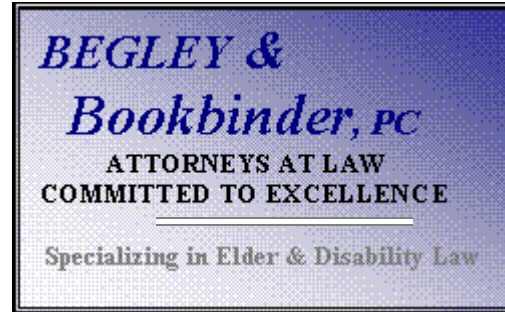


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Sent: Monday, July 10, 2006 5:58 AM
To: The Law Offices of Begley & Bookbinder, P.C.
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PLANNING AFTER A LOSS

A Few Considerations After the Loss of a Spouse

By Neil A. Derman, Esquire

The loss of a spouse can be a very difficult time in one's life. To have the increased burden of having to deal with the estate at the same time can be overwhelming. Depending on the wording of a will, administering the estate of the first spouse to die is usually a less harrowing task than that of a single individual or the surviving spouse. Often wills are written leaving all assets to the surviving spouse. This triggers the marital exemption which delays any taxes on the estate until the surviving spouse passes. Therefore the first spouse dies tax free. But there are other tasks which the surviving spouse should complete after his or her spouse passes:

1. **Contact Social Security**

When an individual who has contributed to social security passes there may be survivor benefits available for the surviving spouse or the descendants of the deceased. All of this depends on whether the deceased was fully insured or currently insured. Depending on the deceased's status, the surviving spouse may be eligible to receive survivorship benefits. Not only the surviving spouse, but the minor children of the deceased spouse may also be eligible for survivorship benefits. The surviving spouse should contact social security to establish what his or her rights are regarding the deceased spouse's social security benefits.

2. **Update Accounts**

The most common form of ownership among married couples is joint tenancy. This means when one spouse passes the assets in the account immediately transfer to the surviving spouse. However, to avoid any issues with the accounts it is best to re-title all the assets into the sole name of the surviving spouse. Remember, the titling of the accounts is not the only thing which should be updated.

3. **Update Beneficiaries**

7/17/2006

Many accounts are beneficiary designated assets. Life Insurance, retirement accounts such as IRA's and pension plans, employee benefit plans and annuities often name a beneficiary in the event of death. Often times the beneficiary is our spouse. However, if the named beneficiary has pre-deceased and there is no alternate beneficiary named, the asset will revert to a probate asset and be subject to the terms of the will. This may not be the worst case scenario, except the asset is now subject to creditors. Beneficiary designated assets are non probate assets and not subject to the creditors of the estate. However if the beneficiary provision lapses and the asset reverts back to the estate it may be invaded by creditors. Therefore it is best for the surviving spouse to update all accounts which name beneficiaries after the death of his or her spouse.

4. Review Portfolio

With the loss of your spouse, not only does your life change, but so do your financial goals and strategies. It is best to contact your financial advisor and make sure that your investment portfolio reflects your current situation. Is the risk tolerance correctly reflective of your situation, are your time frames accurate with your new situation and does your current plan match your financial goals? Also one may want to review your insurance needs. Besides the obvious of checking the beneficiaries, make sure that your medical needs are sufficiently covered and that you have a long term care policy in place in case you need to enter an assisted living facility. Make sure to meet with your financial advisor as the loss of a spouse is a large change in one's portfolio.

5. Update your Documents

Not only should one consult his or her financial advisor but his or her attorney as well. The attorney can help in accomplishing all the points mentioned above and assist in estate administration. Additionally, the loss of one's spouse the estate plan which was established when you were a married couple is no longer sufficient to cover your current situation and may require minor tweaking. Most often it is just the simple task of changing fiduciaries and beneficiaries, removing the spouse's name as power of attorney, executor, or a beneficiary of the will. However in some cases, with the single individual, the strategies incorporated for a married couple may not be capable of being continued. The surviving spouse should seek an attorney to assist in reviewing the documents to ensure that his or her wishes will still be enforced when he or she passes away.

Dealing with the loss of a loved one is very difficult, especially when it is a spouse. Knowing how to handle the estate can help ease the loss by creating less stress and aggravation for the surviving spouse who will have to manage the assets on his or her own.



Upcoming Firm Seminars on Medicaid Planning

Thursday, July 13, 2006 **10-11:30 am**
Avalon Links Restaurant
1510 North Route 9, Swainton, NJ

Thursday, July 13, 2006 **2-3:30 pm**
Cape May County Library
Lower Cape May Branch
2600 Bayshore Road, Villas, NJ

Thursday, July 13, 2006 **7-8:30 pm**
Pier 4 Hotel, 6 Broadway Ave
& The Bay, Somers Point, NJ

Tuesday, July 25, 2006 **7-8:30 pm**
Moorestown Community House
16 East Main Street, Moorestown, NJ

Wednesday, July 26, 2006 **10-11:30 am**
Wingate Inn Cherry Hill/Voorhees
1000 Laurel Oak Road, Voorhees

Wednesday, July 25, 2006 **2-3:30 pm**
Howard Johnson's
2015 Burlington-Mt. Holly Road, Mt. Holly, NJ

CALL 877-234-5393 to reserve your space
at this **FREE** seminar.

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If you have any comments, e-mail us at ccaruso@begleylawyer.com

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