

A survivor's guide:

what you need to know



REDSTONE
FEDERAL CREDIT UNION[®]

When a loved one dies, you are often forced to deal with emotional and financial issues at the same time. Although the initial feelings of confusion over how to handle an estate can seem overwhelming, you do not have to navigate through the financial maze by yourself. This guide was developed as a member service to help you through this difficult time.

The estate settlement process can be complex. Although we have made every effort to provide complete information in this guide, Redstone Federal Credit Union® cannot provide legal, tax, accounting, or investment advice. You may wish to contact a licensed attorney or tax advisor for information that pertains to your specific circumstance.

Gathering Important Documents

To begin the process of settling an estate, you must first gather certain legal documents. These will be required in order to apply for government benefits and insurance proceeds, and to transfer the ownership of assets to your name.

Documents you need may include:

- Birth and marriage certificates
 - Citizenship papers
 - Death certificate (multiple copies)
 - An original copy of the deceased's will
 - Social Security numbers for you and the deceased
 - Military discharge papers (if applicable)
 - Insurance policies
 - List of assets (property deeds and car titles, etc.)
 - Bank account numbers
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Birth and Marriage Certificates

Each state's Department of Health keeps records of all births and marriages that occur in that state. If you know the state in which the birth or marriage took place, you may contact the county health department for information. You may also order certificates online through an independent company, Vitalcheck Network, Inc., at www.vitalcheck.com

Citizenship papers

The Immigration and Naturalization Service (INS) is an agency of the U.S. Department of Justice which maintains records of all naturalized citizens. You may contact INS online at www.uscis.gov, or find the local office listing in the telephone directory under "U.S. Government."

Death certificate

You can order certified death certificates from the funeral home that handles the burial arrangement. It's a good idea to get at least 10 copies.

Each state's Department of Health also keeps records of all deaths that occur in that state. To order copies of a death certificate, contact the state's Department of Health in your county.

Requests are usually made in writing and will require the following information:

- Date of request
- Full name of deceased
- Sex of deceased
- Date of death
- Place of death (city or town, county, state)
- Relationship with deceased
- The purpose for which the record is needed
- Requestor's name and address
- Requestor's driver's license number and state (required by some counties)
- Requestor's signature

The cost of obtaining copies of a death certificate is minimal and varies by state. You can speed up the handling of the death certificates by making sure you have submitted the proper information and fees along with your request.

Social Security

In order to receive or stop Social Security benefits, the Social Security Administration should be notified as soon as possible when a person dies. In most cases, the funeral director will report the person's death to Social Security. Be sure to furnish the funeral director with the deceased's Social Security number so he or she can make the report.

If you choose to notify Social Security yourself, you can call 800-772-1213 from 7 a.m. to 7 p.m., Monday through Friday, or visit their website, www.ssa.gov, for helpful information.

There are two types of benefits that you may be entitled to: a lump-sum death payment and/or income benefits. Eligibility is determined by the Social Security Administration.

Lump-sum death payment

A one-time payment of \$255 is payable to the surviving spouse or child if they meet certain requirements.

Application for a lump-sum death payment must be filed within two years of the date of death.

Survivor benefits

Benefits are usually payable to the following survivors:

- Widow/widower—on attaining retirement age
- Parent of dependent children
- Children
- Parents of the deceased, under certain circumstances

Documents required:

- Certified copy of death certificate
- Social Security numbers of the deceased and each person eligible to receive benefits
- Copies of W-2 forms and income tax returns for the most recent year
- Certified copy of marriage certificate
- Proof of age—certified copy of birth certificates for each person eligible to receive benefits
- Other applicable papers (copy of adoption papers, divorce papers, etc.)

If you are unable to provide any of the above documents, there are other documents that can be used as proof.

A Social Security representative will help you get the proof you need. If you are also eligible for Veterans Administration (VA) benefits, you should apply for the Social Security benefits first and then go to the VA office.

Visit www.ssa.gov/survivors for more information or to apply for survivor benefits.

Veterans Administration

Benefits may be available to family members of the deceased if he or she ever served in the U.S. Armed Forces.

The key documents necessary to file a claim include:

- Veteran's full name and date of birth
- Veteran's discharge certificate (DD 214 Form), www.archives.gov/veterans
- Veteran's VA claim number and/or Social Security number
- Veteran's death certificate
- Government life insurance policy
- A copy of all marriage certificates and divorce decrees (if any)
- A copy of each child's birth certificate (or adoption order)
- Veteran's birth certificate to determine parents' benefits

For questions about benefits eligibility and application procedures, contact a VA service representative at 800-827-1000, or visit www.va.gov/survivors for more information.



Servicemembers' Group Life Insurance

All active duty members of the uniformed services, including cadets and midshipmen of the four service academies, are automatically insured under Servicemembers' Group Life



Insurance (SGLI may be converted into Veteran's Group Life Insurance for a five-year period after active duty) unless they choose to be covered for a lesser amount, or not to be covered at all. Upon separation, service personnel may elect to continue this insurance coverage.

To make an insurance claim, call 800-419-1473.

The amount and extent to which other benefits apply depend on the veteran's pay grade at the time of death or separation from service. Cause of death or disability is also a factor. Visit www.insurance.va.gov for more information on VA insurance.

Survivor Benefit Plan (SBP)

Military servicemembers who are eligible for retirement are automatically enrolled in the Survivor Benefit Plan, which entitles survivors to a variety of assistance.

The Personal Affairs Office at the military base nearest to your home can provide you with the information necessary to inquire about these benefits.

Compensation

Dependency and Indemnity Compensation (DIC) is a monthly benefit paid to surviving spouses and dependent children of servicemembers who die during active military service, or veterans who:

- Died after military service because of a service connected disability, or
- Were receiving or entitled to receive VA compensation for a service-connected disability that was rated as totally disabling:
 - for at least 10 years immediately preceding death, or
 - since the veteran's release from active duty and for at least five years immediately preceding death, or
 - for at least one year immediately preceding death if the veteran was a former prisoner of war.

Parents of veterans who die in service or as a result of a service-connected disability may also qualify for DIC under certain circumstances.

VA Form 21-534 is required when applying for this benefit.

Burial Expense

Reimbursement of some burial expenses may be available for deceased veterans who are entitled to service-connected compensation at the time of their death. These reimbursements include memorial markers, headstones, burial allowance, and death gratuity.

Survivors' and Dependents' Education

When the veteran's cause of death is service related, the surviving spouse and/or dependent children may qualify for education and training benefits. Children must be between the ages of 18 and 26 to receive benefits. Visit www.benefits.va.gov/GIBILL/DEA.asp or call **800-827-1000** for more information.

Home Loan Guaranty

The surviving spouse of a veteran whose death was service-related may be eligible for a home loan. More information is available by calling 877-827-3702.

Federal Employees Group Life Insurance (FEGLI)

To make a claim, the beneficiary or other survivors must complete a Claim for Death Benefits (FE-6) form. The completed form, along with a certified death certificate, should be submitted to the human resources office if the deceased was still employed, or directly to the Office of Federal Employees' Group Life Insurance if the deceased was retired. The address is:

**Office of Federal Employees' Group Life Insurance
P.O. Box 6512, Utica, NY 13504-6512**

Other questions may be directed to 800-633-4542.

Benefits are payable to the following in this order:

- The beneficiary named on the policy
- If no beneficiary is named, the widow or widower
- If there is no widow or widower, children of the deceased
- If there are no children, the parents of the deceased
- If there are no parents, the executor of the estate
- If there is no executor, next of kin as determined by laws of the state where the deceased lived

Transferring Ownership of Assets

Many institutions require original certificates or titles of ownership to be endorsed and surrendered to allow the legal sale, redemption, or transfer of certain assets. If you are mailing these documents, be sure to make copies for yourself and keep them in a safe place. Originals should be sent by certified or registered mail. Always ask for a receipt verifying when, where, and to whom the documents were delivered.

U.S. Treasury Securities and Savings Bonds

If a survivor is named on a bond, it may be redeemed at most financial institutions. As the survivor, you may have the bond reissued in the survivor's name alone. Visit www.treasurydirect.gov for instructions on how to redeem treasury securities and bonds if no survivor is named on the bond or if a court or state law is involved.

There are two forms categories that may apply to your circumstance:

- Owner Deceased – **With** (or After) Administration of Estate
- Owner Deceased – **Without** Administration of Estate

In each case, the forms may be mailed to you or you may fill them out online.

For submission, all forms require:

- A certified copy of the death certificate
- A certified copy of the letter of appointment as executor or administrator of the estate (if applicable)
- The full name of the deceased
- The deceased's Social Security number
- The state of the deceased's last legal residence
- The title, issue date, face amount, identifying numbers, and registration of the security



Stocks and Mutual Funds

Transfer of ownership

Stock: You can transfer stock ownership by submitting a request to a transfer agent or financial advisor. You will need:

- A certified copy of the death certificate
- Stock certificate(s)—be sure to complete the information that is required on the reverse side of the certificate and sign it in the presence of a bank official or financial advisor who will guarantee your signature.
- A copy of the executor's or administrator's certified letter of appointment issued by the Probate Court (if applicable)

Mutual funds: You can transfer ownership of shares in a mutual fund by submitting a request to the fund itself via your financial advisor. Required documents include:

- A certified copy of the death certificate
- Mutual fund's stock certificate (if issued)
- A copy of the executor's or administrator's certified letter of appointment (if applicable)

If the ownership of the stocks or mutual funds is other than "joint with the right of survivorship," contact your attorney or the transfer agent to determine what is necessary to complete the transfer of ownership.

Tracing old certificates

If you find original, old stock certificates and are concerned that the company is no longer traded on any exchange, there are several avenues to explore:

- Check online to see if the stock is still listed. Often, you can find a company's CUSIP number by searching the company by name. If the stock is still listed, contact a financial advisor and follow the stock transfer instructions above.
- If you are still unable to find a listing for the stock or fund, you should still contact a financial advisor for

further information. It is possible the company's name could have changed as a result of a merger or acquisition.

- For a fee, a specialist in old stock certificates can determine if the stock has any value. Ask a financial advisor to refer you to someone who specializes in this field.
- If the stock has no value as a security, it still may have value to a collector. The Society of Paper Money Collectors is a great source of information. (www.spmc.org)

Accounts with Financial Institutions

Savings instruments

If you choose to withdraw funds from an interest- or a dividend-bearing account, you should consult the institution to determine its dividend or interest payment policy.

Credit Union share certificates and certificates of deposit from other institutions often carry a penalty for early redemption. However, this penalty is often waived in the event of the owner's death.

Most institutions require the original share certificate or certificate of deposit to be properly endorsed before transfer or redemption. Many savings accounts require the passbook for withdrawal of funds.

Individual Retirement Accounts (IRAs)

After death, the amount held in an IRA will be given to the designated beneficiary. However, careful consideration should be given to how these funds are distributed. If not properly evaluated, the tax penalty for early withdrawal can be significant. Please consult a tax advisor for more information about IRA distributions. If you are a spousal beneficiary, you may choose to roll over the IRA and treat it as your own.

Credit Life Insurance

Some financial institutions offer credit insurance to make sure specific loans and credit cards are paid off upon the death of the policy holder. Before repaying any debts of the deceased, check the loan documents to determine if the deceased had this insurance or ask the creditor about the existence of such coverage. You will need to present the loan account number when you make the inquiry.

Vehicles

Each state has its own set of laws governing the transfer of vehicle ownership. Consult the Department of Motor Vehicles in the state where the vehicle is registered for instructions and required documents.

Documents that may be required include:

- Death Certificate
- Title
- Registration card
- Copy of will
- Legal heir form
- Statement of authority to assign title



Real Estate

If the real estate is owned solely in the name of the deceased, it will be necessary to probate the will, or the estate if there is no will. You should contact an attorney to review your deeds and determine if it is necessary to probate the estate.

Estate Taxes

Federal estate taxes: Estate Tax Form 706 must be filed by the executor for the estate of every U.S. citizen or resident whose gross estate, plus adjusted taxable gifts and specific exemption, is more than \$5,000,000. This form is available online at www.irs.gov, and must include an inventory of all property owned jointly or individually by the deceased. The cost of administering the estate, funeral expenses, debts, and other taxes are then deducted from the total gross estate. Federal Estate Tax regulations change frequently, so be sure to check with an attorney or tax advisor before filing the form with the IRS.

State estate taxes: Each state has different laws on taxation of estates, and many states do not have any estate tax. Therefore, it is important to contact an attorney, CPA, or financial advisor to determine if your state has an estate tax and what the threshold amount is.



Checklist

- Locate will of the deceased
- Contact the funeral home
- Order certified copies of the death certificate — you can get these from the funeral director, and it's a good idea to get at least 10 to 20 copies
- Contact attorney, accountant, and executor of estate
- Obtain a copy of the deceased's birth certificate (and your marriage certificate if the deceased is your spouse)
- Obtain financial statements, including those from banks, brokerage houses, and insurance agencies, other financial documents, including tax forms from prior years, unpaid credit and utility bills, and mortgage payments
- Contact employer (if any)
- Contact deceased's financial institution
- Contact Social Security
- Contact the Veterans Administration if the deceased was a veteran and received benefits
- Contact life insurance companies and file a claim
- Cancel direct debits
- Cancel subscriptions to clubs/groups/magazines, etc.
- Cancel insurance policies, health insurance, auto insurance, etc.
- Report death to the three credit bureaus
- Have mail forwarded, if applicable
- Cancel utilities, if applicable

Call or visit us online for more information.

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