

A Guide to Planning Ahead and Navigating *Life After Loss*

THE EXPERIENCE OF LOSING A LOVED ONE IS ONE OF LIFE'S MOST CHALLENGING TIMES, OFTEN MARKED BY GRIEF, UNCERTAINTY, AND SIGNIFICANT CHANGE. AT THE SAME TIME, THERE ARE ALSO FINANCIAL REALITIES TO CONTEND WITH, INCLUDING FINANCIAL IMPLICATIONS AND DEALING WITH ESTATE MATTERS. THE IMPACT CAN BE OVERWHELMING, MAKING IT ESSENTIAL TO PLAN BEFORE LOSS OCCURS.

“Life is unpredictable, and it’s critical to have these conversations with your partner ...”

HOW THIS GUIDE CAN HELP INDIVIDUALS AND COUPLES

This guide provides the necessary knowledge for individuals and widows to make informed decisions about financial matters and establish a plan that minimizes disruptions to their lives after a loss.

Part 1: Preparing for Widowhood

Preparing for widowhood is a crucial but often overlooked aspect of planning for the future. Life is unpredictable, and it’s critical to have these conversations with your partner while both of you are still around, making these decisions together.

START THE CONVERSATION EARLY

It’s essential to have discussions about one’s death and the aftermath while both partners are in good health. By talking now, couples can express, understand, and respect each other’s wishes, providing both peace of mind and a clear path forward when the inevitable happens.

When discussing the future, there are several key areas that couples should cover:

- **Legacy** — What is the legacy that each partner wishes to leave behind? Legacy includes any end-of-life wishes, burial preferences, and how they would like to be remembered. It also covers any last wishes regarding personal belongings or family heirlooms.
- **Healthcare** — It’s crucial to have a clear understanding of each other’s healthcare wishes, particularly regarding end-of-life care. Discuss preferences for or against life-prolonging treatments, hospice care, and who will act as the healthcare proxy if needed.
- **Values** — Each partner needs to understand and appreciate the other’s core values and how they would like these reflected in their end-of-life arrangements.

USING A FAMILY MEETING TO ALIGN WITH ADULT CHILDREN AND HEIRS

Once you’ve had one-on-one conversations, plan a family meeting with adult children and any other potential heirs. The primary focus of this meeting is on clearly communicating your wishes and:

- Aligning expectations
- Minimizing potential disagreements later
- Providing an opportunity to ask questions
- Encouraging everyone to express feelings

ORGANIZE FINANCIAL LIFE TOGETHER

Organizing your financial life provides a clear picture of your household finances, preparing you for unforeseen circumstances. There are three crucial components to consider.

1. **Inventory Assets, Liabilities, Accounts, and Insurance** — This process involves listing all assets, including properties, investments, bank accounts, digital wallets, and retirement accounts, as well as liabilities such as loans, mortgages, and credit card debts. Include all insurance policies: life, health, home, car, long-term care, and others.
2. **Document Access and Passwords (Digital Legacy)** — Protecting one’s digital legacy is another crucial aspect of organizing one’s financial life. Your loved ones will be able to access your digital accounts and information when you are no longer around. Include usernames and passwords for:
 - Online banking
 - Investment accounts
 - Email accounts
 - Social media profiles

Also include any security questions or two-factor authentication methods. Remember, maintaining your digital legacy isn’t a one-time effort. As you add more digital accounts, be sure to update your digital legacy records.



3. Create a Centralized “Legacy Essentials Binder” — Choreo’s Legacy Essential Binder serves as a helpful tool for documenting all these details in one place. Be sure to ask your Choreo wealth advisor for a copy. This binder includes sections to document items such as your:

- Will
- Estate plan
- Trust documents
- Power of attorney documents
- Healthcare directives
- Financial records
- An inventory of assets, liabilities, accounts, and insurance
- Digital footprint and so much more

Once the “legacy essentials binder” is complete, tell family members, a wealth advisor, or an attorney its location. This step can save loved ones a great deal of stress and confusion during a time of grief.

UPDATE ESTATE PLANNING DOCUMENTS

With changing life circumstances and laws, it is essential to update these estate planning documents to keep them current:

- **Will** — A legally enforceable document that outlines how your assets will be distributed after your death.
- **Trust** — Allows a third party, a trustee, to hold assets on behalf of a beneficiary.
- **Beneficiary Designations** — Ensures assets, insurance policy death benefits, and retirement accounts are distributed according to the individual’s wishes.
- **Durable Power of Attorney (POA)** — Appoints someone to handle your affairs if you become unable to do so. There are two types of POA:
 - **Medical POA** — Makes healthcare decisions on your behalf in case you’re incapacitated.
 - **Financial POA** — Manages your financial affairs.
- **Advance Directives and Living Wills** — An advance directive outlines your healthcare preferences if you become unable to make decisions for yourself. A living will, a type of advance directive, specifically covers end-of-life care.
- **HIPAA Authorization** — Allows designated persons to access your healthcare information. This document is crucial in a medical emergency when immediate access to a patient’s medical history may be necessary.

“It’s crucial to understand the importance of not rushing into significant financial decisions ...”

DESIGNATE AND PREPARE KEY PEOPLE

Select an Executor and Healthcare Proxy to manage your affairs and care.

- **Executor** — This person is responsible for ensuring that your wishes are carried out at your death in the way you’ve instructed. Choose someone who is organized, honest, and capable of handling this responsibility.
- **Healthcare Proxy** — This person will make health decisions on your behalf if you’re unable to do so. They should know you well, understand your medical preferences, and respect your choices.

PREPARING TRUSTEES OR GUARDIANS

Numerous individuals will help manage your affairs:

- **Trustees** — Manages any trusts you’ve set up
- **Guardians** — Responsible for your children’s care in your absence
- **Certified Public Accountant (CPA)** — Files your taxes, collaborates with a wealth advisor
- **Wealth Advisor** — Manages your investments and recommends tax and financial strategies
- **Attorney** — Oversees legal matters, establishes trusts

It’s vital to keep them informed of your financial situation, estate plan, and wishes concerning your assets.

PLANNING FOR INCAPACITY

Planning for incapacity is a critical aspect of preparing for widowhood. It encourages proactive steps toward managing personal and financial affairs in case of incapacitation.

Signs to Watch for — It’s essential to enlist others to help you be vigilant for signs of incapacitation.

- Confusion
- Inability to perform everyday tasks
- Memory loss that impedes functionality

It’s imperative to arrange for a medical consultation if such traits become noticeable.

FINANCIAL TOOLS: REVOCABLE LIVING TRUST, SPRINGING POAs

Having financial tools in place is a practical step when planning for incapacity.

- **Revocable Living Trust** — Allows you to maintain control over your assets while you’re capable and provide instructions on how to manage them if you’re incapacitated.
- **Springing POA** — “Springs” into action upon your incapacity, allowing a designated person to manage your affairs.

PERSONAL AND CAREGIVING DISCUSSION

Determining where to live is a personal decision that depends on health status, personal preferences, and financial resources.

- **Aging in Place** — Offers a comforting and familiar environment but may require home modifications or additional home care services.
- **Care Facility** — Provides hands-on care with opportunities for social interaction.

Part 2: When Widowhood Happens

THE FIRST 30 DAYS: GRIEF AND IMMEDIATE PRIORITIES

It’s crucial to understand the importance of not rushing into significant financial decisions such as selling your home, making large purchases, or abruptly changing investment strategies. Such choices often require time and a clear frame of mind, which may not be possible during the grief and stress that accompany loss.

WHO TO CALL:

- **A Wealth Advisor** — To discuss your financial plan and investments
- **An Estate Attorney** — To help you understand the will and other related legal affairs
- **A CPA** — To provide tax advice regarding the implications of your new financial situation



HANDLING FUNERAL EXPENSES AND SHORT-TERM CASH FLOW

In the immediate aftermath of death, it is crucial to acknowledge that funeral expenses and short-term financial needs can be substantial. Cash flow is an area where a wealth advisor or CPA can provide guidance—they can help identify potential sources of short-term cash to meet immediate needs without jeopardizing your long-term financial security.

THE EXECUTOR'S ROLE

When faced with the unforeseen circumstance of widowhood, understanding the role of the executor becomes essential.

The executor is a legally appointed individual tasked with carrying out the instructions of a will after the testator's demise:

- Locates the will
- Identifies the names of the executor(s) and beneficiaries
- Initiates the probate process
- Pays off any remaining debts or taxes
- Secures the estate
- Distributes assets to the beneficiaries as per the will's directives

Key documents to collect — An executor must gather several key documents to perform their duties:

- The will and supporting documents
- Death certificate
- Insurance policies
- Property deeds and vehicle titles
- Financial statements: bank, brokerage, and retirement accounts
- List of personal property, such as artwork, jewelry, and collectibles
- Business-related documents, if applicable

Timeline of tasks — The executor's duties follow a chronological order:

- **Initiate the Probate Process** — File the original will and death certificate with the probate court to validate the will.
- **Inventory the Estate** — Compile a comprehensive list of the deceased's assets, liabilities, and property, which may entail appraising property values.
- **Settle Debts and Taxes** — Pay off any outstanding debts or taxes from the estate funds.
- **Distribute Assets** — Distribute the remaining assets among the beneficiaries as outlined in the will.
- **Finalize Estate** — Close the probate process with the court.

FINANCIAL ACCOUNTS AND BENEFITS

Dealing with the loss of a loved one is a challenging time that requires multiple actions:

- **Locating and Retitling Accounts** — Whether held jointly or separately, all accounts of the deceased must be located and retitled.
- **Social Security Survivor Benefits and Pensions** — Widows or widowers are eligible to receive their deceased spouses' Social Security retirement benefits at age 62. If the deceased spouse was already receiving benefits, notify the Social Security Administration (SSA) as soon as possible. Pension plans may also provide benefits for surviving spouses. Contact the administrator of your deceased spouse's pension plan to determine your eligibility.
- **Life Insurance Claims and Annuity Payouts** — Life insurance claims involve contacting the deceased's life insurance company and filing a claim. It's crucial to understand the annuity payout options your spouse designated in the annuity contract, as the payout schedule can vary.
- **Required Minimum Distributions (RMDs) and Individual Retirement Account (IRA) Options** — Taking the necessary actions regarding RMDs and IRA options is paramount. If your spouse is at an age to take RMDs and did not take their RMD for the year of their death, you must withdraw the money to avoid penalties. A wealth advisor can help you determine the actions regarding RMDs available to you:
 - Transfer the IRA into your IRA
 - Transfer into a new account
 - Exercise a spousal-inherited IRA strategy

NAVIGATING THE FIRST YEAR

Along with grief, one must confront a range of financial matters in the first year of widowhood:

- **Reassessing Financial Life** — Income, expenses, and a new budget
- **Tax Considerations** — Multiple actions require attention:
 - **Determining Filing Status** — The surviving spouse is eligible to use the filing status "married filing jointly" or "married filing separately." A surviving spouse may also be able to file as 'Qualifying Widow(er)' or 'Single.'
 - **Estate Taxes** — Generally, there are no Federal estate taxes required on assets passing to a spouse. However, the state estate tax may apply.
 - **The "Step-Up in Basis" Concept** — This concept can significantly reduce capital gains tax on inherited assets.

Due to the complexity of estate taxes and a "step-up in basis," it's vital to work with a wealth advisor or CPA to understand how taxation will impact your situation.

- **Updating Your Estate Plan and Beneficiaries** — Be sure to update your:
 - Will
 - Trust
 - Supporting legal documents
 - Beneficiaries: pension plans, retirement accounts, and life insurance policies



Part 3: Life After Loss — Rediscovering Your Purpose

FINDING SUPPORT AND COMMUNITY

The death of a spouse can leave one feeling lost and alone. However, it's essential to remember that you're not alone, and there are numerous outlets for support and community to help you:

- **Counseling and Support Groups** — These avenues provide a safe space to express your grief or learn from others' experiences of similar loss.
- **Faith-Based Guidance** — This avenue can also be a source of comfort and support, regardless of your religious beliefs.
- **Talking to Family** — Open conversations allow you to express your feelings and future needs in your new chapter of life.
- **Volunteering or Mentoring** — These actions can provide a sense of purpose, further helping to overcome feelings of isolation.

FINANCIAL PLANNING FOR THE FUTURE

Amidst grief, a surviving spouse must also face the reality of managing financial matters single-handedly. In this context, three critical areas must be addressed:

- **Investment Strategy as a Solo Decision Maker** — Working with a wealth advisor can help you address factors such as risk tolerance, time horizon, and financial goals.
- **Charitable Giving and Legacy** — If you plan to leave a legacy, it's essential to understand the tax implications, benefits, and how giving will affect your situation. Rely on a wealth advisor, attorney, and CPA to help guide you.
- **Re-Entering the Workforce** — Working after losing a spouse brings new tax and Social Security benefits implications.

PROTECTING YOURSELF FROM SCAMS AND PRESSURE

Losing a spouse can leave one vulnerable to manipulation and fraud. Unfortunately, numerous scams target widows/ widowers:

- **Romance Scams** — This scam involves fraudsters pretending to be potential partners to exploit the victim's emotional and financial circumstances.
- **Inheritance Scams** — Scammers claim an unexpected inheritance that requires payment of a fee, or claim they're a child of the deceased, or ask you to disclose personal information of the deceased.

- **Bogus Investment Schemes** — Con artists present seemingly lucrative investment opportunities, aiming to defraud victims of their savings.
- **Outstanding Debt Scam** — This scam claims the deceased owes money on an outstanding debt.
- **Tax Scam** — Fraudsters claim that the deceased has outstanding taxes to pay.

HOW TO SPOT MANIPULATION AND FRAUD

- **Pressure to Act Quickly** — Scammers create a sense of urgency to prevent the potential victim from seeking expert advice.
- **Requests for Personal or Financial Information** — Legitimate organizations will not request sensitive information via email or over the phone.
- **Too Good to be True Promises** — Claims of excessive returns or benefits are often a red flag for fraudulent activity.

SETTING BOUNDARIES WITH WELL-MEANING BUT PUSHY FAMILY AND FRIENDS

There are numerous techniques to help you set boundaries:

- **Assert Your Needs** — It's okay to say no when you feel uncomfortable or pressured.
- **Establish Financial Boundaries** — Avoid lending money or co-signing loans without proper due diligence.
- **Seek Professional Guidance** — Wealth advisors, CPAs, and attorneys can provide third-party objectivity when making financial decisions.

Part 4: Sample Letter of Instruction

A letter of instruction is a document that provides information about your wishes after death:

Dear _____ (Executor, Trustee, Loved One(s),

In the event I am unable to communicate my wishes, I am writing this letter to guide you on the handling of my affairs. Please follow the instructions outlined below:

Funeral Wishes

- Contact *[Funeral Home Name]* at *[Phone number]* to initiate the pre-planned funeral arrangements
- Details about the *[Burial plot, columbarium, etc.]* are located *[safety deposit box, etc.]*

Financial Details

- Contact my wealth advisor *[insert wealth advisor's name]* at *[phone number and email address]*
- Crucial financial information is stored in my Legacy Essentials Binder, located at *[safety deposit box, etc.]*
- Contact *[employer]* at *[phone number]*

Personal Effects

- I've designated *[Family member's name]* to oversee the distribution of personal items.
- My pet *[pet's name]* should be cared for by *[name]* per my instructions *[list instructions]*

I trust that you will honor my wishes outlined in this letter of instruction. Please provide copies of this letter to all concerned parties.

Sincerely,
[your name]

Part 5: You're Not Alone

While the journey through loss is deeply personal, you are not alone. Whether you're facing these decisions now or planning ahead, know that support is within reach. At Choreo, we understand the emotional and financial complexities that come with widowhood, and we're here to walk alongside you every step of the way. From practical tools to thoughtful guidance, our goal is to help you find clarity in the midst of uncertainty and to empower you to build a future rooted in resilience, hope, and peace of mind. This chapter may be difficult, but is not the end. With the right support, a new and meaningful path forward is always possible.



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