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### A To-Do List for Settling an Estate

The adjustment to the loss of a loved one is hard enough without the inevitable workload of settling their affairs. Even if they don't have much in the way of assets, the process takes time – typically up to a year.

It makes sense to get advice from tax, estate and financial planning experts in the preparation of an estate plan. A Certified Financial Planner™ professional in estate matters is a good choice to start the process.

It also makes sense to have an idea of how that year will go, so here's a list what needs to be done at critical intervals of the process. But this is not just a list to help survivors. This can be a key estate-planning tool for you as well. Remember the way that you handle your estate, financial and funeral arrangements can lighten the load on family members. Tailor the following list to your own needs, and discuss it with your chosen executor while you're in good health. And if you need to make changes, keep them informed:

**Step #1 – Start rounding up key documents:** An executor has to find, identify and organize a deceased person's financial records, tax returns, and other key papers to figure out what the decedent owned or controlled. If that individual was working closely with a financial planner or investment manager, they may have all that material summarized in one place. But otherwise, the executor needs to look for bank accounts, brokerage accounts or other investments, life insurance or annuity policies, retirement plans, deeds to real estate, automobile titles and other evidence of assets with value. She will also be looking to see if the decedent had a will or trust that directs what they want done with the previous items. Also, the executor needs to track down all records of outstanding loans, mortgages or credit card bills. Make sure at least 10-20 copies of the death certificate are ordered. Note: This won't be done in a day, even if the deceased was extremely well organized.

**Step #2 – Start making key phone calls:** The executor needs to inform key contacts that the person has died. Make sure they contact:

- Social Security if the deceased was receiving benefits;
- The Veterans Administration if they were a qualified veteran for burial benefits;
- Their employer, health insurer, credit unions, mortgage company and credit card companies for possible death benefits;
- Life insurance agent for possible death benefits;
- Automobile insurance agency if they owned a car;
- All creditors – mortgage companies, credit card companies, any organization that's owed money by the deceased – needs to be notified that their customer has died. They'll probably request a copy of the death certificate, so make sure you have enough copies.

**Step #3 – Get permission to check safety deposit boxes:** If there isn't a will in an easy-to-find place or



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an at-home lock box, the executor may need to try and get into a bank safety deposit box, which can take a bit of time. The procedures vary from state to state, but the bank should be able to direct the executor. (NOTE: This is why it's good to keep important papers in an at-home lock box.)

**Step #4 – Getting filing the will for probate:** If you find a will, the executor named in the will should be notified, and a decision should be made about whether to file the will for probate. It is usually not necessary to probate a will unless there is property in the name of the decedent that needs to be transferred, so if everything is in joint names with a surviving spouse or surviving children, there may be nothing to pass under the will. This is something for which the advice of a lawyer might be needed. If there is a trust document, the trustees or successor trustees should be notified.

**Step #5 – Bring in a lawyer if necessary:** The executor may or may not choose to work with an experienced estate attorney. Generally, it can be a good idea. If there is no will and no trust, the property owned by the deceased will pass to the "intestate" heirs determined under state law, and one or more of those heirs (or some other qualified person) will need to file a petition for "letters of administration" in order to sell or transfer the decedent's property. The procedures for probating a will, or petitioning for letters of administration, vary from state to state, and may require the services of a lawyer.

**Step #6 – Make sure bills get paid:** The executor needs to make sure that all the deceased's bills and other outstanding debts continue to be paid until they are disposed of. If assets are insufficient to cover these debts, the executor will have to find another way to pay them or make sure talks take place to lower the amounts.

**Step #7 – Make sure taxes are paid:** The executor needs to make sure there is a final tax return filed on behalf of the deceased. A federal tax return needs to be filed if the gross estate is more than \$3.5 million in 2009.

**Step #8 – Make sure assets are properly distributed:** The executor, working with estate and tax experts, can determine after all expenses and taxes are accounted for, that all of the assets are distributed properly. Only at that time can the estate be truly closed.

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June 2009 — This column is produced by the Financial Planning Association (FPA), the membership organization for the financial planning community, and is provided by John Englin, CERTIFIED FINANCIAL PLANNER™. John is a local member of the FPA and is employed by Lincoln Savings Bank and LSB Financial.