



"How to" E-book Series by Susan Sandys

HOW TO:

HANDLE THE LOOSE ENDS



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HOW TO:

HANDLE THE LOOSE ENDS

You will need to locate information on how to handle the following, in order to successfully tie up any loose ends:

- Accounts
- Benefits
- Businesses
- Life Insurance
- Loose Stock Certificates
- Personal Items
- Pets
- Real Estate
- Retirement Accounts
- Safe Deposit Boxes
- Utilities
- Vehicles, Trailers and Motorcycles Titled To DMV

Accounts

Accounts include checking and savings accounts at banks or credit unions, and non-retirement accounts at a financial institution—bank, credit union or brokerage house.

A non-retirement account is an account that is not an IRA, 401K, 403b or 457 Deferred Compensation account.

You will probably need a certified copy of your loved one's death certificate for each financial institution. The institution may or may not want to keep the certified copy. Ask the financial institution if it can make a copy and return the certified copy to you.

An Account Titled In A Revocable Living Trust. If the account is titled to a Revocable Living Trust, this means that the actual owner of the account is the Revocable Living Trust itself. You would know if the account statements, etc. say "Jones Trust" for example. The successor trustee named in the Revocable Living Trust needs to bring the Revocable Living Trust document and the original death certificate to the financial institution. If it is an online account, or the institution does not have a building here, check what requirements they have in this regard.

The funds in the account will be paid to the successor trustee. The check will say: successor trustee of the Revocable Living Trust.

The successor trustee should open a trust account for depositing collected assets. That trust account will need a tax identification number. This can be obtained easily at irs.gov. (See How To: Handle Your Loved One's Taxes).

P.O.D. Or T.O.D. Account. If the account is P.O.D. or T.O.D., it means it is Pay on Death to named beneficiaries.

If you provide the financial institution with a certified copy of the death certificate, it will enable the bank to cut checks to the account beneficiaries. The financial institution will have its own procedures for how to notify those beneficiaries who are entitled to the assets in the account.

Your Loved One's Name and Someone Else's Name. If the account has your loved one's name and someone else's name on it, then the "someone else" becomes the owner of the account 100%. That "someone else" will need to go to the financial institution, with the certified copy of the death certificate, to get the assets in the account.

BENEFITS

Employment Benefits

1. Contact the Human Relations department (HR) where your loved one worked.

If you need the Human Relations phone number, contact one of your loved one's work friends or go to the company website.

2. What to ask HR

a. **General.** Does the company owe your loved one:

- Salary?
- Bonuses?
- Overtime?
- Unused vacation time pay?
- Unused sick time pay?
- Disability income?

b. **Health**

- Is your loved one's family still eligible for health insurance through the employer?



OFTEN FAMILY WILL BE ELIGIBLE FOR COBRA: IT EXTENDS YOUR LOVED ONE'S EMPLOYEE HEALTH INSURANCE POLICY FOR 18 MONTHS. BE SURE TO ASK THE COST BECAUSE COBRA IS OFTEN QUITE EXPENSIVE.

- Is there money left in a Flexible Spending Account (FSA) or Health Spending Account (HSA)?

c. **Life Insurance**

- Did your loved one have group life, accidental death or travel insurance?
- If your loved one died on the job, is the family entitled to worker's compensation benefits?

d. Investments. Did your loved one have:

- Profit sharing benefits?
- A pension plan?
- Stock options in the company?
- A deferred compensation plan/account?
- A 401k or 403b?
- Any other work-related investments?



BE SURE TO:

- Review all of the available distribution options, for money owed to your loved one, with the benefit plan administrator.
- Ask HR if there is a time frame in which to exercise your loved one's stock options.
- Contact all of your loved one's past employers to see if your loved one's family is entitled to any death benefits, continued health insurance coverage or payments from an annuity or pension plan.
- Contact any union(s) or professional organizations(s) your loved one belonged to and see if there are death benefits available to the members.

COLLEGE BENEFITS

If your loved one has children in college, contact the school's financial aid department to see if the children are eligible for financial assistance as a result of your loved one's death.

SOCIAL SECURITY BENEFITS

Most people have their Social Security payments direct deposited into a checking or savings account. Social Security must be notified to stop payments.



TIME SENSITIVE - IT IS BEST TO NOTIFY SOCIAL SECURITY AS SOON AS POSSIBLE AFTER YOUR LOVED ONE'S DEATH TO AVOID ANY HASSLES.

To call Social Security, call 800-772-1213 or 800-325-0778 (for the hard of hearing). You will need your loved one's Social Security Number.

Or, you can go to the website at www.ssa.gov. Click on Category 1: "Survivors". Then, on the right side of the page, click on "Report A Death".

MILITARY BENEFITS

The VA website is www.va.gov. Click on "Veterans Services". Scroll to "Burials and Memorials" or to "Benefits and

Services". If you click on "Benefits and Services", then click next on "Survivor's Benefits".

The phone number to contact the VA regarding a loved one's death is 800-827-1000.

If your loved one was receiving monthly VA benefits, you need to notify the VA that your loved one has died.

BUSINESSES

Businesses typically come in 1 of 3 flavors: LLC (Limited Liability Company), Inc. (corporation), or sole proprietorship. Your first step is to determine what type of business your loved one had. Look for legal documents setting up a LLC or a corporation. If your loved one was a sole proprietor, there will not be legal paperwork.

Can't find information? Try calling your loved one's accountant, attorney, office manager, partner, assistant or associate.

If your loved one had rental properties, you can look them up at the County Recorder, by address, and see if a LLC or a corporation owned those properties.

Your second step is to see if any of your loved one's paperwork says what to do with the business when your loved one dies. I would look for Minutes of corporate

meetings (i.e. official notes re: meetings), an Operating Agreement (the legal instruction manual for a LLC), or your loved one's estate planning documents.

Once you collect all of the relevant information, you can decide whether to continue the business, sell the business or simply disband the business.

LIFE INSURANCE

Sometimes the biggest trick with life insurance is finding out if your loved one had any and if so, with what company.

You Have The Policy. Contact the life insurance company and let it know that your loved one died. Ask what documents you need to release the proceeds. Determine, if you can, who is named as a beneficiary. The company will probably want a certified death certificate and a statement of claim, (the life insurance company's form). You will need to repeat this process for each life insurance company. It usually takes 30 days for the life insurance company to process your claim.

Ask if the beneficiary(s) of the life insurance have a choice between receiving a lump sum or having the insurance company place the money in an interest bearing account from which the beneficiary(s) can write checks. If a choice is available, weigh the pros and cons.

You Do Not Have The Policy. Search thoroughly through your loved one's papers and safe deposit box for life insurance policies. Look for premium bills or any other documentation. If you can't find any documentation, then the life insurance cannot be collected. There is no central clearinghouse for life insurance policies. Billions of dollars in life insurance go unclaimed because people cannot find life insurance policies.

Covering Debt. Find out if any of your loved one's loans, (mortgage for example), or credit card balances, were insured. This type of life insurance would pay the mortgage or credit card balances on your loved one's death. If your loved one had this type of insurance, then contact the company and follow its procedures for accessing that insurance.



Additional information:

<http://www.nolo.com/legal-encyclopedia/beneficiaries-claim-life-insurance-32433.html>

Contact the appropriate company for each of these types of insurance:

- Auto
- Business
- Dental
- Errors and Omissions

- Flood
- Home
- Malpractice
- Medical
- Medicare
- Mortgage
- Motorcycle
- Prescription
- Rental
- Supplemental Health Insurance
- Umbrella
- Vision

LOOSE STOCK CERTIFICATES

If your loved one has actual paper stock certificates, contact the company that issued the certificates. Explain that your loved one died and ask what paperwork needs to be completed. Each company is different.

PERSONAL ITEMS

(STUFF, REGARDLESS OF VALUE—STUFF IN THE HOUSE, GARAGE AND SHED)

When it comes to personal items, you need to try to find paperwork first. What are you looking for?

List of Particular Items for Particular People. In order to be valid, this List must be signed and dated by your loved one. This type of List should not be witnessed or notarized. This List does not actually have to be called “A List of Particular Items for Particular People”.

If there are multiple lists, it is reasonable to follow the most recently dated list, per item.

Items on a List of Particular Items for Particular People should be the first items distributed.

Will Or Trust. A Will or a Trust should address the issue of personal belongings—who should distribute the items and who should receive the items.

See whether there are instructions re: using your loved one’s assets to pay for shipping particular items to particular folks.

If yes, then follow those instructions. If not, then a recipient will need to arrange for the shipping or transporting of items at the recipient’s expense.

Garage Sale. Once all of the wanted or designated personal items are distributed, people often hold a garage sale, estate sale or list items on online venues like Craigslist. The sale proceeds will then be distributed to the heirs. Another option is to donate items to a charity that your loved one supported.

No Instructions. If your loved one did not make any mention of what to do with the stuff, then wait until the decision is made on how to proceed with your loved one's estate before starting to distribute items.

Pets

Search for information your loved one had on his/her pets. For example, are there instructions for the daily care and feeding of the pets?

1. If A Caretaker Is Named

Sometimes there are written instructions about who should care for the pets in a loved one's Last Will and Testament or Revocable Living Trust. It is also legal to include instructions about giving money to the pets' caretaker.

2. If A Caretaker Is Not Named

If there are no written instructions, then see if any family members or friends want the pets. If any dispute arises over who will care for the animals, the named Personal Representative (in the Last Will and Testament), or the named successor trustee (in the Revocable Living Trust), should make the final decision.

3. Find A Home

If no one wants the pets, then do the following:

- Advertise for a home
- Try word of mouth or social media

Prepared by Susan L. Sandys/Attorney;

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- Ask vets
- Contact breeders if the dog is a purebred
- Contact no-kill shelters:
 - ❖ Animals Benefit Club of Arizona, 602-867-2169; animalsbenefitclub.com.
 - ❖ Arizona Animal Welfare League, 602-273-6852; www.aawl.org
 - ❖ HALO Animal Rescue, 602-971-9222; halorescue.org

REAL ESTATE

1. PAPERS YOU WANT REGARDING THE HOUSE:

- a. Mortgage documents**—Who is the mortgage lender? Who is listed on the mortgage? How much is the mortgage each month?

- b. Who is listed as the owner of the house?** You need to look at a deed. The easiest way to find the deed is to go online to the Maricopa County website: maricopa.gov. If the house is outside of Maricopa County, then go to the County Recorder website of the relevant county. You can pull up a copy of the deed immediately.

The real estate could be titled as follows:

- To the Trust
- To individuals
- Beneficiary deeded to individual(s) or charity(ies)

- c. **Notify the mortgage lender of the death.** Reassure the lender that you will continue to make the mortgage payments until the house is sold or the mortgage is paid off with inherited money.

- d. **Decide whether to sell or rent the house.**

- e. **Figure out how much the house is worth**—an official appraisal may be worthwhile. You can also use websites or real estate agents to get an idea.

RETIREMENT ACCOUNTS

The most common retirement accounts are:

- Traditional IRAs
- Roth IRAs
- Annuities
- 401K's
- 403b's
- 457 Deferred Compensation
- Pensions—although pensions tend to have their own rules that dictate who can be named as a beneficiary and if and how the pensions will be paid in full.

All of the financial institutions that take care of these accounts will want a death certificate for your loved one. Who is named as a beneficiary will determine the taxes and

distributions of these accounts. The options for distribution of these accounts will vary depending on whether the beneficiary named is a person or a Trust.



IT IS VERY IMPORTANT to discuss the ins and outs of retirement accounts with:

- 1) the institutions managing the accounts; and/or
- 2) a financial advisor; and/or
- 3) an accountant.

If no one is named as a beneficiary, then the account will most likely pay out to the Estate of the Loved One. A probate may well be needed.

SAFE DEPOSIT BOX

The good news is that safe deposit boxes do not get sealed in Arizona. A signer on the box can empty the box at any time.

If you are not a signer on the box:

- You may need court documents to let you into the safe deposit box.

- Hopefully, you or someone other than your loved one, is a signer on the box. Or, the box is titled to the Trust and the trustee then can get into the box.

UTILITIES

Notify each service provider of your loved one's death. Decide whether to keep some or all of the services intact. Consider forwarding utility bills to your address.

For each provider, have the account number, who is listed as the account owner (if you can determine), and your loved one's Social Security Number with you.

APS/Arizona Public Service

602-371-7171

800-253-9405

www.aps.com

Electricity

SRP/Salt River Project

602-236-8888

800-258-4777

www.srpnet.com

Electricity

City of Phoenix

602-262-6251

www.phoenix.gov/waterservices

Water

Southwest Gas

602-271-4277

877-860-6020

www.swgas.com

Other Services To Notify

- Landline phone service
- Cell phone service
- Internet provider
- Cable provider
- Satellite provider
- Housekeeping
- Pool care
- Landscaping
- Alarm system

VEHICLES, TRAILERS AND MOTORCYCLES TITLED TO DMV

DMV = (Arizona) Department of Motor Vehicles

A title transfer is needed when a title owner dies. In order to transfer title, you need:

- 1. A completed, signed Title and Registration Application**
- 2. The title**
- 3. A Small Estate Affidavit or a DMV beneficiary form that the title owner had signed and notarized while alive.**



If there is a loan on the vehicle, contact the loan folks first before you do anything else.

*Please see my blogs for more information on
handling the loose ends for a loved one.*



Disclaimer

This manual is designed for general information only. The information presented is neither formal legal advice nor the formation of a lawyer/client relationship. Persons using this manual are encouraged to seek independent counsel for advice regarding their individual legal issues.