



Coping Financially with the Loss of a Loved One

Financial Guidance for Families



NATIONAL ENDOWMENT FOR
FINANCIAL EDUCATION

Partnering for Financial Well-Being



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“When my mother died, I realized that, in our case, cancer gave us a chance to say goodbye.

But even though we said goodbye, we still were not ready for my mother’s death. Probably no one is.

There were things to do right away. Who would make the phone calls? Who would take care of the house, which had not been cleaned during my mother’s illness? Who would pick up the relatives? How would Grandma’s death affect our young children? Should they, at 3 and 6, go to her funeral? How would my father get along?

These first questions gave way to others. Should my father stay by himself in his large, old house, or should he sell it? How would his health hold up? How would we divide my mother’s clothes and jewelry, since she died without a will? How should she be remembered at the school she founded?

What I remember most about this time was how tired we all were. It took a long time to make even simple decisions, ones we knew we would have to make. Even deciding what to decide was hard. I know a lot about finances, yet there were so many financial and other issues to consider. It was all new to me. I had never planned a funeral or taken care of the legal matters after a death. If I had been alone, I would not have known where to start. Fortunately, my father knew what to do, and my job was that of a helper.”



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Making plans

You are making plans because a member of your family has died or is expected to die soon. You need to plan a funeral or memorial service, apply for death benefits, and settle an estate – all maybe for the first time.

Here is information to help you do these things step by step. The more organized you are, the more smoothly the process will go – even though there may be times when you do not feel at all prepared or organized.

Working through these steps can help you cope with your grief. But keep in mind, there

may be times when you simply can't take in any more details. That's all right. Be patient, and give yourself the time you need. Grieving is an intense, emotional process, and some days will be better than others. If there are still a lot of details to take care of and you feel like you can't make good choices, ask for help. Let others carry some of the load for you. Share this information with them to help make the steps easier.

When death will come soon

Where do I start?

Start making lists of the things that need to be done and who will do them. Check them off when they are done, and note those tasks that need more follow up. Write everything down, or ask someone to take notes for you. We've put some checklists in this booklet that may help you.

Collect as much information as you can ahead of time, or know where to find it. A 3-ring binder, a desk drawer, a filing drawer, or even a box will do. Put everything you need in one place as you collect it. Try to organize the papers in groups, such as real estate or taxes. If the papers are originals or would be hard to replace, you may want to use a fireproof box that can be locked. Make copies of important papers. You can keep some of the information in a bank safe deposit box, but make sure the people who need it will have access to it.

Can I open someone else's safe deposit box?

The bank should have a list of the people who may open a safe deposit box to put papers in or take them out. Often a husband and wife, or a parent and an adult child, will both be listed on the same box. If the bank shows 2 names on a safe deposit box, either person may open it. But if only 1 person is listed, only that person can use it. Also, 2 keys are needed to open a box: the owner of the box has one, and the bank has the other. You must have the owner's key to open the box, so be sure you know where it is. What happens if the only person who can get into the box is too sick to come to the bank? How do you get the papers that you will need? Call the bank and ask them what you should do.

Some people have legal papers that name another person to act for them in legal matters while they are very ill. These papers are called a "durable power of attorney." In most cases, a bank will let the person named

on the power of attorney open a safe deposit box. But a durable power of attorney ends when the sick person dies.

In some states, the law says that a bank must lock a safe deposit box when one of the renters of the box dies. A locked-up safe deposit box is said to be “sealed.” The box can be opened, but a court must order it. And it takes time to get a court order. But you can still ask the bank to open the box. To do this, you must prove that you are related to the person who died, and you must have the person’s death certificate. If the bank agrees to open the box, a bank officer will likely search the box – not you. The bank officer will only look for a will or for funeral instructions. This is a good reason to keep copies of key legal documents outside of a safe deposit box, so people who need access to the information can get to it more easily.

Isn't it wrong to think about money at a time like this?

It may be hard to think about money now, but it isn't wrong. It's always better to be informed and make careful decisions. Be sure that you understand the cost of everything needed – a casket; the funeral or other service; cremation; a cemetery plot; a tombstone; and also the advice of a lawyer, accountant, or financial advisor. (We will go into more detail about these topics later.)

If the person who is dying is aware of what is going on, they may have thought about these things. Ask them what they want. Also, ask them where things are, such as the key for the safe deposit box, their will, and if there are any assets you may not know about. Most likely your loved one knows they are dying, and this is a chance for them to help and feel useful. This also may give them a chance to get help with any “unfinished business” they may want to take care of at this time.

When death has occurred

Whom do I need to call?

You will have to notify authorities of your loved one's death. This is done so a certificate of death can be filed. If the person died at home, you may need to call the police. You do not need to call emergency services. If you have been getting hospice care, they will tell you what you need to do at the time of death.

What else should I think about right away?

Organ donation: Did your loved one want to be an organ donor? Unfortunately, a death caused by cancer rules this out. But it may still be possible to donate corneas. For many people, cornea donation is one way to bring something hopeful to a sad experience. Part of your loved one goes to help another person have a better life. Corneal donation does not delay the funeral, and the body is not

disfigured. If corneal donation is possible, and the family agrees to do it, let the doctor know right away.

Autopsy: Ask your loved one's doctor if an autopsy is needed. An autopsy is not needed if the death was expected and you know what caused it. Still, some family members may want an autopsy even if death was expected. For them, an autopsy can give answers that may help them better deal with their loss. In this case, the request should be made to the loved one's doctor, who most often takes care of the procedure in a hospital.

You can still have the body viewed if an autopsy is done. It will not make preparation more difficult for the funeral director. If the death was not expected, and you are not sure what caused it, you may want an autopsy. In cases like this, the county coroner often does the autopsy or has a pathologist do it.

Care of the body: Will a funeral home or some other place arrange for the funeral? Most funeral homes and many crematories are also mortuaries. This means they are also the places that care for bodies until the burial or cremation is done. In most cases, the funeral home or crematory will have an undertaker pick up and move the body. They can take the body from the hospital, hospice, or your home.

Telling others about the death: You will have to tell family members and close friends about the death. You may need to find an address book to help you know whom to call. If there are many people to contact or the calls are too hard to make, share the job with another family member or friend. If your loved one was a member of a group or many groups, call one member of each group and ask that person to tell the rest of the group.

What to do the day after

What paperwork should I look for?

Letter of instructions: Look for a letter that may say what kind of a funeral or other service your loved one wanted if they did not talk to you about this beforehand. This letter may be at home, with a friend or relative, or in a bank safe deposit box.

Will: Look for the will, if there is one. It may contain funeral instructions, though this is not a good place for them. A will may also be kept some place in your loved one's home, left with the executor or attorney, or in a safe deposit box.

What else should I do now?

Continue to call family and friends to tell them about the death. You may have a hard time finding information you need about the person who died, and some of these people may be able to help. Ask them.

Depending on your family or religious traditions, this may also be the time to begin planning the service that the deceased wanted. This could be a funeral, a memorial service, or graveside rites. In some religious traditions, burial may need to happen within 24 hours of death. If your loved one was a member of a church, synagogue, mosque, or other house of worship, you could contact the religious leader for advice and help.

Planning a funeral

How do I choose a funeral home or crematory?

You may have needed and been pleased with the services of a certain funeral home or crematory in the past. Or maybe the deceased had already picked a funeral home or crematory. This makes the decision easy. But if you need to pick a facility, how do you do it? You may not have much time. And you may be tired and very sad. Here are some tips that may help:

- Ask family members and friends for the name of a funeral home or crematory they have used and liked. You may also want to ask the religious leader of your loved one's house of worship.
- Check to see if the funeral home belongs to a professional organization, such as the National Selected Morticians, Order of the Golden Rule, or Cremation Association of North America.
- Call a few facilities to get an idea of costs. Ask for a written list of all costs. The funeral home or crematory must, by law, give you a written list of the cost of its services. This price list will not include the cemetery costs, such as opening the grave, a burial plot, tombstone, or marker. If you need one of these, you will buy it separately. Ask also about the cost of a casket. Comparing the cost of a casket can be hard to do. Different funeral homes may call the same casket different names and charge different prices for it. You also may buy a casket from a retail casket store or online instead of at a funeral home.
- If there is time, visit at least 2 funeral homes or crematories that are easy for you to get to. Are you treated courteously? Is the facility clean and orderly? Are you comfortable there?

- Find out if the funeral home or crematory is comfortable with the type of service the deceased or your family wants. Some people opt for non-traditional services, and this might be uncomfortable for some funeral directors. For example, funeral directors now report requests for everything from country-western music to a live mariachi band.

Do I have to use a funeral home?

The laws of some states permit burials without using funeral homes, others do not. In the same way, only licensed undertakers are permitted to move bodies in some states. Call the office of your state's attorney general to ask about the laws in your state.

How do I plan a service?

Funeral services are changing. For example, the funeral may or may not be held in a house of worship; a memorial service may take the place of a funeral; or the person who died may have helped plan the ceremony. No matter what type of service it is, include all the family members who want to help. The planning can be done at the funeral home or crematory, or the funeral director or counselor may come to your home. You will be asked questions like these:

- What kind of service will it be? A funeral or memorial service? The person's body is present at a funeral, and burial (or cremation) is done afterward. At a memorial service, the person's body is not present. Often, the body has already been buried with only family and very close friends present. Then, a memorial service allows more people to pay their respects to the loved ones of the person who died. A graveside service commits the body to the ground. It may take place after a funeral or before a memorial service.

- Where will the service be held? Will it be in a house of worship, home, mortuary or crematory, or other setting, such as a park, beach, or meadow?
- How will the body be treated? Is it to be buried, placed in a vault, cremated, or donated to a medical school? Cremation – burning the body to ashes – is becoming more common. Embalming may be needed if the body must travel across state lines or if the person died of a contagious disease.

Who writes the obituary?

An obituary is the death notice that is printed in the newspaper. The funeral director or counselor will help you write the obituary. They also send it to local newspapers for you. To write the obituary, the funeral director or counselor asks you for information about your loved one.

The obituary also should be sent to any clubs and organizations that your loved one belonged to. Make sure the clubs, organizations, or newspapers know how to contact you if they need more information. If you send a picture and want it back, write your name and address on a piece of tape and put it on the back of the photo.

How do I pay for the funeral?

Some sources of money are listed below. Cash or credit card may be the first things that come to mind. Ask about burial insurance or other pre-paid plans if there is a chance that your loved one purchased them. You may use:

- Cash belonging to the loved one who died
- Money in joint bank accounts held by the loved one and the person planning the funeral or other service
- Credit cards
- Burial trusts established under Medicaid rules
- Social Security benefits; call 1-800-772-1213 for information or visit www.socialsecurity.gov
- Veteran's benefits; call 1-800-827-1000 to be connected to your local office or visit www.va.gov

At the very least, a veteran can get a United States flag to drape the casket. Veterans and their immediate family members can also get free burial markers, and their bodies (or the cremated remains) can be placed in national cemeteries.

Some people set money aside to pay for their funeral, sometimes even picking a funeral home or other facility that they want to take care of the service. Check to see if your loved one made any plans like these:

- Installment payment plans made with the funeral home or other facility
- Special life insurance policies purchased through a funeral home or other facility – in cases like this, the funeral home is the beneficiary of the policies
- Special pre-paid trust accounts set up through a funeral home or other facility
- A Totten trust (A Totten trust is a special type of bank savings account. When a person sets up this kind of account, they name a beneficiary. The beneficiary gets the money in the account when the person dies. A funeral home, friend, or relative who has promised to use the money to pay funeral costs is often named as the beneficiary. Not all states have laws that let you set up a Totten trust.)

What if the loved one has no money? Call the Social Services or Human Services department for the county in which your loved one lived. They often will pay a part of the funeral and burial costs. The amount of help varies depending on your loved one's age and whether they were getting public assistance. This type of funeral is very simple. Also, anyone who is currently qualified under Social Security can get a \$255 burial benefit.

Tasks for the next few days and weeks

The funeral is over; isn't that the end?

No, the funeral is not the end. Even after it is over, the survivors have work to do. Although it is a good idea to do these things as soon as possible, do them when you feel ready. But do try to get started within 2 weeks or so after the death.

Read the will: First, if there is a will, find and read it. If you can, try to read the will before the funeral. The will may have funeral instructions – even though it shouldn't. One reason for finding the will soon is that there are time limits for submitting a will as the first step in settling the estate. If there wasn't a will, refer to the section called "Settling an estate" on page 10.

Look for letters of instruction: If you haven't already found them, look again for letters of instruction. (They are often kept with the will.) These letters tell the survivors what to do with the loved one's belongings. These letters are not legally binding like a will, but the wishes that are shared are reviewed and kept in mind by the people who help settle the estate.

Get death certificates: Order certified death certificates. You get them from the probate court in the county where your loved one died. The funeral home will do this for you. You may need as many as 20 or more. Order more than you think you will need. Why so many? You will need to:

- File one death certificate with each place that you apply for death benefits, such as a life insurance company, the Veterans Administration, or the Social Security Administration. Many institutions keep the death certificate, but some just want to see it.
- Change the name on any bank or investment accounts, and most offices want to keep an original certificate in their files. For example, if the loved one who died left a bank checking account and an

individual retirement account (IRA), you need 2 death certificates. If the loved one held stock certificates that are directly payable to you on death (sometimes called a transfer on death or TOD account) for 12 companies, you will need 12 death certificates. But if you inherit stock from an estate, you may need a probated will signed by the executor or personal representative of the estate (see the discussion below) before a company will transfer ownership of the stock to you.

Some institutions require an original death certificate, while others will accept a copy. If you run out of originals, you can order more, but this can take time and delay the process of getting things settled.

Consult a lawyer: The process of settling an estate can be hard to do and take a lot of time. You should think about working with a lawyer to help settle all but the smallest estates.

Changing security codes: Maybe a friend or relative who lived alone has just died. Messages are piling up on the telephone voice mail, but no one can listen to them because no one knows the security code (a password or personal identification number [PIN]). If this happens to you and your loved one used a phone company-provided voice mail, call the phone company. They will give you a 1-800 number to call. You will be asked to identify the loved one who died and give their Social Security number or some other identifying information. You also will be asked to identify yourself and say how you are related to the person. The telephone company will then let you choose a new security code so you can listen to the messages.

If you need to change the security code on a home alarm or any other system, call the company that maintains the equipment.

How do I help children cope with death?

The steps you take to help a child cope with death depend on the child's age. For example, an infant or toddler has no understanding of death and talking about it won't help. What will help is a lot of care – holding and cuddling. Four- to 6-year-old children have a very limited concept of time and death. For them, death must be explained using very clear words, such as, “We won't be able to see Grandma anymore. Her heart stopped, and no one could get it started again.” Older children and adolescents have a clearer concept of death and, often, a fear of death. Their grief might be expressed in complex ways, such as anger, aggression, and guilt. Still, these children can understand the pain of others. Sometimes offering comfort to others can help them cope with their own grief.

All children need reassurance after someone they knew and loved dies. They need to know that they didn't cause the death – even if they had bad thoughts about the person. Encourage them to talk about their feelings. Be honest about death, and don't use confusing words, such as the person has “gone to sleep” or “gone away on a long trip.”

If your loved one was getting hospice care when they died, counseling for family members of all ages may be available. This is often offered for a full year after the death of the patient.

If a child can sit still, they should be allowed (but not forced) to go to the funeral or memorial service. Parents should tell children what to expect – what they will do and what they will see at the service. If the parents are not sure what the funeral or service will be like, they should ask for more details so they can better prepare their children.

Working with a lawyer

Where do I begin?

How do you find a lawyer who can help you settle the estate – one whom you can afford and will be easy to work with? Start by taking these steps:

- If possible, talk with the lawyer who wrote your loved one's will.
- Ask friends and family for names.
- Call the local bar association, and ask for a list of lawyers who specialize in estate planning.
- Call 2 or 3 lawyers. Talk to them on the phone or ask for a brief meeting to talk about your needs. Most lawyers offer a short first meeting at no cost.

What about legal costs?

Ask how the lawyer charges. Will the fee be a percentage of the value of the estate? Will you pay by the hour? If it is done by percentage, ask the rate. It may be as much as 6% to 8% (\$6 to \$8 for every \$100) of the value of the probate estate. If it is by the hour, ask the lawyer's hourly rate. Then ask if the work can be done by a paralegal clerk, who most often charges a lower rate. Keep in mind that a lawyer who costs more, but has experience and a good reputation in estate matters may do a better job for you than the attorney or paralegal who charges the lowest fee.

Also, keep in mind that all estates have some issues in common. In most cases, small estates don't need a lot of legal advice, just enough to make sure nothing is left undone. Simple estates, such as those where all children are from the same parents, assets are in one state, and a current will is available, do not need a lot of legal advice. While the lawyer may offer to do many things, you can likely do most of them yourself and use the lawyer only for advice and direction.

What does the lawyer need to know?

The lawyer will want to know what the person owned and how it was titled. They will need an idea of how large the estate is and how complicated it may be. Most states have a quicker probate process for small estates. If the estate is larger, full probate will be needed.

Your lawyer will ask to see these documents, if you have them:

- The will
- Trust documents
- Deed to the house or properties
- Certified copies of the death certificate
- Life insurance policies
- Names of banks and brokerages that hold your loved one's accounts
- A list of assets and liabilities

Assets in certain trusts are not part of the probate estate. Most of the time, life insurance policies also have nothing to do with settling the estate. But remember that they are needed when figuring out estate taxes. Lawyers may ask about assets and insurance, especially if their pay depends on the size of the estate. You do not need to share that information, and it is not part of the probate process. But if the lawyer is filling out estate and/or inheritance tax forms, this information must be shared.

Names of banks and brokerages that hold your loved one's accounts must be part of probate unless the account is transferred to a joint owner at death. If the ownership changed upon death, these accounts are not part of probate. They do not need to be shared with the lawyer (unless the lawyer is helping you work out estate or inheritance taxes).

Do I really need a lawyer?

The next sections go over the steps that must be taken to settle an estate. After reading these sections, you'll have a better idea of whether you have the time and energy to settle the estate yourself, or if you should work with an estate lawyer.

Settling an estate

What is an “estate?”

All the property or possessions that a person owns at the date of death is part of their estate. An estate can include clothes, jewelry, tools, cars, musical instruments, furniture, collections, a house and the land it is built on, cash, bank accounts, retirement accounts, life insurance, stocks, and bonds. After a person dies, the estate must be distributed.

How it is divided – who gets what – is determined by the laws of the state in which the person lived; the will or contract, if there are any beneficiaries named; the way the property is titled; and any letter of instructions. Expenses of the estate, any debts that have been left, and estate taxes should all be paid. Whatever is left is divided among survivors according to the terms of the will. All these are aspects of “settling the estate.” A small estate often can be settled in a few weeks, and most larger estates are settled within 1½ years.

What is probate?

The probate court appoints an executor, personal representative, or administrator and gives that person the responsibility of carrying out the terms of the will or the laws of intestacy. This process is called probate. A will tells the court how to divide the property in an estate. The laws of intestacy are used when no will has been made. They are different in each state. (See the next section called “What if there is no will?”)

Most often, certain property that was in the loved one’s name must first “go through probate” before you or other survivors can use it. This property might include bank accounts, brokerage accounts, stocks, bonds, mutual funds, real estate, business interests, retirement plans, or life insurance benefits if the estate (not a person) is the beneficiary. We will show you how to avoid probate later.

What if there is no will?

A will tells the court how to divide the property in an estate. The probate estate is divided only after the deceased’s expenses,

taxes, and debts have been paid. If the loved one did not leave a will, it is called *dying intestate*. When someone dies intestate, the courts will divide the property among survivors according to the laws of the state in which the person lived. The state laws direct how the estate is to be divided, depending on whom the survivors are.

How do I pay the bills until the estate is settled?

You may need to pay your loved one’s bills before the estate has been settled. There are some ways you can get money in the meantime.

Some property passes to survivors automatically; it does not need to go through probate. (Still, it will be included as part of the estate for tax purposes.) This property is the beneficiary’s to use and to sell if needed. This property might include these things:

- **Certain joint accounts:** Some bank accounts, stock accounts, and real estate accounts are set up so they are owned as “joint tenants with right of survivorship.” Spouses, or a parent and an adult child, may have both their names on an account. When one person dies, all of the account then automatically belongs to the other person whose name is on the account. A home owned by “joint tenancy with rights of survivorship” or “tenancy by the entirety” transfers directly to the survivor.
- **Certain survivor benefits:** These are benefits from life insurance, individual retirement accounts, other lump-sum retirement accounts, and annuities with named beneficiaries. Remember, you must tell the insurance company (or other business) about the death and file any required claim forms with a death certificate so the company will know to begin sending you benefit money.
- **Certain savings bonds:** Some savings bonds are held in 2 names. Or they can be paid to another person after the death of the person who bought the bond.

You also can apply for the following:

- **Survivor's allowance:** Ask the executor or administrator to pay a survivor's allowance from the estate.
- **Survivor benefits:** Apply for survivor benefits from Social Security and the

Veterans Administration. Also, ask the employer's benefits office or human resources department about any pension, insurance, or death benefits payable to survivors.

Going through probate

What are the steps in the probate process?

The general probate process is as follows (it may change a little from state to state):

- The deceased's residence is legally determined. (The legal word for the home is "domicile.")
- The will must be proven to be valid and must be recorded at the probate court in the county where the person lived.
- If a will exists, your lawyer will ask the probate court to appoint an executor (sometimes called a personal representative). Many wills name an executor. The court usually appoints the person named in the will.
- The executor may need to post a bond with the probate court. The bond is a money guarantee that the executor will take good care of the estate. Few wills require that a bond be posted.
- If there is no will, your lawyer or family members will ask the court to appoint an administrator.
- Executors and administrators can ask the court to be paid for their services. The payments come from the estate. Often, a member of the family takes on this job without charging the estate.

What if the debts are greater than the assets?

It may seem very cruel that at a time of great personal loss you may be forced to deal with a large amount of debt. There may still be

bills coming in from hospitals and doctors. Maybe there are high balances on credit cards or other loans. Where do you begin, and what rights do you have?

Identifying debts: After the death of a loved one, you'll need to get a good idea of their finances. Part of this means looking into any debts and assets. In most cases, this is the responsibility of the executor or administrator. After the death, the executor or administrator posts a notice of the death in publications, such as the local newspaper. This notice lets creditors know whom they must contact about any outstanding debts.

After the notice is published, creditors or collection agencies can no longer call you demanding payment for any debts owed solely by the deceased. They must send any bills and invoices to the executor. Of course, some creditors might miss the notice. If these creditors call, simply tell them about the death and that they need to submit their claims to the executor or administrator. Creditors must submit these claims within a certain time period. (This time period varies from state to state.)

The executor reviews the bills to make sure they are accurate and valid. The creditors then must wait for the probate process to take its course. A creditor who fails to file a claim within the time limit is usually no longer allowed to try to collect the claim from the estate assets. The same is true for any creditor who fails to prove the validity of a claim.

But what happens when there are more debts than assets? If there isn't enough left in the estate to pay all of the bills, state law often favors certain creditors over others. For example, taxes owed to the IRS or to a state or local government must be paid in full before a department store creditor is paid anything. Debts for alimony and child support often are given priority, too.

Survivors and creditors: Over time, lawmakers have tried to balance the rights of creditors with the needs of the surviving family members. It isn't in the interest of society to force a family into poverty or homelessness because someone died in debt. There are allowances in most state laws to help the surviving family member, so some assets cannot be taken by most creditors.

Retirement plans and insurance policies: In most cases, the funds from most retirement accounts, life insurance policies, or annuities go directly to the named beneficiaries. In general, these funds are not subject to creditor claims. But some states set limits on the amount of funds the beneficiaries can receive when debts are greater than the estate assets. These states require that a part of the assets that are not fully protected from the claims of creditors go toward paying the debts.

Any funds payable to a beneficiary should be put into an account separate from funds that come from other sources. It's important not to mix (or commingle) funds until the estate is settled. It's also important to keep all paperwork showing where the funds came from. Talk with a lawyer about when you can use the funds.

Homesteads: You may be able to protect the family home. Most states allow the surviving spouse or family members to declare the primary residence as a homestead. Homesteads are not subject to creditor claims. But the homeowner still must make any mortgage or tax payments. In some states, the homestead exemption must be applied for; in other states, it is automatic. Check with your local county clerk and county recorder (sometimes called the Registrar of Deeds) to be sure.

Remaining debt: For the most part, surviving family members do not have to pay debts that belonged solely to the deceased. But there are a few exceptions. For example, a family member – often the spouse – is liable for the deceased's debt in these cases:

- The family member signed some document (such as a hospital admittance form) saying that they will be personally responsible for the expenses.
- Certain "necessities" were provided to the deceased. These necessities are defined by state law, but usually include food, clothing, or medical care not covered by health insurance. When necessities are provided to someone who dies, their family is responsible for the costs of those goods and services.

Note: You are still responsible for your own debts, such as personal loans or credit cards. Also, if you signed for a debt along with the deceased, you are responsible for that debt, too.

Role of a lawyer: When a loved one dies and their debts are greater than their assets, it's time to work with a lawyer. There are many complicated legal issues to take care of, and state laws vary widely. For example, some states set limits on the value of a home that is declared a homestead.

An experienced estate lawyer can explain your options and help your family members protect assets. The lawyer also knows which creditors have priority. The lawyer who has been handling the estate may be willing to help you work with the creditors. Another option is to work with a non-profit group, such as the Consumer Credit Counseling Service (restructured and renamed CredAbility in 2010). (See the "Resources for survivors" section on page 27.) They can help you come up with a payment plan to deal with any leftover debt that is not the responsibility of the estate and must be repaid by the family.

Executor or administrator

What does the executor or administrator do?

Once an executor or administrator has been named, the court will issue letters testamentary or letters of appointment. These letters allow the executor or administrator to continue the legal process of settling the estate. The court may take many weeks to issue them, and they are only good for a certain length of time.

The job of the executor or the administrator is very important. This person works to protect the value of the estate. The first thing to do is pay debts and taxes and manage the assets of the estate. This person usually works with a lawyer to continue the probate process, which includes taking these steps:

- Advertise who the executor is. People who are owed money by the person who died or others who have an interest in the estate need to know whom they can talk to about their claims. Claims must be filed within a certain amount of time. This time limit varies from state to state.
- Keep track of all the dates by which tasks have to be done.
- Identify members of the deceased's immediate family.
- Find all the documents that affect the value of the estate. These are documents like birth certificates, buy/sell information for a business, canceled checks or bank statements from the last 3 years, deeds, federal and state personal and business income tax returns, gift tax returns, employee benefits information, marriage and divorce certificates, military discharge papers (DD form 214), prenuptial agreements, vehicle titles, and other personal and financial papers. (Because many of these documents will be in a bank's safe deposit box, finding the key to the box often is the very first thing to do.)
- List all of the estate's assets. This list is called an inventory. The assets include what the deceased person owned alone or with others. The list will include bank accounts, brokerage accounts, business interests, mutual funds, personal property, real estate, and the contents of any safe deposit box. If the deceased controlled property as a trustee with power of appointment, that property may be included in the inventory. Some types of property that the deceased gave away within 3 years before death also are included.
- Get a copy of all trusts where the loved one was the grantor, testator, lifetime beneficiary, or held powers of appointment over the distribution of assets to others.
- Open estate checking and savings accounts.
- Keep a written record of all income, expenses, and payments made.
- Have the value of all banking, savings, and brokerage accounts figured out for the date of death.
- Find qualified appraisers to put a fair market value on business interests, real estate, and personal property, such as jewelry, clothing, cars, and furniture. It is important that an appraisal at death be for the liquidated value of the property and not the insurance value. Most forms of personal property have different values, depending on the purpose of the value. For example, if a gold watch has to be sold as an estate asset, it will bring far less than the insurance value, which is used to determine what it would cost to replace it. It is very important that the estate representative find an appraiser who understands this.

- Make sure that buildings (houses, rental property, office buildings) owned by the deceased person are insured and not at risk of vandalism or robbery. The executor may need to manage these buildings or collect rents.
- File for survivor benefits, such as life insurance and pension benefits.
- Sell assets, if money is needed to pay bills. In most cases, the probate court must approve any sale of real estate.
- Invest estate assets, so that the value of the estate stays stable.
- Pay the deceased person's debts and final bills.
- File tax returns for the person who died. Final federal, state, and local income taxes must be paid, and federal and state estate taxes may need to be paid. Final personal income tax returns are filed on the normal due date. Estate tax returns are due 9 months after the death, but that date can be extended. It is possible that an estate tax return must be filed even if there will be no taxes due. Be sure to look into this.
- Distribute the assets according to the will or state laws.
- Prepare a final accounting of the estate.
- After an estate is settled, petition the probate court to remove you as the administrator or executor and close the estate.
- Tie up all possible loose ends.

Be prepared

Being prepared doesn't mean just getting the paperwork in order. It also means being prepared for frustration at a time when you are not very patient. For example:

- Be prepared for voice mail telephone systems that disconnect you.
- Be prepared to spend time staring at the phone as you try to find the energy to make the next call.
- Be prepared to be put on hold when you do make calls.
- Be prepared to be shuffled from person to person and from department to department.
- Be prepared to answer the same questions over and over again.
- Be prepared to get different answers from different people when you ask a question.
- When you find the person who can solve your problem, that person is likely to be very kind. It's just that getting to the person takes time. Be prepared.
- Keep track of the people who were especially helpful so you can thank them later when you have more energy.

Finding the assets

I'm the executor. Where do I start?

As the executor or survivor, you should first find out about the deceased's assets. The person who died may have led a simple financial life. They may have worked for one company, owned one home, banked at one bank, and purchased insurance with one company. If this is the case, the job of finding all the assets and survivor's benefits can be easy.

But people often hold a job for a couple of years and move on, leaving retirement funds behind. Or they may move to a new town and forget about old bank accounts. They may even purchase stocks or bonds and put the certificates in a "safe" place, such as inside a seldom-read book. The stock certificates may stay there for years and be forgotten. Even a fairly organized person can leave forgotten assets that are hard to find.

An owner's lost assets can include many things, such as:

- Annuities
- Bank accounts
- Dividend checks
- Escrow funds
- Gift certificates
- Life insurance policies
- Mutual funds
- Tax refunds
- Safe deposit boxes
- Stocks
- Uncashed checks
- Utility deposits

Stay in control: It is very important that you do not let friends and family wander in and take items they say were promised to them. If a letter of instructions or a codicil (addendum to a will) is found that clearly states who is to get certain items, it is your job to see they go to the right person. Be ready and don't kid yourself. When people die, some family members and friends can get very ugly and very greedy.

Where should I look for assets?

Income tax returns: To track assets, start with the most recent income tax returns. They may list some of the names of stocks and bank accounts your loved one had. Call each company and bank listed. Each time you call a bank, brokerage, stock transfer agent, or insurance company, ask, "Are there any other accounts with the same Social Security number?"

Safe deposit box: When you talk to bank officials, ask about a safe deposit box. There may be one that you don't know about.

Checking account and credit card statements: Look through old checking account and credit card statements to see if money was spent for insurance or investments. Also, contact banks and credit card issuers to find out if there is any insurance with them. Many of these companies give away small policies to their cardholders.

Hiding places at home or office: Did your loved one hide valuable things? Check known and likely hiding places for insurance policies, stock certificates, jewelry, and cash.

Employers and professional

organizations: Check with all current and former employers to see if there are survivor's pensions or insurance benefits. Check with all clubs and professional organizations to see if your loved one purchased insurance or investments through them.

Unclaimed property database: If you think there are assets you have not found, search your state's unclaimed property database. To find out how to do this, call the attorney general's or state treasurer's office in the state where the deceased lived. (Look under the state listings in the phone book.) Many states have databases that can be searched on the Internet.

Are there any services that can find lost property?

There are some businesses that will search for lost assets. Some are listed here:

- The Pension Benefit Guaranty Corporation (PBGC) searches for lost pension benefits. They can be contacted by phone at 1-800-400-7242 or on the Internet at www.pbgc.gov.
- For information on US savings bonds, call a bank that sells Treasury securities. Ask how to transfer a savings bond after the owner dies. Or on the Internet, visit www.treasurydirect.gov and use the "Treasury Hunt" feature.
- The Federal Deposit Insurance Corporation (FDIC) searches for old bank accounts. If you find a bank book for a bank that is out of business or has merged with another bank, you can call them to find out where the bank's deposits are located now. They can be reached by phone at 1-877-275-3342 or on the Internet at www.fdic.gov.

I found old stocks. Are they any good?

If you find old stock certificates, you may be unsure whether the company still exists. Or the company may have been bought out by another company. Call the reference desk of your local library, your stockbroker, or search the Internet to see if the company is still listed on a stock exchange. For example, Yahoo! Finance (<http://finance.yahoo.com>) has a stock research tool that can be used to search for a company. If they cannot help you, some companies will research the certificate for a fee.

One of the best known of these companies is Spink Smythe. You can contact them at:

Spink Smythe
145 West 57th Street, 18th Floor
New York, NY 10019
or
3100 Monticello Avenue, Suite 925
Dallas, TX 75205
Toll-free number: 1-800-556-7826
Web site: www.spinksmythe.com/index.asp

The National Association of Unclaimed Property Administrators (NAUPA) also maintains a searchable database. It can be found on the Internet at www.unclaimed.org.

The Securities and Exchange Commission also provides information and tips on its Web site at www.sec.gov. (Click "Fast Answers" in the top right corner, then scroll down to "Old Stock and Bond Certificates.")

Where else should I search?

Another place to search is abandoned credit union accounts. Try looking for them on the Internet at the National Credit Union Administration's Web site at www.ncua.gov.

The Internet contains many search services. Some are free, and you only need to enter a name. Some charge a fee. You can find these sites by typing "unclaimed property" or "abandoned property" in the search box. Use fee services with caution, since they may be using a public domain database that you can use yourself at no cost.

Moving on

How long will I grieve?

It may be hard to plan a funeral or memorial service and settle an estate, but these things follow general rules and timetables. They are orderly processes. Grieving is a different matter altogether. There are no special rules, and there is no fixed timetable.

You may find that after you finish settling the estate, your grief seems worse. The need to focus and deal with details can take your mind off your feelings of loss, putting off the most intense grief.

As a result, you may find yourself reliving the death experience over and over until you find some peace with the loss. You may feel the need to talk about your feelings. And it may take some trial and error to find people who are able to help you cope with your pain. If you're having a hard time finding help, consider a support group for bereaved people. They know what you're going through. There are also helpful books about grieving in local libraries and bookstores. The pain will feel less intense as time goes on, but it may be worse at certain times, such as holidays or anniversaries. If your loved one was getting hospice care, that can be another good source of grief counseling.

If you're the survivor who has lost their spouse or partner, be sure to take care of yourself first. A survivor's health may be more fragile after the loss of a close loved one. This is particularly true of a parent who has lost a child, no matter how old the child was when they died.

How can I cope?

Everyday life has changed. You may be cooking, cleaning, or doing home repairs for the first time. You may have to face many new issues, such as whether to keep the family home or sell it.

Your financial picture may have changed, too. You may need to learn to live on a smaller income, pay bills, or manage investments for the first time.

It might be hard to decide if you need help with these new tasks. Be patient with yourself. It will take time to learn what you need to do. But as each day passes, your thoughts and your needs will become clearer. This means you're beginning to focus on life again. Just keep talking with family members and others who care about you. Their support will help you through this time of sorrow and change.

Where do I start?

You might want to start by calling a family meeting. The purpose of the meeting is to make sure family members know what you do and don't want. It's also a time where you can learn about their needs. Letting loved ones help you can help them deal with their loss, too. At the end of the meeting, family members should have a better idea of what each person needs, what they can do to help each other, and when to look for outside advisors or services.

Still, family meetings are not for everyone. Meeting as a family after a death may be hurtful if the family is fighting or if there are long-standing problems. Maybe family or one-on-one counseling might work better. But if the family members get along with each other, a family meeting is a good way to keep everyone in touch with each other's needs.

The person who asked for the family meeting may need to act as an informal leader. This way they can make sure the important issues are talked about. A family meeting should focus on how people can help each other make decisions and get through this time of loss. The first meeting may not solve any problems, but if it helps loved ones work together and share their feelings, it will have been useful.

Money matters: Families can plan ahead

It still happens that a surviving spouse is forced to learn how to deal with money for the very first time. Many times the couple had joint banking accounts so either of them can still use the money there after the death of the spouse. In some families, the husband has held all the property in his name, or maybe the wife was the one in charge of paying bills and managing money. There are some things that can help you and your family in the future as you move on after the loss of your loved one. These tips can help survivors begin to manage their money:

- Be sure you each have emergency money. A bank account saved for emergencies should contain enough money to pay 3 months' worth of bills. The account can be in more than 1 name, or each person can have their own account.
- Anyone can open a bank account in their own name. Have your Social Security benefits deposited into your account by direct deposit. This prevents those benefits from being lost or delayed in the mail.
- Save or invest money in your own name each month. This can be done in a company pension plan, 401(K) plan, or individual retirement account.
- Save some money in your own account each month for a long-term goal.
- Save some money in your account each month for a short-term "fun" goal, such as a vacation.
- Establish credit in your own name. A banker can offer suggestions. Apply for a credit card.
- Balance the family checkbook, and write checks for bills.
- Know what your family owns, and what your family owes.
- Take a class in managing money. Call the American Association of Retired Persons (AARP), a local community college, the cooperative extension office, or the YMCA or YWCA to see if they have money management courses, or if they know who does.

Things to talk about

Are social needs being met?

If you are the survivor, do you need help to visit friends or family? Do you need help keeping up with your interests and activities? If you are a loved one of the survivor, you may need to watch out for them. Most people want to withdraw for a while after a death. But if the withdrawal becomes extreme or goes on for a long time, you may need to help the survivor. You can do this by keeping them involved with life. You and other family members may want to visit, call, or take out the withdrawn person. Check on them often and see how they are doing. You may also want to call a local hospice, a cancer center, or a funeral home for a list of local support

groups. Talk to your loved one about trying one out and offer to go with them to the meetings.

Will the survivor need to take on new tasks?

If you are the survivor, can you learn new skills? Can members of the family help? Do you need nursing assistance, housekeeping services, help with cooking, someone to do yard work? If you are a loved one of the survivor, watch out for them and ask about ways to help. For example, you could ask, "Would you like to learn how to cook, or should we shop for a microwave oven?"

Elderly survivors may be able to get services like Meals on Wheels, a home health aide, or other services. To find out, call your local senior citizens' council or senior citizens' center. Someone there can tell you where to get more information.

Will the survivor work outside the home?

For financial reasons, you may need to work outside the home for the first time. There are many groups that can help you learn job skills. For example:

- Many employment agencies offer classes or free computer time to improve or expand your office skills.
- Local community and senior centers often offer everything from resume writing to computer classes.
- Libraries have videos and books about how to update job skills.
- Advocacy groups, such as the Urban League and the National Council of La Raza, may offer job-readiness training.
- Your state employment service office may hold job seminars and should have the names of other organizations that help people re-enter the workforce.
- Tell everyone you know that you want to find a job. People who know you are often best able to help you find a job that is right for you.

Should my home be sold?

If you are the survivor, you might have to decide if you should sell your home. Maybe it is too much work to take care of it by yourself, or maybe you want to live closer to other family members. Maybe you need to think ahead to the possibility of assisted living or nursing home care.

Many financial advisors recommend staying in your current home and putting off major financial decisions for at least a year. Still, health or financial problems may force you to make a decision sooner than that. A family meeting can be a good time and place to talk about these issues.

How is the survivor's health?

The impact of a loved one's death often affects surviving spouses and parents who outlive a child harder than anyone else. These survivors often have more health problems and may be more likely to have accidents. They may lose interest in their own needs and their own well-being. But it is important for all survivors to take care of their own health after the loss of a loved one.

If you are the survivor, be sure to make and keep all doctors' appointments. This is even more important if you have chronic illnesses, such as diabetes or high blood pressure. If you are a loved one of the survivor, watch and ask about the person's health. It's also important to make sure they are getting routine care, such as flu shots and regular health screenings.

Is there health coverage?

Many people have health insurance for their whole family through their employer. After the loss of a loved one, call the employer to find out what will happen to the health coverage for a spouse or children. In most cases, a federal act called COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) allows you to continue to be covered at group rates for 36 months as the surviving spouse of a deceased employee. Check with the employer's benefits office for information about your insurance and its cost.

Buying new health coverage: Some people need to buy new health insurance after a spouse or a parent dies. Be aware that when you buy new insurance many insurance companies will not pay for care of a health problem that you already have until a certain amount of time has passed. But you may be able to buy new insurance that does cover "pre-existing conditions" – health problems that you already have. And as of September 2010 for children and starting in 2014 for adults, the Affordable Care Act does not allow insurance companies to deny coverage for pre-existing conditions when writing new policies.

There is a law that ensures that you can buy health insurance, regardless of your health history. The law is called the Health Insurance Portability and Accountability Act of 1996 (HIPAA). You must meet certain requirements. One of these is that the person seeking health care coverage must have had group health coverage for the 12 or 18 months before the death (the length of time depends on when they first applied for the coverage). The health coverage might have been under a group health plan, a government plan, or a church plan. As with COBRA, check with the benefits office that manages the plan.

When COBRA coverage comes to an end, be sure to get a “letter of creditable coverage” from the employer through which you had the COBRA coverage. With that letter, you can get coverage under HIPAA. You also may have the option to convert the COBRA plan to an individual plan. Be sure you know your options long before the end of the COBRA extension of coverage.

Dealing with sales calls and “friendly advice”

When your loved one’s obituary is printed in the newspaper, when you change the names on a stock account, or when you apply for insurance benefits, other people learn that your life has changed. What is a tragedy for you may be a sales opportunity for someone else. You will get sales calls. You also may find that well-meaning relatives and friends want to give you advice on how to handle the estate.

With sales calls, the answer is simple: just say “no.” Encourage other family members to say “no,” too. Realize that some salespeople will try to keep you on the phone even after you say “no.” You do not have to listen to the entire sales pitch. If they didn’t understand “no” the first time, say it again and tell them to take your name off the sales-call list. You can also look into the federal no-call list. Adding your phone number to this list keeps salespeople from calling. You can register your phone number at www.donotcall.gov/.

With relatives and friends, it may be harder to say “no.” They are often trying to help you with the advice they give. It may also be a way for them to work through their own grief and loss. Let them know what you need from them and how they can help. As for the advice, here are some ready responses you may want to try:

- “My doctor (or lawyer, financial planner, insurance agent, stockbroker, accountant, son, daughter, mother, father, sister, or brother) told me not to do that.”
- “I want to have my lawyer (or financial planner, insurance agent, stockbroker, accountant, son, daughter, mother, father, sister, or brother) review your proposal.”
- “I’m not ready to do that yet.”
- “It would help me more if you (. . . say what you would like to have done).”

Financial planning for the survivor

Will money be a problem?

Money is not likely to be a big problem for a surviving spouse if:

- Money has been well managed all along.
- The death will not make much change in household income.
- You already have trusted, skilled people who offer sound advice about money matters.
- Life insurance planning was done and life insurance was purchased.

Money is a problem when there is not enough of it. Then you will need to plan how to pay for basic expenses, such as rent or mortgage, utilities, food, and insurance premiums. Or maybe you've got more money than you need right now. Where are the best places to invest it?

A family meeting is a good place and time to talk about whether you and other survivors need the help of a financial planner, an accountant, a broker, a real estate agent, or other financial professional. Do not rush into any major financial decisions right away. If something is a good idea now, it will still be a good idea 6 months or a year from now. And when dealing with a life insurance payoff, what may seem like a lot of money now may not look that way when you think about how long it needs to last.

Do I need a financial advisor?

You may have many financial needs and concerns. There may be choices to make about life or health insurance coverage. There will be taxes that need to be paid. Maybe there's money to invest. Or maybe you're having trouble paying your bills and you need a plan. You may not feel like you can deal with these issues right now. And many people make bad financial choices when they are still grieving. It is often a good idea to get professional advice. It may be helpful to read our booklet called *How to Find a Financial Professional Sensitive to Cancer Issues*. You can get it from your American Cancer Society by calling 1-800-227-2345, or read it on our Web site at www.cancer.org. Even if you have never had cancer, the information in the booklet can help you find a financial advisor right for you.

There are many other resources for people who are learning to better manage their money. The American Association of Retired Persons (AARP) has a lot of booklets on this. AARP also sponsors the Women's Financial Information Program, a multi-week course on budgets, investments, and other financial topics. Consumer Credit Counseling Service (restructured and renamed CredAbility in 2010) can help you develop a plan if you're having trouble paying your bills. Their telephone number is listed in the business section of your local phone book. A librarian or bookstore may be able to refer you to useful books, too.

Planning for the future

I want to make things easier on my loved ones.

Where do I start?

After a few months, review your own experiences in coping with your loved one's death. Think about what you can do to make things easier for your survivors in the future. Start with the things you wish had been different.

Medical choices: Maybe you had to make decisions for someone, but weren't sure of their wishes for treatment and life support. To keep this from happening to your loved ones, talk with them about your own wishes now. Let them know exactly what you want. Also, complete and sign an advance medical directive and/or a living will and get a medical or health care power of attorney. This allows you to name a person who knows your wishes and will make decisions for you if you become unable to do so.

Funeral plans: Let your loved ones know now about what you want. In planning ahead, you can look at the many options for funeral or memorial services. If you pre-pay your funeral, choose a plan that lets you choose the funeral home or facility. You may move to another city, or you may want to change funeral homes for another reason. Also, look for a plan that lets you take out your money if you want or need to. As another option, you can put money for your funeral in a trust or a joint account with a trusted relative or friend who knows what you want.

Financial matters: One of the best things you can do for your loved ones is make sure your financial affairs are in good order and clearly written out. For example, you should:

- Have a valid will, and make sure it's current.
- Name guardians for any minor children.
- Make sure important papers can easily be found, including insurance papers, account information, or safe deposit box information.
- Have a list of codes or keys to things like locked boxes, safe deposit boxes, and gun safes with your other important paperwork.

After you have thought about all the things you would do differently, go back and think about the things that went well and then, try to do them the same way.

Other matters: Let someone you trust know your home alarm code and the name of the alarm company.

Caring for pets: It would help if instructions were left about who should look after the pets. It's heartbreaking when an animal must be put to death because its owner has died. Is there a family member or friend who knows the animal and how the person wanted the animal to be cared for? If not, call a veterinarian for the names of no-kill animal shelters. Keep in mind that it will be hard to place an old or sick animal.

If your loved one owned a purebred dog, that breed may have its own rescue society. That group will help survivors place the pet in a new home.

You can't leave money to a pet in your will. But money can be given to a trust, person, or facility that will then use it to care for your animal.

Glossary

Administrator: The role of the administrator depends on each state's law. Sometimes the probate court picks a person to be the administrator. This person then manages the estate during probate. The probate court appoints an administrator when a person has died without a will. See *executor/executrix* and *intestate*.

Advance medical directive: A written statement of a person's wishes that is used if the person is in a medical emergency and not able to make decisions. It is much like a living will. A person's doctor should know about any medical directive. These directives may not be legally binding, especially for emergency medical technicians (EMTs). See *living will* and *medical directive*.

Annuities: A type of financial product backed by an insurance company. An annuity gives you income tax-free growth over many years. It can be used to make a series of payments over a period of time, usually starting after you retire. Earnings in the annuity grow tax deferred until the money is taken out. Annuity payments or distributions can be set up so that they will continue as long as you live.

Appraisal: The process of finding out the value of property. There are different values, depending on the purpose of the appraisal. At someone's death, it is the liquidation value of the assets and belongings owned by the person who died that is determined, not the replacement cost.

Appraiser: A person who determines the value of property

Assets: Any items that add value to the estate: a business, house, car, jewelry, bank accounts, stocks, personal property, and so on

Attorney: An authorized representative of another. The term is often used interchangeably with "lawyer," but they are not exactly the same. See *lawyer*.

Autopsy: A medical procedure done to find the cause of death. In an autopsy, the body is opened and looked at by the county coroner or a pathologist. Looking at the internal organs can help the examiner figure out why a person died.

Beneficiary: The named person or people who will benefit from a will, a trust, a bank account, an investment, a life insurance policy, or a retirement plan. The beneficiary will get money from an account after the death of the person who set up the account.

Bond: A written pledge of a company or government group to repay principal and interest to a bondholder. It also can be a financial guarantee by one party that a certain person will perform the services they agreed to do.

Broker: A person who arranges a sale between 2 parties, most often for a commission. See *stockbroker*.

Brokerage: A firm that employs brokers

Budget: A spending plan for how to use a paycheck or other income to pay bills, save or invest money, and have some money to spend as needed

COBRA: Consolidated Omnibus Budget Reconciliation Act of 1985. A federal act that allows people to continue health insurance that is paid for through an employer. This insurance lasts for up to 18, 29, or 36 months (depending on the circumstances) after a worker leaves employment with that employer.

Coroner: The county official who signs death certificates. See *death certificate*.

CPA: Certified public accountant. A person who prepares and keeps track of the financial records of a business or individual for tax and financial purposes. A CPA passes a state-licensed exam that tests competence in accounting.

Creditor: Someone to whom money is owed. The “someone” may be a person or a business.

Cremation: Burning a body to ashes, which can then be buried, kept, or scattered

Death benefits: Money that will be received when another person dies

Death certificate: A state-issued document that states the name, birth date, age, date, and cause of death of a person who has died. You can get death certificates from the probate court, county clerk, or a state office where the person lived. A funeral home can order death certificates for you, too.

Deceased or decedent: The person who died

Disclosure document: A written statement of fees, standard practices, and possible conflicts of interest. It is most often offered by lawyers and financial planners, among others.

Dividend: Money paid as a share of divisible surplus (profits) to owners of business stock and life insurance. Dividends from corporate stock are generally taxed as income. Dividends from life insurance are often considered a return of premium and not taxed.

Domicile: Home. The place (state) you consider home, whether you live there at the moment or not. A person who lives in a nursing home may still list the family home as their legal domicile.

Durable power of attorney: A power of attorney that allows one person to act for another, often after the other person becomes too sick to act for themselves. See *power of attorney*.

Escrow funds: Funds set aside in a “holding” account. The funds are held as a promise to finish a commitment, such as the purchase of a house.

Estate: Everything a person owns or which, by law, is to be included as a possession of the person at the date of death

Executor/executrix: The person named in a will to manage an estate during probate. In some states, this individual is called the personal representative. See *administrator*.

Funeral home: A building (not a church) where a funeral can be held. Most funeral homes are also mortuaries; they are usually licensed to care for bodies before burial or cremation.

Grantor: A person who puts money into an account, usually a trust

Hospice: A program for people expected to die soon. The ill person is kept comfortable in a hospice facility or at home when possible. Family and friends are usually included in hospice care.

Individual Retirement Account (IRA): An IRA is an investment account that is intended to earn money for retirement. All provide for tax deferral as they grow in value. Some are tax deductible while funding. Those that are not tax deductible often provide income tax-free benefits.

Intestate: The circumstance of a person who dies without a valid will. That person’s estate is distributed by the laws of the state where the person lived.

Inventory: A complete list of a person’s property and belongings. The fair market value of each item is often listed in the inventory.

Joint tenants with rights of survivorship: A way of holding bank or investment accounts and real estate in some states. Often, spouses are both named as owners. Accounts held jointly in this way automatically belong to the survivor at the death of one of them.

Lawyer: An attorney who is licensed to practice law

Letters of appointment: A document that authorizes an administrator to act on behalf of an estate. It is issued by the probate court. See *letters testamentary*.

Letters of instruction: Letters usually kept with a will that state a person's wishes about burial and about dividing personal property among the survivors.

Letters testamentary: A document that authorizes an executor to act on behalf of an estate. It is issued by the probate court. See *letters of appointment*.

Living will: A document in which a person writes out directions about what kinds of life sustaining medical care (or the withdrawal thereof) they want in the event they become terminally ill or unconscious. See *advance medical directive* and *medical directive*.

Long-term care insurance: Insurance that pays benefits to people helping you at home or to a long-term care facility (limits on benefits and location of care are determined by the contract)

Medical directive (living will): A written statement of a person's wishes in the event of medical emergencies. A person's doctor should know about any medical directive. These directives may not be legally binding, especially by emergency medical technicians (EMTs). See *advance medical directive* and *living will*.

Mortuary: A place that cares for bodies until the funeral

Mutual funds: A kind of investment. The fund itself holds many securities, such as stocks and bonds. Some funds hold only a few securities.

Obituary: A written notice that a person has died. It is printed in a newspaper.

Petition: A formal request made by a lawyer to a court

Post a bond: To put a large amount of money with the probate court as a guarantee that an estate will be managed carefully. Sometimes an administrator is asked to post a bond. Bonding companies often provide the large sum for a fee so the administrator does not have to come up with the money.

Power of attorney: A legal document that gives a person the power to act on behalf of another in legal matters

Pre-existing conditions: Illnesses or health problems you have at the time you apply for health coverage or insurance. The definition can vary.

Probate: The public, legal process that determines if a will is legally valid and takes care of an estate until the property is distributed

Probate court: The court that oversees the process of probate. It also appoints guardians for children under the age of 18, if needed. The probate court is in the same county where the decedent lived.

Real estate: Land (as opposed to buildings that may sit on the land)

Sealed (as a bank safe deposit box): A bank may be required to seal a safe deposit box when it is notified of the death of the owner. No one can put things in or take things out of the box without the approval of the probate court. The box is unsealed when the estate is settled.

Securities: Investments of many types, including some with very low risk and some with high risk

Settling an estate: The process of paying all obligations of the estate, collecting any amounts due to the estate, and distributing the estate assets according to the decedent's will or the state's laws of intestacy

Stockbroker: A person licensed to sell stocks and other securities. This person should be licensed as a registered representative by FINRA (Financial Industry Regulatory Authority), which was previously the National Association of Securities Dealers.

Tenancy by the entirety: A form of ownership very much like joint tenants with rights of survivorship except that it can be held only by spouses. This type of ownership is not permitted in all states. See *joint tenants with rights of survivorship*.

Testator: A person who writes a will

Totten trust: A special savings account payable at death to a named beneficiary or for the purpose specified by the individual who funded it. It is not a legal trust, but is generally given the same benefits. Totten trusts are sometimes set up to pay the costs of a funeral.

Trust: A written document that facilitates the holding and distribution of assets and income according to its terms. There are many types of trusts, and each is designed to reach a certain goal, such as saving estate taxes.

Trustee with power of appointment:

A person who has legal title to a piece of property held in trust that must be used for the benefit of another

Will: A legal document that says how a person wants their estate divided after their death. Wills are used to name a preferred personal representative to settle the estate. A will should also say who will take care of children under age 18, as well as who will take care of the assets that will belong to these children.

Resources for survivors

Most of the books listed here have helpful forms, checklists, and ways to find other resources, too.

For estate planning and other legal issues

Nolo Press topics covering law for the layperson, available at www.nolo.com/legal-encyclopedia/wills-trusts-estates/

If Something Happens to Me. Joseph Hearn, Niel Nielsen, 2004.

Federal estate tax Form 706 and the instructions. You may not need to file the form, but it is full of forms, definitions, and directions that may help you. Available at www.irs.gov.

For eldercare planning

Caregiving: Eldercare Made Clear and Simple. Cindy Laverty, 2010.

For survivor's needs

On Your Own: A Widow's Passage to Emotional & Financial Well-Being. Alexandra Armstrong, Mary R. Donahue, 4th edition, 2006.

Growing Through Grief, An Adult's Navigation Through the Loss of a Loved One. Jodi Ann Walukonis, 2007.

How Do We Tell the Children? A Step-by-Step Guide for Helping Children and Teens Cope When Someone Dies. Dan Shaefer, Christine Lyons, David Peretz, 2010.

A Healing Place: Help Your Child Find Hope and Happiness After the Loss of a Loved One. Kate Atwood, John Kelly, 2009.

Good Grief: Healing Through the Shadow of Loss. Deborah Morris Coryell, 2007.

A few phone and Internet resources to get you started

American Cancer Society

Toll-free number: 1-800-227-2345

Web site: www.cancer.org

National Cancer Institute

Toll-free number: 1-800-422-6237

Web site: www.cancer.gov

National Foundation for Credit Counseling (NFCC)

(for referrals to local Consumer Credit Counseling Services [renamed CredAbility in 2010])

Toll-free number: 1-800-388-2227

Web site: www.nfcc.org

Social Security Administration

Toll-free number: 1-800-772-1213

Web site: www.ssa.gov

Veterans Administration

Toll-free number: 1-800-827-1000

Web site: www.va.gov

Local bookstores and libraries

Good places to browse for books and ask for related information

Other publications in this series

In Treatment

Financial Guidance for Cancer Survivors and Their Families

Off Treatment

Financial Guidance for Cancer Survivors and Their Families

Advanced Illness

Financial Guidance for Cancer Survivors and Their Families

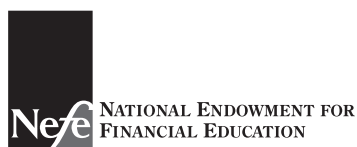
How to Find a Financial Professional Sensitive to Cancer Issues

Financial Guidance for Cancer Survivors and Their Families

Can I Be Prepared If Cancer Occurs?

Financial Guidance for Those With Concerns About Cancer

These booklets are available through the American Cancer Society by calling 1-800-227-2345 or by visiting our Web site at www.cancer.org.



Partnering for Financial Well-Being

Coping Financially with the Loss of a Loved One: Financial Guidance for Families was written and prepared as a public service by the Denver-based National Endowment for Financial Education®, or NEFE®.

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Note: Over time, legislative and regulatory changes, as well as new developments, may cause this material to be outdated. This booklet is meant to provide general financial information; it is not meant to be a substitute for or to supersede professional or legal advice.



Partnering for Financial Well-Being



We **save lives** and create more birthdays
by helping you stay well, helping you get well,
by finding cures, and by fighting back.

cancer.org | 1.800.227.2345 | 1.800.228.4327 (TTY)

For cancer information, answers, and support, call your
American Cancer Society 24 hours a day, 7 days a week.