

How to Handle the Death of a Loved One

With the ever-changing landscape of taxes, it is growing increasingly difficult to understand how legislation affects clients and could possibly impact their financial future. As a leader in the financial services industry for the past 30 years, we get it. That's why HD Vest Financial Services® is constantly seeking ways to share the latest knowledge we acquire with you. We've created the Taxes & Investments: Timely and Timeless Strategies Series to share timely information and provide our Advisors and their clients with practical information and ideas they can build on.

Expected or not, the death of a loved one marks a very difficult and stressful time for the ones they leave behind. There are many issues that must be addressed immediately and others that can be addressed in the coming days or weeks. The following is a list of some of these items. Keep in mind this list is not all encompassing, but will give loved ones a place to start. Responsibility for the various actions can be divided among family members and close friends of the deceased.

Immediately:

1. Contact immediate family. Keeping key family members updated is important and offers those involved an opportunity to comfort one another. Depending on the number of family members, it may be a good idea to ask for help with this task.
2. Explore wishes for organ donation. This is often a very difficult topic to broach, but arrangements need to be made almost immediately upon death to ensure the viability of donated organs. If it isn't clear what the deceased wanted, check their driver's license or their advanced health care directive.
3. Arrange the care of dependents and pets. If the deceased had any dependent children or pets make arrangements for their care until permanent plans are put into place.
4. Begin funeral or memorial arrangements. It may be helpful to get other family members involved if the decedent did not make their wishes known, or if the decedent made an unreasonable request. Factors to consider:
 - What did the deceased want? Were there any written or verbal wishes made?
 - Did the deceased prepay any funeral costs?
 - Is the deceased eligible for VA benefits? Veterans, service members and their dependents can be buried in a national cemetery for free. If the decision is made to bury them elsewhere, the estate may be eligible for a burial allowance.
 - What can you afford? Contact the funeral home to determine costs.
 - What's realistic?
 - What will help the family most with the grieving process?

5. Submit an obituary to the deceased's local paper. If you wish to have charitable donations made in lieu of flowers you can make that known in the obituary.
6. Call the deceased's employer if he or she was working. Notify them of the death and request information about benefits and any pay due. Ask whether there was a life-insurance policy through the company.
7. Track any donations, flowers or cards received so acknowledgments can be sent after the funeral.
8. Secure the deceased's physical property, i.e. jewelry, artwork, furniture, etc. It is the executor's responsibility to have these assets appraised, inventoried and filed with the probate court within 90 days following death. This will be a very difficult task if the articles have already been distributed.

After the funeral:

1. Obtain death certificates (usually from the funeral home). Get 10 to 20 copies because you'll need them for financial institutions, government agencies and insurers.
2. Notify the deceased's attorney and determine if there was a will written. If so, determine who was appointed executor and organize a meeting to review the will and handle the estate settlement.
3. The executor will need to obtain Letters Testamentary or Letters of Administration as proof that they have a right to work on behalf of the deceased's estate. An attorney will be able to help you with this process.
4. Collect the following financial documents:
 - the death certificate(s)
 - a copy of the decedent's birth certificate
 - the will or trust
 - insurance policies (life, homeowners, health, disability, auto, etc.)
 - last credit card statements
 - any unpaid bill statements
 - investment accounts (IRAs, 401(k) plans, mutual funds, pensions, etc.)
 - last checking and savings account statements (including CDs and money-market accounts)
 - last mortgage statement
 - last two years' tax returns
 - marriage and birth certificates (of the deceased's spouse and children)
 - an up-to-date credit report of the deceased

All these documents will help you find accounts and assets and assess outstanding debts, as well as submit claims for benefits and cash payments that may be due to the deceased person's beneficiaries and heirs.

5. Contact the following:

- Trust and estate attorney to learn how to transfer assets and assist with probate issues.
- Police to have them periodically check the deceased's house if vacant.
- Your HD Vest tax Advisor to find out whether an estate tax return or final income tax return should be filed. Federal taxes must be filed within nine months of the death if the estate's value exceeds the estate tax exemption for the year of death. You may also have to file one more personal return for the decedent.
- The person's investment adviser for information on holdings and to change the account registration if necessary.
- Bank to find accounts and any safe deposit boxes. Change the registration on any accounts to remove the deceased.
- Life insurance agent to get claim forms.
- Social Security [(800) 772-1213; [socialsecurity.gov](https://www.socialsecurity.gov)] and other agencies from which the deceased received benefits, such as Veterans Affairs [(800) 827-1000; [va.gov](https://www.va.gov)] to stop payments and ask about applicable survivor benefits.
- Agency providing pension services to stop monthly checks and get claim forms.
- Utility companies to change or stop service, and postal service, to stop or forward mail.
- Home and auto insurance agent to check coverage during the probate process and to restructure policies as needed.

6. If necessary, the estate's executor should open a bank account for the deceased's estate. Any unpaid bills should be paid from this account. If a family member or friend pays those bills themselves that will increase the net value of the estate and may mean higher taxes.

7. Notify financial institutions, government agencies and others. A key next step is to notify all the following places of the individual's death.

- Social Security Administration
- Insurance companies
- Credit bureaus
- Credit card companies
- Post office
- Utility companies
- Creditors

8. The executor is responsible for paying out any assets to the heirs at the end of the period when creditors can make claims. This period can be as long as one year. Once the claims have been made, the executor can distribute the majority of the assets. Keep in mind the executor should maintain a reserve in the case of any unexpected expenses.

The death of a loved one is difficult for those left behind. An HD Vest Advisor can help alleviate some of the stresses that come along with this challenging time. Remember, this list is not all encompassing as some estates are more complex than others, but this list will give loved ones a solid place to start.

Resources:

AARP- www.aarp.org

Caring Connections- www.caringinfo.org

Social Security Administration- www.ssa.gov

Veteran's Affairs- www.va.gov

Consumer Reports- www.consumerreports.org

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