



End-of-Life Issues

Frequently Asked Questions (FAQs)

Regarding KTFCU Accounts

What happens to the deceased KTFCU accounts after death? Depending on the structure of account owners, the account may remain accessible by the surviving spouse or joint owner. If there is either a beneficiary or Payable-on-Death (POD) designation, the named individual(s) have immediate access to the funds.

What documentation is necessary to bring to KTFCU? A copy of the death certificate in all cases; letter of administration from the Surrogate Court if an executor has been appointed to oversee the estate.

Do you need to update account after the death of a joint account? Not immediately, but we do recommend that steps be taken to remove the joint owner once all reclamation efforts have been satisfied (if necessary).

Is a loan debt forgiven upon death? No. The Credit Union is covered by the right of set off in NYS. This means we are permitted to use any existing funds in the account to cure outstanding loans with the credit union at the time of the member's passing.

Is credit card debt forgiven upon death? No. However, unlike other loan types, the Credit Union DOES NOT have the right of set off to collect these outstanding funds owed. The Credit Union will file an "affidavit of claim" against the estate in an effort to recover the amount owed.

Is there a time restriction for probate of a will to start from day of death? New York does not have a deadline for this, as other states do, but it is helpful to take this action as soon as possible to begin the process, especially if you will be going through full probate.

When is an estate officially closed? In NY, you may legally close an estate after 7 months and no later than 2 years from the date of fiduciary (executor) appointment.

Do taxes need to be filed? Yes. Estate taxes must be filed if the amount of the decedent's federal gross estate plus the amount of any includible gifts exceed the basic exclusion amount set annually. See additional information here - <https://www.tax.ny.gov/pit/estate/etidx.htm#bea>.

How long should tax records and important documents be held once an estate is closed?

General consensus is 3-7 years. Other miscellaneous documents can be discarded as you personally do.



End-of-Life List of Definitions

- **Abandoned Property** - Assets (bank accounts, money orders or cashier's checks) with no transactions during a specified period of time; can vary by state; property held in NY has a 3- year period before considered "abandoned".
- **Beneficiary** - Person(s) named on an account to receive funds upon the passing of the primary and joint owners, if applicable.
- **Court Appointed Representative** - Surrogate Court empowers someone when no executor/executrix is assigned by the deceased. Responsibility includes paying all outstanding debt and issuing funds/property to beneficiaries, paying off all debt and taxes and closing out all accounts.
- **Dormant Account** - Account held at a financial institution with no activity for a specified period of time; more information can be found in the Membership/Customer agreement documentation provided when the account was opened; for KTFCU, it's a 1-year period with no activity to be considered "dormant".
- **Executor/Executrix** - Person empowered to carry through wishes of the deceased.
- **In Trust For** - Financial account or asset is being held in trust on behalf of one or more beneficiaries; trustee is responsible for managing the assets for the beneficiaries, according to the terms set by the person who created the trust.
- **Intestate** - Decedent has created no will.
- **Joint Owner** - Retains uninterrupted access to account even upon death of a co-owner.
- **Letter of Administration** - Provided by the Surrogate Court when a person with no will passes; mandate that sets out who is the administrator for the estate.
- **Living Trust** - A fiduciary relationship in which the grantor gives the trustee the right to hold title to assets for the benefit of one or more beneficiaries.
- **Power of Attorney (POA)** - Access for account while owner is alive. Ceases upon death.
- **Payable on Death (POD)** - Immediate access to funds upon death once proven with death certificate. Note, both POA and POD can be changed at any time.
- **Probate** - The process of presenting a will to the Surrogate Court where, after death, the terms of the will are approved by a judge and assets are distributed to beneficiaries after all debts are satisfied. Only estates which exceed \$30,000 in assets are required to be probated (in NY).
- **Will** - Legal wishes of the deceased/estate including property, money and other assets.



To-Do List Upon a Death of a Loved One

- Locate the will if the deceased person was not married or was widowed.
- Get copies of death certificates from town/city/village. Insurance companies will require a certified copy for payout. There is a cost for each certified copy as these are stamped with a raised seal as evidence of a true (and un-altered) record. Extras are suggested so you don't have to make a return visit.
- The Social Security Administration will be informed by the funeral home. There is a \$250 death benefit that is issued in a lump sum. If SS was being collected, the government will withdraw (reclaim) any overpayment from date after death. Social Security contact number 1-800-772-1213.
- Who is responsible to notify financial institutions of a death? Spouse/partner or next of kin with a certified copy of the official death certificate -OR- executor/executrix with proof of Surrogate Court appointment called a letter of administration.
- Seek professional financial advice.

Our Advice

Prepare an upon death reference binder. Below are some fundamentals to include. Of course, you should follow your financial planner's advice.

- Make a list of all online accounts and passwords including insurance policies, investments, retirement, creditors, online monthly bill payments, etc.
- Make a list of all accounts with joint owners, PODs and beneficiaries-review and update with institution address, phone number, account numbers, current contact info of recipients, etc.
- Include safety deposit box details-institute, address, key location, etc.
- Make sure your assigned family member(s)/friend(s) know the location of binder/pertinent info.
- Set up Power of Attorney (POA).
- Create a will and file accordingly. Keep a copy in a secured area.
- Assign a person to know where deeds, titles, policies, will, passwords, social media logins, etc. are stored. Inventory personal items and assign beneficiaries.