

Estate Settlement Checklist

GHP Investment Advisors, Inc.



Personal Wealth
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This checklist serves as a guideline for steps to take in settling the estate of a deceased loved one. Please be sure to seek the counsel of estate planning professionals to ensure all necessary actions have been appropriately addressed in this process. Serving as an executor or personal representative requires careful attention to legal, financial, and administrative responsibilities during a challenging time.

First Week: Immediate Actions

- Locate the Will and any trust documents
- Notify close friends and family members of the death
- Notify the decedent's employer to determine if any death benefits are available
- Secure all assets including home, vehicles, and valuables
- Arrange funeral and memorial services
- Order certified copies of the death certificate (at least 10 to 15 copies)
- Notify Veterans Affairs if the decedent was a veteran

First Month: Essential Steps

Locate Important Documents

Prior to meeting with the estate attorney, locate all of the decedent's estate planning documents and other important papers:

- Last Will and Testament (original document)
- Trust documents (revocable or irrevocable trusts)
- Bank and brokerage statements
- Titles and deeds (real estate, vehicles, boats)
- Life insurance policies and other insurance policies
- Stock and bond certificates
- Prior year tax return
- All prior gift tax returns
- Corporate records (if the decedent owned a business)
- Information about debts (utility bills, credit cards, mortgages, loans, medical bills, funeral expenses)

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1290 Broadway, Suite 1100 | Denver, CO 80203 | 303.831.5051 | 303.831.5082 Fax | www.ghpia.com

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Legal and Administrative Actions

- Meet with estate planning attorney to review key steps and instructions
- Determine if probate is required based on assets owned in the decedent's name
- Protect unoccupied property (change locks, maintain insurance, arrange for upkeep)
- Cancel unneeded services (subscriptions, memberships, utilities if property is vacant)
- Notify Social Security Administration of the death
- Consider you will be filing the decedent's last 1040 (state and federal), and consider closing income-producing accounts so as to avoid filing a 1041 (estate/trust income tax return from date of death to date funds removed)

First Three Months: Comprehensive Organization

Notifications and Beneficiary Contacts

- Determine and notify all heirs and beneficiaries named in the will or trust
- Notify extended acquaintances, social organizations, and civic groups
- Notify fraternal, religious, and professional organizations
- Forward mail to estate address or representative
- Publish notice of death in local newspaper (if required by state law)
- Consider closing or memorializing online and social media accounts

Financial Institutions and Account Notifications

- Notify all banks where the decedent held accounts
- Notify brokerage firms and investment companies
- Notify life insurance companies to claim death benefits
- Notify IRA custodians and retirement plan administrators
- Notify credit card companies and close or cancel accounts
- Notify Department of Motor Vehicles and other state agencies
- Notify credit bureaus (Equifax, Experian, TransUnion) to prevent identity theft

Inventory and Valuation

Create comprehensive inventory of all assets owned by the decedent

- Create an accounting, which shows what assets your collecting (amounts), what bills or expenses you're paying, and ultimately will show how much is left to distribute to the beneficiaries in the will/trust per their percentages. You'll need to show your accounting to the beneficiaries
- List what the decedent owned and owed, noting how each asset is titled
- Establish date of death values for all assets
- Contact all financial institutions to obtain date of death account values

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Inventory and Valuation

- Obtain professional appraisals for real estate, jewelry, artwork, collectibles, and closely held businesses
- Deal with any firearms according to state and federal regulations

Claim Death Benefits and Entitlements

Social Security Benefits

- Claim Social Security survivor benefits (if eligible surviving spouse or dependents)
- Claim one-time Social Security lump-sum death payment (currently \$255)
- Surviving spouse determines whether to collect decedent's benefits or their own benefits

Other Death Benefits and Valuation

- Claim civil service benefits (federal, state, county, local government)
- Claim credit union death benefits
- Claim fraternal organization benefits
- Claim union benefits and professional association benefits
- Claim employer death benefits and survivor benefits
- Claim veterans benefits including burial benefits and survivor pension

Manage Debts and Estate Expenses

- Inventory all debts owed by the decedent at time of death
- Determine estate solvency (whether assets exceed debts)
- Verify legitimacy of all bills and creditor claims
- Discuss with estate attorney the priority of creditor claims under state law
- Pay legitimate debts from estate account (keep all receipts and payment records)
- Pay ongoing expenses of administering the estate including legal fees, accounting fees, utilities, insurance premiums, and mortgage payments
- Wait for creditor claims deadline to expire before making final distributions
Dispose of unwanted assets or conduct estate sale if desired

Important Tax Responsibilities

Meet with estate attorney, accountant, or tax preparer to provide information needed to file income and estate tax returns for the decedent and the estate, and to pay all taxes due

Required Tax Filings

- File federal income tax return for the decedent (Form 1040) for year of death and any preceding unfiled years (due April 15 following year of death)
- Obtain tax identification number (EIN) for the estate
- File federal income tax return for the estate (Form 1041) for income generated by estate assets beginning on date of death (due April 15 for calendar year estates)

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Required Tax Filings

- File federal estate tax return (Form 706) if estate exceeds exemption threshold (due 9 months after date of death, with possible 6-month extension for filing)
- Pay estimated federal estate taxes by original due date to avoid interest and penalties (extension for filing does not extend payment deadline)
- File Form 8971 with IRS and send Schedule A to each beneficiary (due 30 days after filing Form 706 or due date, whichever is earlier)
- File state income tax returns and state estate or inheritance tax returns as required
- Pay local property taxes as they become due
- Provide Schedule K-1 to any trust beneficiaries for their tax reporting
- Submit personal liability discharge request (Form 5495) to IRS
- Request estate tax closing letter (Form 627) from IRS if Form 706 was filed
- Receive federal estate tax closing letter (typically within 15 months of filing)
- Receive any other needed government closing letters from state authorities

Distribute Assets to Beneficiaries

After the expiration of the creditor claims period, the filing of all appropriate tax returns and payment of taxes, and review of estate documents regarding beneficiaries, re-title assets into the names of beneficiaries based on discussions with estate attorney.

- Plan asset allocation according to will or trust provisions
- Re-title brokerage and investment accounts to beneficiaries
- Re-title bank accounts to beneficiaries
- Transfer real estate titles to beneficiaries
- Transfer vehicle titles to beneficiaries
- Update homeowner's and property insurance policies
- Transfer credit cards or close accounts as appropriate
- Transfer club memberships or cancel as directed
- Make all final distributions of cash and personal property to beneficiaries
- Obtain signed receipts from all beneficiaries for distributions received

Final Tasks and Closing the Estate

- Prepare and submit probate final accounting to the court
- Submit probate closing statement to the court
- Compensate executor for services rendered (as allowed by will or state law)
- Pay final professional fees (attorney, accountant, appraisers)
- Close estate bank account after all distributions and payments are complete
- File final IRS Form 56 (Notice Concerning Fiduciary Relationship) to notify IRS of termination
- Retain copies of all estate records for at least seven years

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Important Reminders for Executors

Timeline Expectations

The average estate settlement takes approximately 16 months from start to finish. Complex estates with business interests, significant assets, or contested matters may take longer. Simple estates with minimal assets and clear beneficiaries may be resolved more quickly.

Professional Guidance is Essential

Estate settlement involves complex legal, tax, and financial matters. Working with qualified professionals including an estate attorney, tax advisor, and financial advisor will help ensure compliance with all legal requirements and proper administration of the estate. These professionals can provide guidance specific to your state laws and the particular circumstances of the estate.

Record Keeping and Documentation

Maintain detailed records of all estate activities including receipts for expenses, documentation of asset values, copies of all notices sent, records of all distributions made, and receipts from beneficiaries. Proper documentation protects the executor from potential liability and facilitates the final accounting required by the probate court.

Fiduciary Duty

As executor or personal representative, you have a fiduciary duty to act in the best interests of the estate and its beneficiaries. This includes managing assets prudently, treating all beneficiaries fairly and impartially, avoiding conflicts of interest, and following the terms of the will or trust. If you have questions about your responsibilities or face difficult decisions, consult with your estate attorney before proceeding.

Important Legal Notice: *This information is not intended to be and should not be treated as legal advice, investment advice, or tax advice. Readers, including professionals, should under no circumstances rely upon this information as a substitute for their own research or for obtaining specific legal or tax advice from their own counsel. Estate settlement requirements vary by state, and individual circumstances differ significantly. Please consult with qualified estate planning professionals to ensure all necessary actions are appropriately addressed for your specific situation.*