

# The Role & Responsibilities of Being Someone's Beneficiary

## What is a Beneficiary?

Someone named in a Will, Trust, policy or account who is legally entitled to receive some form of distribution or benefits from a deceased person's estate.

If you've recently been named the Beneficiary of an estate and you're trying to navigate what, exactly, that really means, first off, let us extend our condolences. Losing someone who cared enough about you to name you in their Estate Plan is never easy. We're so sorry for your loss. And we're here to help you get through the process with our step-by-step checklist of everything you need to know about being a Beneficiary.

## **If the named Executor or Trustee hasn't already done so, be sure the following happens:**

- Get in touch with an attorney; ensure any and all necessary court documents are filed
- Find all documents in the Estate Plan – this could include a Will or Trust; life insurance policies; bank and retirement account information; CD accounts; property deeds and titles; etc
- Get multiple certified copies of the Death Certificate Ensure the Executor goes to state probate court Find any marriage/divorce certificates
- Locate Social Security numbers (both the deceased's and yours)
- Determine if there are any child support documents
- Find birth certificates of any minor children
- Discover military papers
- Identify credit card account numbers (statements can be helpful too)
- Gather mortgage papers and current bank statements
- Notify any life insurance companies where the deceased had policies of the death
- Contact mortgage companies, credit card companies and any other loan companies
- Reach out to seek legal and tax advice

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## **What You Should Know as a Beneficiary**

- You can expect to be provided with all documents related to your entitlement
- You should receive information regarding the estate
- You can expect for the Executor to act in your best interest
- You have the right to request a different Executor if you don't feel like he or she is living up to their responsibility

## Are You Also an Executor or Trustee?

Often, Beneficiaries are also the people who settle the estate. If you were named Executor or Trustee in addition to Beneficiary, you may want to do the following:

- Make a comprehensive list of all the assets the deceased owned
- Make another comprehensive list identifying all liabilities/debts that need to be paid back
- Review any estate planning documents to ensure you're fully aware of all retirement plans, insurance policies, profit sharing plans or any other financial investments
- After all debts are paid, it's time to begin distribution of assets to all Beneficiaries

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## Are You a Surviving Spouse or Child?

- When reviewing every document, look for any special provisions listed for spouses or minor children
- Reach out to the Social Security Administration - spouses and minor children are often eligible for benefits
- Contact the employer - children and surviving spouses might be able to keep the deceased person's health coverage under federal COBRA regulations
- Inform Medicare - benefits may be available to surviving spouses aged 65 or older or to minor children
- If the deceased is a veteran, there may be benefits available to the family - these often include a burial allowance, monthly payments to the family or memorial services to honor your loved one

# The Role & Responsibilities of Being Someone's Executor

## What is an Executor?

An Executor of a Will is the person who's legally named to be responsible for carrying out all the instructions and wishes the decedent (the person who passed away) left in his or her Will. If no Will is left or no Executor is appointed, the courts will determine who should fill the role.

Being named Executor of an estate is a big honor. But, it's also a lot of responsibility. Don't worry though, we're here to help. We'll teach you everything you need to know about your responsibilities if you've been appointed to this important role. So whether a loved one has recently passed away and you need to learn more about what will be expected of you in the coming days, weeks, months (and perhaps even years), or if you recently learned that someone plans to name you Executor of their Will and you need to know what you'll have to do one day at a time, this checklist will ensure you're prepared.

## Immediately After Learning of the Death (In the First Week):

- Begin the probate process (notify the court) – you may need to file the Will with the court
- Ensure minors and pets are safe and taken care of  
Inform all family and close friends
- Keep an eye on the home/property – mail, phone calls, bills
  - Start a spreadsheet of any utility or other bills you pay; keep all receipts
- Gather documents – most importantly, the Will, Trust, bank statements, life insurance policies, deeds, marriage/divorce/birth certificates, Social Security information, investment statements, titles to vehicles, keys to safe deposit box, etc.
- Notify any Life Insurance companies of the death; locate Beneficiaries
- Obtain multiple copies of the Death Certificate (the Funeral Home can help you with this)
- Begin making final arrangements – check Estate Planning documents to see if there are specific wishes regarding the type of service, memorial and/or burial
- Write and publish an obituary
- Create a list of the decedent’s assets and liabilities – determine what’s “probateable” and what isn’t; file inventory of assets that need to go through probate with the court
  - Note: Assets that directly name beneficiaries (like life insurance policies) do not need to go through probate

## In the Weeks/Months After Learning of the Death:

- Familiarize yourself with the steps of the probate process; you may need to:
    - Take out an ad in the local newspaper where the decedent lived to notify potential creditors of the passing
    - Contact known creditors
  - Handle business affairs (if the decedent was a business owner) Consider hiring an attorney and/or accountant
  - Identify all property the decedent owned and hire an appraiser to determine the value
  - Reach out to all Beneficiaries to let them know of their inheritance
  - Contact Social Security and Medicare (if necessary)
  - Set up an Estate Account to hold all of your loved one's assets – tax refunds, paychecks, future dividend payments, etc. would be deposited here; any payments that need to be made can come from this account, including final expenses and payments to creditors or the IRS
  - Ensure payments are made for any debts or ongoing expenses
  - Contact investment advisors and/or insurance agents
  - Go to court to represent the estate
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## Final Steps:

- File a tax return
  - Distribute assets and property
  - Dispose of any remaining properties after all other assets have been distributed
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# The Role & Responsibilities of Being Someone's Guardian

## What is a Guardian?

A Guardian has the legally granted authority (and responsibility) to provide the care, maintenance and education of a dependent. Guardians offer all support during their time as Guardian, including shelter, food, clothing and any other needs. They have the authority to make healthcare decisions and authorize medical, dental, psychiatric and psychological care for a minor. Some experimental treatments, however, may require the court to grant approval.

Guardianship is an important concept in estate planning. There's no greater honor than being asked to oversee the well-being of children or others who are vulnerable and cannot care for themselves. But with that honor comes great responsibility. If you've recently been appointed Guardian for a friend or family member's children, it's important that you understand everything that's required for you to competently fulfill the role.

## What Your Basic Responsibilities Are:

- Make all decisions and act in the best interest of the minor Provide all basic care — food, shelter, clothing, education, maintenance, support, etc. Be responsible for physical and mental health; authorize healthcare treatments and make decisions
- Provide housing (or appropriate living arrangements)
- Ensure a proper education
- Ensure access to health care
- Apply for public assistance benefits if necessary (including food benefits and health insurance)
- Potentially file lawsuits on behalf of minor

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## What You Typically Can Expect:

- To be granted custody of the minor
- Receive and manage money to use for the care and support of the minor
- To act in the best financial interest of the minor
- Remain conscientious of how money is being spent; keep explicit records of all spending
- File a yearly report with the court

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## What You Typically Can't Do:

- Generally without court authority, you cannot:**
- Move out of state
  - Place the minor in a residential care facility
  - Authorize experimental medical or psychological treatments of any kind
  - Spend or invest money not in the best interest of the minor
  - Sell any real property or items without authority
  - Make any changes to the Estate Plan
  - Terminate guardianship before the minor is a legal adult, unless the court has intervened

# The Role & Responsibilities of Being Someone's Power of Attorney

## What is a Power of Attorney (POA)?

A Power of Attorney gives a person (known as the agent or attorney-in-fact) the authority and power to act on behalf of another person (known as the principal). How much power is given is explicitly determined and outlined in the document. It can be very broad, sweeping power, or it can be limited to specific circumstances and occasions. You can typically set a POA to go into effect immediately upon signing, or you can use what's known as a "Springing POA." The Springing POA only goes into effect if the Principal loses capacity. Most often, for estate planning purposes, the Springing POA is not as preferred, due to the fact that it can be difficult to prove incapacitation. There are a number of types of POA, too. So you should know what your specific document states prior to making any decisions.

\*Note: There isn't a standard POA form for every state, and state law can vary. That said, all 50 states do accept some form of POA; it's important to know your state's laws.

Being named Power of Attorney (POA) essentially means that you have a legal document in hand granting you the power to act on someone else's behalf. Very often, POA will be used when someone becomes ill or disabled, or if they simply cannot be present to sign legal documents or transactions. It's a powerful Estate Planning tool, and if you've been named POA, it's important to understand how to best act in your role.

## What To Expect If Your Role As POA Begins:

Review the paperwork—all responsibilities will be clearly detailed in the POA document You may be required or expected to:

- Be responsible for financial management
- Have direct access to bank accounts
- Make decisions about insurance
- Be in possession of estate documents
- File tax returns
- Have access to a safe deposit box
- Sign real estate transactions
- Keep very detailed records of all financial transactions – keep receipts of bills paid, assets sold/traded or income collected
- Keep records of your own expenditures if you want to be compensated – save gas receipts, document mileage, etc.

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## What a POA Cannot Do:

- Write, amend or completely revoke a Will, Trust or estate (in most states; some states permit POAs to authorize some estate planning transactions)
- Vote on behalf of the principal
- Make decisions on anything that's not directly stated in the document
- Transfer assets to your own name
- Borrow or lend money, unless explicitly authorized to do so

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## What To Know About “Durable” POA:

Depending on the type of POA, expectations of your role can change based on the health of the principal. Durable POAs stay in effect, even if the principal suddenly or unexpectedly becomes physically or mentally incapacitated. With a Durable POA, your duties and role will remain intact, regardless of the principal's health or well- being. Without that “durable” component, your responsibilities as POA would otherwise cease should the principal ever become incapacitated due to physical or mental illness or death.

# The Role & Responsibilities of Being Someone's Trustee

## What is a Trustee?

A Trustee is the person legally appointed and granted authority to oversee property and assets held inside a Trust. In essence, the Trustee is the legal owner of a Trust and all the assets inside of it. Trustees are responsible for not only managing the assets inside a Trust, but also for doing things such as filing taxes and distributing assets to beneficiaries per the terms of the Trust, when the time comes.

If you've been named Trustee of a Trust, you should be honored. It's a great responsibility, and the Settlor (Trust creator) clearly thought highly of your ability to manage their estate and act in their best interest per the wishes they outlined in their Trust.

We know it can feel overwhelming to step into the role of Trustee, but we're here to help with a complete checklist of everything you should expect as you fulfill your role and responsibilities as Trustee.

## After the Trust Grantor Has Passed Away (Immediately):

- Look to state law for specific obligations you must fulfill; occasionally, you will have required duties that may not be outlined in the Trust itself, for example, a Duty to Account
- Review the Will (if there is one) with the named Executor (if a different person has been appointed to that role; although, it's not uncommon for the same person to be named to both roles)
- Find the Declaration of Trust if there is one — this document confirms your appointment as Trustee and is generally notarized and sometimes recorded
- Ensure you have access to certified copies of the Death Certificate
- Reach out to the decedent's attorney and accountant
- Determine which assets are inside the Trust and in your control — this can include: finding and reviewing bank and brokerage statements, stocks and bonds certificates, life insurance policies, any business documentation, property deeds and more
- Create a comprehensive list of all assets – get exact values as of the date of death
- Get a TaxID number for the Trust — especially important if assets will stay in the Trust for the benefit of minors or surviving spouses, for tax purposes or if inheritances will be distributed in installments
- Manage the Trust per the terms defined — this can include managing bank and brokerage accounts and other investments
- Keep all Trust assets separate from personal finances and assets (unless Trust states otherwise)
- Ensure consistent treatment of Beneficiaries (unless Trust states otherwise)
- Keep detailed records about all Trust assets
- Send letters to financial institutions (you will need copies of the Death Certificate)
- Reach out to life insurance companies where policies were held; fill out forms to file a claim (again, you will need a Death Certificate)
- Contact Social Security Administration — inform them of the death  
  
Contact Beneficiaries – provide each with a copy of the Trust agreement (unless Trust states otherwise)
- Change locks on properties, secure assets and ensure proper insurance is maintained
- Determine and pay off any outstanding liabilities
- Cancel credit cards
- Decide if you need to stop utilities and services (cell phone, cable, Internet, etc.); note if the property is Trust-Owned, you may want to keep power and water services on  
Contact any service providers who may owe the decedent a refund – for example: long-term care facilities or insurance companies where premiums were paid in advance, prepaid service providers, magazine subscriptions, etc.
- Make a list of all the last healthcare providers; review outstanding medical bills and ensure insurance is covering payments

## After the Trust Grantor Has Passed Away (Final Steps):

- Administer the estate (pass assets to Beneficiaries)
- File all/final tax returns — this could include:**
  - The decedent's final income tax return in the year they passed away
  - A final federal estate tax return, due 9 months after death
  - Annual tax returns to report any income the Trust makes
  - Gift tax returns if any taxable gifts were made prior to death

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## If Decedent Was a Business Owner:

- Review specific direction in the Trust about how the business should be handled. You may need to:
  - Have the business and assets appraised
  - Sell or liquidate assets and inventory
  - Contact a broker