

# Estate Planning: Death, Taxes and Financial Duties

## *Plan Now to Ease the Burden Later*

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The death of a spouse is devastating. On top of the loss and grieving, there are unavoidable issues that need to be handled, including finances. Unfortunately, when someone dies there's usually more to be addressed than simply filing a final tax return. It's a lot for those left behind to bear. There are steps you can take now to help ease the burden of figuring out taxes, finances and estate planning down the road.

### **How you can plan ahead**

**Your advisers.** The first thing you want to do is make sure that all of your advisers know each other and are working together so that they can coordinate without you. This includes your CPA, financial adviser and attorney.

**Your documents.** Organize all of your documents and financial information – your trust document and your will. Maintain a list of all your assets and where they are located, a list of account numbers, etc. Your advisers or family members need to know where your documents are located and be able to access them.

**Your financial duties.** It's pretty common to find that one spouse handles all of the finances, pays all the bills and holds the credit cards in his or her name. If it's the husband and he dies, the wife may not know what to do after his death. That's why both spouses should sit down ahead of time and understand their financial picture and duties. Both spouses should also have credit in their names.

**Your financial plans.** Discuss your estate plan with family members. Many times we see family members who are surprised after a death because they thought they would receive specific assets or they thought the estate was going to go a certain way. Explain your plan, explain who is going to be in charge of handling your estate, who's getting what and your reasoning for all of it. A lot of times after a death, it's hard for your beneficiaries to understand your thought process behind how your estate will distribute.

**Your accounts.** It's hard to get your arms around all of your accounts if they're not in one place. Maybe you have a bunch of stock certificates or you don't have all of your accounts with one brokerage firm. Talk to a financial adviser you trust about consolidating your accounts. You probably don't want to have five or six bank accounts, or you at least want them all with the same institution.

**Your beneficiaries.** Working out beneficiary issues needs to be a part of your estate plan. Sit down with your attorney to talk about what your assets are and who you want them to go to. For example, is your child going through a divorce? Do you want assets to end up with the ex-spouse? Document your wishes then discuss them with your family. Also, make sure your beneficiary information is up-to-date, especially on your retirement accounts and life insurance.

**Your funeral plans.** Though this is not a fun topic, it's something you need to think about. Do you want to be cremated? Buried? Make sure your wishes are very clear to those left behind. It will be less stress on them to have to figure it out.

**Your legacy.** What kind of legacy do you want to leave? Do you want everything to go to your kids? What about your favorite charities? There are a lot of options for leaving money to charity that can be done with planning in a way that does not exclude your children or other beneficiaries.

If you plan ahead while you and your spouse are both alive, in the event of a death, your advisers can step in to work together for you so that the surviving spouse doesn't have to go out and try to solve everything alone. In the end, it will mean a lot less stress on your family.

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