

A Checklist for What to Do (and NOT Do) After Someone Dies

It's easy to overlook an important task after a spouse or other loved one passes away – like retitling assets. It's a little thing with big ramifications. Follow this checklist to help make a challenging time less confusing.

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The death of a loved one is obviously a difficult event to endure. It can become all-consuming and often at the expense of other day-to-day matters that need to be addressed. With the death of a loved one, new matters arise that need to be handled as well. There are so many phone calls that need to be made and letters that need to be sent. Unfortunately, sometimes we simply get overwhelmed with everything that needs to get handled and we just stop altogether.

While I certainly understand the reasons why, it is vital to handle these matters today and not put them off until some date in the future, which usually never comes until it becomes an even bigger problem.

When a spouse passes and leaves their assets to the surviving spouse, an all too frequent scenario I see can cause big problems. The mistake many people make is that the surviving spouse often leaves the assets they inherited in their joint names or in their deceased spouse's name.

As time passes, the surviving spouse's health may begin to decline as well – I'm not sure if it's the grief, the new "routine" in their life, or simply a broken heart. Regardless, many times that spouse only survives a few years after their deceased spouse. When that happens, and the original spouse's assets were not retitled, it can become an even more difficult process for the heirs.

Here is how a typical scenario can play out: Dad passes and leaves everything to Mom. Mom calls everyone she can think of but misses several important matters. Then Mom passes and the heirs now, while in a state of mourning, have to try to settle her affairs. The problem is that they will now have a much more complicated task ahead of them than Mom did when she settled Dad's affairs. They will have several more steps to go through – because Mom never retitled some of Dad's original assets. Mom unknowingly made a difficult job even harder on her heirs by not getting everything transferred over when her husband passed.

A Checklist of Things to Do After A Loved One Passes

Here is a list, in no particular order, of what needs to be done after someone passes to help you during this difficult time.

- 1. Contact the funeral home and make arrangements.** Don't forget to consider veterans arrangements if applicable. Ask them to help you get additional copies of the death certificate. You almost always need more copies than you think. On average, six to ten copies are needed.
- 2. Call your attorney.** There are many legal matters that may need to be addressed, and your attorney can tell you which ones apply to you.
- 3. Contact Social Security.** Your Social Security benefits may change after a spouse's passing, so you'll need to notify them ASAP.
- 4. Review/cancel their health insurance.** If your insurance is provided by a former employer, you will need to contact them.
- 5. Contact your spouse's pension company, if applicable.** Depending on the pension plan option originally selected by your spouse you may be eligible to receive benefit payments
- 6. Notify the life insurance company and file a claim.** This is typically a very easy process, so don't put this one off for later. The sooner you get the funds the better to help you with all of the expenses.
- 7. If your spouse was a veteran, contact the Department of Veterans Affairs.** Checking with the VA will help you see if there are any benefits payable to you.
- 8. Notify your financial institutions.** This includes banks (change account names), credit cards (remove spouse or close accounts),

mortgage companies, insurance companies and all other important bills (change into your name only).

- 9. Contact your CPA.** You will want to discuss all of the issues unique to this tax year. This is a great time to retain a CPA if you've been doing it yourself. Now is not the time to go it alone.
- 10. Contact your financial adviser.** You will need to change account titles, file beneficiary paperwork for IRAs, 401k(s), etc.
- 11. Update title on assets.** Any assets (real estate, cars, etc.) in your spouse's name should be retitled to your own name. For cars, you will need to go to your local Department of Motor Vehicles (DMV) with a copy of the death certificate and the title. To transfer real estate, it depends on how the title was held. The attorney will often assist in this step.
- 12. Prepare and probate the estate.** In New Jersey, for example, if the estate doesn't qualify for simplified procedures, then the assets have to go through probate, which is handled by a court. The named executor will need to go to the surrogate's court to request to be formally appointed. If no one was named in the will or the person named isn't able/willing to serve, the court will appoint an "administrator." The executor/administrator then has the responsibility to handle the estate assets, payoff any debts/taxes and distribute the remaining property. Your CPA or attorney can often help with this whole process.
- 13. Update your own estate plan.** If your spouse was your beneficiary, then you'll need to update all of your accounts, insurance policies, estate documents, etc. in order to reflect your new beneficiaries.

3 Things You Should NOT Do After Someone Dies

Just as important as all of these items are, it's equally important to understand the things that you shouldn't be doing as well. Do not do the following things.

1. Don't make any big decisions, unless required to do so. You don't need to decide to keep or sell the house and move away right now. You need time to adjust to your new situation, and snap decisions could be regrettable ones if they're made without a "clear head."

2. Don't make major purchases. This is a time when I often see people spend more money than normal. Sometimes it's due to a lack of focus on finances and sometimes it is due to wanting to "live for today." Either way, now is a really important time to focus on your finances, and not let them get away from you.

3. Don't be quick to give away money, or "stuff." Often, I see clients giving away larger gifts to children after a spouse passes, including their own or the deceased spouse's possessions. First, you need to fully understand your new financial situation before you can adequately assess whether these gifts make sense. Giving away a spouse's possessions needs to be well thought out. If not, family rifts can occur, because your spouse may have had conversations with children regarding certain possessions that you might not be aware of.

It's important to have a checklist to follow during this difficult time in order to keep a bad situation from becoming worse.

I hope this helps!