

## Financial Steps to Take When Someone Dies

While no one likes to think about death, we all have to face it sooner or later. A simple checklist can be quite beneficial when someone you know passes away. It is important for the surviving spouse, family member, or friend to recognize that they are going through a grieving process and will have to make some important decisions. This can be especially difficult for those who have not made financial decisions in the past. Here are some of the most important steps to take.

### 1. Gather important documents

You will probably need the following documents right away. Keep them in a centralized location, because you'll refer to them often. These include: will and any trusts, insurance policies, death certificate (get 10 to 25 copies), social security numbers, marriage license, birth certificates for children, financial statements for individual retirement accounts (IRAs), bank accounts, brokerage accounts, and company-sponsored retirement plans, company benefits booklet, and military discharge papers.

### 2. Collect life insurance benefits

Most insurers will cut you a check relatively quickly following the death of a loved one. Don't feel compelled to invest this money immediately. Most insurance companies will let you keep the proceeds from a life insurance policy in a cash account until you have a plan for investing it.

### 3. Contact the deceased's employer

Many companies attempt to help the families of their employees after a death. They may cut you a check right away for wages owed, vacation pay, sick pay, or life insurance benefits. If the death was the result of an accident on company time, there may also be accidental death benefits.

Contact a human resources representative of the deceased's employer for help with retirement plans. A surviving spouse will be able to roll over money from the deceased spouse's retirement plan into his or her own IRA. If you are inheriting a company retirement plan and are not a spouse, you'll need to refer to the beneficiary designations of the plan itself. Talk to the attorney who is settling the estate to ensure you understand the tax consequences of taking a distribution.

### 4. Make sure you have sufficient cash reserves on hand

One of the biggest concerns immediately following a death is making sure the surviving family has enough cash to meet current expenses as well as funeral costs. You might want to take part of your life insurance proceeds or other death benefits and increase your cash reserves.

## 5. Apply for government death benefits

As a widow or widower, you might be eligible for Social Security retirement benefits as early as age 60. Surviving families with children younger than 18 might be eligible for Social Security benefits. Go to [www.ssa.gov](http://www.ssa.gov) for more detailed information.

## 6. Start to settle the estate

The will and/or trust will indicate the executor of the estate. That person will handle the administrative responsibilities of the estate, so you need to contact him or her right away. Also contact an estate attorney to help settle the estate.

## 7. Handle other miscellaneous details

Eventually, you will need to take care of other issues, such as retitling ownership of any real estate, cars, IRAs, brokerage accounts, credit cards, bank accounts, or other assets. You will need to write a letter to each entity (or fill out a form) to request a change in ownership, and enclose a death certificate. If you are a surviving spouse and have children in college, you should contact the school's financial-aid department to see if any additional financial assistance is available.