

# ESTATE CHECKLIST & GUIDE

*What to do when you lose a loved one (and how to prepare)*



## What's Included

- ✓ Timeline of typical tasks
- ✓ Tips to help you avoid mistakes
- ✓ Commonly asked questions/answers
- ✓ Summary of the estate settlement process

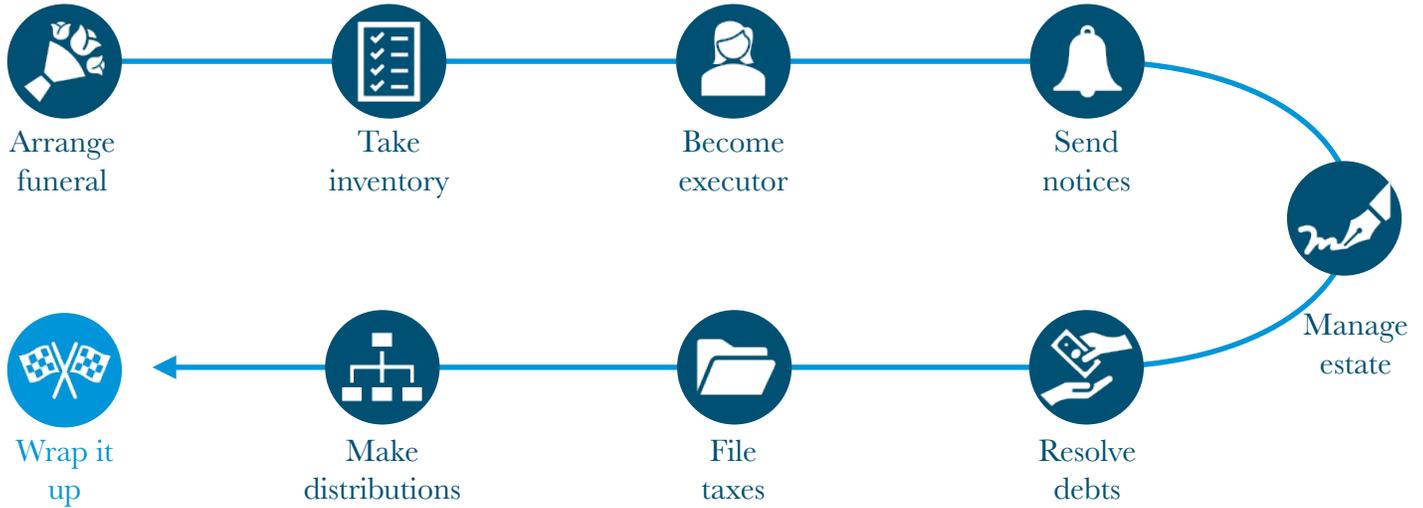
## Quick Overview

When a parent or someone close to you passes away, it can be a trying experience. In addition to dealing with natural feelings of grief, there are a number of practical matters that need attention: funeral arrangements, obtaining death certificates, reading the will, probate, distributing assets, and so forth.

This Estate Checklist quickly highlights the key responsibilities and tasks associated with the death of a loved one, with an emphasis on the duties of the estate executor (also known as the personal representative). While this Estate Checklist is not intended to provide legal or tax advice, nor to provide exhaustive coverage for all possible situations, we hope you will find it useful and helpful, as many others have before you.

# Summary of the estate settlement process

Fundamentally, it is the executor's responsibility to manage and wind down the deceased person's estate, resolving any debts, distributing assets to heirs, and filing legal paperwork. A somewhat simplified view of the overall estate settlement process consists of the following overlapping steps:



## Did You Know?

**570 Hours**

Average amount of work needed for an executor to perform his or her duties

**16 Months**

Average timeframe it takes an executor to settle an estate

It takes an average of **570 hours** of effort over a period of **16 months** for an executor to settle an estate (and 80% of estates are settled within 18 months). The graphs below show how these metrics vary by size of estate:



**\$12,400**

Average amount spent per estate on legal and accounting fees

**44%**

Of families experience conflict during the estate settlement process

**\$18,000**

Average executor compensation recorded per estate



## Prior To Losing A Loved One

- ✓ Determine the location of key items
- ✓ Gather important contact information
- ✓ Get a copy of or location of the will
- ✓ List important assets
- ✓ Record social security number
- ✓ Find any relevant keys and combinations
- ✓ Document any important outstanding debts
- ✓ Receive any advance medical directives
- ✓ Determine tax submission status
- ✓ Consider access to safe deposit boxes
- ✓ Explore funeral options
- ✓ **Be careful of POD accounts**
- ✓ And more (*see detailed list online*)

### What Is a “POD?”

In an attempt to simplify the estate settlement process, some people try to put all their assets into Payable on Death (POD) accounts, which are not subject to probate. While PODs can be beneficial, if all estate assets are POD, there will be nothing left to pay debts (such as taxes or credit card bills), cover funeral expenses, compensate the executor, etc.

Such estates will be insolvent, administration will be complex, and creditors will have the ability to recover funds from the POD beneficiaries. Consequently, if your loved one is considering such an approach, you may want to suggest they leave at least some assets in the estate itself, or provide some other mechanism to handle estate expenses.



## First Week After Death

- ✓ Notify close friends and family
- ✓ Notify close active employer
- ✓ **Arrange funeral**
- ✓ Notify Veterans Administration, if applicable
- ✓ Secure the assets
- ✓ Order death certificates
- ✓ Locate the will

## Resources: Dealing With Grief

### **Grief Share** ([www.griefshare.org](http://www.griefshare.org))

Grief recovery support groups

### **Better Help** ([www.betterhelp.com](http://www.betterhelp.com))

Online access to licensed, professional therapists

### **The Dougy Center** ([www.dougy.org](http://www.dougy.org))

Support center for grieving children, teens, and young adults

## What If I Can't Find The Will?

Ideally, you already have a copy of the will, and know how to obtain the signed original. Get it, and keep it safe. If you don't know where the will is, and the decedent had a personal lawyer, ask the lawyer if he or she has it. You may also be able to find the will in the decedent's personal files, or perhaps their safe deposit box.

If there is no will, the deceased is considered to have died "intestate", and things will be a little more complicated. Each state has its own rules for determining who will inherit in such cases, and who should serve as executor. While you may want the help of a lawyer to get appointed as the executor, you may also want to use an Affidavit of Heirship to attest your relationship, and therefore your right to inherit ... and if the estate is small enough, bypass probate entirely.



## Who Looks After A Vacant House?

If the estate includes a home that is now vacant or unoccupied, you may want to take additional steps to protect it, since such properties are more vulnerable (to theft, vandalism, squatters, broken pipes that go unnoticed, etc.). You may want to periodically check in on the property, and to consider hiring an alarm company, as well as a gardener to keep it looking lived-in.

You should also be aware that insurance companies have special rules for vacant or unoccupied homes, and you may need to take action to ensure the home continues to be covered (e.g. purchase insurance).

## First Month After Death

- ✓ Get organized
- ✓ Decide if you want/need a lawyer
- ✓ **Protect unoccupied property**
- ✓ Notify Social Security
- ✓ Provide the court with a copy of the will
- ✓ Cancel unneeded services
- ✓ Take inventory of the estate
- ✓ Keep things running

## Common Mistakes To Avoid



### Failing to notify creditors

If you publish a notice of death, you can dramatically shorten the timeframe during which creditors can make claims



### Distributing assets too quickly

If you distribute assets before the creditor claims deadline expires, you become personally liable for those claims



## First 3 Months

- ✓ Start probate (if applicable)
- ✓ Forward decedent's mail to yourself
- ✓ Determine and notify heirs
- ✓ Establish a family allowance
- ✓ Notify IRA's and other beneficiary accounts
- ✓ Notify other agencies
- ✓ Notify life insurance companies
- ✓ **Notify creditors**
- ✓ Obtain an EIN for the estate
- ✓ Open an estate bank account
- ✓ File IRS form 56
- ✓ Notify extended acquaintances
- ✓ Start to assess estate solvency
- ✓ Begin an asset disposition plan

### Why Publish a Notice of Death in the Newspaper?

Publishing a notice of death is intended, in part, to ensure that any creditors get fair notice that they need to come to you to get their debts paid. If they do not contact you within a certain period of time after this publication, which varies by state, then they lose their ability to make any estate claims. Typically this response deadline ranges between 3-9 months, by state, and gives you protection against unknown debts that might otherwise surface long after you have distributed the entire estate proceeds. There are strict requirements for such publications if you want this legal protection, and if your estate is undergoing probate, there are often associated publication deadlines



## Calendar Year After Death

- ✓ Decedent Income Tax Returns
- ✓ Annual Trust Income Tax Returns and Scheduled K-1's
- ✓ Annual Estate Income Tax Returns
- ✓ Annual Property Taxes

### When Do I Need To File My K-1's By?

If you are also responsible for any estate-related trusts (as trustee), every year you must mail Federal Schedule K-1s to any trust beneficiaries by March 31 for any income distributions they received from the trust the preceding calendar year.

If the trust retains over a certain minimum amount of undistributed income, then it will have to file its own tax forms (e.g., Federal Form 1041 and the corresponding state income tax form) by April 15.



## What Is An Inheritance Tax?

Unlike an estate tax, which is a tax levied on the overall estate, an inheritance tax is a tax levied on amounts distributed to individual heirs. There is no federal inheritance tax, but a few states do enforce their own inheritance taxes (in accordance with the decedent's state of residence, not the address of the heir).

Inheritance taxes typically vary by the relationship of the heir (e.g., child, spouse) with the decedent, and it is generally the estate that must pay the tax. If applicable, the inheritance tax form must be filed within 6-18 months, depending on the state.

## General Tasks

- ✓ Resolve debts
- ✓ Finalize asset disposition plan
- ✓ Sell or dispose of unwanted assets
- ✓ Pay estate tax
- ✓ Pay inheritance tax
- ✓ Optionally limit federal liability

## Avoiding Family Conflict



Family conflict is somewhat common during the estate settlement process. Here's how you can avoid it:

1

### Keep heirs informed

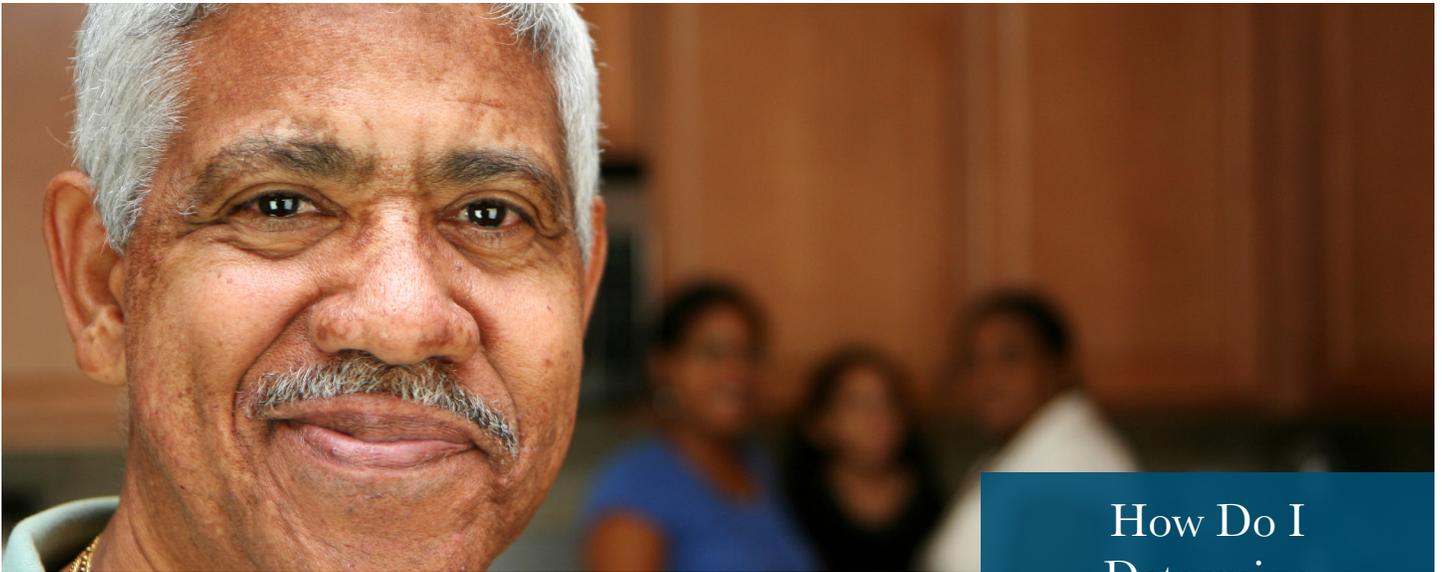
Oftentimes, heirs start to imagine the worst when they're kept in the dark. Keep them up-to-date.

2

### Optimize distributions

If an heir has a certain preference on an asset, try to abide by that request (within reason).

*A common theme of family conflict is **mistrust**, which is often caused by a lack of communication.*



## Final Tasks

- ✓ Distribute assets
- ✓ **Compensate executor**
- ✓ Finalize probate
- ✓ Close down the estate
- ✓ File IRS form 56 one last time

## How Do I Determine Executor Compensation?

An executor is generally entitled to compensation (i.e., an executor fee) from the estate proceeds for his or her services, although some executors choose not to exercise this right. If the will specifies executor compensation, those specified terms generally prevail. If there is no will, or the will is silent or unspecific on the matter of executor compensation, then state-specific rules come into play.

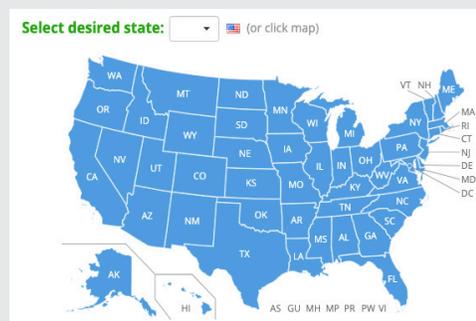
When dealing with state-specific laws, individual states have varying definitions of “estate value”, and the cost impact of any professional help hired by the executor can vary widely, so be sure to pay careful attention to the state-specific details.

## Executor Compensation Calculator

- 1 Select your state
- 2 Input given values
- 3 View results

*It's free! Try it today*

[Click to use calculator](#)



Done	Task	Estate Executor Checklist	Due
<input type="checkbox"/>	Determine location of key items		In Advance
<input type="checkbox"/>	Obtain “power of attorney”		In Advance
<input type="checkbox"/>	Consider access to safe deposit boxes		In Advance
<input type="checkbox"/>	Explore funeral options		In Advance
<input type="checkbox"/>	Be careful of Payable on Death (POD)		In Advance
<input type="checkbox"/>	Say your goodbyes		In Advance
<input type="checkbox"/>	Notify close friends & family, active employer, and Veterans Administration, if applicable		First Week
<input type="checkbox"/>	Secure the assets		First Week
<input type="checkbox"/>	Arrange funeral		First Week
<input type="checkbox"/>	Order death certificates		First Week
<input type="checkbox"/>	Locate the will		First Week
<input type="checkbox"/>	Get organized		First Month
<input type="checkbox"/>	Decide if you want/need a lawyer		First Month
<input type="checkbox"/>	Provide the court with a copy of the will		First Month
<input type="checkbox"/>	Take inventory of the estate		First Month
<input type="checkbox"/>	Keep things running		First Month
<input type="checkbox"/>	Protect unoccupied territory		First Month
<input type="checkbox"/>	Cancel unneeded services		First Month
<input type="checkbox"/>	Notify Social Security		First Month
<input type="checkbox"/>	Start probate		First 3 Months
<input type="checkbox"/>	Establish a family allowance		First 3 Months
<input type="checkbox"/>	Forward decedent’s mail to yourself		First 3 Months
<input type="checkbox"/>	Notify life insurance companies, other agencies, and IRA’s and other beneficiary accounts		First 3 Months
<input type="checkbox"/>	Determine and notify heirs		First 3 Months
<input type="checkbox"/>	Obtain an EIN for the estate		First 3 Months
<input type="checkbox"/>	File IRS form 56		First 3 Months
<input type="checkbox"/>	Open an estate bank account		First 3 Months
<input type="checkbox"/>	Publish a notice of death in the local newspaper		First 3 Months
<input type="checkbox"/>	Notify extended acquaintances		First 3 Months
<input type="checkbox"/>	Start to assess estate solvency		First 3 Months
<input type="checkbox"/>	Begin an asset disposition plan		First 3 Months
<input type="checkbox"/>	Decedent income tax returns		Calendar Year
<input type="checkbox"/>	Annual estate income tax returns		Calendar Year
<input type="checkbox"/>	Annual property taxes		Calendar Year
<input type="checkbox"/>	Annual trust income tax returns and Schedule K-1’s		Calendar Year
<input type="checkbox"/>	Resolve debts		General Tasks
<input type="checkbox"/>	Finalize asset disposition plan		General Tasks
<input type="checkbox"/>	Sell or dispose of unwanted assets		General Tasks
<input type="checkbox"/>	Pay estate tax		General Tasks
<input type="checkbox"/>	Pay inheritance tax		General Tasks
<input type="checkbox"/>	Optionally limit federal liability		General Tasks
<input type="checkbox"/>	Distribute assets		Final Tasks
<input type="checkbox"/>	Compensate executor		Final Tasks
<input type="checkbox"/>	Finalize probate		Final Tasks
<input type="checkbox"/>	Close down the estate		Final Tasks
<input type="checkbox"/>	File IRS form 56 one last time		Final Tasks

## About EstateExec

[EstateExec](#), based in Silicon Valley, is the leading provider of estate executor software tools. Launched in 2015, the company's mission is to move the executor process forward from the 18th century to the 21st century, helping executors automatically track and manage estate resolution, along the way making it possible to easily collaborate and share access to estate details with heirs, attorneys, or co-executors. Using EstateExec saves substantial time, often thousands of dollars, and reduces risk.






### EstateExec Reviews





Doug Fillmore

1 review US



Oct 11, 2020

#### A Great Tool for Executors

EstateExec is great. It won't settle the estate for you, but it helps you keep track of the financial aspects of the process. I quickly ditched all of my spreadsheets in favor of EstateExec.

## EstateExec: Executor Duties Made Easy

EstateExec simplifies the estate settlement process, automatically providing step-by-step guidance customized to your estate, and automating your estate accounting. It also offers a number of different resources and capabilities to help you manage your executor duties better (see below). For more information, visit [www.EstateExec.com](http://www.EstateExec.com).

- ✓ Step-by-step executor guide
- ✓ Task details automatically customized for your estate
- ✓ State-specific forms, affidavits, and instructions
- ✓ Track expenses, assets, debts, and more
- ✓ Automatic calculations
- ✓ Share progress with your lawyer, or loved ones

