



# Quotacy

## Survivor's Guide

Steps to take after the death of a loved one

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# Table of Contents

Survivor's Guide	02
Locate Important Documents	03
Funeral Plans	05
Week One: Personal Matters	06
Week One: Financial Matters	06
Week Two: After the Funeral	07
Week Three	07
Week Four	08
After the First Month	08
After the Third Month	08
After the Sixth Month	08
Budgeting	09
Personal and Financial Security	11
Additional Sources	12
Estate Planning Terms	13

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# Survivor's Guide

No one can ever be truly prepared for the death of a loved one. No matter your age or the age of the person you lost, the feeling of shock can be overwhelming. As can the tangle of decisions and responsibilities that seem like they can't wait. They can. Take things slowly and deliberately.

Quotacy has put together following guidelines that may be useful in dealing with your loss and help you prepare you for the emotional, financial, and legal process.



# Locate Important Documents

There are several important documents to accumulate to begin the estate administration process. The following is a list of items to locate. Note: not all of these documents may be relevant to you specifically.

## Deeds, Titles, Promissory Notes / Loans

- Real estate property deeds
- Mortgage documents
- Other promissory or loan notes
- Vehicle titles and registrations
- Membership certificates

## Insurance Policies

- Life insurance
- Accidental life insurance
- Veterans' insurance
- Employers or pension insurance
- Funeral insurance
- Mortgage insurance
- Credit card insurance
- Health insurance
- Property insurance
- Workers' compensation insurance

## Financial Accounts

- Bank accounts - checking, savings, CDs, etc.
- Investment/brokerage accounts
- Stocks and bonds
- Annuities
- Credit and debit card accounts
- Usernames and passwords for any online accounts
- List of safety deposit boxes, where to find keys and names of authorized users

## Other Financial Records

- Survivor annuity benefit papers
- Employer/retirement benefit plans, pension/profit-sharing plans, etc.
- Veterans' benefit records
- Disability payment documents (State, Veterans', etc.)
- Income statements for the current year (Social Security, pension, IRAs, annuities, employment, and other income records)
- IRS income tax returns (for the current and previous year)
- IRS gift tax returns (for all years)
- Property tax records and statements
- Business interests held, financial statements and agreements, contracts, etc.
- Loan papers

## Legal Papers

- Will and/or trusts
- Deceased's final instructions, disposition authorization, and/or designated agent forms
- Prepaid funeral contracts
- Organ/tissue donation record
- Social Security card (or number)
- Birth certificates (of all family members)
- Marriage license or certificate
- Military service papers
- Court documents for adoptions and divorce (including any property settlement agreements, name changes, prenuptial agreements, etc.)
- Community property agreements
- Driver's license
- Passport, citizenship, immigration and/or alien registration papers

# Funeral Plans

Planning the funeral and memorial service are among the first and most complex issues you will have to deal with after the death of a loved one.

Consider how much you are able to afford. Depending on location, an average funeral can cost between \$7,000 and \$10,000. Ask someone you trust and respect for advice and then be firm about what you are willing to pay. This way, you will be able to plan a dignified funeral within your budget.

A good method of controlling the cost and stress is to have a friend or family member who is less emotionally involved with you at the time you make funeral arrangements. This person can help you keep the final arrangements in perspective.

Full service funeral directors provide a wide variety of service options including:

- Preparing the body
- Transporting
- Filing claims
- Obtaining forms and death certificates
- Coordinating florists and clergy
- Arranging for the body to be returned to the place of burial (if death occurs out of the area)
- Advising in the selection of the funeral elements and other administrative and ceremonial details



# Week One: Personal Matters

- Concern yourself with mainly funeral details, family, and friends.
- Notify friends, relatives, and employers.
- Provide obituary information to the newspaper.
- If the deceased had any young children and/or pets, arrange for immediate care.
- Have a friend or housesitter watch the home, especially during the funeral.
- If the deceased's home is unoccupied, remove any valuables from the home, secure the residence, and take steps to make the home appear occupied.
- Maintain a list of flowers, cards, donations, and other expressions of sympathy.
- Accept the help of friends and relatives as needed for child care, shopping, cooking, answering phones, transportation, lodging of out-of-town visitors, etc.
- Arrange for after-service luncheon or gathering of friends.

# Week One: Financial Matters

- Contact a funeral director or memorial society.
- Authorize immediate donation of body parts (authorize donation of organs prior to death.)
- Contact medical school for body requests.
- Decide on the type and elements of the funeral service (the Final Arrangements worksheet in this journal can serve as a guide).
- Contact the local Veterans of Foreign Wars or American Legion. They may be able to provide you with an honor guard for military funerals.

American Legion  
700 N. Pennsylvania Street  
Indianapolis, IN 46206  
800-433-3318  
www.legion.org

Veterans of Foreign Wars  
406 W. 34th Street  
Kansas City, MO 64111  
816-756-3390  
www.vfw.org

- Cancel services that are no longer needed, such as cell phone plans, internet, cable, etc.
- Notify the deceased's employer to arrange for benefits due to the beneficiaries. Check if he or she participated in any company retirement or pension plans.
- Notify all insurance companies. This could include life insurance, home mortgage insurance, accident insurance, credit card balance insurance, auto loan or other credit insurance, worker's compensation, and employee and union insurance. The individual companies will send you claim forms and instructions.
- Locate a copy of the will. Wills are commonly filed with the family attorney, in lockboxes, or in safety deposit boxes.
- Order at least 10 certified copies of the death certificate. You will need these for each claim of any type that you may file. Your funeral director may be able to order the certificates for you or can advise you on where to obtain them.
- Retain all incoming mail and sort it at a later date. This prevents loss of bills and checks in the confusion immediately following the death.
- Photocopy all outgoing business mail to make sure there is a good record during this emotional time.

## Week Two: After the Funeral

- Gather important documents needed to settle the estate
- See an attorney who will explain the terms of the will and file the will in probate court. Family and friends may provide well-meaning advice, but typically they are not legal experts.
- Contact the Social Security Administration, especially if the deceased was receiving benefits or if there are minor children. Application should be made promptly since some Social Security benefits are not retroactive. Eligible widows, widowers, minor children, and in some cases dependent parents aged 62 or older are eligible for survivor benefits. In some situations, there is a lump sum payment of \$255 available to apply toward funeral expenses. You may contact the Social Security Administration at 800-772-1213.
- Begin sending notes to acknowledge those who extended special help, served as pallbearers, brought food, sent flowers or made contributions to designated charities. Your funeral director may have a quantity of acknowledgment cards that you can use.
- Schedule a meeting with a financial planner to review the following:
  - » Appraisal of investments for date-of-death value.
  - » Determine if a step-up in cost basis should be established for tax implications.
  - » Review investment accounts and real estate to determine if titling should be restructured.
  - » Review life insurance settlements/claims to determine the best action to take.

## Week Three

- Send the medical claims to insurance carriers which held medical policies on your loved one.
- Cancel any automatic prescriptions that were in your loved one's name.

## Additional Steps for Death of a Spouse

- Notify your bank and financial advisor to review whether to take the deceased's name off jointly held property and to update beneficiary information as needed.
- Open a checking account in your own name if you don't already have one.
- Contact the IRA provider of the deceased to determine if any required minimum distributions must be withdrawn. If you are the beneficiary of the IRA, speak to the provider and your legal or tax advisor to help determine the most advantageous type of account into which you might place the assets.
- If the deceased owned a business, begin to determine what decisions need to be made about the future of the business.



## Week Four

- Obtain current copy of deceased's credit report and notify all three credit reporting agencies.
- Contact banks/credit unions to report the death and cancel any credit cards in the deceased's name.
- Review accounts for automatic deposits/withdrawals and stop them if necessary.
- Remove deceased from marketing and mailing lists.

## Additional Steps for Death of a Spouse

- Re-evaluate your own insurance policies. You may need more or less insurance, especially if you have minor children. You will need to file a change of beneficiary form if the deceased was the beneficiary on your policies, retirement accounts, and/or investments.
- Check with your insurance agent about any changes on your home and auto coverage. If you were covered under any of your spouse's insurance policies, check if you can still retain your coverage.

## After the First Month

- Change the billing name with utility, phone, and cable TV companies as well as any other home services.
- Change vehicle registrations by contacting the state Department of Motor Vehicles.
- Prepare a net worth statement and make a list of income and expenses.
- See an attorney about updating your own will.
- Review old records and files, including at least 13 months of cancelled checks, for clues to any additional assets, benefits, or obligations.
- Contact airlines to apply for transfer of frequent flyer miles to primary beneficiary (unless otherwise assigned in the will).

## After the Third Month

- Compose a monthly budget for yourself.
- See a tax advisor about your tax returns and gather any information the advisor may need.

## After the Sixth Month

- Begin planning for your financial future by reviewing your assets and liabilities. Research changes and investments you may want to make.

# Budgeting

The death of a spouse is likely to change your budget and your monthly income... as well as create new expenses. It's important to identify the resources available to meet your financial needs. In order to project future expenses, you need to first review your current expenses. Start with your fixed expenses – those you are committed to paying at regular intervals.

## INVENTORY OF FIXED EXPENSES

	How Often Due	Amount Due \$	Date Next Due (M) (Q) (A)
Mortgage			
Utilities			
Gas			
Electric			
Water			
Telephone			
Co-op/Condo Fee			
Rent			
Loan Payments			
Car Payments			
Insurance Premiums			
Medical			
Life			
Homeowner			
Auto			
Personal Liability			
Taxes			
Real Estate			
Personal Property			
Federal			
State			
Self-Employed			

Discretionary expenses vary from month to month. These could include groceries, clothing, entertainment, vacations, personal care, subscriptions, etc. Look at past credit card statements and your checking account to see what they have been in the past to better estimate the future.

### INVENTORY OF DISCRETIONARY EXPENSES WORKSHEET

	Total Last 12 Months \$	Monthly \$
Groceries		
Clothing		
Home Maintenance		
Home Improvement		
Auto Maintenance		
Entertainment		
Dues (club/professional)		
Subscriptions/Books		
Vacation Trips		
Domestic Help		
Household Purchases		
Gifts/Birthdays		
Dry Cleaning		
Drugstore		
Hairdresser		
Transportation		
Yard/Pool Maintenance		
Education (indicate whose)		
Nonreimbursed Medical Expenses		
Child Care		
Charitable Contributions		
Tax Preparation Fee		
Nonreimbursed Business Expenses		
Legal Fees		
Accounting Fees		

# Personal and Financial Security

Following the death of your spouse, you are likely to experience a heightened sense of vulnerability. For the first time in your life, you may be living alone and may have a large sum of money at your disposal. Here are some suggestions to help you maintain a sense of personal and financial security.

Wait a full year before making any financial or personal decisions, such as:

- Paying off your home.
- Moving.
- Changing insurance policies.
- Making investments.
- Remarrying.

Usually our emotions need to go through a full set of seasons before we can fully comprehend the extent of our loss.

Families who have lost a loved one are prime targets for fraud. You may receive:

- Demands for repayment of loans that don't exist.
- Unsolicited Cash on Delivery (COD) merchandise.
- False overdue notices.

Turn any unusual payment requests over to the executor, your lawyer, or other professional advisor.

Don't tell strangers that you are alone. Instead, you should:

- Refer to your spouse as "not available" rather than deceased when someone calls.
- Mark incoming mail with "no longer at this address."

# Additional Sources of Help

## Reading Materials

Public libraries, religious institutions, and grief support groups often have books on the topic of death, widowhood, or bereavement. These resources may also have materials on topics such as health, housing, insurance, and finance, which may assist you with your changed lifestyle.

## Support Groups

Grief support groups provide a safe environment to talk about your grief, often at no charge.

When seeking a counselor or grief support group, look to:

- Your funeral home.
- Your church.
- Family and friends.
- Your employer's Employee Assistance Program.
- Military service offices.

## Finding the support you need.

Widowed Persons Services, a nonprofit program of the American Association of Retired Persons (AARP), provides free one-on-one counseling, group counseling, grief support, and referrals through trained widowed volunteers. Contact them at 888-OUR-AARP (888-687-2277), or visit [www.aarp.org](http://www.aarp.org) for help in finding a program near you.

# Estate Planning Terms and Definitions

Estate planning can seem overwhelming because of all the jargon. Here we'll explain some of the more common estate planning terms to know.

## A-B Trust

A trust created by a married couple that enables you to save a substantial amount in estate taxes and leave more money for your beneficiaries by utilizing both spouses' federal estate tax exemptions (as of 2019, \$11.4 million per individual).

An A-B trust is set up to divide into two sub-trusts upon the death of the first spouse. The survivor's trust remains modifiable and revocable for the surviving spouse's lifetime, but the deceased's trust becomes unchangeable and irrevocable after the first death.

The surviving spouse typically remains the trustee and income beneficiary of both trusts, and can fully utilize the principal of survivor's trust, but is technically limited to utilizing the principal of deceased's trust for his or her health, education, support, and maintenance (which is broadly interpreted).

## Advance Healthcare Directive

This document, also referred to as a living will, states your medical care wishes should you become incapacitated or seriously ill and you cannot communicate your preferences. The document can also address life support issues, organ donations, and your other end-of-life desires.

## Financial Power of Attorney

This document states a person or organization you give permission to act on your behalf in regards to handling financial and business transactions. There are durable and non-durable POAs.

If the POA is non-durable, it becomes invalid if you become incapacitated. For example, a non-durable POA may be used to grant someone the power to close on real estate in your name if you're out of the country.

A durable POA gives someone the power to make financial decisions on your behalf even if you become mentally or physically incompetent.

## Irrevocable Trust

An irrevocable trust, unlike a revocable trust, cannot be changed once it's established. If set up properly, once assets are placed in an irrevocable trust, they are removed from the control of the creator and therefore not included in the creator's estate for tax purposes.

## Living Trust (Revocable Trust)

With a living trust, the creator still has rights to the assets in the trust. Upon the creator's death, title to trust assets passes to the beneficiary(ies). The assets transferred to beneficiaries do not go through probate.

Because a living trust is revocable, meaning it may be altered or terminated during the trustor's lifetime, it is considered part of the creator's estate and may be subject to estate taxation. Once the creator becomes incapacitated or passes away, the revocable trust becomes irrevocable.

## Irrevocable Life Insurance Trust (ILIT)

An ILIT is a special variation of the irrevocable trust, and it is specifically designed to hold a life insurance policy. A life insurance policy placed into an ILIT will have its death benefit passed to the beneficiaries of the trust estate tax free. It is commonly created with the sole purpose of helping to pay for estate taxes that may be due or for paying for other estate settlement costs.

## Last Will and Testament

Simply known as a will, this is a document that states what you wish to have happen to your assets after your death. This document also states who you wish to become guardians to your children (or even pets) if you have them. A will needs to go through probate.

## Probate

Probate court covers matters such as settlement of estates, appointing guardianships, and will validation and resolution. The probate process can take six to nine months to complete after a probate case is opened with the court.