



SURVIVOR'S GUIDE

WHAT TO DO WHEN
YOU LOSE A LOVED ONE

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*As believers
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A NOTE FROM **Dillon McClain**

Most are familiar with the old cliché about the certainty of “death and taxes” we all will have to experience at some point. The unfortunate reality of these certainties is they are accompanied by numerous tasks in the midst of grief. The Arkansas Baptist Foundation has dealt with estate administration hundreds of times, and we understand how challenging this experience can be for those who are left behind.

You may be overwhelmed at this point but as believers we must take solace in God’s sovereignty and continued provision even while we are in the valley. While we cannot eliminate the grief or the various tasks of estate administration, we hope the following will provide you with some general information about estate administration and this will serve as a guide during this difficult time. Additionally, we hope this information will guide you in the stewardship of your own estate and eliminate some of the worries of estate administration for you and your loved ones.

As a reminder, the information in this guide is just general information and may not be applicable to your situation. You should seek your own legal, tax, and financial advice to ensure your situation is handled properly.

Sincerely,

Dillon McClain
Vice President/Attorney
Arkansas Baptist Foundation

FIRST STEPS

01

MAJOR CHANGES:

Don't make any major changes until you are absolutely ready. It is a good idea to wait a year. The reason for this is not that you work through your emotions in exactly one year, but this time allows you to work through the various holidays for the first time as well as birthdays and anniversaries. It is simply a reminder to give yourself some time before making major changes in your life.

02

TRUSTED ADVISORS:

Surround yourself with trusted family, friends, church staff, counselors, and advisors who have your best interests at heart.

03

DETAILED NOTES:

Keep detailed notes with names and contact information. These notes may serve to be very useful later in handling various matters. See page 11 checklist.

04

PROFESSIONAL CONSULTATION:

Consult with your attorney, tax preparer and/or financial advisor to discuss all of the "ins and outs" of estate administration, taxation, and other issues that could occur with the upcoming distributions.

INITIAL NOTIFICATIONS & FINAL ARRANGEMENTS

There are some things that have to be done quickly. You may have already taken care of these items by the time you read this. The funeral director and others will assist you in this process.

NOTIFICATIONS:

- Notify any employers, military, loved ones, or church family.

PLAN THE FUNERAL:

- Verify if your loved one had any prearranged plans.

FUNERAL EXPENSES:

- Remember there will be some expenses associated with the burial even if there was a prepaid funeral plan. Generally, these can be paid out of pocket or can be paid out of the estate.
- Hopefully, the funeral home won't insist upon immediate payments which can be fairly expensive. There will still be some expenses including the casket spray (flowers), opening and closing the grave, and other such items that may not have been covered in the pre-payment. It may be that the funds to pay this bill are "locked up" until you can start the probate process, or receive life insurance proceeds after submitting a claim.

OBITUARY:

Write the obituary and include where flowers or memorials can be sent. If you list a charity to receive memorials, include the charity's address and inform the charity that they have been named.

DEATH CERTIFICATES:

The one thing that is a little difficult at the time is deciding how many death certificates will be needed in the future. You can obtain more later, but they will be a little more expensive. It is good to order what is needed with the funeral director. A good rule of thumb is to order as many death certificates as there are accounts or assets and add five to that number.

You will need a certified copy for each of the following:

- probate court (if required)
- financial accounts at banks and brokerage firms
- insurance and annuity policies
- retirement accounts
- business ownership interests

A few of these may accept a copy of the death certificate. Always ask if they require a certified copy or if a photo copy of the certified copy will suffice.

NOTES:

ASSETS & BENEFITS

PERSONAL PROPERTY:

- It would be helpful to take pictures or make a video of all assets owned by your loved one.
- Make an inventory of everything your loved one OWNED (jewelery, guns, furniture, etc.), list each asset and how it was titled. Some of these assets may require a qualified appraisal. Total up the values and contact your tax preparer or financial adviser to see if you will be required to file the Form 706 estate tax return.

BUSINESS LEADERSHIP:

- If your loved one was operating a business or in a profession where others are depending on certain tasks being accomplished, you may have to act quickly to ensure the business remains open as needed or that someone else knows to accomplish the tasks. You could be facing major issues like meeting a payroll deadline or closing a transaction. Hopefully, you will have family or trusted advisors to help you if this is the case.

EMPLOYER BENEFITS:

- Contact your loved one's employer and/or former employers to inquire about any benefits such as accrued salary, bonuses, commissions, sick leave, vacation, deferred compensation, life insurance benefits, defined contribution or defined benefit retirement plans, continued health insurance for surviving dependents, etc.

MILITARY BENEFITS:

- If your loved one served in the military and you are the surviving spouse, you may be entitled to benefits, including a military pension, a bronze footstone, a flag for the casket, a death benefit, and/or funeral/burial assistance.
- Contact the U. S. Department of Veteran Affairs to get benefits statements in writing. If your spouse was retired from the military, contact the Defense Finance and Accounting Service Casualty Assistance Line to report the death and check for any survivor annuity. The funeral home will assist you with any part of this process.

VETERANS AFFAIRS: Call:1-800-827-1000

DFA CASUALTY ASSISTANCE: Call:1-800-827-1000

NOTES:

OWNERSHIP OF ASSETS

INDIVIDUAL OWNERSHIP:

- If an account was owned solely by the decedent, then use the Letters Testamentary obtained from the probate court to transfer the account(s) into a new account in the name of "Estate of John Doe" with a new tax identification number which you will have to obtain from the IRS. Your tax preparer or your attorney can obtain this number for you. Be careful to use this account only for legitimate deposits and debts of the estate and maintain careful accounting of all transactions.

This will go through probate court unless...

- There was a POD or TOD (payable on death or transfer on death) designation made to a living person or charity. If the account has a POD/TOD designation to someone else, then inform the beneficiaries they will need to collect the assets for themselves.
- There was a named living beneficiary or charity—most life insurance policies and retirement accounts will have named beneficiaries.

JOINT OWNERSHIP:

- If you are the joint owner or the account is in a joint revocable trust, the decedent's name will need to be removed and your social security number will need to be used as the tax identification number for the account (if not already). However, if you are the surviving spouse, you may want to keep both names on the account until you are sure all assets and distributions from the decedent's estate have been distributed and/or deposited.

- Jointly owned with rights of survivorship—this will pass to the survivors assuming they are still alive.
- Joint Tenancy in common—this will go through probate court.

TRUST OWNERSHIP:

- If assets are owned by a trust, the administration of the trust may require several steps to satisfy the requirements of the trust language and the Arkansas Trust Code. If you have a revocable trust where everything simply passes to the survivor at the first death, then your situation may be fairly easy. You should consult with your tax preparer, attorney, and/or financial advisor to ensure everything is done properly.

PROBATE:

Go back and clarify exactly how each asset on the inventory was titled in order to determine whether a probate process is required. It may very well be that you do not need to go through the probate court to transfer assets. However, if you do, then you will need to contact an attorney to help you in that process.

NOTES:

INSURANCE

- Locate insurance policies and call each company for a copy of their claim form so you can make a claim when you receive the death certificates. These forms may be available online.
- File the appropriate paperwork for each insurance policy. Each claim will require at least a copy or certified copy of the death certificate along with their required forms.
- Contact all of your insurance companies (auto, home, life, health, etc.) and ask them to remove your spouse/loved one's name from any policies.

RETIREMENT ACCOUNTS

SPOUSE:

For a spouse inheriting an IRA, you can do one of the following three options. The decision may depend on your age and your spouse's age, but your financial advisor can help you with this.

1. Roll the IRA into your current IRA
2. Set up a new IRA in your name
3. Simply treat yourself as the beneficiary of your spouse's IRA

NON-SPOUSE:

If you are the joint owner or the account is in a joint revocable trust, the decedent's name will need to be removed and your social security number will need to be used as the tax identification number for the

account (if not already). However, if you are the surviving spouse and have a joint account, you may want to keep both names on the account until you are sure all assets and distributions from the decedent's estate have been distributed and/or deposited.

401(k), 403(b), & OTHER ACCOUNTS:

For 401(k), 403(b), and other such accounts, you may be able to roll these accounts over into your own account or into an IRA. You must check with the plan administrator to see what your options will be. In most cases, you will want to make a direct transfer from custodian to custodian to avoid any required tax withholdings.

NOTES:

BUDGET

FOR INCOME & EXPENSES

By now it is time to begin to put together your budget. How much income will you have now? What will your fixed and flexible expenses be? Your financial advisor can help you with establishing a reasonable budget.

INVENTORY:

Make an inventory of everything your spouse/loved one OWED including mortgage lenders, credit card companies, auto lenders, etc. Clarify which debts are actually owed by the estate of your spouse/loved one.

EXPENSES:

- You will want to contact creditors (like credit card companies) and close out any credit cards or remove your loved ones name as an authorized user.
- You should have received or will start receiving over the next weeks and months the final bills owed. Depending on how you are paying the bills (as executor, trustee, or surviving spouse), you will want to keep good records. Be sure that medical insurance has been properly filed and has been paid before you make the final medical payments.
- For most surviving spouses, it is good to consolidate and simplify. If accounts can be combined, that is often a good thing. You might want to have as many bills as possible drafted from your checking account, as well as having income automatically deposited.

NOTES:

SUGGESTED CHECKLIST



To Do:	Month:	Date:	Complete:
1. Collect Important Papers	1		
• Death Certificates	1		
• Insurance Policies	1		
• Marriage License	1		
• Birth Certificates	1		
• Estate Planning Documents (ex. Trust, Will, etc.)	1		
• Veteran's discharge papers	1		
• Social Security Cards/Numbers	1		
• Most Recent Tax Return	1		
2. Forward Decedent's Mail	1		
3. Apply for Benefits	1		
• Life Insurance Proceeds	1		
• Retirement Plan Benefits	1		
• Veterans' Benefits	1		
• Other Employee Benefits	1		
• Social Security Benefits	1		
4. Contact an Attorney and a Tax Preparer	1-3		
5. File for Probate	1-3		
6. Change Titles and Ownership	1-3		
• Home	1-3		
• Insurance Policies	1-3		
• Vehicles	1-3		
• Update Estate Documents	1-3		
• Credit Cards	1-3		
• Bank Accounts	1-3		
• Stocks, Bonds, and Other Investments	1-3		
• Safe Deposit Boxes	1-3		
• Update POD/TOD	1-3		
7. Complete Notifications of Death	1-3		
8. Hire a Financial Advisor	3-6		
9. Review Finances	3-6		
10. File and Pay Taxes	3-12		

IMPORTANT CONTACTS

TAX PREPARER:

Phone #:

Email:

Notes:

ATTORNEY:

Phone #:

Email:

Notes:

FINANCIAL ADVISOR:

Phone #:

Email:

Notes:

SOCIAL SECURITY ADMINISTRATION:

Phone #:

Email:

Notes:

FUNERAL HOME:

Phone #:

Email:

Notes:

INSURANCE AGENT(S):

Phone #:

Email:

Notes:

NAME/CONTACT:

Phone #:

Email:

Notes:

NAME/CONTACT:

Phone #:

Email:

Notes:

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