

PRACTICAL TIPS FOR SURVIVORS



“

After the crash, there are all kinds of arrangements that need to be made, bills that need to be paid, benefits that have to be applied for, paperwork that has to be filled out. But after the sudden loss of your loved one, the “important stuff” does not seem important at all. When we lost our daughter, our universe collapsed. The last things on our minds were probate, insurance and social security... Our lives stopped and we wanted the rest of the world to stop too! You wonder, ‘How can they go on? How can they eat? How can they sleep? How can they laugh? How can anything be normal? While you are in the middle of your worst nightmare the little things seem meaningless... Although it may seem like no one knows how we feel or what we are going through, support and resources are available. As difficult as it will be, and I am sad to say that it will be difficult for a very long time, the paperwork, the forms, the bills, and the planning must be done. Remember, you are not alone.’

- Tracy and Mark Quinichett, whose daughter was killed in a truck crash



Practical Tips

You will likely be overwhelmed by the number of financial matters you and your family will have to settle in the weeks and months following your loved one's death or serious injury. While you can put off some of these tasks, others require immediate attention. If you are uncertain where to start, begin by organizing. You will have to find the records and paperwork you need to apply for benefits, set up systems to organize those records and other information you receive, and determine your short-term need for income. It is not at all unusual for survivors to experience bouts of sadness and periods of inertia. Paying attention to small details and taking it one step at a time helps.

Included here are tips on getting organized, collecting the necessary paperwork and forms, identifying and applying for various survivor benefits, navigating the probate process, determining any changes in your taxes, and changing ownership and title.

1. Getting Organized

- *Set up a phone and mail system* - After your loved one dies or is seriously injured, 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 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, if at all.
- *Set up a filing system* - You will be organizing your financial affairs in many different areas, so set up a file for each topic on which you are working. For instance, you may want to set up separate files for: estate records, insurance, government benefits, tax information, important documents, and credit accounts. If you are not able to keep an original letter or document, make a copy. Remember to keep copies of any letters that you send as well.
- *Make a phone list* - If you do not already have one, you should make a list of the names and phone numbers of organizations, professional advisors, and friends. Post this list near your phone.
- *Evaluate short-term income and expenses* – You may have some immediate expenses to pay, such as medical bills, funeral costs and various regular bills. Start by making a list of all debts you will have to pay in the next 30 days. Then determine if you are capable of satisfying those debts with your current savings or if the benefits coming in from insurance proceeds or an estate settlement will be necessary.

2. Collecting the Papers

The first step is to collect the necessary papers in order to file for various benefits and finalize the estate.

- *The Death Certificate* - Many of the offices or agencies you contact will request copies of the death certificate. You can purchase certified copies through your funeral director or the county health department. There is usually a small fee. It is recommended that you obtain at least ten certified copies.



- *Any Insurance Policies* - You will probably find copies of life, health, home mortgage, accident, and other insurance policies in a safe deposit box or with your loved one's personal belongings. Any of these policies could be sources of benefits. If you cannot find the policies, check with employers about possible insurance and look through past checking account records to see if a check has been written in the past year to an insurance company.
- *Social Security Numbers* - You will need the numbers of the deceased and any dependent children.
- *Military Discharge Papers* - You will need a copy of a certificate of honorable (or other than dishonorable) discharge if your loved one was a veteran. If you cannot find a copy of the discharge, write to:

**The Department of Defense, National Personnel Record Center
9700 Page Boulevard
St. Louis, MO 63132**

- *Marriage Certificate* - If you are going to apply for benefits based on your marital relationship, you will need copies of your marriage certificate. Copies are available at the office of the County Clerk where the marriage license was issued.
- *Dependent Children's Birth Certificates* - Copies are available at either the state or county public health offices where the child was born.
- *The Will* - Your loved one's lawyer may have the will or it may be in a safe, a safe deposit box, or with his/her personal belongings.
- *List of Assets* - A complete list of all of your loved one's property, including real estate, stocks, bonds, savings accounts, and personal property will be needed. Land titles, stocks certificates, and other financial papers may be stored in a safe deposit box or other secure place.

The Will may or may not include your loved one's expressed funeral and burial wishes; if not, be sure to identify them as well.

3. Survivor Benefits

The next step is to contact various sources of benefits and make necessary choices about payments.

A. Insurance

Contact any insurers that may have issued policies to your loved one. She/he may have had several types of insurance policies, including life insurance, mortgage or loan insurance, accident insurance, auto insurance, credit card insurance, and various types of insurance provided by their employer.

The proceeds from an insurance policy can generally be paid directly to the named beneficiary. These claims can be processed quickly and are an important source of income for the survivors. It is recommended that survivors file claims for insurance policies as soon as possible, especially if finances are a concern.

Many policy amounts are doubled in cases of accidental death.

You may be required to decide on a payment plan. Options might include taking the money in a lump-sum payment or having the insurance company make fixed payments over a period of time. Which payment option to choose depends on your financial situation. It is recommended that you consult with a financial advisor about decisions like these.



B. Social Security Benefits

Your loved one is considered covered by Social Security if he or she paid in to the program for at least 10 years. The Social Security Administration (SSA) can check on eligibility for you.

If you are eligible, there are two types of possible benefits:

- *One-Time Death Benefit* - Social Security pays a one-time death benefit (\$250.00) toward burial expenses. Complete the necessary form at your local Social Security office or ask the funeral director to complete the application and apply the payment directly to the funeral bill. This payment may be applied for only by eligible spouses or a child entitled to survivors' benefits.
- *Survivors' Benefits for a Spouse and Children* - Several groups of individuals may be eligible to receive Survivors' Benefits:
 - A widow or widower may be able to receive full benefits at full retirement age. The full retirement age for survivors is 66 for those born from 1945-1956 and will gradually increase to 67 for people born in or after 1962. Reduced widow or widower benefits may be received as early as age 60. If a widow or widower is disabled, benefits can begin as early as age 50. For more information on widows, visit www.socialsecurity.gov/ww&os2.htm.
 - A widow or widower may receive benefits at any age if he or she takes care of a child of the deceased who is receiving Social Security benefits and is younger than age 16 or is disabled.
 - Unmarried children who are younger than age 18 (or up to 19 if they are attending elementary or secondary school full time) may receive benefits.
 - Children who were disabled before age 22 and remain disabled may receive benefits at any age.

For more information, visit www.socialsecurity.gov. Online, you can also apply for certain kinds of benefits, get the address of your local Social Security office, request a Social Security Statement, and find copies of many helpful publications. In addition to their website, you can also call the SSA toll-free at 1-800-772-1213; representatives can answer specific questions from 7am-7pm, Monday through Friday.



- Under certain circumstances, benefits may also be paid to stepchildren, grandchildren, step-grandchildren, or adopted children.
- Dependent parents may receive benefits if they are age 62 or older (to qualify as dependents, the deceased would have had to provide at least one-half of their support).
- There also may be benefits for surviving divorced spouses.

How much your family may receive from Social Security depends on your loved one's average lifetime earnings. That means the more he/she earned, the more the benefits will be. You should check your loved one's *Social Security Statement*, which is sent each year to every worker age 25 or older. The *Statement* gives an estimate of survivor benefits that could be paid, as well as an estimate of retirement and disability benefits and other important information.

You can apply for benefits by telephone or at any Social Security office. They will need certain information (death certificate, Social Security numbers, birth certificates, marriage certificates, divorce papers, your loved one's W-2 forms for the most recent year, and the name of your bank and your account number), but do not delay if you do not have everything. They can help you get what you need.

If you are already receiving Social Security benefits based on your loved one's work, the SSA will change your payments to survivors' benefits once you report the death to them. If you are receiving benefits based on your own work, call the SSA to see if you can receive more as a widow or widower. You will receive the higher benefit, not a combination of the two types of benefits.

C. Veteran's Benefits

If your loved one was a veteran who received a discharge other than dishonorable, you may be eligible to receive a lump-sum payment of \$300 for burial expenses and an allowance of \$150 toward a plot in a private cemetery; burial in a national cemetery is free to a veteran, his or her spouse, and dependent children. Veterans are also eligible for a headstone or grave marker at no charge. The funeral director can help you apply for these benefits or you can contact the regional Department of Veterans' Affairs (VA) office.

If your spouse was receiving disability benefits, you and any dependent children may also be entitled to monthly payments. Check with your regional VA office.

D. Employee Benefits

If your loved one was employed at the time of the crash, ask his or her employer about any survivors' benefits. He/she 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 organizations, find out if they offered death benefits from members. If the death was work related, you may be entitled to worker's compensation benefits.

You should also contact all past employers, including federal, state or local governments, to determine whether you are entitled to any payments from any pension plans. If your loved one was 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 to your loved one or you.

E. Worker's Compensation

If you or your loved one were on the job when the crash happened, you or he/she may be entitled to worker's compensation.

While plans differ depending on your state, provision can usually be made for weekly payments in place of wages, compensation for economic loss, reimbursement or payment of medical and like expenses, and benefits payable to the dependents of workers killed during employment.

Be sure to talk to your attorney about worker's compensation to see if it is a possibility.

4. Probate

Probate is the legal process of collecting the assets of the decedent, paying the deceased's valid debts, and transferring title and distributing the estate to the rightful heirs. This process usually entails:

- The appointment of an individual by the court to act as personal representative or executor of the estate; this person is often named in the will. If there is no will, the court appoints a personal representative, usually the spouse.
- Proving that the will is valid.
- Informing creditors, heirs, and beneficiaries that the will is to be probated and an estate is open.
- Transferring assets in accordance with the will or state law that are titled solely in the name of the decedent to the heirs or beneficiaries subject to the claim of creditors.

The personal representatives named in the will must file a petition with the court after the death. There is a fee for the probate process. Depending on the size and complexity of the probable assets, probating a will may require legal assistance.

Only assets that are titled solely in the name of the decedent are administered through probate. Assets that are titled jointly, have a beneficiary designation, or have a payable on death provision (P.O.D.) are non-probate assets and do not go through probate. Proceeds from a life insurance policy or Individual Retirement Account (IRA) that are paid directly to a beneficiary are also not subject to probate.

A will directs the Probate Court how to distribute the property of the decedent. If there is not a will, state statutes direct the Probate Court how to distribute the property of the decedent. Having a will does not keep a person's assets out of probate.

5. Taxes

There are various tax implications that accompany the death of a loved one. Income taxes in the year of death and thereafter can be somewhat complicated. Although the deceased's income stops, there may be employee benefits, IRA distributions, pension survivorships, Roth options, etc., that may impact the spouse's taxes in the year of death and following years.



Federal Estate Tax - This tax is generally only due on estates exceeding the unified credit exemption equivalent, which is currently in the millions of dollars.

State Estate Taxes - Roughly half the states still have some form of the tax; it is generally only due on estates that exceed the above mentioned unified credit exemption equivalent.

State Inheritance Taxes - State requirements vary, but most states have no inheritance tax.

Gift Tax - You may gift approximately \$13,000 per donee per year with no taxes or tax returns required. If you choose to gift over \$13,000 it will reduce your federal estate exclusion, but generally no tax is due unless it exceeds the federal estate limit, which is in the millions.

Federal and State Income Taxes - taxes of the deceased are due for the year of death. They are due on the normal filing date of the following year unless an extension is granted.

Filing - A surviving spouse may have to file several tax returns, including federal and state final income tax returns, and fiduciary income tax returns. To do this, you may need to seek the advice of a tax professional.

Filing Status - If you meet certain requirements (including remaining unmarried and maintaining a household for a dependent child), you can file your federal income tax return as a surviving spouse for two tax years following the year in which your spouse dies. This normally means that you will pay less tax than if you filed either as single or head of household. In the year in which your spouse dies, you do not file a tax return as a surviving spouse but can instead file as married, filing jointly. This way, when you file, you and your spouse's executor will sign the return for you and your spouse, following Internal Revenue Service guidelines.

Taxes on Retirement Plan Distributions, Insurance Proceeds, and Benefits - There are a myriad of regulations that concern how these types of income are treated. Retirement plan distributions are considered to be taxable income, while life insurance proceeds and government proceeds (like Social Security) are generally not considered taxable income. However, the tax consequences of survivors' benefits may depend on how one chooses to take the distribution or proceeds (in the case of IRAs or life insurance) or on whether your income exceeds a certain level (in the case of Social Security).

If you have any questions at all, it is a good idea to consult a tax professional.

For additional information, visit www.irs.gov. Specific publications and forms that may be of assistance are Publication 559: *Survivors, Executors and Administrators*; Form 56: *Notice Concerning Fiduciary Relationship*; Form 1310: *Statement of Person Claiming a Refund Due a Deceased Taxpayer*; and Form 4810: *Request for Prompt Assessment Under Internal Revenue Code Section 6501(d)*. To quickly find these resources, use the search function on the main page. Just type in, for example, "Publication 559" in the search box.



6. Changing Ownership / Title

You may need to transfer ownership, change title of property, or revise documents after the loss of a loved one. Here are some items that should be checked:

Insurance Policies - If you hold any insurance policies, you may have to change beneficiaries. You may decide that you no longer need to have the same coverage if you do not have dependents, especially in the case of life insurance policies. Auto insurance and home insurance may also need revision. Your loved one may have had medical insurance through work. Under a federal law called COBRA, you and any dependent children may be entitled to continue under your loved one's work-related medical insurance plan for up to 36 months, provided you pay the premiums. On the other hand, you may need to purchase your own medical insurance.

Check with your loved one's former employer to see if you can continue with its group health insurance plan, which may be less expensive than your alternatives. Contact the company issuing the policy to make any changes or for more information.

Automobiles - The title of the car owned by your spouse may need to be changed. Contact your state's Department of Motor Vehicles.

Will - If your will provides for property to pass to those you have lost, it should be updated. You may want to contact your estate planner for assistance.

Bank Accounts, Stocks, Bonds - If you had a joint bank account with your loved one, it will automatically pass to you. Check with the bank about changing the title and signature card on the account. To change stocks or bond titles, check with your stockbroker. If a bank account was held only in the name of your spouse, those assets will have to go through probate. An exception to this is trust accounts.

Safe Deposit Box - In most states, if the box was rented only in the name of your loved one, it will require a court order to open it. Only the will or any other materials pertaining to your loved one's death can be removed before the will has been probated.

Credit Cards - Those cards held exclusively in the name of your loved one should be cancelled. Any payments due on these cards should be paid by the estate. Your loved one may have used credit cards in both your names or used cards listed only in your name. If so, make the payments due on these cards to keep your own good credit rating. Notify the companies that your loved one has died and that the card should now list your name only. Some people, particularly widows, may experience difficulty receiving a new card if they do not have their own credit rating. When applying for a card, inform the lender about credit cards that you shared with your spouse. Also, check to see if there is any benefit associated with the card that supplies either insurance (particularly for a rental car), or that may pay off the balance in the event of the death or disability of the cardholder.



General Finances - Debts owed by your loved one will be the responsibility of the estate and should be forwarded to the personal representative or the executor who is settling the estate. However, you should pay debts that are jointly owed, particularly mortgage payments and utility or phone bills, in order to maintain a good credit rating. Do not pay off significant debts of the deceased unless you have confirmed that you are responsible for those debts.

Caution: do not immediately make permanent significant financial decisions, such as selling your home, moving, or changing jobs. You will need some time to consider your situation before you can make these decisions responsibly. If at all possible, do not rush into a decision you might later regret.

Information provided in this notebook should be considered for your general information and assistance and has been put together from suggestions from others who have lost a loved one in a truck crash. It is not intended to be legal advice or to take the place of the advice of a lawyer.

Every person's situation is unique, *so do not assume that going through the steps above guarantees that you have covered everything.* In fact, odds are that you have many other practical issues to consider, examine, administer and manage. If you find any information to be in error, or have additional suggestions you think should be included, please let us know.

As difficult as it is, take the time to contemplate carefully all of the crash's implications. Your family, friends, attorney, financial/tax advisor, and those of us here at the *Truck Safety Coalition* are all good resources that you should not hesitate to utilize.

Questions?

**Contact the Truck Safety Coalition at
(703) 294-6404 | info@trucksafety.org**



Kyle, Emma, & Katie Coble



Suzanne Wages



Herb & Betty Prewitt



Stacy Lynn Sprinkle



Orbie DeWayne Wilburn

In Memory of our Loved Ones WE HONOR THEIR LIVES



Christopher LaRoche



Roya Sadigh



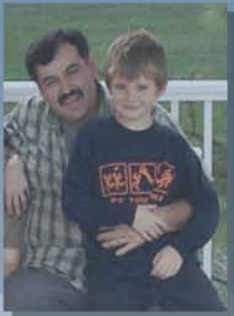
Vera Purser



Denise D. Mahle



Andrea Purser



Jorge Cuoto



Christina Martin



Samuel Keith Rose



Robert Walters



Jesse Woods

Working Together We Can Save Lives



Dana Wood



Justin A. Nash



David Mathis



Emily J. Manczunski



Ann Pfaff