

Losing a Loved One

Nothing can prepare you for the loss of a loved one, but there are steps that you can take to ease the burden on those left behind. I recently met with a client who recently lost her husband. She mentioned how she felt that "it will never happen to me." Most of the recommendations below apply to the loss of a spouse, but can also provide reminders for non-spouses especially if you are involved in the dissolution of their estate.

Credit Cards - Understanding the difference between co-owner and authorized signer. If the card is owned by the deceased spouse and you are only an authorized signer, you may not have access to the card. You may not be able to change the ownership of current cards, but in the future, it may be a good idea to apply as co-owners.

Online User Name and Passwords - Make sure you know your spouse's online user names and passwords. There are password applications that allow you to share information within a family such as the Last Pass. The most critical user names and passwords pertain to bills and online banking. Even though one spouse may take primary responsibility for the family's bills, it is a good idea to check in periodically to see if you both can access the accounts necessary to pay the bills and understand where the accounts are held.

Bank Accounts - Make sure you have either joint ownership or add a beneficiary to your bank accounts. Contact your bank for the form required to add a Paid on Death (POD) to all of your accounts including any Certificates of Deposits. I would also suggest simplifying your accounts by limiting them to one or two banks.

Estate Planning - Verify that your Estate Plan is current. If you do not have an Estate Plan, work with an attorney that specializes in Estate Planning to help you decide what documents best fit your situation such as will, trust, and/or a ladybird deed. These legal documents state how your assets are to be divided upon your death. Typically, when a spouse dies, the joint assets become the living spouse's assets and accounts are renamed or consolidated. Keep in mind that the Durable Power of Attorney (DPOA) is valid when someone is ill, once they pass away the DPOA becomes invalid, and the Will or Trust become the primary document to specify how the assets will be handled.

Investments - Simplifying and consolidating your investments will make the process easier for your beneficiaries. In most circumstances, spouses can consolidate retirement accounts into their own. Make sure all of your investment accounts have beneficiaries listed on them including non-retirement accounts. Non-retirement accounts have a form called Transfer on Death (TOD). In most cases, Beneficiary designations trump Wills and Trusts when assets are distributed. It is important to review your beneficiaries periodically or after a loss.

Summary of Assets and Debts - Creating a list of your assets and debts with specifically named institutions along with contact information can be incredibly helpful. Please list my name and contact information for any accounts held with me. This summary should be kept with your Estate Planning documents.

Pre-paid Funeral - This process is less about saving money and more about planning what you want your funeral to look like while sparing others from making these decisions. Aside from the benefit of making your funeral arrangements, you will pay for the funeral at that time which alleviates another concern for your loved ones.

Life Insurance - Consider if you still need life insurance for income replacement. Usually, individuals do not need permanent insurance during retirement; however, if you have a policy do not be quick to cash it out. We can work together to determine if the death benefit or the cash value makes the most sense for your circumstances.

These are topics that we can cover during your Annual Review appointments. Please know that you are not alone. I am here to help you during difficult times.

Kind regards,
Meghan



Meghan Phillips Dykstra CFP®
Investment Advisor Representative
900 East Front Street, Suite 200
Traverse City, MI 49686
phone: 231-486-6188
fax: 231-486-6191
Meghan.dykstra@TandemWealthTC.com
TandemWealthTC.com

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