



THE NEXT CHAPTER: *Life After the Loss of a Spouse*

The loss of a spouse can be a devastating, life-changing event. For women, losing a spouse can happen surprisingly early. According to the U.S. Census Bureau, almost half the women over 65 years of age in the United States are widows, and the average age of a new widow is 59. While women are more likely than men to face the loss of a spouse due to their longer life expectancies, the loss of a partner at any age can be one of the most difficult challenges a man or woman may face. Not only is there the emotional loss, but also the task of managing the family's affairs — including all the finances — without the help of a spouse. Even if you've always handled your family's finances, the number of financial and legal matters that have to be settled in the weeks and months following your loved one's death can be overwhelming.

Sadly for many, becoming a widow or widower is a first step toward a period of time fraught with uncertainty and lack of control. It is critical, however, to address your family's finances with ongoing proactive involvement to help secure your financial future and that of your family.

FIRST, TAKE A DEEP BREATH

Before you start making any changes regarding the family's finances, make sure to consider your own needs. The period following the death of a spouse can be a blur of emotions, and acting too soon, or making impulsive, irrational decisions can have damaging consequences that may be irreparable.

During this period of adjustment, it is often a good time to only make those decisions that are absolutely necessary as you begin to immerse yourself in the family's day-to-day financial management. Experts suggest a "decision-free zone" for six to twelve months following the death of a spouse when it comes to major decisions.

FIRST STEPS

There are several financial tasks that must be done in the weeks and months after a spouse's death. If some matters are too overwhelming to tackle alone, don't hesitate to ask family or friends for help or to seek the assistance of experienced professionals.

One of the most important, and most time-consuming tasks is to locate important documents and financial records. In order to settle your spouse's estate, you'll need to locate a number of important documents. These include your spouse's will and other estate planning documents (e.g., trusts), insurance policies, bank and brokerage statements, stock and bond certificates, deeds, mortgages, Social Security number, passwords needed to access financial information online (e.g., online banking, credit cards), birth and marriage certificates, military discharge papers, and certified copies of the death certificate (we recommend that you obtain 12-15 copies).

We recommend setting up a communications tracking and filing system. To help keep track of all the details, set up a system to record incoming and outgoing calls, emails and mail. For phone calls, keep a notebook handy where you can write down the caller's name, date, and subject of the call. For email, create a separate file to sort all emails pertaining to estate and financial correspondence. For mail, keep track of what you receive and whether a response is required by a certain date. Make a list of the names and phone numbers of the people and organizations with which you are in contact and post it in a central location. Finally, create a filing system for important documents and correspondence with separate folders for different topics — i.e., insurance, government benefits, tax information, bank records, estate records, and so on. Staying organized will help you to feel more in control and will make it easier for you when planning discussions begin.

TRUSTED ADVISORS

We recommend seeking professional advice to help settle the estate and file tax returns. Expert help from an attorney, accountant, financial and tax professional or wealth advisor can be invaluable during this stressful time. The most important consideration is whether or not these individuals are obligated to act as your fiduciary. Trusting a wealth advisor begins with fully understanding their motives — make sure they are compensated only by you. Consider bringing a family member or friend with you to meetings so you will have an extra pair of eyes and ears to process information.

An attorney can help you review your spouse's will and other estate planning documents and begin the estate settlement procedures. If you are named executor in the will (or if you are appointed as the personal representative), you will be responsible for carrying out the terms of the will and settling the estate. Settling the estate means following certain legal and administrative procedures to make sure that all debts of the estate are paid and that all assets are distributed to the rightful persons. An attorney can tell you what procedures to follow. A tax professional can help you file certain federal and state tax returns that may be due, such as Estate Tax and Income Tax Returns. Professional guidance is strongly recommended in preparing the tax returns because the filing rules are quite complicated, and many tax-saving opportunities might be overlooked by an unqualified preparer. An independent wealth advisor can help you by conducting a comprehensive review of your financial circumstances and identifying any retirement and survivor's benefits that may be available to you. A wealth advisor can also help to make sure all your other providers are working toward your best interests, and that any financial decisions being made will benefit you in the long term.

BENEFITS

You'll need to contact several institutions for information on how you can file for benefits to which you are entitled.

LIFE INSURANCE

Contrary to widely held understanding, life insurance benefits are not automatic; you have to file a claim for them. This should be one of the first things you do. Ask your insurance agent to begin filing a claim (if you don't have an agent, contact the company directly). Most claims take only a few days to process. Your spouse also may have had other types of insurance policies, including mortgage or loan insurance, accident insurance, auto insurance, or insurance through credit card issuers. Important note: when you receive insurance proceeds, you may be required to decide on a payment plan. Options might include taking the money in a lump-sum or having the insurance company make fixed payments over a period of time. We recommend that you carefully explore these options with your wealth advisor before choosing the path that is right for you.

SOCIAL SECURITY ADMINISTRATION (SSA)

Contact the SSA to see if you and/or your dependent children are eligible to file a claim for retirement, survivor, or death benefits.

EMPLOYERS

If your spouse was employed at the time of death, ask his or her employer about any survivors' benefits. Your spouse may also be due a paycheck for vacation or sick leave. If the employer provided life, health, or accident insurance, you may be entitled to receive payments under these policies. If your spouse belonged to a union or professional organization, find out if this organization offers death benefits for members. If the death was work-related, you may be entitled to workers' compensation benefits. You should contact all past employers, including federal, state, or local governments, to determine whether you are entitled to any payments from a pension plan. If your spouse was already retired and was receiving a pension, check with the employer to determine if you will continue to receive a pension payment, and in what amount. You should get professional guidance as to when and how to take any retirement plan distributions due your spouse or you.

VETERAN'S ADMINISTRATION

If your spouse was a veteran, contact the VA to learn what benefits you might be due.

DEVELOP A PLAN

The next phase consists of adjusting to a new normal and beginning the wealth planning process. This includes updating all your existing policies, accounts and documents. This can be a time-consuming process, and you may need to contact each financial institution/insurance carrier to change account names and/or update contact information.

This phase also will include a complete evaluation of short-term and long-term liabilities and assets. You may have immediate expenses to take care of, such as taxes, property insurance, or other outstanding debts your spouse may have incurred. While life insurance claims are being processed, anticipating the upcoming expenses will help avoid surprises.

Practically speaking, we recommend curbing expenses where possible. Find out where you stand financially before you make any large purchases, sell property, loan money to others, make large gifts to relatives, make significant charitable contributions, or make changes to your lifestyle or domicile.

Make sure you have one or more credit cards in your name, and when you can, order a free copy of your credit report and review it for accuracy.

NEXT STEPS

After the initial legal and financial matters related to your spouse's death are taken care of, you'll enter a transition phase when you'll be adjusting to your new financial circumstances.

Long-term planning should be holistic and detailed. It is imperative that all your advisors and providers are in sync and communicating to ensure all parts of your wealth plan work together. When making critical decisions, it's best to make sure you have all the information necessary to avoid emotional decisions. For discretionary financial decisions, it is critical that any advisor you choose is obligated to put your interests first, and acts as a fiduciary on your behalf.

As you navigate this terrain, you might find it helpful to work with an independent wealth advisor who can help you by:

- Calculating your net worth by identifying your assets and liabilities, giving you an understanding of how you'll meet your short- and long-term spending needs
- Establishing a budget by looking at your monthly income and routine living expenses, and making adjustments as needed
- Helping you update beneficiary designations on your life insurance, retirement plan, IRA, employee benefits, annuity, and so on
- Reviewing your investment portfolio regularly
- Updating your estate planning documents (e.g., will, trust, health-care directives, power of attorney) to reflect your circumstances and your wishes for disposition of the marital estate (e.g., gifts to children, grandchildren, charities)

- Helping you prepare a legacy letter (also known as an ethical will) that passes on your values, beliefs, hopes for the next generation, insights, special stories, and history
- Suggesting ways to invest any life insurance proceeds or estate settlement money you receive

No matter how carefully an estate's legal affairs have been managed, family wealth specialists agree that personal dialogue and clarity in communication across generations are keys to successful wealth transfer. Your professional advisors should encourage and facilitate this communication and be sensitive to the interpersonal and emotional factors unique to your family when recommending strategies.

Generally speaking, men and women may have a different set of expectations and requirements from their financial professionals. As you work with a wealth professional, make sure he or she is responsive to what you say you need, not what the advisor thinks you want. Don't be afraid to ask questions, and make sure you understand all your options before making important decisions.

FINAL THOUGHTS

As you face these difficult challenges, remember you are not alone. There are support groups, clergy, therapists, counselors and resources to help as you transition into this new phase of your life. As women are generally more likely to experience the loss of a spouse, there are many resources available written specifically for women. A few resources we recommend include *Moving Forward on Your Own: A Financial Guidebook for Widows* by **Kathleen M. Rehl**, *Widow To Widow: Thoughtful, Practical Ideas For Rebuilding Your Life* by **Genevieve Davis Ginsburg** and *A Widow's Guide: Your Legal and Financial Guide to Surviving the First Year* by **Anna Eckert Byrne**. There are also a few resources that are written for either men or women including *Details After Death: Navigating the Logistics After a Loved One Dies* by **Mark Colgan** and *Healing a Spouse's Grieving Heart: 100 Practical Ideas After Your Husband or Wife Dies* by **Alan Wolfelt**.

Remember that at times it may be two steps forward and one step back. Take comfort in the fact that you are doing the best you can to make the best decisions — financial and otherwise — for yourself and your family.

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