

A checklist: what to do when a relative dies

When a loved one dies, the details that need to be taken care of by survivors may be particularly overwhelming during such an emotional time. This checklist is intended to help survivors handle the situations that need tending to, both at the time of death and afterward, as efficiently as possible.

By the numbers

- Each year, Americans arrange more than **2.1 million funerals** for family and friends.¹
- The average cost of death care is currently **\$5,700 per person**.²
- Roughly **25%** of Americans who pass away each year have some form of prepaid funeral arrangement.²

¹ estateplancenter.com

² wachoviasec.com (division of Wachovia Securities)

Immediately...

There are tasks that family members will need to take care of very soon after the relative's death.

- Arrange for a funeral or memorial service
- Find out what the decedent's wishes were regarding their funeral or memorial service.
- Contact a funeral home or memorial society.
- Tell friends and family what the plans are. Ask them to help you contact people.
- Determine if all or part of the decedent's funeral costs have been prepaid. (You can refer to agreement documents the deceased may have kept or ask at the funeral home. Also check with the cemetery to see if the deceased had a prepaid plot and/or burial insurance.)

- Veterans, service members, and their dependents can be buried in a national cemetery for free. If buried elsewhere, veterans who at the time of death were entitled to receive VA disability payments can receive an allowance toward burial and funeral expenses. This allowance may be greater if the death was related to military service or if it occurred in a Veterans Affairs (VA) hospital. Other benefits may include a ceremonial American flag, a headstone, and Presidential memorial certificate.
- Submit an obituary to the decedent's local paper(s). Make sure you include a charitable organization for donations if that is preferred over flowers.

(continued on page 2)

Key points

Immediately:

- Determine the decedent's wishes.
- Contact the funeral home and determine costs.
- Create an obituary.
- Track donations, flowers, and cards received.

After the funeral:

- Notify the decedent's attorney of the death.
- Organize a review of the will.
- File the will and petition probate court to appoint an executor.

Down the road:

- Probate can be lengthy — work with your investment professional to deal with the many issues involved.

(continued from page 1)

- Keep track of all donations, flowers, and cards received. Purchase sympathy acknowledgement cards, or use those sometimes supplied by the funeral home, and send to the list.
- Secure the decedent's tangible property, such as silverware, dishes, furniture, or artwork. Later on, you and the executor will need to have these items appraised and distributed according to the decedent's wishes. This may be a difficult task if the property has already been distributed to various family members. The executor is responsible for filing an inventory and appraisal of the decedent's assets with the probate court within 90 days following the death.

After the funeral...

There are several financial matters that need to be taken care of when a relative dies. However, you do not need to take these steps immediately. You and your family will need time to grieve. Most financial consultants recommend that you do not make any changes or long-term decisions about finances for at least six months to a year after your loved one's death. But when you are ready to tackle the administrative details, there are some steps you'll need to take.

- Notify the decedent's attorney about the death.
- File the will and petition at the probate court in order to be appointed executor or personal representative.
- Contact witnesses to the wills and the executor of the estate, if someone else has been appointed to that role.
- Organize a meeting to review the will and handle the estate settlement. If interested parties are unable to attend, they can obtain copies of the will.
- Ask the executor to determine the contents of the decedent's safe deposit box and acquire permission to remove the contents.
- Meet with the attorney (or your own attorney) to review the steps necessary to administer the decedent's estate (the probate process). Bring as much information as possible about finances, taxes, and debts. Don't worry about putting the papers in order first; the lawyer will have experience in organizing and understanding complex financial statements. Documents you should bring include:
 - **the will** – The attorney of the deceased should be able to provide you with the will. Also check the decedent's safe deposit box. (The safe deposit box, however, is not a good place to keep a will. The bank may seal the box upon notification of the boxholder's death.)
 - **copies of the death certificate** – You can get these from the funeral director, and it's a good idea to get at least 10 to 20 copies.
 - a copy of the **decedent's birth certificate** (and your marriage license if the deceased is your spouse)
 - **financial statements**, including those from banks, brokerage houses, and insurance agencies
 - **other financial documents**, including tax forms from prior years, unpaid credit and utility bills, and mortgage payments
 - **the decedent's Social Security number and Veterans Affairs identification number**, if applicable
- Find a financial institution (*i.e.*, a bank or credit union) in your area who can provide you with signature guarantees for certain documents if necessary.
- Notify the decedent's creditors. Close any credit card accounts.
- Bills and bequests should be paid from a single checking account, either one you establish or one set up by your attorney, so that you can keep track of all expenditures. However, don't pay off the decedent's debts from your own funds. The estate is responsible for any debts of the decedent. Paying off the debts only increases the net value of the estate, which may mean you'd then have to pay higher inheritance taxes.
- Distribute property to heirs and legatees. Generally, executors do not pay out all of the estate assets until the period runs out for creditors to make claims, which can be as long as a year after the date of death. But once the executor understands the estate and the likely claims, he or she can distribute most of the assets, retaining a reserve for unanticipated claims and the costs of closing out the estate.
- The executor must file an account with the probate court listing any income to the estate since the date of death and all expenses and estate distributions. Once the court approves this final account, the executor can distribute whatever is left in the closing reserve and finish his or her work.

(continued on page 3)

(Continued from page 2)

- Make sure any homeowner's or auto insurance policies offer coverage during the probate process.
- Restructure any homeowner, casualty, and life insurance policies, as necessary.
- Change the registration of investment securities by contacting the decedent's investment professional or the brokerage firm. Also make sure that if the deceased placed any orders, they are immediately suspended.
- Change the title on any property (including real estate and automobiles) owned by the deceased.
- Contact financial institutions to determine what information they need and in what format to change registration on any accounts the decedent may have had. If you have any joint bank accounts with the deceased, have the latter's name removed.
- Review your own estate plan, including insurance policies, legal documents, investment plans, etc., and revise as necessary.
- File a federal estate tax return within nine months after the death if the estate exceeds \$1.5 million in 2005. (The Applicable Credit will be \$2 million for 2006–2008, \$3.5 million in 2009, and then will be fully phased out in 2010. After 2010, these provisions return to 2001 levels unless new legislation is passed. This presents challenges. It is essential to seek advice by consulting with an experienced estate planning professional.)
- Contact the employee benefits department of the decedent's employer. Ask for a list of death benefits and how they are paid. You will need to provide several

certified copies of the death certificate as well as other documentation requested.

- Determine how to arrange for any income you may be getting from the decedent's retirement plan benefits, union survivor benefits, Social Security, Veterans' benefits, and life insurance policies.

• Social Security benefits

You will need to go to your local Social Security office in person. Bring the decedent's Social Security number, death certificate (a certified copy), and proof of relationship (such as a marriage license and your spouse's birth certificate). You should receive your benefits after the 60-day processing period.

A spouse or any minor children who were living with the deceased at the time of death receive a one-time Social Security payment. A widow or widower can also receive monthly benefits at age 65 or at any age if he or she is caring for an eligible minor (under age 16 or disabled). Minor children (under age 18, or 19 if they are still attending school) receive monthly Social Security benefits. If you are divorced from the deceased after a marriage of at least ten years, you may be eligible for Social Security payments.

Call the **Social Security Administration** at **1-800-772-1213** Monday–Friday from 7 a.m. to 7 p.m. Eastern time for more information on benefits for which you may be eligible.

• Veterans' benefits

Call the **Office of Veterans Affairs** at **1-800-827-1000** to find the office nearest you. You should go to the office in person and bring the decedent's birth certificate, Social Security number, death certificate,

and Veterans Affairs records.

Benefits to a spouse and heirs may include pension payments and financial aid for education costs.

• Insurance benefits

There are several types of policies. You should review the decedent's policy carefully to determine the benefits you should receive. Policies specify that the payments are made either one time only, monthly for a fixed period, or monthly for life. Some policies have different payment stipulations in the event of suicide or accidental death.

Contact the insurance company or agent to obtain the death claim forms you will need to complete and submit. With the forms, you'll need to include a certified copy of the death certificate and copy of the insurance policy.

• Retirement plan and pension benefits

Call the employee benefits department of the company that sponsors the plan. Some plans offer payment to a spouse and children over a set period. Other plans might have required the deceased to designate a beneficiary who would receive a lump-sum payment or make the payment simply to the estate.

Down the road...

The probate process can be lengthy, sometimes stretching two to three years or longer. In some instances, however, probate may be avoided completely, such as when an estate consists of trust assets. The executor should be able to anticipate how long settlement of the estate will take.

(continued on last page)

(Continued from page 3)

There is no quick fix for the overwhelming grief and stress undoubtedly experienced after the death of a loved one. Survivors should consider putting off making any extraordinary changes in their lives, such as moving right away, reinvesting assets, selling the family home, remarrying, etc. Making rash decisions now could mean having great regrets later. Instead, it's best to take time to grieve and heal from one of life's inevitable, but most traumatic, experiences.

For more information

Ask your adviser for a copy of the **MFS Heritage Planning** brochure *Put It in Writing* for more information on estate planning and the legal issues and documents involved.

Funeral Service Consumer Assistance Program (FSCAP).

This is a program designed to assist consumers and funeral directors in resolving disagreements about funeral service contracts. FSCAP is a service of the National Research and Information Center, an independent, nonprofit organization that researches and provides consumer information on death, grief, and funeral service. You may contact FSCAP at: 2250 E. Devon Avenue, Suite 250, Des Plaines, Illinois 60018
1-800-662-7666

AARP

AARP is a nonprofit, nonpartisan organization dedicated to helping older Americans achieve lives of independence, dignity, and purpose. AARP publishes *Funeral Goods and Services* and *Pre-Paying Your Funeral?* These publications are available free by mail or phone: AARP Fulfillment
601 E Street N.W.
Washington, D.C. 20049
1-888-687-2277

Funeral Consumers Alliance

33 Patchen Rd.
South Burlington, VT 05403,
1-800-765-0107

FCA is a consumer organization that provides information about alternatives for funeral or nonfuneral dispositions. It encourages advance planning and cost efficiency.

Cremation Association of North America

401 North Michigan Avenue
Chicago, IL 60611
1-312-245-1077

CANA is an association of crematories, cemeteries, and funeral homes that offer cremation. More than 750 members own and operate crematories and encourage the concept of memorialization.

International Order of the Golden Rule

P.O. Box 28689
St. Louis, MO 63146
800-637-8030

OGR is an international association of independent funeral homes. Membership is by invitation only.

Jewish Funeral Directors of America

Seaport Landing
150 Lynnway, Suite 506
Lynn, MA 09102
781-477-9300

JFDA is a national trade association of funeral directors serving the Jewish community. It has approximately 200 members.

National Funeral Directors and Morticians Association.

3951 Snapfinger Parkway, Suite 570
Decatur, Georgia 30035
1-800-434-0958

NFDMA is a national association primarily of African-American funeral providers. It has 2,000 members.

National Selected Morticians

500 Lake Cook Rd., Suite 205
Deerfield, IL, 60015
800-323-4219

NSM is a national association of funeral firms in which membership is by invitation only and conditioned upon the commitment of each firm to comply with the association's Code of Good Funeral Practice. Consumers may request a variety of publications through NSM's affiliate, the Consumer Information Bureau, Inc.

The Federal Trade Commission at
ftc.gov/ftc/consumer.htm

The Preservation Group provides estate planning information at
savewealth.com/planning/estate/index.html.

The Nolo Self-Help Law Center provides information on wills and estate planning at
nolo.com/keyword/estate_planning_home.html.

The Inheritor's Handbook: A Definitive Guide for Beneficiaries, Dan Rottenberg. \$10.40, Bloomberg Press, 1998.

Contact your investment professional for more information or visit mfs.com.

This material is not intended to replace the advice of a qualified attorney, tax adviser, investment professional, or insurance agent. Before making any financial commitment regarding the issues discussed here, consult with the appropriate professional.

© 2005 MFS Investment Management®. MFS® investment products are offered through MFS Fund Distributors, Inc., 500 Boylston Street, Boston, MA 02116.

M F SSM
INVESTMENT MANAGEMENT®