HOW TO TAKE OVER THE FAMILY FINANCES….*ALONE*

September 10th, 17th, 24th – 7 PM to 8 PM

Session 1—PREPARATION and GATHERING DOCUMENTS
Session 2—WRITE INSTRUCTIONS
Session 3—PASSWORDS and THE ESTATE PLAN

TIDBITS—information you may not know
Real Life Experiences
Scams

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HOW TO TAKE OVER THE FAMILY FINANCES….*ALONE*

Suggestion: 3-Ring Notebook
Flash Drive 128 MB
Download the files and save them on the flash drive
Links on the Flash Drive are active

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LET'S GET ORGANIZED

Download the file: "Flash Drive Files" A total of 11 files

<u>Print</u>: **"1 Presentation Handout 4 pp.pdf" (27 pages)**
Put 'em in your 3-ring notebook
Contains Handout information for all 3 sessions
(Study ahead for next session)

Fill out the forms (homework) after we study them

Add the Handout and forms to a 3-ring binder—except Passwords form
Store binder on a convenient shelf/location
Store Passwords in a safe place known only by spouse & heirs

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WHICH SPOUSE ARE YOU?

Goals of this Program

Provide knowledge of things to do **now** to prepare

Set up **steps** to take when the need arrives

Provide **confidence** that you have necessary information to manage your finances alone

Remove stress by knowing that you can survive on your own through written instructions—and practice

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WHY SHOULD THIS PROGRAM BE IMPORTANT TO YOU?

1. Death nor incapacitation is not predictable.
2. You will be doing things you have not done before.
3. There will be new stress in your life.

It's not likely this information will be used next week—it is likely to be used in 5, 10, 15 years in the future. You must retain the information for when it is needed—it will be needed.

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YOU MAY THINK THIS PROGRAM IS NOT IMPORTANT BECAUSE....

"I have the name and number of our attorney, financial advisor, and CPA. They will handle everything."

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REASONS WHY THIS MAY NOT WORK AS WELL AS YOU THINK....

Your Attorney, Financial Advisor or CPA know a lot, BUT

They will not be paying your monthly bills, OR

Transferring funds from your savings to your checking.

They will not know your passwords

Do **you** know the passwords—and 2-step authentication method?

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ANOTHER REASON YOU MAY THINK THIS PROGRAM IS NOT NECESSARY.....

"My son/daughter will handle everything."

Are they capable with their current knowledge?

Teach your son/daughter this information (Duplicate flash drive)
They can be of help in a stressful situation
They will need the information at some future time
You become the teacher.

"An investment in knowledge pays the best interest."
Benjamin Franklin

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A QUESTION FOR YOUR SPOUSE: DO YOU BELIEVE...

The computer is easy to use. Practice, Practice, Practice, Practice

My financial spouse has told me every thing I need to know.

My spouse says he will explain the spreadsheet he developed—some day—it's easy to understand

Have you practiced paying bills, transferring money, taking care of investments? Do you know how much money you have?

This will be boring to prepare
(By the way, there is homework)

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HOW TO TAKE OVER THE FAMILY FINANCES....*ALONE*

Session 1
—PREPARATION
&
GATHERING YOUR DOCUMENTS

BobAtSeattle@gmail.com

1. I'm assuming you have access to a computer/pad, etc.
2. You have, or will download and print the files specified. "1 Presentation Handout" is for all 3 sessions—Study ahead for each session. (Print it—4 per page BW)

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Disclaimer! I am not a Lawyer or Tax Accountant.

Consultation with a Lawyer and Tax accountant is suggested.

This session contains educational information about legal issues. All information is informational only and meant as a starting point for further study or as a basis for consultation with legal professionals.

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YOU NEED TO DOWNLOAD AND PRINT THE SESSION HANDOUT (4 PER PAGE)

Internet links are active in the handout—1 handout all 3 sessions
All forms editable—copies printable.
I suggest copying the files to a flash drive—give one to your kids/family—
Teach them why the information is vital
You get to assign them homework—
"If you wanna learn something….teach it."

Each slide is numbered. If making a note—write down the slide number as a reference. (105 slides total)

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HOW DO YOU USE THE FLASH DRIVE…
(WE'RE GONNA GET TECHIE FOR A MOMENT)

Insert the Flash Drive in a computer USB port
If the contents of the flash drive isn't automatically displayed:

1. Right click on the Windows Start Button ⊞
2. Click on Search—or in the "Search" box—
3. Search for "Auto Play Settings"
4. Click on Auto Play Settings
5. In "Removable drive box" select "*Open folder to view files (file explorer)*"
6. Click the "X" at the upper right to close the menu

Or, use "File Explorer" ("Find" on the Mac)

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HOW DO YOU USE THE FLASH DRIVE…
(IF THINGS GO WRONG ON THE PC)

What if a document file doesn't open in your word processor?

Insert the flash drive in a computer USB port
Double click on a **document file** on the flash drive
If it doesn't open:
Right-click on the file and select "Open with"
Select the Word Processor installed on your computer

Repeat these steps if the file is an Excel spreadsheet

I don't have MS Office. Use: free **LibreOffice.org**

(END OF TECHIE STUFF)

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HOW DO YOU USE THE FLASH DRIVE…

After downloading the files and saving them to a flash drive - Insert the flash drive in a computer USB port
You will see a list of files. Each will be referred to during this presentation.

Click on "Presentation Handout"—4 slides per page
Additional files (homework forms) will be discussed during the presentations.
Any modified homework forms will be saved on the flash drive—unless you select another place to save them.

BobAtSeattle@gmail.com

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EXAMPLE:

Insert the Flash Drive into your computer USB port
On a PC—File Explorer will open showing the files
On a Mac—click this Finder icon to see the files
In this example:
Double *Click on Presentation Handout*

Links are active in the handout on the Flash Drive

Let's take a look.

Insert the Flash Drive

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SESSION 1
PREPARATION

Freeze credit at all three credit reporting agencies

Equifax:
https://www.equifax.com/personal/contact-us/
Experian:
https://www.experian.com/freeze/center.html
Transunion:
https://www.transunion.com/credit-freeze

Here is a slide with Links

Do this today! (and your children too)

Again, all links are active in the electronic handout

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SESSION 1 PREPARATION

- A ***credit freeze*** blocks access to your credit reports. A loan agency cannot see the data required to approve a loan. It will stop fraudulent accounts from being opened in your name.
- Freezing your credit is free and won't harm your credit rating.

- **What if you want a loan?**

  Ask the loan agency which Credit Agency they use—unfreeze that agency's report for a short period, then automatically refreeze it.

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MORE PREPARATION—SUGGESTIONS

- Do you have out of state property? A consideration:
  - Register a "Transfer On Death" form with the county—listing your heirs
  - Several states allow this including Washington
  - No Probate or Trust required—**two examples of TOD form (free)**

eSign.com – https://tinyurl.com/2azdzvju
Rocketlawyer.com – https://tinyurl.com/bdf9fn2b

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Note: All URLs are active in electronic copy of handout

STATES ALLOWING TRANSFER ON DEATH DEEDS

Instructions for TOD is on the flash drive

Alaska
Arizona
Arkansas
California
Colorado
Hawaii
Illinois
Indiana
Kansas
Maine
Minnesota
Mississippi
Missouri
Montana
Nebraska
Nevada
New Mexico
North Dakota
Ohio
Oklahoma
Oregon
South Dakota
Texas
Utah
Virginia
Washington
West Virginia
Wisconsin
Wyoming

Check with the County Treasurers Office

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MORE PREPARATION—AT YOUR BANK

- Sign a "Transfer On Death" (Pay on Death) form with your bank
  - Money will be "transferred" to a designee
  - Account will still be closed—unless dual account
  - A trap if you have separate banking accounts
    - Use a joint account
- Does your bank require their exclusive Financial POA?
  - Put a copy in your 3-Ring Binder—black out personal information
- And another thing: Make photo copies of the front and back of each credit card you keep in your wallet or purse
  - Store a copy with your passwords

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AND NOW…

GATHERING THE DOCUMENTS GETTING ORGANIZED

There are many formats that might be used in helping heirs get organized prior to a death—organizing your financial data.

- You may already have a method—I did—a narrative type letter
- In doing research for this project—I found a better method
  - I'll present two ideas (forms) as homework:
    - *What documents to gather and steps needed…*
    - *What bills are paid and how paid…*

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HOMEWORK—GATHERING THE DOCUMENTS

- What do we need to gather? (A whole bunch of stuff)
  - Use the prepared electronic form in Word (Any word processor)
    - Suggests information needed—a form to use (Homework)
  - Insert the Flash Drive in the USB Port of your computer
  - Open the file found on the Flash Drive—
    - Essential documentation for my heirs

Once filled out – Save it to your computer/pad – print and add to the Note Book

- No personal ID information is to be saved in the Note Book

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Essential Documentation for My Heirs

Add this information to your 3-Ring Binder

Date of completion/edited

Funeral home to contact phone number
Make prior arrangements for care of your body

Notify your minister/church, phone number
Church members will supply food for family and out of town visitors.

Create a list of family members, close friends, and business associates to notify, with contact phone number, etc.

If a veteran—service number and where discharge form DD 214 can be found. Dates served, branch.
Do you wish to be buried in a Military Cometary?

Location of Estate documents: Will, Trust, POA health and financial etc. Estate attorney, etc. If using a Safe Deposit Box—Executor (spouse) must have an original signed copy to get access—I'm told.
Who is Executor? Who prepared Will, where is the Will, etc. and contact information.

This form is available on the Flash Drive

Who to call for general maintenance of home, car, etc.
Electrical, appliance, plumbing, painting, handy man, mechanic, car maintenance

ASSETS:
List Bank account; Brokerage; Annuities/pensions as well as contact information.

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HOW ARE YOUR BILLS PAID—make a list

OR—Open the file found on the Flash Drive—
"My BILLS WORKSHEET"

Do you write checks (from a Joint account)
Pay electronically
Auto pay from Checking Account or Credit Card—whose?
You must know the two-factor authentication device or tool
Set up two-factor authentication on both phones
Store a copy of the worksheet in your 3-ring binder

Edited files will be saved on the Flash Drive

The need: Willing teacher—willing student
(Don't forget a 10 second hug)

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MORE HOMEWORK: HOW BILLS ARE PAID

BILLS WORKSHEET

How My Bills are Paid

Updated: *Nov 2024*

Once filled out—print & add this form to your 3-Ring Binder UPDATE IT

This form is available on the Flash Drive—"My Bills Worksheet"

Company	Account Number	Paid from what account	Payment Method (Auto pay, checking	Payment Amount	Due Date	Payment Frequency	Contact phone #	Action to be taken upon a death
VISA Amazon	414720262682 8576	Chase checking	Auto pay	Varies		Monthly	888-247-4080	Account will be cancelled automatically
VISA Southwest Air	414740013778 8020	Chase checking	Auto pay	Varies		Monthly	800-792-0001	Account will be cancelled automatically
Master Card-Barclays		Chase checking	Auto pay	Only $35 Cell phone		Monthly	800-424-7787 866-928-8598	Account will be cancelled automatically
APS Power utility Arizona		Chase checking	Auto pay	Varies	1st of month	Monthly	800-253-9405	No action required. Sue is named on the account
The Grand Annual fee – Arizona	5052120	Chase checking	Auto pay	$1,900	February	Annually	623-546-7500	No action required. Sue is named on the account
Arizona Computer Group Annual fee		SW VISA card	Manual pay on line	$25	January	Annually		No action required. Membership will expire

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WHERE TO STORE YOUR NON-CRITICAL DATA

Hard Copy: Where heirs can easily access, and quickly (3-Ring Binder)

Data should not be sensitive

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WHERE TO STORE YOUR CRITICAL DATA

Consider storing personal information with passwords, in a small wall safe—Give the safe password to your heirs, and spouse

Spouse must practice opening the safe!

Electronic Copy: On an external HD, tablet, flash drive

On a device not connected to the Internet (Chrome Book)

Keep this information up to date *(Review each year on Anniversary)*

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After the review—**A Suggestion:** Ice cream sprinkled with Chocolate M&Ms

STEPS TO CONSIDER BEFORE A DEATH

Discuss what is owned and simplify

Gold bars—convert to other investments

Directly held stocks (certificates)—transfer to a brokerage account

Safe deposit box—inventory it and know how to access it

Add your name to all utility accounts

Add your name to other accounts

Banks are easier to talk to if there is a local branch

Prepare for the cost of dying

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HOW ARE WE DOIN' LET'S REVIEW:

- Any documents or items missing from the ***Documentation form***?

  Some additions might be personal requests—add a cell
- Fill out the ***My BILLS WORKSHEET*** ***(Both are on the Flash Drive)***
- **Write a letter to your heirs—**

  Personal desires—when to pull the plug—plan your service
  What you think of 'em, etc.
  You get the last word—they won't see it until you're gone
- **Create a "Contents" page for your 3-Ring Binder**

  (Add all updated information to the flash drive)

Contents page is a download file

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MORE—REVIEW HOMEWORK

- Freeze the three Credit Reports
- Open Flash Drive Presentation Handout files - (Links are active for the three credit agencies)
- Open Flash Drive – Complete homework assignments:

  "Essential Documentation" form
  "My Bills Worksheet" form
- Save last 3 years Income Tax statements—where are they?
- Ask spouse to ***practice*** opening files password protected

  Include those with **2-factor authentication**

Bonus information: Something worth knowing

The Paperless Society….

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GATHERING YOUR DOCUMENTS

As we continue to move toward a "paperless society" it becomes more important to maintain records yourself for all financial accounts. As soon as a bank learns the owner of an account has died, unless the account has another signatory, the account is frozen. The money is not available and the account not viewable online. **You are blind** if the monthly statements have not been saved electronically, or printed each month and saved.

Or, if the account is closed for any reason—the account is hacked—same problem. If paperless, keep the electronic copies safe.

Each month download and back up your files.

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QUESTIONS/COMMENTS

NEXT SESSION

Session 2 (Slide 35)
-- Write Instructions
-- Surviving Spouse actions
-- Improving your GPA

BobAtSeattle@gmail.com

PREPARING TO TAKE OVER THE FAMILY FINANCES….*ALONE*

Session 1 has been recorded
A link will be sent after each session via email

Review of Session 1

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REVIEW OF SESSION 1

Did your spouse practice opening the Session 1 files downloaded?

How about the Internet links found in the handout?

Is your homework completed and stored in your notebook?

- *Essential Documentation For My Heirs*—or the equivalent?
- *Bills Worksheet*—or the equivalent?

  Does the non-financial spouse understand your system?
- Write your obituary—both of you. (Was it fun?)
  - Did you ask AI to edit it?

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REVIEW OF SESSION 1

Obituary—Abbreviated AI version—in prose

In the hallowed halls of college days, Bob's path crossed with Cris.
Freshman hearts entwined, their love blossomed, unyielding, as they'd planned.

Bob and Cris, architects of a legacy grand, Their family tree, sturdy roots deep in the land.
His life wasn't a random sequence of events; it was a beautifully orchestrated symphony.

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Essential Documentation for My Heirs

Were you able to open this form on the flash drive?

Date of completion/edited______________________

Physical location where a copy of this form is found. (Notebook) Consider giving heirs a co[py]

Who is your minister/church, phone number.
Church members will often provide food for family and out of town visitors.

Create a list of family members, close friends, and business associates to notify, with contact phone number, etc.

If a veteran—service number and where discharge form DD 214 can be found. Dates served, branch.
Do you wish to be buried in a Military Cometary?

Location of Estate documents: Will, Trust, POA health and financial etc. Estate attorney, etc. If using a Safe Deposit Box—Executor (spouse) must have an original signed copy to get access—I'm told.
Who is Executor? Who prepared Will, where is the Will, etc. and contact information.

ASSETS:
List Bank account; Brokerage; Annuities/pensions as well as contact information.

Did you fill out the form?

Real Estate and where deeds are located (Include address and Tax Parcel Number, when Taxes a[re]
Where Automobile Titles are located; when license renewal is due, etc.

Jewelry, art, etc. and location of items, Special Bequests (include photos)

Form

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BILLS WORKSHEET

How My Bills are Paid

Updated:_________________

I don't have MS Office. Use: free **LibreOffice.org**

Company	Account Number	Paid from what account	Payment Method (Auto pay, checking,	Payment Amount	Due Date	Payment Frequency	Contact phone #	Bill paying action to be taken after a death

Did you fill in the form?

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REVIEW OF SESSION 1

- Are your 3 Credit Reports frozen? (Your kids?)
- Have you started a "Contents" page for your notebook?
- Put last years Income Tax statement in your notebook
  (Black out sensitive information)
- Written a letter to your heirs?
  When to pull the plug
  Explain your funeral preferences

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REVIEW OF SESSION 1

Questions for the spouse…the non-financial partner:

- Did you work together to complete the assignments?
- Problems?
- Questions?

Give each other at least one 10 second hug?

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PREPARING TO TAKE OVER THE FAMILY FINANCES….*ALONE*

Session 2 (Slide 35)

-- Write Instructions

-- Surviving Spouse actions

Open from Flash Drive—"**Detailed instructions**

Detailed Instructions is a download file

(I'm assuming you have downloaded all files and saved them to a flash drive.)

Let's practice using the Flash Drive

Insert Flash Drive in a USB port

Flash Drive

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GENERAL INSTRUCTIONS

How to view *Monthly statement*—(Keep it simple)

- **Write instructions (spouse take notes) A shared responsibility**
- Point to Total Cash & Total Value Circle 'em Explain the importance
  Put marked up Statement in your 3-Ring Binder
  (Black out personal information)
- Explain other data if there is an interest
  - Explain the Warren Buffett investing method—after his death
    Or, How to contact broker
    How to talk to broker (Does spouse need a vocabulary book)

(This information may not be needed for many years)

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GENERAL INSTRUCTIONS

- **Beware of churning the account**—write an explanation
  Spouse must edit your explanation—**using spouse's words**
- **How to transfer cash to checking account**
  Practice—transfer $1
  (The next day ask spouse to open bank account to see the deposit)
  Have you set up Two-Step Verification for both spouses
- **Rewrite instructions Rewrite instructions Rewrite instructions Rewrite instructions**
  Spouse is to help write—it's cooperative!—use spouse's language

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WRITE INSTRUCTIONS HOW INCOME TAXES ARE PAID

This Slide has Links

- **Explain: (Show and tell)**

  What is a 1099—What is a K-I (Insert an example in the notebook)
- Do you pay Estimated Taxes (Apr 15, Jun 15, Sep 15, Jan 15)

Do you pay estimated taxes?

IRS https://directpay.irs.gov/directpay/payment?execution=e1s1

(The form is one you downloaded—"Tax Documents Needed")

Add these instructions and edited form to your notebook

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WRITE INSTRUCTIONS HOW INCOME TAXES ARE PAID

- **Explain: (Show and tell)**

  What is a 1099—What is a K-I (Insert an example in the notebook)
- Do you pay Estimated Taxes (Apr 15, Jun 15, Sep 15, Jan 15)

Do you pay estimated taxes?

IRS **https://directpay.irs.gov/directpay/payment?execution=e1s1**

- Who does your income taxes

Tax form What documents are needed before income taxes can be completed

Open from Flash Drive—"*TAX DOCUMENTS NEEDED*"

(The form is on the Flash Drive)

This Slide has Links

Add these instructions and edited form to your notebook

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WRITE INSTRUCTIONS HOW INCOME TAXES ARE PAID

- **Who does your income taxes**

  What documents are needed before income taxes can be completed

IRS **Open from Flash Drive**—"*TAX DOCUMENTS NEEDED*"

(The form is one you downloaded)

Add these instructions and edited form to your notebook

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✔ **Check mark indicates document attached.**

2024 **TAX DOCUMENTS NEEDED**

		This Year	Last Year	Notes
	1099 Schwab Trust Bob			
	1099 Schwab Bob			
	1099 Schwab Living Trust Cris			
	1099 Schwab My IRA			
	Social Securiy--Bob SSA-1099			
	Address - Mortgage Interest			
	Estimated Taxes paid			Apr 15, Jun 15, Sep 15, Jan 15
	Tax Preparation fee			
	Medical expenses			
	Dental Expenses			
	REAL ESTATE TAXES			
	Des Moines Condo (Home)			Parcel # 123456789
	Arizona taxes (Second home)			Parcel #987654321
				Due Apr 30 & Oct 31
				1/2 due Oct 1 - 30 day grace period
				1/2 due Mar 1 - 30 day grace period
	CHAIRTABLE GIFTS			
	Linfield College			
	Des Moines Gospel Chapel			Paid from IRA
	Grace Community Church			Paid from IRA
	Seattle Times chartible fund			
	OTHER			
	Preparing tax forms fee			

When each box is checked, all 1099s, K-1s, etc. have been received

This form is one of the download files

Edit this form and add to your notebook.

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EXTRA CREDIT INFORMATION

(STEPS TO IMPROVE YOUR GPA)

Teach spouse not to panic and sell shares when the market tanks (**It will**—but history says it will recover)
Invest for the long term—<u>Stay invested</u>

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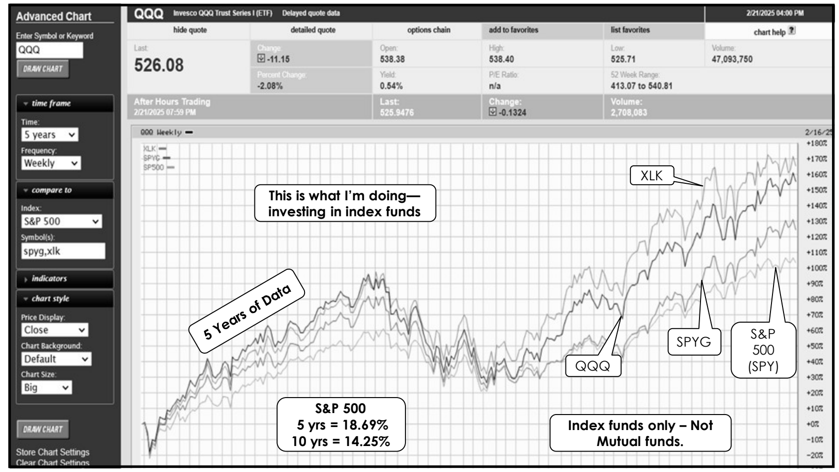

EXTRA CREDIT INFORMATION (IMPROVE YOUR GPA)

Maintain cash in checking account or broker Money Market account 6-12 months expenses. (Write instructions)

Money spouse can get to easily—**<u>teach how</u>** (Let spouse do it)

Transfer $$ from <u>broker</u> account to <u>checking</u> account

Allows spouse to write a check when $$ needed

Removes anxiety and provides breathing room

- <u>Write instructions</u> and place in 3-Ring Binder (Spouse edits)
  - PRACTICE AGAIN: Spouse transfers $100 from MM or IRA account. to Checking account.

Use that to take your spouse to dinner

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EXTRA CREDIT INFORMATION (IMPROVE YOUR GPA)

What the spouse needs to do—2 steps <u>after</u> you're gone

1. Ask the Broker/Advisor to provide a <u>price list</u> of all holdings **on the <u>date of death</u>**—Establishes the new cost basis. (On letterhead)

Spouse needs to understand the <u>new cost basis</u> for stocks, home, car, etc.

2. Use 3 Realtors to determine the new cost basis of home/real estate Get an evaluation letter on property(s) dated on **<u>date of death</u>. Use highest.** Ask for copy of comps. (Or, use costly professional evaluation)

<u>Write and review with spouse instructions for each of these actions</u>

Add these instruction pages to Notebook (Edit the *<u>Contents</u>* page and Number the pages for easy reference—use slide numbers)

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EXTRA CREDIT INFORMATION (IMPROVE YOUR GPA)

How long will the money last? (How yer doin')

Depends on many factors—but worth investigating

Consider Starting value—Taxes—Inflation—Growth—Time

Use calculator that includes these factors

How many $$ can be withdrawn annually?

Show spouse how to use this tool (Build confidence)

https://www.creditdonkey.com/how-long-will-my-money-last-calculator.html

Links on the electronic copy of the handout are active

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RELATED INFORMATION TO YOUR WELL BEING

Earlier it was suggested you write your own obituary

(Why not also write your **autobiography**? Let your future heirs know you)

Think twice before including these items in an obituary

- Birth date
- Mother's maiden name
- Address
- Education
- Parents
- Ex-spouses
- Children's names
- Jobs or careers
- *Church affiliation*

Assign the widow a companion for at least 24 hours after the funeral

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AND….ANOTHER THING:

Put these accounts in both names:

Utilities

Water

Electricity

Gas

Garbage

Home Mortgage

Auto loan, etc.

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"WRITE INSTRUCTIONS"

DON'T FORGET THE $100 DINNER WITH SPOUSE

Love and respect—two vital ingredients…

And a bunch of 10 second hugs
Beware of 20 second hugs

Links in the Handout file are active

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PREPARING TO TAKE OVER THE FAMILY FINANCES….*ALONE*

Tidbits—Why and How to Refuse an Inheritance

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Why and How to Refuse an Inheritance

“Disclaimer” is the legal term for a refusal of an inheritance; here is a list of circumstances in which the disclaimer can be beneficial:

** To avoid or reduce estate, gift and income taxes*

1.If your estate is expected to be subject to taxes, disclaiming an inheritance may make sense if the next beneficiary in line is taxed at a lower rate than you

2. If your inheritance is an asset that produces income, an IRA perhaps, that will likely shift you into a higher tax bracket

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** To retain eligibility for certain benefit programs*

Would the inheritance jeopardize your eligibility for certain government programs at some future time?

* If you don’t need an inheritance but the next beneficiary does, a disclaimer would work well: it will not be counted as a gift from you, so you won’t have to worry about a gift tax

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** To protect assets*

Move assets into an Irreversible Trust for surviving spouse.

This allows the survivor and heirs to benefit from the assets but have them sheltered from creditors or remarriages.

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** Debt Avoidance*

If the deceased had significant debts, the surviving spouse might refuse the inheritance to avoid being responsible for those debts.

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The Process to Refuse an Inheritance

To refuse an inheritance, the surviving spouse typically needs to execute a legal document called a "disclaimer".

Consult an Attorney: It's crucial to get legal advice to understand the implications and ensure the disclaimer is properly executed.

No Benefit Received: Ensure that no benefit from the inheritance has been received before filing the disclaimer**.** This includes using or selling any of the inherited assets.

The Three Sessions are being recorded

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PREPARING TO TAKE OVER THE FAMILY FINANCES….*ALONE*

Next Session

Session 3 (slide 65)
Passwords
The Estate plan
Wills, Trusts, Power of Attorney
Wrap-up

In a few days a link for all three sessions will be sent via email

BobAtSeattle@gmail.com

A REVIEW OF SESSION 2…DID YOU:

Mark up an investment statement to understand the important stuff?
Learn to transfer $$ from investment account to checking account?
Learn how and when to pay Estimated Income Taxes?
Learn about "Stepped Up Basis" for investments, home, etc.?
Become a Warren Buffet prodigy and learn how to invest in Index Funds?

How about session 1 homework? Finished or just making progress?

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PLANNING FOR YOUR DIGITAL ACCOUNTS AND PASSWORDS

Digital accounts are things you access from a device.

The device could be a phone, a computer, or a tablet.

These devices enable us to access Digital Accounts, such as Bank Accounts, Social Security, Medicare, Amazon, etc.

Each of these devices may require its own password, code, or PIN to power on or activate—a computer or phone.

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PLANNING FOR YOUR DIGITAL ACCOUNTS

Most of the time, accessing a Digital Account involves what is termed “**two-factor authentication**”.

An example of this is in accessing a joint checking account – not only is a password required, but also a verification code is required—which is normally sent to one of the account owner’s smartphones

Each spouse needs to know not only the account password but also the unlock code for the other spouse’s smartphone—and have access to **that person’s** phone

See the “Family Digital Access Worksheet”

This worksheet is a download file

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PLANNING FOR YOUR DIGITAL ACCOUNTS

Let’s talk about Passwords

Many times surviving spouse has to work with a drawer with a set of scraps of paper with IDs and passwords –many not legible.

One Solution – use a basic worksheet or form that you maintain manually – Print it out and manually update it

Make sure both of you know where it is stored

Make sure the spouse understands it.

I have a suggested form.

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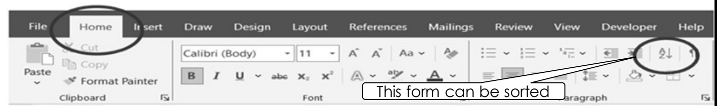

Family Digital Access Worksheet
(Sort by Device’s Name)

Device’s Name	ID or Username	Password	PIN or Unlock code & whose device	Device description	Date changed
Spouses’ pad	Hers	Everywhere Mary went	1234 – Spouse	Mac	2-22-2025
Email - Jane	Not mine	For all good women	Spouse email@gmail.com	Email	2-22-2025
Bob’s desktop	Mine	Its fleece was white as snow	5432-	Desktop	2-22-2025
Bob’s laptop	Mine	Mary had a little lamb	3111 - Bob	Laptop	2-22-2025
Email - Bob	Hers	Now is the time	My email@gmail.com	Email	2-22-2025
Refrigerator	Ref	To come to the aid of their CO.	????		2-22-2025
Library card - Bob		8523			2-22-2025
Library card - Jane		9999			2-20-2025
Amazon.com		12345			2-22-2025
Bob’s phone	Mine	12345	- Bob	Phone	2-22-2025
Jane’s phone	Hers	54321	- Jane	Phone	2-22-2025
Bank account		5432123456	Bob’s phone 3333		2-22-2025
Brokerage acct.		7891041231	Jane’s phone 1111		2-22-2025

This form can be searched & sorted

Open this form

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PLANNING FOR YOUR DIGITAL ACCOUNTS

Pros of using a printed list - or electronic list on a flash drive

- Simplicity
- Can be kept in a known SAFE location
  - Save it on a flash drive
  - It can be "sorted" and "searched" electronically

Cons

- Hard to read the other spouse's writing if not computer generated
- Requires diligence to update the list as passwords change

NEVER STORE PASSWORDS ON A DEVICE CONNECTED TO THE INTERNET

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PLANNING FOR YOUR DIGITAL ACCOUNTS

Second Solution – use a Password Manager program

- Passwords are stored in the cloud—not on your device

Examples include:

- Bitwarden
- NordPass
- Keeper
- Last Pass (Free for a single user) http://lastpass.com/

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PLANNING FOR YOUR DIGITAL ACCOUNTS

Pros of using a Password Manager program

- Allows for the creation of very strong passwords
- Passwords are stored in a secured digital "vault"
- Syncs passwords across all devices (computers, pads, etc.)
- Easy to use

Cons

- It is one more thing to learn
- Your passwords are in the cloud

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TWO-FACTOR AUTHENTICATION (2FA)

Many companies allow you to set up two-factor authentication (2FA) with multiple methods—Phone, phone call, Email, etc.

- **Multiple phone numbers:** Add backup phone numbers in case you lose access to your primary number, or your spouse's phone as a backup.
- **Email-based authentication:** Secondary authentication through email as an alternative and backup.
- **Authenticator apps:** The use of authenticator apps (Like Google Authenticator, Microsoft Authenticator, or Authy), which are not tied to a phone number.

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PREPARING TO TAKE OVER THE FAMILY FINANCES….*ALONE*

Changing gears—<u>The Estate Plan</u>

The legal documents you may need

Time to bring in an Estate Attorney

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What is an Estate Plan?

The process of managing how a person's assets are distributed after they die **<u>or</u>** become incapacitated.

The goal of estate planning is to outline a ***person's wishes*** for their estate and to help ***avoid conflict*** with family members, avoid **probate**, and high ***taxes*** for inheritors.

In sum, planning for your <u>death</u> or <u>incapacitation</u>.

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SMALL ESTATES AND PROBATE

- If your estate is small probate may not involve going to court.
- To see the $$ amount, search "WA small estate limit for probate"
- For Washington it is $100,000
- For Arizona, it is $75,000 Personal - $100,000 Real Property
  (Recently changed in Arizona to $300,000)

- File a "**Small Estate Affidavit"** with the county Treasurer
  See country Treasure for the form

<u>Probate is required</u> if above the amount and have no Trust.

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Wills and Trusts

- **Trusts:** help an estate avoid probate
- A Revocable Trust does not protect from creditors.
- An Irrevocable Trust does.

- Trust Is private. Is effective while you are still alive.
- A Revocable Trust becomes Irrevocable upon death

- **Wills:** become effective when you die.
- A judge may decide what distribution takes place and ignore your wishes if it goes to Probate.
- **Probate can entail significant time and legal fees if protested!**

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Executors and Trustees

- **The Executor of an Estate:**
  - A person designated in a will or appointed by a court to manage the deceased's estate and ensure their wishes are fulfilled. (Normally are paid for the service)

- **A Trustee:**
  - A person that manages and distributes assets for the benefit of a trust. Trustees are legally responsible for ensuring that the trust agreement is followed and that they act in the best interests of the beneficiaries.

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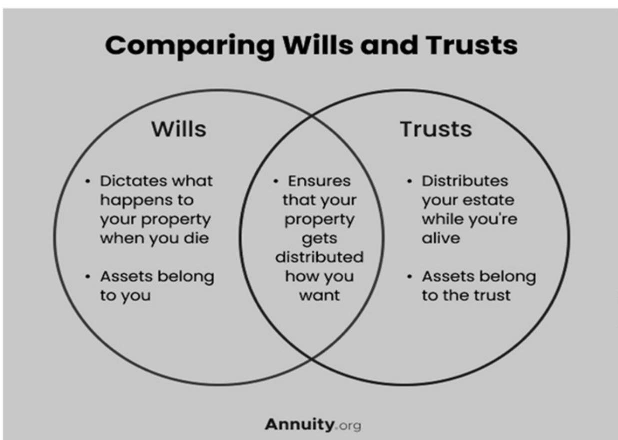

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Power of Attorney (POA)

- A POA allows someone to act on your behalf.
- Ask institutions if they require an exclusive POA
  - Not only your Bank and Broker, but Pension, IRA, 401(k)
  - Helpful if you are incapacitated—or die
- A POA has many uses:
  - Financial decisions
  - Legal decisions
  - Healthcare decisions
  - Management of your estate

Medical and financial POA documents are separate legal entities.

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Document Storage and Review

Wills and trusts need to be reviewed on a regular basis

- Property holdings change
- The executor may no longer be able to function as such
- Desires regarding distribution of property may change
- Divorce
  - Keep pertinent information in a notebook available to your heirs
  - DO NOT put passwords in the notebook

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Have a family meeting to discuss:

- What you want done with your body
- Under what circumstances should the doctors pull the plug
- Where all the documents are located
- Who is the family attorney
- Who is the estate attorney (may be the same as family)
- Who does your taxes
- Where the accounts are located

Essential Documentation for My Heirs form

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Have a family meeting to discuss:

- What accounts are joint property
- What accounts are individual
- What accounts have beneficiaries payable on death
- Where are safes, safe deposit box & keys

Write ‘em a letter, as well as talk to them.

This information should be listed on: **Essential Documentation and My Bills Worksheet forms** (Black out personal information)

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Questions/Comments

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PREPARING TO TAKE OVER THE FAMILY FINANCES….*ALONE*

Tidbits: Scams

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How to Avoid Scams After the Death of a Loved One

Scammers know that after the death of a loved one, you are very susceptible :

You are mourning and more vulnerable than normal

You have lots of tasks to accomplish–things you haven't done before

They will rush you and try to make you feel there is something important that needs to be done immediately

The best advice:

Be careful about who you talk to and what you talk about on the phone.

"I'll have my attorney look into it."

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Common scams to be aware of after death of a spouse:

Inheritance Scams: The scammer will send the victim a convincing email or letter posing as a law firm, saying that the deceased was left as the beneficiary of the estate and that if they want to claim the inheritance, they'll have to pay the law firm an upfront fee to cover the legal fees or taxes.

"IRS" Calls: A person claiming to be an IRS employee saying the deceased owes tax money. The scammer will threaten legal action against the bereaved if they do not pay the outstanding taxes.

"I'll have my attorney look into it."

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More common scams:

Fake Life Insurance Policy: A surviving family member will receive a phone call or other communication indicating the deceased had a life insurance policy that would pay out a large amount of money upon death. The scammer says, however, the deceased was behind on payments. In order to receive the payout, a family member would need to make up the shortfall. Usually, the scammer asks for about $2,000 to be transferred via wire or through a prepaid debit card.

Hang up

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More common scams:

Medicare Scam: Sometimes scammers will call or email and claim the deceased or bereaved's Medicare insurance cards need to be updated. In order to update the cards, they claim they will need the deceased or bereaved's Social Security number and birth date. This is a common phishing scam designed to steal your identity. People sometimes fall for this and the above IRS scam because the caller claims to represent a government entity in order to feign legitimacy.

Never provide any information requested.

Hang up

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More common scams:

Bogus Collection Agents: Scammers will pose as collection agents, claiming there is an outstanding balance on a credit card. The scammers may also claim that a debt exists on a car loan or medical bill, in addition to other kinds of debt. They contact the bereaved by phone and will sometimes send fake invoices addressed to the deceased indicating a balance is owed.

"I'll have my attorney look into it."

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REAL LIFE EXPERIENCE

1. Husband and Wife Had.....
   - Joint Checking and Savings Accounts
   - Individually Owned Credit Cards
   - Each had a Cell Phone.
     - Monthly Payments were Charged Automatically to Husband's Credit Card.

Husband Dies.

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CLOSED CREDIT CARD ACCOUNT

2. Wife is Unaware Her Husband's Credit Card Has Been Closed UNTIL---
   - Her Cell Phone Stopped Working.
   - She learned the Cell Phone Company Had Not Been Paid BECAUSE Husband's Credit Card Account had Been Closed.

Life became a Nightmare!

Know how your bills paid? Use "My Bills Worksheet"

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HOW CAN YOU AVOID THIS TYPE OF PROBLEM?

Do you and your spouse have credit cards in your individual names?

If yes, discuss what will happen to that account when the card owner dies—AND there are automatic payments being charged.

Anticipate potential problems. Discuss how do you avoid problems. Consider automatic payments made from a joint account.

This information should be found on “My Bills Worksheet”

Download this form

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PREPARING TO TAKE OVER THE FAMILY FINANCES....*ALONE*

Looking at the Bigger Picture

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DIVISION OF LABOR

One spouse does the cooking, the other does the dishes.

One becomes a skillful cook, the other can barely boil water.

Holds true in finances. The one doing the finances gains knowledge while the other falls behind, knowing less and less.

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DIVISION OF LABOR

So How Do You Change Things in Your Household?

- ✓ You have a conversation with your spouse
- ✓ Explain the importance of this information
  - ✓ A willingness to teach
  - ✓ A willingness to learn
- ✓ This information WILL likely be needed at some point in time
  - ✓ And at a time of high stress
  - ✓ If not your spouse—your heirs will need the information

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FOCUS ON FIVE THINGS

1. Know Where Your Assets Are
2. Know how to access your assets
3. Know the passwords and 2 step authentication method
4. Know your income and expenses
5. Know how to pay the bills

PRACTICE

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ROLE OF THE FINANCIAL SPOUSE:

Share and discuss the list of assets with your spouse and how they are owned. (See My Bills Worksheet)

Share and review the list of monthly, quarterly and annual bills.

Show patience!

ROLE OF THE NON-FINANCIAL SPOUSE:

Show a desire and willingness to learn.

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BECOMING FAMILIAR WITH THE ASSETS

Practice how to transfer funds between accounts
Practice how to set up transfers between accounts and external accounts
Practice paying the bills

Know the contact information of any financial managers used

Fill out the downloaded suggested forms

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A WORKSHEET TO HELP YOU --Income and Expenses by Month

Use Your List of Bills to Compile Information

	Janurary	Feburary	March	April	May	June	July	August	September	October	November	December	Ann Total
Actual Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Actual Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Actual Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

	Janurary	Feburary	March	April	May	June	July	August	September	October	November	December
Monthly Income												
Income 1												
Income 2												
Other												
Total	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Housing												
Rent												
Electricity												
Heat												
Phone												
Water/Utilities												
Cable & Internet												
Maintenance												
Insurance												
Total	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transportation												
Vehicle Payment												
Insurance												

This form is downloaded

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A POTENTIAL SITUATION:
YOUR EXPENSES ARE GREATER THAN YOUR INCOME

Talk about the options – a reminder

How much money can I withdraw annually without running out?

https://www.creditdonkey.com/how-long-will-my-money-last-calculator.html

Illustration using a website

101

Don't forget the 10 second hug!

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THE CHECKLIST

Things to do after the death of a loved one.

- Within first 24 hours:
- Within two weeks:
- Within one month:
- Within two to six months:

This checklist is one of the download files

checklist

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THE WRAP-UP

A List of Important Takeaways

1. Check your Beneficiaries on all accounts, ESPECIALLY single ownership accounts and ESPECIALLY if you have been divorced.
2. Determine if any of your automatic bill payments are paid from single ownership accounts. This includes credit card accounts.
   (Financial Institutions will close all individually owned accounts, including credit cards; past information will be unavailable.)
3. You must know User Names and Passwords.
4. To receive a "stepped up basis" you must price all items on the date of death.
5. Freeze your three credit reports: Experion, Equifax, Transunion

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PREPARING TO TAKE OVER THE FAMILY FINANCES….*ALONE*

The Wrap-up
Questions/Comments

"Two people don't need to look at each other—they only need to look together in the same direction."
(Antoine de Saint Exupery)

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TIMING YOUR MEMORY

This slide is not in your handout.

Lecture only—
In one year - the information will be gone

Lecture and visual (Slides via Power Point)—
In one year - no details will be remembered

Lecture and visual slides and homework—
In one year - details be remembered

If reviewed each year—
Details can be remembered forever

Don't forget the 10 second hug!

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