

NAVIGATING DIFFICULT LIFE TRANSITIONS

AN ORGANIZATIONAL CHECKLIST FOLLOWING THE DEATH OF A SPOUSE

The death of a spouse is a traumatic event that presents both emotional and practical challenges. It changes your finances, your future and how you feel about your future. While some financial decisions should be made sooner rather than later, by taking a few steps now, you can gain greater clarity and confidence about what lies ahead.

To navigate through this time of transition, and to ensure that your basic financial needs can continue to be met, work on completing the following tasks over the next 12 months.

Get organized

Create six colored files labeled Banking, Bills, Taxes, Insurance, Statements, and Estate Documents, and then gather and file these documents:

- | | |
|--|--|
| <input type="checkbox"/> Marriage Certificate | <input type="checkbox"/> Bank and Brokerage Statements |
| <input type="checkbox"/> Death Certificate (10 copies) | <input type="checkbox"/> Retirement and Pension Statements |
| <input type="checkbox"/> Spouse's Social Security Number | <input type="checkbox"/> Credit Card Statements |
| <input type="checkbox"/> Wills | <input type="checkbox"/> Loan Information |
| <input type="checkbox"/> Trusts | <input type="checkbox"/> Joint Tax Returns |
| <input type="checkbox"/> Veteran's Discharge Papers | <input type="checkbox"/> Employee Benefits Records |
| <input type="checkbox"/> Property Titles | <input type="checkbox"/> Business Partnership Agreements |

Note: Retain all receipts related to the estate settlement, as they may be deductible (e.g., funeral costs, etc.).

Insurance

- ☐ Contact your spouse's former employer to ask about COBRA health coverage.
- ☐ Cancel any health insurance or other premiums for your spouse (e.g., Medicare or other).
- ☐ Locate the life insurance policy and notify the insurers. Discuss payout options such as:
 - Lump Sum
 - Installment
 - Discretionary Payment

Employer benefits

- ☐ Contact your spouse's employer and inquire about unpaid salary, bonuses, stock options, accrued vacation, unused sick pay, or deferred and equity compensation plans.

Banking/joint accounts

- ☐ Begin retitling joint accounts. Consider keeping a joint checking account open for at least one year in the event that checks made payable to your spouse are received.

Household budget

- ☐ Update your household budget based on current expenses and sources of income (e.g., work with your financial professional to model cash flow scenarios based on your lifestyle needs).

Retirement and social security options

- ☐ Evaluate Social Security options. Social Security pays a one-time death benefit toward burial expenses. Depending on other factors, e.g., age, disability status, dependent children, you may also be eligible to receive survivor's benefits.
- ☐ Determine when and how to take any retirement plan distributions due to your spouse or you, such as IRA, 401(k), and pension election.

Estate tax return

- ☐ File a federal estate-tax return, even if no tax is due, to preserve your spouse's unused exemption amount.
- ☐ If there's property you wish to disclaim, work with your attorney to make the necessary elections.

Beneficiary updates

Update your beneficiary designations and agents on the following:

- | | |
|--|--|
| <input type="checkbox"/> IRAs | <input type="checkbox"/> Life Insurance |
| <input type="checkbox"/> Annuities | <input type="checkbox"/> Health Care Proxy |
| <input type="checkbox"/> Trusts | <input type="checkbox"/> Wills |
| <input type="checkbox"/> Power of Attorney | |

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NAVIGATING DIFFICULT LIFE TRANSITIONS

A CHECKLIST TO HELP PREPARE AND GUIDE YOU THROUGH DIVORCE

Divorce is one of life's most stressful events. It can take a toll on you emotionally and financially, requiring you to reevaluate, and often significantly change, your saving and spending habits. However, divorce can also be viewed as an opportunity to start fresh and provide you with a sense of financial empowerment.

As you develop a plan for your future, it's important that you avoid emotional decision-making and, instead, make smart choices that result in financial stability. The objective and expert advice of an attorney, financial professional or CPA can ease the transition to your future and also eliminate the uncertainty about what it will look like.

Equitable distribution

Equitable distribution does not mean "equal" division – it means assets are divided in a fair and reasonable manner.

Separate property

The property owned by one spouse which he/she acquired either before marriage, by inheritance, as a gift, or assets traceable to other separate property.

Marital property

Property acquired by either spouse during the course of a marriage.

Community property

All assets acquired during the marriage are essentially considered to be marital property and are divided 50-50, regardless of who actually bought the assets or paid for them.

Preparing for divorce

- ☐ Connect your divorce team (i.e., attorney, financial professional and CPA) so they can work together on your behalf.
- ☐ Gather important documents.
 - Brokerage Statements
 - Bank Statements
 - Property Titles
 - Insurance Policies
 - Tax Returns
 - Mortgage
 - Retirement Plan Information, including 401(k) and IRAs
- ☐ Obtain a copy of your credit report and resolve any credit issues.
- ☐ Estimate living expenses and establish a realistic budget.

During the divorce process

- ☐ Stay in close contact with your divorce team.
- ☐ Learn whether you live in an "equitable distribution" or "community property" state and how that will affect the division of your home, retirement plans and other marital assets.
- ☐ Obtain a temporary order for spousal and child support, if necessary.
- ☐ Review your proposed settlement with your financial professional to evaluate its impact on your financial well-being.
- ☐ Explore the impact of critical choices, such as selling your home before or after the divorce.
- ☐ Ask your CPA if it would be beneficial to finalize the divorce next year, allowing you to file jointly one last time.
- ☐ Call your employer to find out about continued health care coverage.

After the divorce is finalized

- ☐ Work with your financial professional to review and adjust your portfolio, as necessary.
- ☐ Develop an updated household budget with the assistance of your financial professional.
- ☐ Meet with an estate-planning attorney to revise your will and change medical directives and powers of attorney.
- ☐ Update beneficiary designations.
- ☐ Transfer titles and property interests.
- ☐ Obtain or modify health insurance coverage.
- ☐ Obtain new property and casualty insurance for auto, home, etc.
- ☐ Open an IRA rollover account to receive retirement assets.

Your divorce team

Enter the contact information for your divorce team here.

Financial professional

Certified Public Accountant (CPA)

Attorney

Valuation specialist

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