

Issues Following the Death of a Spouse

Over the past 12 months, three husbands have passed away in my La Mesa subdivision. In addition to the considerable personal and family trauma, the surviving spouses had to grapple with some important administrative issues.

What are some of the actions a surviving spouse needs to consider?

Obtain a minimum of 10 death certificates. When possible, use a copy of the death certificate and not an original.

Take an original to the Social Security office in Albuquerque – a surviving spouse is eligible to initiate reduced benefits at age 60 if desired.

If you have a variety of investments and property, it may be important to discuss the situation with your/an attorney and/or accountant. Since New Mexico is a community property state, your home and Joint and Trust owned accounts commonly have a new basis established as of the date-of-death.

Contact all investment firms first by phone to make sure you know what paperwork they require to re-title or move the assets.

The titling of Joint accounts frequently needs to be changed to simply the survivor's.

If you had a Trust, I suggest you contact your attorney because you may need to establish accounts in accordance with the Trust. Multiple accounts may have to be established – one/more titled in the name of the deceased spouse as well as one/more for the survivor.

Title changes will likely be required on checking and savings account, cars, boats, you home and other real estate assets.

The deceased spouse most frequently cited their surviving spouse as the Primary Beneficiary for their IRA, 401(k), 457, Thrift Savings Plan, life insurance and annuities. Though the survivor typically assumes ownership of these assets, you may want to disclaim Primary Beneficiary rights and have some of the assets pass to the Contingent Beneficiaries (Typically your children).

Change the Primary Beneficiary designations on your own IRAs, 401(k)s, 403(b)s, 457s, Thrift Savings Plans, life insurance policies and annuities. Contingent Beneficiaries changes are likely required as well.

What can Phil Messuri, MS, CFP® do to assist a recent widow/widower, family and friends?

1. Facilitate the process and assist the surviving spouse understand the options. I can help the survivor see the entire financial landscape, coordinate with other professionals such as an attorney or accountant, help guide their decisions and explain the options.
2. Assess the financial changes in the surviving spouse's financial life such as a reduction in actual or anticipated social security payments.
3. Suggest reformulation of your investment allocations to be commensurate with the survivors' needs and experience.

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