

DEALING WITH FINANCES WHEN YOUR SPOUSE DIES

Over the past several months I've had a number of people reach out to me about what to do after losing a spouse or partner. If you been through this then you know how traumatic it is and being overwhelmed with the tasks that are in front of you. One of our marketing companies (Broadridge) has an excellent piece, which I have included some of the information below of what you will need to do if your spouse or partner should die prematurely.

Even if you handle your family finances, you may be overwhelmed by the number of financial matters you have to settle in the weeks and months following your spouse's death. You may be able to put off some of these tasks but others will require your immediate attention. If you are uncertain where to start, it's better to start by organizing what needs to be done.

Getting organized

The first thing you have to do is gather records. You'll need a number of documents to settle your spouse's estate or to apply for insurance proceeds or government benefits. This should be your first step.

Apply for the life insurance proceeds first, as this will provide the liquidity you will need. You will need a certified copy of your spouse's death certificate. Contact your insurance agent or the insurance company to complete the claim form. If you are applying for Social Security benefits, you'll also need the certified death certificate, a marriage certificate and your birth certificate.

Set up a system

After your spouse dies, chances are you will have difficulty concentrating on what you need to do. Part of this is the grief and stress you're experiencing plus you are simply overwhelmed with all you have to do. Keep track of all details. Set up a phone and mail system. With phone calls simply keep a piece of paper or notebook by your phone. Write down the date and time of each call, the name of the person who called and a brief description about what you discussed. For mail, right down who sent what, the date you received it, along with when a response is due.

Set up files

You'll be organizing your financial affairs in many different areas, so you want to set up a file on each topic (insurance, social security, credit cards, etc.). This will help you avoid the frustration of not being able to find an important document.

Phone list

If you don't already have one, create one NOW. This should include a list of names and phone numbers of your advisors (attorney, financial, insurance, spiritual); family and friends and organization which you belong.

Income and expenses

You will have some immediate expenses when your spouse dies. This will include the funeral costs along with your regular bills. Start by making a list of all bills that you must pay within 30 days. Determine if you have enough liquidity to pay these expenses. If you don't have an emergency fund, don't panic. You may have money coming in from the insurance proceeds, which generally will come quickly. If you have

to use credit cards to pay expenses or cash advances, make sure you use those with the lowest interest rate first and watch out for any cash advance fees.

THINGS TO DO FIRST

Getting advice when you need it is imperative, if you want to make good financial decisions. After all you are probably doing some of these things for the very first time, such as filing life insurance claims.

Probably the first person you should call is your attorney; because he or she can help you review the will and start the estate settlement procedures.

Your funeral director can be an excellent source of information. They will generally help you apply for the certified death certificate copies, apply for Social Security and veteran benefits.

You may also want to contact your financial planner, CPA or tax advisor to help with your finances. Also don't overlook help that may come from a widow or widower who already has been through this.

Notify others

It is a personal decision who you notify first when your spouse dies. Generally, you want to contact people who were close to you and anyone who may help with the funeral preparations. Next contact those who will help you file for benefits, such as your spouse's employer, life insurance company or government agencies. Finally, you will want to contact the important financial advisors that we discussed already, then the creditors. Remember you do not have to do this all yourself. Friends and family members will help you notify others.

Pay bills

While grieving it's easy to forget the everyday things you need to do, such as paying your bills. When you receive a bill put it on the mail list and keep it visible. If you forget and you start to receive letters or phone calls from creditors asking for money, do not ignore them. Contact the creditors right away and arrange for payment. Be aware that there are scam artists who might contact recently widowed people and ask them to pay for items that their deceased spouse supposedly ordered.

THING THAT CAN BE PUT OFF UNTIL LATER

Moving You may be tempted to move right away from the home you shared with your spouse. You will be wise to wait until you can make a rational decision. Perhaps one year is a good timeframe.

Selling possessions or giving them away

There is no rush. Although you may be pressured to sell your spouse's car, or perhaps your children may be asking for a favorite item that belonged to your spouse, don't sell or give anything away until you're ready.

Giving money away or making loans to others

It's amazing how many friends you may have once you receive a large life insurance settlement or are the beneficiary of a large estate. While you probably may want to help out family, do not act without reviewing your own financial situation first. What may seem like a large amount of money now can dwindle away quickly.

Investing

Your immediate financial priority after your spouse's death is not investing. First make sure you have enough money to pay your bills. After you've had an opportunity to identify your financial goals then you may want to invest part of this money. A financial advisor can help you invest wisely. Don't invest

with someone you don't know well or until you thoroughly checked out his or her references and credentials.

If you would like to have a copy of "Organizing Your Finances after Your Spouse Has Died" please contact me. I will be happy to e-mail or mail this information to you.

Whew! Now that we have reviewed some of the things you should do when you lose your spouse, let's focus on living. The sun is shining, waves are crashing, so grab your chair, book and beverage and head to the beach. Don't forget the sun screen. Make it a super summer!

Fred Dunbar, CLU, ChFC, RFC, AIF,[®] is President of Planning Directions, Inc., a registered investment adviser, and Common Cents Planning, Inc. He is also a registered representative of and offers securities through Commonwealth Financial Network, member FINRA/SIPC. Advisory services offered through Planning Directions, and fixed insurance products and services offered by Common Cents Planning, are separate and unrelated to Commonwealth. Fred may be contacted at 800-647-0762, by e-mail at fdunbar@commoncentsplanning.com or by mail at 239 Baltimore Pike, Glen Mills, PA, 19342. He's always happy to meet with you 'down the shore' at 6606 Central Avenue N. Sea Isle City, NJ. 08243.