MOVING FORWARD

What to do after a spouse dies
Know what to do when. We can help.

No one is ever fully prepared for the loss of a loved one. In addition to your grief, there’s often confusion concerning financial affairs and how the survivors will move forward. To help guide you through this difficult time, we’ve identified steps you can take to navigate the financial and legal matters you now face.

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Steps to take if you are the surviving spouse

Within the first three months

Order death certificates.
Typically, the funeral director does this at the time of death, or you can order certificates directly from the county registrar or health department. Order at least 10 certified copies because they will be required for handling many aspects of the estate, including requesting Social Security, insurance, and medical benefits.

Notify financial institutions.
Contact banks, brokerage firms, credit card companies, insurance companies, pension fund administrators, and other institutions where your spouse held accounts so you can start the clock on credit claim periods and lock credit cards to mitigate the threat of fraud.

Assemble financial documents.
Locate and review your spouse's important documents, including the will, any trust documents, financial statements, insurance policies, and any personal property documents. The Financial Inventory Checklist on page 5 can help you identify pertinent information.

Meet with the executor.
If you're not the executor of the estate, you will need to meet with the executor to discuss the legal and tax issues related to settling the estate. Bring the financial documents you assembled.

Claim joint assets.
Generally, assets that you and your spouse owned together can be passed on to you without waiting for approval from a probate court. See the glossary on page 10 for more information about the probate process.

In some states, joint bank accounts are automatically frozen upon the death of one spouse. Ask your bank to release joint bank account funds to you.

Rules for changing the property title of joint assets into your name vary by county. You'll need to contact your local county assessor and state Department of Motor Vehicles.
Within the first year

Get financial guidance.
Most likely, your financial situation has changed and you'll need to make adjustments—from creating a new budget to estimating your income to reallocating your investment portfolio. Consider working with a financial professional to assist you with these tasks.

Consider your tax situation.
If you inherited assets, think about consulting with a tax expert on the tax implications of inherited assets before you make any financial decisions that can have a long-term impact. If you inherited a retirement account, you may want to get help navigating the rules for inherited retirement assets.

Plan for the future.
With guidance from a trusted financial professional, careful evaluation of your choices, and a well-thought-out plan, you can begin to move forward with your financial life.

Dates to Watch

Due dates for bills: Avoid late charges by paying your spouse’s bills on time.

April 15: File your spouse’s personal state and federal income taxes—or request an extension to October 15.

Nine months after death: If required, file estate tax returns or request an extension.
Financial Inventory Checklist

At this time, getting organized can help you feel more in control. You can use this checklist to gather the documents you’ll need to settle your spouse’s affairs.

Pull together important documents:
- Tax returns for the past five years (state and federal)
- Pay stubs for the last six months
- Wills and trust documents
- Beneficiary designations
- Pre- and post-nuptial agreements
- Divorce settlements, if any

Locate all financial statements:
- Bank and credit union accounts
- Certificates of deposit (CDs)
- Investment statements and brokerage accounts
- Credit card accounts (business and personal)

Collect real estate documents:
- Title papers
- Original purchase documents
- Mortgage agreements
- Home equity loan documents

Find all insurance policies:
- Health
- Life
- Disability
- Homeowner’s/Renter’s
- Auto
- Umbrella

Gather statements on all retirement accounts:
- 401(k)s
- 403(b)s
- Pensions (defined benefit plans)
- IRAs
- Keoghs (qualified retirement plans)
- SEP-IRAs
- Profit-sharing plans
- Annuities
- Dividend-reinvestment plans

Compile records of employee benefits:
- Stock options
- Bonuses
- Health and other types of insurance

Compile other financial-asset documents:
- Partnerships or interests in Limited Liability Companies (LLCs)
- Promissory notes owed
- Beneficial interests or rights in trusts
- Patents, trademarks, and royalty or rental income
- Auto registrations
- List of valuables (e.g., antiques, artwork, or jewelry)

Assemble additional information:
- Business financial statements
- Inheritance records
- Records of monetary gifts made (including charitable gifts)
- Any pending litigation or arbitration proceedings
- Safety deposit box key
- Educational records
- Birth and marriage certificates
- Social Security documents
As executor, you serve as the voice of the deceased. You don’t need to be a financial or legal expert, but you do have a fiduciary duty to act with good faith and honesty on behalf of the deceased. Depending on the size of the estate, the executor often works with an estate attorney.

Within the first nine months

**Review important documents.**
If you’re not the surviving spouse, start by meeting with him or her and reviewing the deceased’s important documents (see the Financial Inventory Checklist on page 5). You will need these documents as you work toward settling the estate.

**Determine the need for probate.**
Probate is the legal process of settling a person’s estate and, if required, it can have a significant impact on costs and timing. A small estate ($25,000–$75,000) may be exempt from probate and can often be settled in a few weeks. Most estates settle in the first nine months, while larger estates are settled within 18 months. Determining whether probate is needed is a task best handled with the advice of an estate planning specialist or attorney.

**Initiate probate proceedings.**
If probate is required, file a petition with the court to admit the will into probate. All wills must go through the probate process unless the estate is small and probate is waived.

**Apply for a Tax ID Number.**
Probate estates and trusts are considered separate legal entities from the deceased. In order to ensure that estates and trusts are properly accounted for, you’ll need to apply for an Employer Identification Number (EIN) from the IRS. You can apply online at www.irs.gov or call 1–800–829–4933. The EIN must be included on all tax returns and tax documents.

**Consider opening an estate account.**
This is an account for handling all estate transactions, including paying bills and receiving income.

**Manage the estate’s financials.**
At the end of the probate process, you will need to provide a final accounting of the estate, so you must keep a detailed record of important dates, income, and expenses. You will need to:

- Take an accurate inventory of the estate’s assets and obligations.
- Notify any beneficiaries.
- Notify any creditors, such as credit card companies, of their right to make a claim against the estate. Check your state for notification requirements and deadlines.
• Collect outstanding income, such as salary, insurance, and employee benefits.

• Pay any outstanding bills using estate funds. You may need to petition the probate court for access to the appropriate account(s).

• Manage property and business expenses until passed on to the heir(s).

Submit estate tax returns.
• Estate tax returns are due nine months after the death, with some exceptions.

• You must prove that all potential creditors have been notified of the death and all bills have been paid.

• You may also be asked to provide a thorough accounting of any income earned or disbursements made by the estate after the death.

After probate

Change the titling of assets.
Depending on how assets are titled, the probate judge may need to issue an order allowing you, as executor, to change title to reflect new ownership.

Distribute assets to heirs.
Per provisions of the will, your final duty as executor is to distribute assets to heirs and verify that you have completed the distribution.

Probate can impact costs and timing.

1% to 6% of an estate’s market value can be consumed by probate costs. Please note: Probate fees vary by state and could differ from our estimates.

6 to 24 months may be required to complete the probate process.
Choosing an estate attorney

Look for an attorney who can answer yes to the following questions.

Does the attorney:

• Have at least five years of experience in estate planning law?
• Devote at least 75% of the practice to estate planning?
• Have a state bar certification in estate planning (if bar certification is offered in his or her state)?
• Carry adequate professional liability insurance?
• Offer a free initial consultation?
• Make it clear up front how you will be charged?
Glossary

**Estate:** All the property that your loved one owned is part of his or her estate. How the estate is distributed is determined by the will, by the beneficiaries named, by the way the property is titled, by any trusts, and by the laws of the state where the person lived.

**Executor:** Generally named in the deceased’s will, the executor is responsible for wrapping up the financial affairs of the deceased and distributing assets. Depending on the size of the estate, if there is no will or if an executor has not been named, the state may appoint one.

**Probate:** This is the legal process of settling a person’s estate. Generally, jointly owned assets that pass to the surviving owner and assets with designated beneficiaries or property that is included in a trust do not need to go through the probate process. All other assets are controlled by the will and must pass through the probate process in order for ownership to be transferred. If the deceased’s estate was worth less than a certain amount, which varies by state, a streamlined probate process may be available.

**Testate vs. Intestate:** When someone dies, he or she does so “testate” or “intestate.” Testate means that the decedent left a legally valid will. Intestate means that the decedent did not have a valid will or that a valid will could not be located. If the courts declare that the individual died intestate, the estate may be distributed based on the laws of the deceased’s state.

**Trust:** Like a will, a trust specifies how assets should be distributed to heirs, but with important advantages. Unlike wills, trusts are not subject to probate—so assets can go directly and immediately to heirs without the need for court approval. And trusts are private documents, which makes them more difficult to challenge than wills.

**Will:** A will specifies how and to whom assets are to be distributed, and can also identify the executor of the estate and the guardians for any minor children.
Personal assistance

Talk with a Schwab investment professional at 1-800-435-4000.
Consult with a Schwab Trust and Estate Specialist at 1-800-742-6262.
Visit your local Schwab branch. Find the nearest location at schwab.com/branch.

Tools and guides

• Access our Family Loss Action Plan Checklist at schwab.com/lifeevents.
• Request an Inherited IRA Beneficiary Guide at 1-800-435-4000.
• Request a Schwab Estate Planning Guide at 1-800-435-4000.
Brokerage Products: Not FDIC-Insured • No Bank Guarantee • May Lose Value

This information is not intended to be a substitute for specific individualized tax, legal, or investment planning advice. Where specific advice is necessary or appropriate, Schwab recommends consultation with a qualified tax advisor, CPA, financial planner, estate planning attorney, or investment manager.

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