

## **Organizing Your Finances After Your Spouse Has Died**

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### ***Gather records***

To settle your spouse's estate or to apply for insurance proceeds or government benefits, you'll need a number of documents. Locating these documents (and applying for certified copies of some of them) should be your first step in getting your finances organized.

To apply for life insurance proceeds, you'll need a certified copy of your spouse's death certificate (and possibly his or her life insurance policy). To apply for Social Security benefits, you'll need to provide proof of death (a death certificate), proof of marital relationship (a marriage certificate), and proof of age (a birth certificate). Additional information will be required for investment and retirement accounts.

### ***Set up a phone and mail system***

After your spouse dies, you may have difficulty concentrating on tasks, partly because of grief and stress and partly because you simply have too much to do. To keep track of details, set up a phone and mail system to record incoming and outgoing calls and mail. For phone calls, keep a sheet of paper or a notebook by the phone and write down the date of the call, the name of the caller, and a brief description of what you talked about. For mail, write down who sent each piece, the date you received it, and the date you sent mail in return. Keeping copies (photocopied or scanned) will save you time and frustration if you are asked to resubmit paperwork or if a company says they never received your original form. As always, be vigilant against unauthorized bills and inquiries (phishing, scamming, etc.)

### ***Evaluate short-term income and expenses***

You may have some immediate expenses to pay when your spouse dies, such as funeral costs, transportation costs, and regular bills. Start by making a list of all debts you will have to pay in the next 30 days. Then determine where it makes the most sense to access money to pay those debts. If you do not have sufficient emergency cash saved up, don't panic. If you know money will be coming in from insurance proceeds or an estate settlement, there are several ways to proceed. First, evaluate your current investments and home equity loans and lines of credit to fully understand your alternatives. If necessary, you could use credit cards to cover expenses but keep in mind that these, like home equity loans, will need to be repaid. You may be able to get life insurance proceeds within a few days, and you may be able to delay other expenses for 30 days or more by negotiating with creditors. This will give you the chance to apply for the benefits to which you are entitled and to find out when you will be likely to receive them.

### ***Get advice***

Getting expert advice when you need it is essential if you want to make good financial decisions. After all, you are probably doing many things for the first time, such as filing a life insurance claim or settling an estate. In fact, an attorney is one of the first people you might contact after your spouse dies

because he or she can help you review the will and start estate settlement procedures. Your funeral director can also be an excellent source of information and may help you get death certificate copies and apply for Social Security and veterans benefits, among other things. You may also want to contact a Certified Financial Planner for help with your finances. And don't overlook the help of other widows or widowers; having been through it before, they may be able to provide you with valuable information and support.

Avoid making large decisions too quickly. In your efforts to make progress, be careful about making decisions such as changing residences or committing to long term investments before you are ready.

### ***Notify others***

- **Week One** - Close friends and family; funeral director; physician; clergy member; attorney; financial advisor; spouse's employer; health insurance company; life insurance agent or company
- **Week Two** - Your bank; not-so-close friends and family; Social Security Administration; Dept. of Veterans Affairs
- **Week Three** - Your accountant or tax advisor
- **Week Four** - Social and professional organizations; creditors; utility company; dept. of motor vehicles

### ***Pay bills***

When you're grieving, it's easy to forget to pay bills. Whenever you receive one in the mail, put it in a safe (but visible) spot so that you won't forget to pay it. You may want to set up a log to record what bills you've received and what payments you've sent out. If you get any letters or phone calls from creditors asking for money, don't ignore them. Contact the creditor right away, establish authenticity, and arrange for payment.

### ***File insurance claims and investments***

Life insurance benefits are not automatic; you have to file a claim for them. If you have an insurance agent, contact him or her to begin filing a life insurance claim. If you don't have an agent, contact the company directly. Although most claims take only a few days to process, contacting an insurance agent should be one of the first things you do if you are the beneficiary of your spouse's policy. Remember that your spouse may have owned other policies in addition to his or her primary individual life insurance policy. Check with your spouse's employer, look through his or her records, and contact creditors to see if your spouse owned any group life insurance policies. For investment accounts contact the company directly for beneficiary information and the appropriate forms.

With retirement accounts (401k plans, IRAs, and annuities) there are usually several distribution choices that are available so it is wise to seek professional advice to help you make a strong decision. Unlike life insurance proceeds, many (but not all) retirement plan distributions are taxable when they are paid directly to the beneficiaries. Depending upon the type of plan, taxes can be deferred for up to two generations if certain rules are followed. A full distribution of a large retirement account paid directly to a beneficiary can result in the beneficiary paying taxes at the highest federal and state

income tax rates. Especially when retirement plans are involved, the advice of a Certified Financial Planner™ may help you avoid the mistakes that many people make when they don't have a clear understanding of all the details involved in this area of personal finance.

### ***Begin settling your spouse's estate***

Locate your spouse's will as soon as possible, and ensure that you have the most recent copy. If your spouse named you as executor of the estate, you may want to contact your attorney for help. If someone else was named executor, you will want to oversee settlement of the estate because decisions made during settlement will affect your future. Settling an estate may be simple or may take months, but it is something you should begin doing right away.

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Pat is a CERTIFIED FINANCIAL PLANNER™ practitioner working closely with clients to design a personal financial plan around their life goals. Focusing on helping clients become more confident about managing their financial objectives, he helps provide solutions to both everyday and long-term financial goals. With 13 years experience, Pat is a Senior Financial Advisor and partner at Kasch, Levitch, McAleer & Associates, a branch of Ameriprise Financial, located in Innsbrook. He lives in the West End of Richmond with his wife Molly and two daughters.

