

SUDDENLY SINGLE CAN BE SUDDENLY MORE. LET US HELP!

When you lose someone either through their passing or divorce you feel lost, hurt and anxious. These are normal human emotions, and certainly taking over the responsibilities of your financial management can be unsettling and cause more stress. At times like this it's helpful to relish the reality that you have friends, are not alone, and there is both hope and help.

Working as your fiduciary advisor, ProActive can help by providing guidance through the financial and legal red tape organizing, notifying and inventorying assets and liabilities for the Executor/Executrix while presenting a financial accounting to your attorney who will work the estate through the legal probate/trust process.

Our assistance to guide you is a straight-forward process to expedite the accounting and legal work. We'll serve as your "Quarterback" interfacing with Medicare, Social Security, insurance companies and broker dealers as well as your legal counsel. We'll translate the professional jargon, explain what's going on, and help you navigate through the whole process. Here is an overview of the steps in the process:

If Death of a spouse, take care of the funeral arrangements finally asking the funeral home to send you several (5) copies of Death Certificates. Collect the deceased Will & Trusts and call us to discuss options of settling the estate with or without an attorney.

If a Divorce, call us to help you gather information and to get an overview of what's to come. If there are children who need support, we help you devise the basis for requesting support to present to your soon to be EX keeping focus on eliminating words and actions to bias the children against the other.

Documents needed for settling and estate and completing a Divorce:

Make an inventory of all assets & liabilities you own together and individually. If there are any trusts (revocable or non-revocable) and any pre-nuptial agreements gather those as well. Note any Power of Attorney authorizations terminate at death. Include copies of tax returns for the last 2 years.

Gather insurance policies, contracts, checking, savings, and investment statements as well as beneficiary forms. It is important to see the documents because how they are titled is critical.

<u>Pre-Probate* / Pre-Divorce</u>	<u>Probate* / Divorce Settlement</u>	<u>Cont'd</u>
Inventory Assets and Liabilities	Discuss & Prioritize Goals	Guidance on Successor TTEEs
Organize and Value Assets	Analyze income sources	Est. new marginal tax brackets
Document Ownership Titling	Estimate earnings potential	Develop investment strategy
Analyze & Pay Liabilities	Estimate College & Educational costs	Manage & Monitor investments
Estimate immediate Income needs	Compare after-tax Asset sales	Update plans considering tax
Prepare Net Worth Statement	Project Retirement Needs	Brackets and federal & state
Develop working budget	Analyze Insurance Needs	inheritance taxes.
Assistance in Attorney Selection	Estimate maintenance needs	
*Guidance on Successor TTEEs	Develop alternative settlement	
*Notify Medicare & Soc. Sec.	Guide & Oversee Beneficiary Dist.	

THE PROCESS OF SETTLING AN ESTATE



Probate is the legal process that occurs after someone dies that administers how the deceased asset will be distributed. If the decedent has a will an Executor/Executrix will be named. If not, the court will appoint a person, usually a family member or next of kin, to assume responsibility for handling the probate process. The process is somewhat time consuming but varies by county and the complexity of assets and liabilities subject to probate.

Here are the steps under probate law that must be followed:

1. File a petition or request on a form made available by the county court clerk to begin probate. The county with jurisdiction is normally the county the deceased lived in when they passed. The court will hold a hearing to confirm the death by presentment of the Death Certificate, see if there are any objections to the person requesting to be Executor/Executrix, find out if there is a Will naming an Executor/Executrix, and then appoint someone who will then be the legal representative for the deceased estate.
2. Give Public Notice to all creditors, beneficiaries, and heirs, as required by the county court, that the deceased state is in Probate to be lawfully distributed. Some counties require a notice to be mailed while others require a published newspaper notice.
3. Take the estate inventory and appraise all assets subject to probate which includes bank checking and savings accounts, investment accounts, real estate, automobiles, boats, trailers, motorcycles, and other personal assets such as art, gun, coin, glass, collections, etc. as well as furniture and antiques.
4. As the Executor/Executrix you will act as the deceased Paymaster for debts and taxes as well as collect money owed to the deceased keeping records of what is owed, received in payment, and paid out. To know what is owed and what is due, Executors/Executrices' must search through mail, email, credit card statements and checking accounts to discover what needs to be paid and what sources of income are coming in. In this process prudence must be taken to be certain every creditor can be paid in full out of the estate assets because any short fall could cause personal liability to the Executor/Executor. While it is unusual, a bankruptcy could claw back payments made or a disgruntled creditor could ask the court for redress. Also please note the last Social Security payment received by the deceased must be returned in the month of their death.
5. Pay out inheritance. After all debts and expenses are paid the Executor/Executrix will make distributions of the remaining asset to the lawful heirs as provided for by the Will of the Deceased or as dictated by the court if the deceased did not have a Will and died "In Testate."
6. With all bills paid, money owed to the deceased estate collected, and remaining assets distributed, the Executor/Executrix reports to the court showing evidence of the disbursements and receipts asking to be released from their role as Executor/Executrix. Estates under the Federal Inheritance tax exemption will not owe federal taxes but some states, including Kentucky, may impose inheritance taxes on estates.
7. Caveats to Think about. Retirement plans and insurance policies as well as assets in a Trust bypass probate. Only non-contractual assets owned in the Decedent's name or joint name with a spouse at time of death are subject to probate. Wills and Trusts often direct assets upon death to be automatically transferred to a trust. In that case there may be no assets to probate. Aside from this, cases where Divorce and Remarriage are factors, businesses are owned by family members, and out-of-state real estate is owned may be subject of dispute or claim. If for example a vacation home is owned in a state where the deceased is not a resident, that real estate must be separately probated in the state where the vacation property is located. Potential conflicts and estate problems can be addressed with prior planning. Call ProActive should you need help planning your estate or concluding a divorce.