What To Do When a Loved One Dies

State Employees' Credit Union®
Trust Services

INTRODUCTION

Losing a loved one is devastating, and all of us at State Employees' Credit Union want to extend our deepest sympathies to you during this difficult time. We also understand that settling their affairs at this moment can be overwhelming, but please know that we are here as your trusted financial services provider to help you navigate your next steps. We hope that you will find this resource guide helpful as you handle your loved one's estate.

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WHAT TO DO WHEN A LOVED ONE DIES: IMMEDIATE STEPS

When you lose a loved one, taking the next steps or even knowing where to start can be challenging. This list can help guide you through the steps you need to take.

Important Parties to Notify Immediately

Contact the parties you think should be notified immediately, which may include:	**Notes**
Close family members and friends Be sure to make arrangements to care for any dependents and/or pets if necessary	
Funeral home	
Minister, rabbi, or another religious cleric	

Common Items/Property to Secure

Determine what items or property may need to be secured, which may include:	**Notes**
Locating and securing any keys and vehicles	
Locating banking statements from all financial institutions	
Changing the locks on the residence	
Securing valuables	
Disposing of all perishables in the home or vehicles	
Changing the address through the United States Postal Service	

Common Documents You May Need

Locate important documents and provide them to the necessary parties, which may include:	Notes
Will	
Death certificate	
Birth certificate	
Marriage certificate	
Death certificate for pre-deceased spouse	
Divorce decree	
Burial contracts or prearrangements	
Military or Veterans' Affairs (VA) documents; for example, military discharge DD-214	
Life insurance policies	
Ownership records for real and personal property; For example, certificate of title, deed, etc.	

Helpful Tip

Funeral homes often provide copies of the death certificate. If your loved one was a resident of North Carolina, contact the Register of Deeds in the county where they passed away, or the North Carolina Department of Health and Human Services Vital Records in Raleigh if more copies are needed.

If your loved one was not a resident of the state of North Carolina, contact the Office of Vital Records in the decedent's state of residence.

Important Phone Calls

Contact the following to notify them of the passing of your loved one, which may include:	
Income & Benefits	**Service Providers**
Decedent’s employer to discuss unpaid wages and other benefits	Utility companies
North Carolina State Retirement Systems or other retirement system	Internet and cable provider
Social Security Administration	Other subscription services; for example, Netflix®, magazines, etc.
Department of Veteran’s Affairs	**Court**
Life insurance companies	Clerk of Superior Court
Others	
Executor named in the Last Will and Testament and/or the estate planning attorney who will help settle your loved one’s estate, if applicable	
Agent under decedent’s Power of Attorney (POA terminates at death)	
Credit union and other financial institutions	
Credit reporting agencies: Equifax, Experian, and TransUnion	
Department of Motor Vehicles to cancel the decedent’s Driver’s License	
Registrar of Voters	
Any religious, fraternal, and civic organizations of which your loved one was a member	

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ESTATE SETTLEMENT

A specific process must occur to properly settle a loved one's estate, but many people may find it confusing, especially during this particularly stressful time.

The Credit Union is here to support you through the estate settlement process.

The following steps provide a general overview of the estate settlement process in North Carolina.

1. **Create a preliminary inventory of all assets owned by the decedent**
   Use the Property Worksheet on page 18 of this guide to gather this information. If your loved one had individually held assets, you will likely need documentation from the Clerk of Superior Court to transfer ownership of this property.

2. **Contact the Clerk of Superior Court in the county in which the decedent resided or owned real property**
   The Clerk of Superior Court will determine whether a personal representative needs to be appointed based on the assets owned by the decedent.

3. **Discuss options for abbreviated estate settlement**
   There may be an option for a simpler estate settlement process, depending on the value of the estate's assets and the persons entitled to benefit from the estate.

4. **Determine whether a year's allowance should be provided**
   The decedent's surviving spouse and dependent children are entitled to a year's allowance, which will be paid from the estate's probate property. Generally, you should apply for any year's allowance within one year after death.

5. **Take control of the decedent's property**
   Provide a final copy of the death certificate and any clerk-issued documentation to the decedent's financial institutions to close or retitle accounts. See the Account Settlement at State Employees' Credit Union section on page 10 of this document for further information.

   Determine if you need to open a deposit account in the estate's name. If so, obtain an Employer Identification Number (EIN) from the IRS. Application options for EINs can be found at www.irs.gov.

6. **If necessary, publish notice to creditors**
   Depending on the type of estate administration, publishing a notice to creditors may be required.

   A notice to creditors is a newspaper publishing that gives notice of death and asks the decedent's creditors (all persons, firms, and corporations) to make claims against the estate.

   The notice must state a date (at least 90 days in the future) by which creditors must submit claims.

ESTATE SETTLEMENT

7. File a 90-day inventory

File a detailed inventory of the decedent's real and personal property, financial information, etc., within 90 days from the date of your appointment as the personal representative.

This inventory must include the estimated value of each property type, copies of account signature cards, and date of death balances. Sometimes, a professional appraisal may be necessary for real or personal property.

8. Pay the decedent's debts in priority order

To settle the estate, use the decedent's assets to pay claims. There is a specific order in which claims must be paid. The Clerk of Superior Court can provide additional guidance about the priority order for claims.

NOTE: If you need to use the decedent's real property or non-probate assets to pay debts, you may petition the Clerk of Superior Court for the right to acquire those assets.

9. Distribute the decedent's remaining property

Once you have paid all claims and appropriate estate expenses, distribute the remaining property. If the decedent left a will, distribute property following the will. If there is no will, distribute the property per North Carolina General Statutes.

NOTE: Always obtain receipts for claims, estate expenses paid, and distributions.

10. File all necessary taxes and accountings

As the personal representative, you are responsible for filing the decedent's individual and estate tax returns. Therefore, you may need to seek advice from a tax professional.

If the estate administration takes longer than a year, you must provide an annual accounting to the Clerk of Superior Court.

Before closing the estate, the Clerk of Superior Court will require a final accounting. This accounting will include a detailed list of all estate transactions and copies of checks, statements, and receipts.

When the Clerk of Superior Court is satisfied with the final accounting, they will release you from serving as the personal representative.

Helpful Tip

The North Carolina Administrative Office of the Courts provides a brochure titled *Estate Procedures for Executors, Administrators, Collectors by Affidavit, and Summary Administration* to assist personal representatives for a loved one's estate.

Account Settlement at State Employees' Credit Union

State Employees' Credit Union is here to help when you are ready to settle your loved one's accounts with us. Our team members will help review your loved one's account ownership to determine the required documentation. The chart below provides an overview of the documentation, which may be requested for different types of account ownership.

Account Ownership	Account Description	Required Documentation
Individual	Accounts owned by one individual with no payable on death beneficiaries	• Death Certificate • Clerk of Superior Court documentation appointing a personal representative or other authorized individual • Proper identification and signature from the authorized individual
Payable on Death (POD)	Accounts designating one or more beneficiaries to receive the account balance when the last owner of an account passes away	• Death Certificate • Proper identification and instructions from all beneficiaries
Joint with Right of Survivorship	Accounts owned jointly between two or more members where the surviving owner(s) own the full account balance upon the death of one owner	• Death Certificate and signatures from all surviving owners, which are required to remove the decedent's name from the account
Trust	Accounts owned by a trust	• Death Certificate • Trust Document or Certificate of Trust naming the authorized signers

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FREQUENTLY ASKED QUESTIONS

As you complete the process, we know you will have questions, so we have included some of the most often-asked questions to make it easier.

Deposit Accounts, Loans, and Other Services

How long can a deceased person's accounts remain open with the Credit Union?
Unclaimed accounts will eventually be escheated (surrendered) to the North Carolina Department of State Treasurer after five years of inactivity; however, accounts should be closed or the decedent's name removed as soon as possible to avoid potential tax complications.

It may be beneficial to consult an estate planning attorney before changing the decedent's accounts. The Credit Union will continue to report earned interest to the Internal Revenue Service under the decedent's Social Security Number.

What happens to automated drafts from the decedent's accounts?
If the accounts are individual, any payments made from the decedent's existing accounts should be stopped. The personal representative should arrange for these items to be discontinued or paid from other sources. If the accounts are joint, the surviving owner should decide whether the automated payments should continue.

What should be done if the decedent had direct deposits to the Credit Union?
Notify all institutions paying direct deposits of the member's death to avoid potential complications. Depending on the paying institution, the estate may be entitled to the deposit amount.
Contact the appropriate institution for instructions.

Can checks payable to the decedent be deposited into accounts owned by the decedent during their lifetime?
No. Checks payable to the decedent should not be deposited to any accounts owned by the decedent. Items payable to the decedent must be negotiated by someone authorized by the Clerk of Superior Court.

The decedent had several Share Term Certificates (STCs). Will the estate be penalized for closing the STCs before the maturity date?
No. The estate will not be subject to the early withdrawal penalty normally charged when closing STCs before the maturity date.

FREQUENTLY ASKED QUESTIONS

How should the decedent's Individual Retirement Accounts (IRAs) with the Credit Union be handled?
Our Tax-Advantaged Solutions department will notify the named beneficiary of the decedent's IRA by mail. The named beneficiary could be a natural person or an entity.

Once the named beneficiary presents the member's death certificate and signs an IRA Withdrawal Request form, the decedent's IRA will be closed and distributed as instructed.

If it is determined that there are no named beneficiaries, the funds will then be paid to the estate. Clerk of Superior Court documentation must be presented for review to close the account.

Can the decedent's debit card continue to be used?
No. Once a cardholder is deceased, their card should not be used and should be canceled.

What happens if the decedent had personal loans and credit cards with the Credit Union?
SECU will determine if the loans were covered by credit life insurance. If so, a certified copy of the death certificate will be used to file a claim to determine if the benefits will pay towards the loan. If the loan was not covered by credit life insurance, the loan or credit card balance should be paid from the decedent's estate.

NOTE: Funds held on deposit as of the date of death may be pledged towards certain loans held by the decedent.

What steps need to be taken if the decedent was a lessee or co-lesse on a safe deposit box?
A qualified person (e.g., authorized lessee, co-lessee, deputy or individual with a letter of authority) or the Clerk of Superior Court may access the box after the death of the lessee or co-lessee to complete an inventory of the box. Two Credit Union employees will serve as witnesses during the inventory. The inventory should be submitted to the Clerk of Superior Court. The contents of the box may be released to a qualified person.

FREQUENTLY ASKED QUESTIONS

Estate Accounts

Is an estate account required?
Depending on the type of documentation issued by the Clerk of Superior Court, the personal representative may be required to open an estate account.

What are the eligibility requirements to open an estate account at the Credit Union?
An estate account is eligible to be opened if: 1) the decedent was a member of the Credit Union at the time of passing or 2) all beneficiaries of the decedent's estate are current members of the Credit Union. Additional documentation may be requested to determine current membership status of all estate beneficiaries. The personal representative of an estate does not have to be a member of the Credit Union in order to open an estate account.

Is a will naming an executor acceptable to allow the named executor to act without additional documentation?
No. Wills and other testamentary documents should be presented to the Clerk of Superior Court for probate. The Credit Union will only accept official Clerk of Superior Court documentation that appoints a specific person to handle any accounts or safe deposit boxes held at the Credit Union.

What documentation is needed to open an estate account?
To open an estate account, Clerk of Superior Court documentation is required, such as Letters Testamentary, Letters of Administration, or Affidavit for Collection. The Credit Union will help to determine whether the documentation is sufficient to open an estate account. An Employer Identification Number (EIN) is required to identify the estate for tax purposes. The decedent's SSN cannot be used for estate accounts. The Credit Union can assist the personal representative in obtaining an EIN for the estate.

Do all personal representatives have to sign to open estate accounts?
Yes. If all personal representatives cannot be present in the branch together, signatures and any other required information may be obtained by mail. After the estate accounts are opened at the Credit Union, generally only one personal representative is required to perform transactions or close the estate accounts.

How long can an estate account remain open?
An estate account can remain open if the estate has yet to be settled with the Clerk of Superior Court. If an estate account has no activity for five years, it will be escheated (surrendered) to the North Carolina Department of State Treasurer.

Certified letters of appointment have been obtained from a state other than North Carolina. What is the procedure for handling Credit Union accounts for members who resided outside North Carolina?
Certified copies of the death certificate and letters of appointment are required to handle Credit Union accounts for a member who resided outside of North Carolina. The personal representative must complete the Affidavit for Out-of-State Decedent and wait at least 60 days from the date of death before the accounts can be closed.

FREQUENTLY ASKED QUESTIONS

Estate Administration

Where do I obtain copies of a death certificate?

Funeral homes often provide copies of the death certificate. If more copies are needed in North Carolina, contact the Register of Deeds in the county where the decedent died or the North Carolina Department of Health and Human Services Vital Records in Raleigh. Contact your state's Office of Vital Records if your loved one was a resident outside of the state of North Carolina.

What if the will is in a safe deposit box?

Searching the decedent's safe deposit box for a will may be necessary. If there is no authorized co-lessee or deputy, the Clerk of Superior Court may provide a letter of authority to a loved one to search for the will or send a Clerk of Superior Court representative with the authority to search for the will.

What happens when a person passes away without a will?

The personal representative must follow state law when determining the decedent's heirs and distributing estate assets. The Clerk of Superior Court or an attorney can assist with determining how to distribute the property of a decedent who died without a will.

What is the difference between an executor and an administrator?

Executors and administrators are personal representatives. They represent the estate and must act in the estate's best interest. The Clerk of Superior Court appoints an executor when they determine the decedent's will is valid and admit it to probate. The clerk will issue Letters Testamentary to the executor.

The Clerk of Superior Court appoints an administrator when the decedent has no will or determines the will is invalid. The clerk will issue Letters of Administration to the administrator.

What other options are available for estate administration?

The Clerk of Superior Court will make this determination based on the circumstances of each estate. These options may include:

- **Administration by Clerk of Superior Court** may be available when the value of the decedent's property does not exceed certain thresholds. The Clerk of Superior Court will collect and distribute the decedent's probate estate.

- **Collection of Property by Affidavit** may be available when the value of the decedent's personal property minus any liens is less than a certain amount. A collector by affidavit is responsible for collecting and distributing the decedent's property.

- **Summary Administration** may be available if the surviving spouse is the estate's sole beneficiary. With summary administration, the spouse assumes the decedent's assets and liabilities. Therefore, it is important to seek legal advice regarding summary administration.

FREQUENTLY ASKED QUESTIONS

What if I am uncomfortable serving as a personal representative?
There are many factors to consider when making this decision. Consider your experience level. Have you served as a personal representative before? Are you familiar with the forms and recordkeeping requirements? Consider who would be appointed personal representative if you renounce your right to serve.

If you are uncomfortable serving as a personal representative, you should speak with an estate planning attorney to determine your options.

NOTES

HELPFUL RESOURCES

- NC Retirement System: (877) 627-3287

- North Carolina State Board of Elections: (919) 814-0700
  - To cancel the voter registration of a deceased person, visit https://www.ncsbe.gov/registering/updating-registration/cancel-registration

- Social Security Administration: (800) 772-1213
  - www.ssa.gov
  - How Social Security Can Help You When a Family Member Dies

- IRS: (800) 829-1040
  - https://www.irs.gov/individuals/deceased-person#estate-and-gift-tax

- United States Postal Services: www.USPS.com/manage/mail-for-deceased.htm
  - To change the decedent's address and add to the Direct Marketing Association's Deceased Do Not Contact list

- Credit Reporting Agencies, to prevent identity theft
  - Equifax: (800) 685-1111 or www.Equifax.com
  - Trans Union: (800) 888-4213 or www.TransUnion.com
  - Experian: (800) 397-3742 or www.Experian.com

- North Carolina Bar Association Lawyer Referral Service: (919) 677-8574
  - https://www.ncbar.org/public-resources/find-an-nc-lawyer/

- The North Carolina Administrative Office of the Courts provides a brochure titled Estate Procedures for Executors, Administrators, Collectors by Affidavit, and Summary Administration to assist personal representatives of a loved one's estate.

- United States Department of Veterans Affairs: (800) 827-1000

DECEDENT'S PROPERTY WORKSHEET

This worksheet is provided by State Employees' Credit Union to assist persons handling an estate with creating an inventory of the decedent's personal information and property. This worksheet is intended for the purpose of gathering and organizing information to assist with the estate administration process, and should not be considered an official record of the decedent's estate.

Personal Information of Decedent			
Name		SSN	
Street Address		County	
City, State, ZIP		Did the decedent have a will?	☐ Yes ☐ No

Heirs/Devisees of the Decedent's Estate			
Name	Contact Information	Relationship	Age

Creditors of the Decedent's Estate			
Name	Contact Information	Description	Amount

Financial Information of Decedent*

*Be sure to consider accounts that may have electronic access only

Checks Payable to Decedent or Estate of Decedent

Description	Amount
Amount of Cash Found with Decedent's Belongings (if any)	

Deposit/Brokerage Accounts*

*Ownership of these accounts will determine whether the accounts are probate or non-probate assets

Financial Institution	Account Number	Balance	Ownership

Existing Utilities/Bills, Account Drafts, etc.

*Use this information to determine what services require cancellation.

Company	Account Number	Balance	Contact Information

Retirement Accounts Ex. 401(k), IRA, Annuities, etc.			
Financial Institution	Account Number	Balance	Beneficiaries

Stocks and Bonds *Registration (ownership) will determine whether the accounts are probate or non-probate assets			
Issued By	Certificate No.	No. of Shares	Ownership

Life Insurance			
Company	Policy Number	Amount	Beneficiaries

Business Interests Ex. Sole Proprietor, Partnership, LLC, etc.			
Name of Business	Type	Value	Description

Real Property Owned by Decedent				
Property Address	County	Ownership	Value	Mortgage Amount

Personal Property Owned by Decedent

Motor Vehicles, Boats, Trailers, etc.			
VIN	Year, Make, and Model	Value	Lien Amount

Other Personal Property
Ex: Jewelry, Collections, Artwork, Antiques, Special Household Items, etc.

Description	Value

Thank you for trusting SECU to serve as your trusted financial services provider, especially during this difficult time.

NOTES

COMMON NORTH CAROLINA ESTATE SETTLEMENT TERMINOLOGY

Administrator: A person appointed by the Clerk of Superior Court to represent a decedent who passed away without a will. The administrator will settle the estate by paying debts and distributing assets according to the laws of intestate succession.

Clerk of Superior Court: An officer of the court in each county with jurisdiction over the administration and settlement of estates and probate of wills.

Creditor: A person or company to whom a debt is owed.

Decedent: A person who has passed away.

Estate: All of the money and other property a person owns at death.

Executor: A person appointed by the Clerk of Superior Court to represent a decedent who passed away with a valid will. The executor will settle the estate by paying debts and distributing assets according to the decedent's will.

Heir: A person who inherits real or personal property under the law of intestate succession.

Intestate Succession: The laws that govern how a decedent's property is distributed if they pass without a valid will.

Non-Probate Assets: Generally, these assets are not subject to administration by the personal representative. These assets include property the decedent owned jointly with the right of survivorship or with named beneficiaries.

Personal Representative: A person appointed by the Clerk of Superior Court to represent the decedent and settle their estate by paying debts and distributing assets. Executors and administrators are personal representatives.

Probate: The process by which the Clerk of Superior Court determines whether there is a valid will and oversees the estate administration process. The Clerk of Superior Court will appoint a personal representative of the estate during this process.

Probate Assets: Subject to administration by the personal representative. Generally, these assets include property that the decedent owned individually.

Testate: The decedent died with a valid will.

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