SURVIVING-CHILD FINANCIAL CHECKLIST

Retirement Income Source®

Surviving-Child Financial Checklist

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The loss of a parent is difficult enough, but it can be made worse when grief is compounded by worry and confusion over the prospect of dealing with their financial affairs. A recent study from the National Center for Health Statistics suggests:

- Over 30% of retired Americans need assistance in managing their finances and other legal affairs.
- Of that 30%, over half of them will make decisions or seek professional advice without their children present.

Every person's situation is unique, and some parents make a conscious effort to involve their adult children in financial matters or at least make provisions before they pass away to ensure that the process of organizing their affairs won't be burdensome. When parents try to get their children informed about their financial situation, it can lead to stronger family ties and help the children develop a better understanding of what they need to do to prepare for their own retirement.

With that in mind, this report provides a checklist that is designed to be used by:

- Parents nearing retirement as a guideline for helping their children better prepare to take over financial matters when the time comes.
- Adult children whose parents have recently passed away, leaving little or no guidance on how to handle their affairs.

Common Issues

There are several common issues to be addressed when any parent passes, and this checklist is designed to cover the broadest possible range, including:

- Important documents
- Funeral arrangements
- Taxes
- Life insurance
- Savings and investment accounts
- Credit debt
- Identity protection
- Social Security

Some items may not apply to your individual situation, but collectively, this checklist can help you create a comprehensive plan for dealing with all relevant issues and ease any worries you might have about possibly forgetting something important. Keep in mind, too, that you can always seek the help of a trusted, qualified financial advisor for additional help or guidance with most items on this list.

Preparatory Steps

Let's begin with some initial steps you can take that will help you throughout the process.

First, enlist the help of other family members if possible. This is a lot for one person to handle alone, so get assistance.

Second, locate the original will, if there is one, not a copy. If it's not in a lock box at home, it may be with a lawyer or in a safe deposit box.

Third, find out if you were named executor in your parent's will. If so, you will be responsible (usually with the help of an attorney) for distributing your parent's assets.

Fourth, use a large accordion folder to store all the important documents you will need.

And fifth, locate copies of all important papers, such as:

- Will/trust
- Divorce records
- Funeral instructions or contracts
- Mortgages and statements
- Investment records and stock certificates
- Retirement fund or pension statements
- Social Security card and statements
- Safe deposit box information
- Business ownership or interest information
- Union membership information
- Bills
- Birth and marriage certificates
- Death certificate (if you already have it)
- Credit card statements
- Insurance policies
- Tax returns from the past two years
- Employer benefit information
- Bank statements
- Storage locker information and key
- Military service records
- Titles/deeds

First Action Items

Once you've taken the preparatory steps, it's time to act.

First, contact the funeral home. They can help you get copies of the death certificate. You can also get copies at the county clerk's office. Get at least six certified copies

Second, if necessary, contact the utility companies to have the utilities shut off at your parent's place of residence. If your parent has a surviving partner or spouse, make sure the utilities and other bills or accounts get transferred into that person's name.

Third, contact a local attorney specializing in estate issues. There may be a temptation to try to go it alone but making mistakes could cost you a lot more than the deceased's estate would have paid an attorney. You could even be fined if you improperly execute the distribution of assets. If possible, try to work with the attorney who drew up your parent's will. If that attorney is not available, contact the state's bar association for a referral.

Fourth, make a special point of talking with the attorney about any secured debts your parent had and what options are available for handling those.

Fifth, while an attorney can guide you through most of the executor's duties, it will make things easier for you if you commit to communicating all pertinent information to anyone who is named in the will/trust. This helps to avoid confusion or hard feelings going forward.
Sixth, contact the life insurance company that holds your parent's policy to begin the processing of the claim. Also, contact any insurance companies your parent had a policy with to notify them of the passing and see if any cash benefits are due to survivors.

Next Action Items

First, contact your own tax professional for estate taxes, inheritance taxes, or other types of income that could be an issue come tax filing time.

Second, if you are going to be taking on your parent's car or mortgage payments, contact your insurance provider to talk about coverage for these.

Third, since your parent will still need to file taxes for the year of their passing, try to determine if there is a tax professional with whom they had been working. If not, use a local tax professional to help with the filing.

Fourth, contact a financial advisor before moving around any large sums of money you receive from your parent's estate.

Fifth, get in touch with any financial institutions where your parent had accounts to notify them of the passing.

Sixth, reach out to your parent's creditors to inform them of the passing. Remember: you do not inherit your parent's debt unless you were a co-signer or joint account holder. Also, being an authorized user for a debt doesn't make you legally responsible for paying it back.

Seventh, if you are contacted by collectors for medical bills or other debts, refer them to the attorney helping you administer the estate. Again, as a general rule, unless you were a signed guarantor of a debt with your parent, you are not responsible for their debts.

Eighth, if your parent was still working, contact the employer's Human Resources department. Learn what benefits are due, whether it is in wages, a company life insurance policy, a retirement plan, unused sick or vacation times, etcetera. Also, contact any former employers you are aware of to learn if any pensions or other benefits are due.

Final Action Items

First, contact the Social Security Administration, even, if your parent was not receiving benefits. Survivors may be due benefits. Also, contact any other government agencies from which your parent may have been receiving benefits.

Second, contact any unions or community organizations your parent was a part of to inquire about any benefits they offer.

Third, contact the Veteran's Administration if your parent served in the military, or any labor unions to which they may have belonged.

And fourth, protect your parent's identity by taking the following steps:

- Shred documents that are no longer needed.
- Fill out a change of address form to have mail forwarded to you.
- Avoid making death announcements of any kind via social media.
- Keep the obituary brief and don't include vital information like date of birth, address, place of birth, etc.
- Call the federal "Opt-Out" phone number at 888-567-8688 so that pre-approved offers are no longer generated for, or sent to, your parent.
- Cancel newspaper subscriptions so potential thieves aren't tipped off to an unoccupied living space.
- Contact the credit bureaus to let them know your parent is deceased and to put that notice on their credit file:

Equifax: 800-525-6285 Experian: 888-397-3742 TransUnion: 800-680-7289

And finally, if your parent left behind many household items or collectibles, contact a company that can conduct an estate sale — and check to make sure there isn't any cash tucked away in items you put up for sale!

Source:

The Consumer Credit Counseling Service of San Francisco

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