

Talk With Us !



TALK WITH US!

February 18, 2011

Dealing with the death of a friend or loved one is an incredibly hard thing to go through. The emotional strain is hard enough by itself, not to mention estate matters that have to be dealt with in a timely manner. The purpose of this *Talk With Us!* is twofold. First, we hope to raise awareness about what to expect when this transition occurs and the numerous complex legal, financial and tax issues that can arise. Second, we encourage you to talk to us if you have yet to address your estate planning needs. We can connect you with trusted attorneys, CPAs and corporate and private professional fiduciaries that specialize in trust and estate creation, administration and litigation.

Regardless of the size of the estate, it is of primary importance for those responsible for winding up an estate to consult an experienced estate planning attorney, a CPA or estate tax specialist, and a financial advisor. This team will work together to make sure there are no missteps – some of which are irreversible and can be expensive. Some activities must be handled by an attorney (probating the will, setting up testamentary trusts) or a CPA (filing the deceased's income tax return and the federal estate tax return), while others are in the financial advisor's purview (deciding which assets should be allocated to each trust and determining where income will come from). The attorney and/or CPA can make sure that all deadlines are met. The federal income tax return of the deceased must be filed by April 15 of the year following the death. The federal estate tax return, if applicable, must be filed within nine months after death. Disclaimers *must* be completed within nine months of the deceased's passing. Titling of inherited retirement accounts must be precise in order to preserve the tax deferred benefits of the account over the life of the inheritor.

Following are some "best practices" to follow:

Calls to Make:

- **Call** your estate planning attorney, CPA and financial advisor as soon as possible
- **Refrain** from any financial transactions or making elections until you have consulted with the attorney, CPA, and financial advisor
- **Call** a trusted friend or relative to assist through the transition

Gather:

- **Secure** 10-15 copies of the death certificate as soon as possible
- **Locate** will, trust, powers of attorney, letter of instruction, life insurance policies, tax returns, and retirement account beneficiaries
- **Gather** and inventory contents of safety deposit boxes

Talk With Us !

Talk With Us !

Bills:

- **Organize**, prioritize, and separate bills into categories: deceased, surviving spouse, and joint
- **Remember** the surviving spouse should refrain from paying the deceased's bills from his or her own funds—these are the estate's responsibility

Creditors:

- **Notify** if there are any issues that prevent making timely payment
- **Check** with creditors to see if there is insurance on loans or credit card accounts

Bank Account:

Open one in the name of the estate

Benefits to Claim:

Identify life or accidental death insurance policies, Social Security, pension continuation, and employer benefits (such as vacation, sick leave, and expense reimbursements)

Identify Pressing Income Tax Issues:

- **Take** the required minimum distribution from the deceased's IRA before the end of the year
- **Review** the last three years' tax returns

Appraisals and Date of Death Valuations:

Work with the attorney, CPA and financial advisor to make sure appraisals are done and assets are properly valued

Rollover and Consolidate Accounts:

Work with the attorney, CPA, and financial advisor to coordinate rollover and consolidation

Re-Title Assets:

Work with the attorney, CPA, and financial advisor to discuss how title should be held

Establish Cash Reserves:

Begin documenting the survivor's cash flow to create a new budget and financial plan

Investments:

Review and revise the investment policy statement and investment portfolio with the financial advisor

Healthcare Needs:

Address the long-term health care needs of the surviving spouse with the financial advisor

Powers Capital Investments, Inc. is a registered investment adviser.

This publication is only intended for clients and interested investors residing in jurisdictions in which the Adviser is qualified to provide investment advisory services. The Adviser does not attempt to furnish personalized investment advice or services through this publication. Any subsequent, direct communication with a prospective client will be conducted by the Adviser's investment advisory representatives. Some of the information given in this publication has been produced by unaffiliated third parties and, while it is deemed reliable, the Adviser does not guarantee its timeliness, sequence, accuracy, adequacy, or completeness and makes no warranties with respect to results to be obtained from its use.

To unsubscribe to this Client Alert, please send an email to unsubscribe@powerscapital.com

Talk With Us !

Talk With Us !

Surviving Spouse's Estate Plan:

Update the surviving spouse's estate plan; take care to thoroughly address any new beneficiary designations, will, powers of attorney, and medical directives

If you have any questions about any of these issues please ***Talk With Us!*** at Powers Capital Investments. We are here to help!



Patrick D. Powers
President and Chief Investment Officer

*Much of the information in this *Talk With Us!* was taken from an article written by Shelley A. Lee in The Financial Planning Journal, February 2011

Powers Capital Investments, Inc. is a registered investment adviser.

This publication is only intended for clients and interested investors residing in jurisdictions in which the Adviser is qualified to provide investment advisory services. The Adviser does not attempt to furnish personalized investment advice or services through this publication. Any subsequent, direct communication with a prospective client will be conducted by the Adviser's investment advisory representatives. Some of the information given in this publication has been produced by unaffiliated third parties and, while it is deemed reliable, the Adviser does not guarantee its timeliness, sequence, accuracy, adequacy, or completeness and makes no warranties with respect to results to be obtained from its use.

To unsubscribe to this Client Alert, please send an email to unsubscribe@powerscapital.com

Talk With Us !