

# What to do when a loved one passes away

A helpful guide for managing a departed loved one's financial accounts



**Bay Federal**  
CREDIT UNION

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## Introduction

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Coping with the loss of a loved one is a very difficult and overwhelming time. This information packet has been created to help guide you through the account settlement process.

The contents of this information packet are for informational purposes only. The Credit Union cannot provide legal counsel or advice. If you are the trustee of the decedent's trust, or executor or administrator of the decedent's estate, please consult with an attorney, financial advisor, CPA, and/or probate court official for specific concerns/questions regarding your responsibilities, the probate or trust administration process, or estate settlement.

The following information will be needed when contacting us for account settlement:

1. Certified copy of the death certificate (required)
2. Photo ID (required for claimants and/or trust/estate representatives)
3. Any applicable documents (required if you are not a joint member or beneficiary listed on the account)
  - CA Probate Form 13100 (also known as a Small Estate Affidavit)
  - Certification of Trust (for trust administration)
  - Letters Testamentary (decedent had a Will)
  - Letters of Administration (decedent left no Will)

These documents can be obtained with the assistance of an attorney. Some items require the court's involvement, while others do not.

Please be advised that the credit union cannot accept a power of attorney. A power of attorney, also known as "attorney-in-fact" (designating another to act on behalf of the member/account holder) is valid only during the account owner's lifetime; this ends with the account owner's death, at which time a power of attorney or attorney-in-fact is no longer authorized to transact business or obtain information on that member's accounts.

What is the first step in settling the account of a deceased member?

Come into any branch location or call our Member Service Center at 831.479.6000 or toll-free at 888.4BAYFED to let us know of the member's passing and provide the required documents.

In order for the Credit Union to give you information on the deceased member's account, you must be at least one of the following:

- a joint member on the account
- the successor trustee on a trust holding the decedent's accounts
- a beneficiary of the account
- the verified executor of the estate
- the verified administrator

Once the Credit Union has received a deceased member notification, we will review the account and documentation provided and contact you within ten (10) business days.

When mailing in documents, please include your contact information (name, phone, email, and relationship to deceased). Documents may be mailed to:

Bay Federal Credit Union  
Attn: Deposit Operations  
3333 Clares Street  
Capitola, CA 95010

## Helpful Terms

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**Certified copy of Death Certificate:** An official government certificate on security paper with a raised certification seal. The mortuary typically orders these for you, or you may go to the County Office of Vital Records to order one.

**Probate:** The court process to officially prove a Will.

**Intestate:** A person who has died without having made a Will.

**Administrator:** Person the Court appoints to handle the property of the decedent who dies without a will.

**Executor:** A person the Court appoints to handle the property of the decedent after the Will has been probated. Usually the decedent nominates the executor in the Will.

**Estate:** The property or possessions of a deceased person.

**Estate Account:** An account opened by a fiduciary that holds all monetary assets of the decedent.

**Fiduciary:** A person to whom property or power is entrusted for the benefit of another, typically the Trustee, Executor, or Administrator of the decedent's trust or estate.

**Letters Testamentary:** A legal instrument issued by the Court authorizing an Executor to take control of and dispose of the estate of a deceased person.

**Letters of Administration:** A legal instrument issued by the Court authorizing an Administrator to take control of and dispose of the estate of a deceased person who died without a Will.

## Account Settlement (Checking, Savings, Money Market, Certificate, IRA)

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***If I am an owner on the account and the joint owner has passed away, do I have to close the account?***

- If you are the primary owner of the account and the joint owner passes away, the accounts can remain open. Once the death certificate is received and all credit union requirements have been satisfied, the deceased member may be removed from the account.
- If you are the joint owner of the account and the primary owner passes away, you may be required to establish your own membership with the Credit Union for the account to remain open.

***How long will the deceased member's account remain open?***

The account should be settled quickly to avoid possible end-of-the-year tax reporting complications.

After three years, the funds (account) will be turned over to the state as Unclaimed Funds.

***If I am the beneficiary on the account, how can I withdraw the funds or take ownership of the account?***

If you are the beneficiary of the account, once the account is settled and all credit union requirements have been satisfied, you may close the account and withdraw the funds or open an account under your name with the Credit Union, subject to membership eligibility.

***If I am the executor /administrator of the estate, will I be able to access the information on the account(s)?***

Yes, once the death certificate and court documentation stating that you are the executor or administrator of the estate has been provided and reviewed by the Credit Union, you will have access. Alternatively, if you are the successor trustee of the decedent's trust and the account is held in the trust, then once the Credit Union has received a current Certification of Trust verifying your authority to act as successor trustee, you will have access.

***The deceased member's account has a direct deposit set up. What will happen to the funds?***

- Government deposits: Financial institutions are required to return funds deposited by government agencies after the date of death; i.e. Social Security, Veteran's Administration benefits, Retirements and Pensions.
- Other deposits: Any agency or entity that is depositing funds into the account should be notified as soon as possible. Please see the Resources page of this guide for further information. Any employers who are paying out retirement or pension benefits should also be notified as well.

***How are funds disbursed to beneficiaries listed on Payable on Death accounts?***

Payable on Death ("POD") accounts have beneficiaries designated to them on the Membership Agreement.

If there is a sole signer on the account, it is the beneficiary's responsibility to contact the Credit Union to claim the funds. If there is a joint owner, this person is entitled to the funds by right of survivorship.

***How are Trust Accounts handled?***

Management of Trust Accounts and disbursement of funds are handled in accordance with the legal trust documents.

***How are Money Market Shares and Certificate Shares handled?***

Money Market accounts are handled the same as any other deposit account. They are handled in accordance with the Truth In Savings Disclosure and Account Agreement, account ownership, POD designation, or estate or trust rules, as applicable.

***How are Individual Retirement Accounts (IRAs) handled?***

IRA accounts will be turned over to the designated beneficiaries who have several options of how the accounts are handled. A Specialist will review your options after the death certificate and court documentation has been provided.

***Whom do I contact if the deceased member has LPL Investment accounts?***

Please contact the Investment Services Team at 831.479.6000 or 888.4BAYFED, option 7.

***What should be done if automatic payments are being taken from the affected accounts?***

Please notify the creditors/payees that are debiting the accounts and advise them of the member's passing and that the automatic withdrawal/deposit should be stopped.

***Can I deposit checks made payable to the deceased if they are dated after the member passed away?***

Checks made payable to the member or the member AND someone else cannot be deposited into the deceased member's account or a joint account. The checks must be re-issued by the maker and made payable to either solely the joint member or "The Estate of..." Checks made payable to the Estate must be deposited into an Estate Account. The Estate account may be opened at the Credit Union or any other financial institution.

***I have been appointed as the Executor/ Administrator of the account. I need to establish an estate account. How do I go about doing this?***

To establish an estate account:

- Apply to the IRS for a taxpayer ID number (EIN) in the estate's name
- Applications can be made online through the IRS website:  
[www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online](http://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online)

An estate account may be established at the Credit Union or another financial institution of your choice. If you choose to open the account at the Credit Union, bring the EIN form to any branch with the other documents needed, and branch staff will assist you with this process.

***Loan Settlement  
(Mortgage, Home Equity, Vehicle, Credit Card, Personal)***

***If the loan(s) were solely in the deceased member's name, who is responsible for them?***

After the review of the deceased member's loans(s), any voluntary payment protection proceeds will be applied to the outstanding balance.

Any loan balance outstanding becomes the responsibility of the deceased member's estate to repay. The estate must continue to make monthly payments, directly pay off remaining loan balances or provide the Credit Union with the necessary documentation to properly file a creditor's claim against the estate. The estate is responsible for paying any outstanding loan balances. If there is an executor/ administrator appointed to handle the estate, he/she will be responsible for ensuring that the loans are paid in full.

Once the death certificate and Certification of Trust or court documentation stating that you are the successor trustee, executor or administrator has been provided, a Specialist will contact you to discuss your options within ten (10) business days.

***If there is a joint owner/borrower, is he/ she now responsible for the loans?***

After the review of the deceased member's loans(s), any voluntary payment protection proceeds will be applied to the outstanding balance.

Any loan balance outstanding becomes the responsibility of the surviving borrower(s) to repay.

## ***The Probate process has not been finalized, should I continue to make payments?***

Please continue to make at least the minimum payments as the benefits and outstanding liabilities are determined. A claim will need to be filed to make these determinations, and we can assist you with this. Please note that interest will continue to accrue until the balance is paid in full. Any excess of funds paid from the claim will be deposited into the savings account. If the loan becomes delinquent, the loan collateral may be subject to repossession and/or foreclosure proceedings.

## ***How do I remove the deceased member's name from the title to the loan collateral (vehicle/home)?***

If the deceased member has a mortgage loan on real property solely in their name and you are a direct relative, you may be eligible to take over ownership through the Successor-In-Interest process. Additional documentation is required to verify you are eligible to assume ownership. A Specialist will review your options after the death certificate and court documentation has been provided.

For all other loan types, re-assignment or transference of loans and their collateral to a person who is not a joint borrower is not permitted. An interested party must apply and be approved for a loan to transfer the balance and the collateral into their name. Executors/ Administrators cannot grant a security interest in, transfer, or assign any loan collateral to anyone other than the Credit Union without our written consent.

## ***Can the Credit Union use the funds in any of the deceased member's savings or checking shares to repay the loans?***

Yes, the Credit Union has the right to the funds in any account in which the decedent was an account holder of and may use those funds toward repayment of the loans the decedent held in accordance with the Truth In Savings Disclosure and Account Agreement. Accounts that are made up of protected funds (Social Security funds, Veteran's benefits, Federal Railroad retirement unemployment and sickness benefits, and Civil Service Retirement System and Federal Employee Retirement System benefits) cannot be offset to pay the loan(s).

## ***I am the co-borrower/cardholder on the deceased member's VISA account. What are the next steps?***

There are two choices: you can either close the credit line or request to transfer it to your Credit Union account. Please note that you are responsible for repaying any outstanding balances and transferred credit lines may have a lower credit limit than the previous joint credit line.

## ***What should I do with the deceased member's VISA credit card if they were the sole borrower?***

Please destroy the card or return it to the Credit Union where it will be shredded for you. The credit line will be closed and the plastic card linked to the deceased member's account will be deactivated.

## ***If I am an authorized card user on the deceased member's account, am I responsible for repaying the balance? Can I still use the card?***

Authorized users are not liable for the outstanding balance, nor can they continue to access the credit line. Please destroy the card or return it to the Credit Union for shredding.

## **Checklist**

After a member passes away, the many details that need to be handled can be overwhelming. Our checklist may assist you in gathering all the information that is needed for the Credit Union, as well as other agencies and organizations.

### **Talk to financial and legal professionals**

This is a time to review your own life insurance and financial needs – including your will and trust. Make sure that ownership and beneficiary designations are current. See page 7 for Credit Union Investment Services contact information.

### **Contact insurance companies**

Insurance companies will need to be notified of the individual's passing. These companies can include:

- Life Insurance
- Property and Casualty Insurance
- Health Insurance

### **Contact a lawyer**

The small estate affidavit Certification of Trust, and more complicated estates may require legal counsel.

### **Locate the will and begin probate procedures where applicable**

This is also a good time to check for any established trust accounts, as these are handled differently than regular savings and/or checking accounts.

### **Call the Social Security Administration**

Inform the Social Security Administration to stop Social Security payments, if any. Surviving spouses and dependent children may also be eligible for survivor benefits.

(800) 772-1213

[www.ssa.gov](http://www.ssa.gov)

### **Contact creditors**

The death will need to also be reported to all creditors and to check for credit life insurance or accidental life insurance benefits. These creditors may include:

- Home/Real Estate Loans
- Auto Loan
- Credit Cards
- Credit Unions / banking institutions

### **Review Savings and Checking Accounts**

This is to check if there are any automatic payments or deposits that need to be discontinued.

### **Contact all other financial institutions**

You will want to notify all financial institutions of the member's passing to begin the process of account settlement and to check for insurance coverage on loans, investments and IRAs. This is also to prevent identity theft. Criminals often scour obituaries and will use the information of the deceased individual for fraudulent purposes.

### **Gather personal information**

To report the death and handle business transactions, you will need:

- Social Security numbers for the deceased member, the surviving spouse and dependent children.
- The deceased member's full name.
- Date and cause of death.
- A copy of the marriage certificate.
- Copies of birth certificates for any dependent children.

### **Contact current and former employers**

You will want to contact the decedent's employer and former employers as soon as possible to report the death and to check for potential benefits such as group insurance, life insurance, a pension or retirement account and other possible benefits.

### **Contact the utility providers**

Providers of utilities for the deceased member's home will need to move payments to another account or be discontinued if the deceased lived alone.

### **Purchase Death Certificates**

Request several certified copies of the death certificates. You may need several depending on the extent of the deceased member's assets, loans, business and military affiliations. Many agencies and organizations will not accept copies. It also may be more cost effective to order all the certificates at once. Check with your funeral director for assistance. (However, as they are approximately \$25.00 each, you may prefer to get only a few to begin with, and then go to the County office later, if more copies are needed.)

Remember: You may need to make financial decisions regarding joint accounts, titles, deeds to vehicles/real estate, and retirement and investment accounts. Please contact a tax, legal or financial professional before taking action. It is possible that there may be tax and legal implications with ownership changes and asset transfers.

## **California State Resources**

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### **California Department of Vital Statistics**

(Certified copies of death certificate)  
(916) 445-2684

[www.cdph.ca.gov/Programs/CHSI/Pages/Vital-Records.aspx](http://www.cdph.ca.gov/Programs/CHSI/Pages/Vital-Records.aspx)

(Please note, you may also visit the County office where the death occurred to obtain a certified copy of a death certificate, if you prefer.)

### **California Franchise Tax Board (FTB)**

(800) 852-5711

[www.ftb.ca.gov](http://www.ftb.ca.gov)

### **County Court System**

[www.courts.ca.gov](http://www.courts.ca.gov)

## **California State Retirement Systems**

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### **California Public Employee's Retirement System (CalPERS)**

(888) 225-7377

[www.calpers.ca.gov](http://www.calpers.ca.gov)

### **California State Teachers' Retirement System**

(CalSTRS) (800) 228-5453

[www.calstrs.com](http://www.calstrs.com)

## **Federal Resources**

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### **Social Security Administration**

(800) 722-1213

[www.ssa.gov](http://www.ssa.gov)

### **Internal Revenue Service**

(Obtain an EIN/tax assistance)

(800) 829-1040

[www.irs.gov](http://www.irs.gov)

### **Department of the Treasury**

(Government payments/checks)

(855) 868-0151

[www.fiscal.treasury.gov](http://www.fiscal.treasury.gov)

## **Military Resources**

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### **Department of Veterans Affairs**

For settlement of veteran insurance programs such as SGLI, VGLI, USGLI, or DIC. Benefits for the surviving spouse and eligible children. Survivor, beneficiary and burial benefits.

(800) 827-1000

[www.va.gov](http://www.va.gov)

To request DD214 military record form:  
(866) 272-6272

[www.archives.gov](http://www.archives.gov)

### **Office of Personnel Management**

To report the death and check on benefits if the deceased member was a retired Civil Service employee (888) 767-6738

[opm.gov](http://opm.gov)

### **CA State Department of Veterans Affairs**

(800) 952-5626

[calvet.ca.gov](http://calvet.ca.gov)

### **Defense Finance & Accounting**

For settlement of military retired pay and for survivor annuity benefits such as RSFPP, SBP, RCSBP and SSBP.

(800) 321-1080

[www.dfas.mil](http://www.dfas.mil)

### **Tragedy Assistance Program for Survivors**

Provides a support network for the surviving families of those who have died in service to America.

(800) 959-TAPS

[www.taps.org](http://www.taps.org)

### **Military OneSource**

For military and family support services, information and links to the Red Cross and other military emergency resources.

(800) 342-9647

[www.militaryonesource.mil](http://www.militaryonesource.mil)





831.479.6000 | [bayfed.com](https://www.bayfed.com) | 888.4BAYFED

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