

Sudden impact: When a spouse unexpectedly dies

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What if the unthinkable happens and your spouse dies unexpectedly? Would you be prepared to cope emotionally and financially? As the surviving spouse, you'll face several tasks and challenges.

First steps first

By no means complete, the following are areas that will need to be addressed:

Death certificates. One of the first things to do is obtain death certificates, which you'll need to provide for various dealings with financial institutions and others. While it may be difficult to estimate how many death certificates will ultimately be requested of you, you'll probably want to start with at least a dozen.

Notifications. You must get the word out to other interested parties, including your spouse's employer, if applicable; credit card companies; life insurance companies; retirement plan and IRA administrators; the state motor vehicle agency; the state office for inheritance tax, if applicable; and your attorney.

Social Security benefits. If your spouse was receiving benefits, consult with the Social Security Administration as to the benefits available to a surviving spouse. Frequently, modifications are required if the survivor was the lower-earning spouse. Even if your spouse wasn't receiving benefits yet, you may be eligible for survivor benefits, depending on your age and other factors.

Insurance. Don't assume that everything about your insurance will stay the same. Review your various policies to ensure that you'll have the optimal coverage going forward. Make whatever beneficiary changes are required.

Retirement plans and IRAs. You may face important decisions regarding employer retirement plans, such as 401(k) plans, as well as traditional and Roth IRAs. For example, if your spouse had a traditional IRA, you can complete a timely rollover to an IRA of your own without owing any tax. Conversely, you might opt for a lump-sum payout from a 401(k) or IRA should you need the funds.

Investments. Review the investments that were owned solely by your spouse, as well as those you owned jointly. When you have time, sit down with your financial advisor to chart out a path for the future, focusing on changes in personal objectives, time horizon and risk tolerance.

Estate tax filing. Although federal estate tax returns generally are required for only the wealthiest individuals, you may choose to file a return to establish the value of inherited assets. Generally, the return is due within nine months of the date of the death.

Finally, review your estate plan

Once you're over the initial shock of the death, sit down with your attorney and review your estate plan. You'll likely need to make several revisions in areas where you named your spouse as beneficiary. If you need help during this difficult time, please turn to us.

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