Close any credit card accounts.
- Bills and bequests may be paid from a single checking account. The estate, not surviving family members, is responsible for any debts of the decedent. Paying off the debts yourself only increases the net value of the estate, which may mean higher inheritance taxes.
- The executor is responsible for distributing property to heirs and legatees. Generally, executors do not pay out all of the estate assets until the period runs out for creditors to make claims, which can be as long as a year after the date of death. But once the executor understands the estate and the likely claims, he or she can distribute most of the assets, retaining a reserve for unanticipated claims and the costs of closing out the estate.
- The executor must file an account with the probate court listing any income to the estate since the date of death and all expenses and estate distributions. Once the court approves this final account, the executor can distribute whatever is left in the closing reserve and finish his or her work.



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### Other details that may need attention

- Checking into whether any homeowner's or auto insurance policies offer coverage during the probate process.
- Restructuring any homeowner's, casualty, and life insurance policies, as necessary.
- Changing the registration of investment securities by contacting the decedent's financial advisor or the brokerage firm and making sure that if the deceased placed any orders, they are immediately suspended.
- Changing the title on any property (including real estate and automobiles) owned by the deceased.
- Contacting financial institutions to determine what information they need and in what format to change registration on any accounts the decedent may have had. If you have any joint bank accounts with the deceased, have the latter's name removed.
- Reviewing your own estate plan, including insurance policies, legal documents, investment plans, etc., and revising as necessary.
- Filing a federal estate tax return within nine months after the death if the estate's value exceeds the estate tax exemption for the year of death. It is essential to seek advice from an experienced estate planning professional. It may also be necessary for a final tax return to be filed on behalf of the decedent.

Contacting the employee benefits department of the decedent's employer to determine what death benefits may be payable and to whom. It may be necessary to provide several certified copies of the death certificate as well as other documentation requested.

Determining how to arrange for any income you may be getting from the decedent's retirement plan benefits, union survivor benefits, Social Security, Veterans' benefits, and life insurance policies.

#### • Social Security benefits

If the decedent was receiving Social Security benefits, the Social Security Administration must be notified promptly.

If you are the spouse of the decedent you will need to go to your local Social Security office in person. Bring the decedent's Social Security number, death certificate (a certified copy), and proof of relationship (such as a marriage license and the decedent's birth certificate).

A spouse or any minor children who were living with the deceased at the time of death receive a one-time Social Security payment. A widow or widower can also receive monthly benefits generally beginning at age 60 or at any age if he or she is caring for an eligible minor (under age 16 or disabled). Unmarried minor children (under age 18, or 19 if they are still attending high school) receive monthly Social Security benefits. If you are divorced from the deceased after a marriage of at least 10 years, you may be eligible for Social Security payments.

Call the **Social Security Administration** at **1-800-772-1213** Monday–Friday from 7 a.m. to 7 p.m. Eastern time for more information on benefits for which you may be eligible.

#### • Veterans' benefits

Call the **Department of Veterans Affairs** at **1-800-827-1000** to find the office nearest you. You should go to the office in person and bring the decedent's birth certificate, Social Security number, death certificate, and Veterans Affairs records. Benefits to a spouse and heirs may include pension payments and financial aid for education costs.

#### • Insurance benefits

If you are the beneficiary under an insurance policy, contact the insurance company or agent to obtain the death claim forms you will need to complete and submit. With the forms, you'll need to include a certified copy of the death certificate.

#### • Retirement plan and pension benefits

If you are the beneficiary of any retirement or pension plan of the decedent, call the employee benefits department of the company that sponsors the plan and determine what your payment options are and what paperwork the plan requires you to submit.



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### Down the road

The probate process can be lengthy, sometimes stretching to two to three years or longer. In some instances, however, probate may be avoided completely, such as when an estate consists of trust assets. The executor should be able to anticipate how long the settlement of the estate will take.

There is no quick fix for the grief and stress undoubtedly experienced after the death of a loved one. Survivors are often counselled to put off making any extraordinary changes in their lives, such as moving, reinvesting assets, selling the family home too soon after a loss. Making important decisions immediately could mean having regrets later. Instead, it may be best to take time to grieve and heal from one of life's inevitable, but most traumatic, experiences.

### For more information

**National Funeral Directors Association**  
1-800-228-6332  
[www.nfda.org](http://www.nfda.org)

The NFDA's Funeral Service Help Line gives consumers information they need to plan a funeral.

**AARP**  
601 E Street NW  
Washington, D.C. 20049  
1-888-687-2277  
[www.aarp.org](http://www.aarp.org)

AARP is a nonprofit, nonpartisan organization dedicated to helping older Americans achieve lives of independence, dignity, and purpose. AARP's Web site has online publications and links for funeral planning information.

**Funeral Consumers Alliance**  
33 Patchen Rd.  
South Burlington, VT 05403  
1-800-765-0107  
[www.funerals.org](http://www.funerals.org)

FCA is a consumer organization that provides information about alternatives for funeral or nonfuneral dispositions. It encourages advanced planning and cost efficiency.

**Selected Independent Funeral Homes**  
500 Lake Cook Rd., Suite 205  
Deerfield, IL 60015  
1-800-323-4219  
[www.selectedfuneralhomes.org](http://www.selectedfuneralhomes.org)

Selected Independent Funeral Homes is a national association of funeral firms. Membership is by invitation only and conditioned upon the commitment of each firm to comply with the association's Code of Good Funeral Practice. Consumers may view a variety of publications in the site's Consumer Information section.

**Federal Trade Commission**  
[www.ftc.gov](http://www.ftc.gov)

The FTC offers a consumer guide to funerals. Go to the "Consumer Protection" tab and select "Consumer Information" under "What's New." Then select "Shopping for Products & Services" along the left-hand column, then "Funerals."

This material should be used as helpful tips only. Each person's situation is different, and you should consult your financial advisor before making any decisions.

Contact your financial advisor for more information, or visit [mfs.com](http://mfs.com).

This material is not intended to replace the advice of a qualified attorney, tax advisor, financial advisor, or insurance agent. Before making any financial commitment regarding the issues discussed here, consult with the appropriate professional.