

Estate Settlement Guide

FRONTWAVE CREDIT UNION



Introduction

We're Here to Help You Every Step of the Way

Losing a loved one is never easy, and managing their financial affairs can feel overwhelming. But you don't have to do it alone. Our team is here to support you with every step of the process, from verifying documents to managing accounts and navigating any necessary claims.

How to Reach Us

- **By Phone:** 800.736.4500
- **By Fax:** 877.789.7628
- **By Mail:** Frontwave Credit Union, 1278 Rocky Point Drive, Oceanside, CA 92056, Attn: Member Services Dept
- **Online:** Visit us at frontwavecu.com
- **In Person:** Stop by any branch—our team is here to help.

Whenever you're ready, we're here to assist with any questions.

Note: Frontwave Credit Union provides this guide as a general overview and not as legal or tax advice.

You should consult with an estate attorney and tax professional to ensure all obligations are met and to avoid potential penalties.

Navigating Estate Settlement: We're Here to Help!

Settling an estate is a journey, and we're here to help you get through it. Whether dealing with legal documents, closing accounts, or distributing assets, we've created a checklist to guide you through the key steps.

Follow these steps to move forward with confidence. If you need additional help at any stage, we're just a call or click away.

Estate Settlement Checklist

1. Get Professional Help

- Work with an estate attorney to ensure you meet all legal requirements.
- Contact financial advisors to help manage assets and taxes.
- Consider emotional support through counselors or groups to ease the process.

2. Take Immediate Action

- Obtain certified copies of the death certificate.
- Gather key documents like the will, trusts, and insurance policies.
- Notify family, beneficiaries, and relevant organizations.

3. Manage Legal Matters

- Work with your attorney to determine if probate is necessary.
- Secure legal authority (e.g., Letters Testamentary).
- Confirm the executor/administrator for the estate.

4. Inventory Assets and Debts

- List all assets (properties, accounts, investments).
- Identify any liabilities (loans, credit card debts).
- Secure both physical and digital assets.

5. Notify Key Agencies

- Contact financial institutions to freeze or update accounts.
- Notify SSA, VA, and other agencies to stop benefits.
- Cancel services that are no longer needed.

6. Handle Debts and Taxes

- Use estate funds to pay valid debts.
- File the final income tax return for the deceased and the estate.
- Consult a tax professional to ensure compliance.

7. Distribute Assets

- Follow the instructions in the will or trust.
- If there's no will, distribute assets according to state law.
- Make sure you get receipts or acknowledgments from beneficiaries.

What to Expect When Settling Accounts at Frontwave

Ready to move forward? We're here to guide you through the following steps. We've got you covered, whether it's closing accounts, managing automatic payments, or working through beneficiary claims. Below are answers to common questions to help you navigate this process.

Handling Savings and Checking Accounts

How long will accounts remain open?

We recommend settling your loved one's accounts as soon as possible. Accounts will continue to report to the IRS under the deceased's Social Security Number (SSN) until they are closed or retitled. Acting quickly helps avoid unnecessary complications and ensures a smooth transition.

What happens to direct deposits?

Federal direct deposits (e.g., Social Security, VA benefits, or Defense Finance and Accounting Service payments) received after the date of death must be returned. Notify paying agencies promptly to avoid delays or complications. Refer to the "Important Steps for Managing Federal Benefits" section for guidance and essential contacts.

What about automatic payments?

Contact companies deducting payments from the account to cancel them. Prompt action is essential to avoid missed payments or service interruptions since automatic payments cannot continue once the account is closed.

What happens to the remaining funds in the account?

Funds will be distributed according to the account's ownership type, designated beneficiaries, or as directed by legal representatives. If no joint owner or beneficiary is listed, funds will typically be released to the deceased's estate. Legal representatives may need to provide court documentation, such as Letters of Testamentary, to access these funds.

How do I notify Frontwave about a member's death?

To begin the process, notify Frontwave by providing a certified copy of the death certificate. Our team will guide you through the steps to ensure a smooth process.

How long does it take to close an account or release funds?

The timeline for closing accounts or releasing funds depends on the account type and required documentation. Frontwave will work with you to ensure everything is handled quickly and smoothly.

Can I still use my ATM and debit cards if I am a joint owner of an affected account?

Yes, absolutely. As a joint owner with survivorship, you can continue using your ATM and debit cards without interruption while the decedent's accounts remain open.

Can I still write checks if I am a joint owner of a Frontwave checking account?

Yes! As a joint owner with survivorship, you retain full access to write checks. Additionally, you may qualify for Frontwave Credit Union membership, offering you exclusive benefits and support during this time.

Navigating IRA and Beneficiary Claims

How are Individual Retirement Accounts (IRAs) handled?

Frontwave Credit Union partners with Ascensus, our trusted IRA provider, to ensure a smooth claims process. Once we receive a certified death certificate, we will work with Ascensus to initiate the claim. Beneficiaries will receive all necessary documents to complete and return, as well as instructions to guide them through the process.

Guidance on Payable on Death (POD) and Trust Accounts

Frontwave Credit Union offers two account options to help members manage their assets during their lifetime and after passing.

How are POD accounts handled?

POD accounts come with three options:

1. **Individual POD:** Funds are disbursed directly to the named beneficiary(ies).
2. **POD with Joint Owner with Survivorship:** Funds transfer to the joint owner upon the death of one account holder, with disbursement to the beneficiary(ies) only after all owners pass away.
3. **POD with Joint Owner without Survivorship:** Funds are disbursed directly to the beneficiary(ies) upon the death of any account holder.

If a member's legal trust is the named beneficiary, the trust takes precedence over individual beneficiaries, and payment is made directly to the trust.

How are Deposit Trust accounts handled?

Trust accounts hold funds under a legal trust and are managed by trustees or trust administrators as specified in the trust agreement. Upon the grantor/trustor's death, surviving trustees or successor trustees manage and negotiate the account as outlined in the trust.

Understanding Credit Card Responsibilities

How are Frontwave Credit Card accounts handled?

- If the decedent was the sole borrower, the credit card account will be closed.
- If the decedent had a joint cardholder, the account will remain open and be retitled to reflect the joint cardholder as the primary cardholder.

Can I continue using the card if I am the co-borrower?

As the co-borrower, you can continue using the card, and the balance becomes your responsibility. Please get in touch with Frontwave Credit Union for further assistance.

What should I do with the deceased's credit card?

If the deceased was the sole borrower, their card should be destroyed.

What happens to unpaid charges on affected credit cards?

- For individual credit card accounts, the account will be closed.
- For joint cardholder accounts, the unpaid balance and any new charges will become the responsibility of the surviving joint cardholder.

Will monthly statements continue to be issued?

- For joint cardholder accounts, statements will continue and be addressed to the new primary cardholder.
- If any charges are posted after an account has been closed (known as a “forced charge”), a statement will be generated.

If I am an authorized user, am I liable for the balance?

No, you are not liable for the balance unless:

- You apply for credit in your name and request a balance transfer.
- You make charges on the account after the account holder’s death, in which case you will be responsible for those charges.

Authorized users must destroy or return their cards to Frontwave Credit Union.

If I am the co-borrower, am I liable for the unpaid balance?

Yes, as a co-borrower, you are responsible for the entire balance, including any charges posted after the date of death.

What happens to automatic payments made to a credit card from an affected Frontwave account?

Automatic payments will be canceled as part of the decedent account audit process.

Managing Mortgages, Equity Loans, and Home Equity Lines**What happens if I am the co-borrower on a Frontwave Credit Union mortgage or fixed equity loan?**

You will remain a co-borrower on the loan. However, you may apply to refinance the loan in your name.

What happens if there is no co-borrower on the mortgage loan?

Frontwave Credit Union will work with a potential successor or heir to discuss available options. For assistance with a first mortgage, please call **855-527-8373**.

How will Home Equity Lines be handled?

- If the deceased is the only borrower, the equity line will be frozen, and no additional advances can be made.
- If there is a co-borrower, the equity line will remain open.

What happens to automatic payments made from the deceased’s Frontwave account?

- If the deceased member’s checking account had a joint owner, payments can continue as long as the account remains open.
- If the deceased member’s accounts are closed, a different account can be used for payments, or automatic drafting will be discontinued.

What if I am the new primary borrower and cannot afford the payments?

A Frontwave Specialist will guide you through settling the accounts and exploring options. You must provide a certified copy of the death certificate and documentation validating your property ownership interest under state law.

Estate and Probate Management

Managing a deceased individual's estate can be complex, but understanding the key components—probate, executor duties, estate accounts, and tax obligations—can help make the process smoother for all involved. This section offers guidance on these essential aspects to ensure the estate is handled correctly and efficiently.

What Is Probate?

Probate is the legal process through which the court validates a deceased person's will, and their estate is administered. During probate, the court ensures that all debts are paid and the remaining assets are distributed according to the decedent's will (or state law if there is no will). The probate process can take anywhere from a few months to over a year, depending on the complexity of the estate. It involves proving the will's authenticity, appointing an executor, notifying creditors, and distributing the estate's assets.

Establishing an Estate Account

An estate account is a specialized bank account used to manage the finances of a deceased person's estate. This account is necessary for paying debts, distributing assets to beneficiaries, and ensuring that all financial matters are handled separately from the deceased's personal accounts. To establish an estate account, the executor must provide a death certificate and testamentary letters (a legal document proving the executor's authority). The account is used exclusively for estate-related transactions and must be closed once all estate matters are resolved.

Duties of an Executor/Administrator

The executor or administrator is responsible for overseeing the entire probate process. Their duties include:

- **Filing the Will:** The executor must submit the decedent's will to the court to begin the probate process.
- **Inventorying Assets:** The executor is responsible for identifying, valuing, and securing the decedent's assets, including property, investments, and personal belongings.
- **Paying Debts and Taxes:** The executor must pay any outstanding debts and taxes owed by the deceased or the estate before distributing assets.
- **Distributing Assets:** After all debts and taxes are settled, the executor distributes the remaining assets according to the will or state law if there is no will.
- **Communicating with Beneficiaries:** The executor is responsible for keeping beneficiaries informed about the progress of the estate and any key developments.

In cases where no will exists, a court-appointed administrator takes on the role of executor, following similar duties as outlined.

Income Tax Returns for the Deceased and the Estate

Filing taxes for the deceased and the estate is an essential responsibility for the executor. Two primary tax returns may need to be filed:

- **Final Income Tax Return for the Deceased:** This return is filed for the year of the deceased's death, covering income earned until the date of death.
- **Income Tax Return for the Estate:** After a person's death, the estate may earn income from assets like investments, real estate, or savings accounts. If it generates income above a certain threshold, the estate must file its income tax return (Form 1041).

It's also important to note that the estate may be subject to estate taxes depending on its value and the applicable laws. The executor should consult with an estate attorney or tax professional to ensure all tax obligations are met and to avoid potential penalties.

Important Steps for Managing Federal Benefits

When a loved one passes away, managing their federal benefits can feel overwhelming. We're here to help guide you through the process to make it as smooth as possible. Below are the key steps for handling federal benefits, including Social Security, VA benefits, and DFAS payments.

Social Security Benefits

1. Report the Death

Notify the SSA at 800.772.1213 or visit [SSA – When Someone Dies](#) to learn how to report a death.

2. Stop Direct Deposits

Social Security payments must stop immediately to prevent overpayment.

3. Return Overpayments

If payments were made after death, they must be returned to avoid complications.

Veterans Affairs (VA) Benefits

1. Notify the VA

Call the VA at 800.827.1000 or visit your nearest VA regional office to report the death and stop veteran payments. For more information, visit the [VA's guide on how to report a veteran's death](#).

2. Apply for Survivor Benefits

Survivors may qualify for Dependency and Indemnity Compensation (DIC), pension or burial benefits. Submit the necessary forms and documents to apply.

3. Stop Payments

Please notify the VA immediately to stop payments to the deceased. The VA will review your eligibility for survivor benefits and continue payments for qualified survivors.

Defense Finance and Accounting Service (DFAS)

1. Report the Death

Notify DFAS using their online form, call 800-321-1080 or send documents by mail.

- [DFAS Retiree Death Page](#)
- [DFAS Death Checklist](#)

2. Survivor Benefits

If the deceased was enrolled in the Survivor Benefit Plan (SBP), survivors must complete forms like SF 1174 for Arrears of Pay.

3. Stop Payments

DFAS will stop monthly retirement pay and send a condolence letter with instructions for survivors.

Final Steps for Managing Federal Benefits

• Return Overpayments

If benefits were paid after the death, they must be returned. Each agency will guide you through the process.

• Check for Unclaimed Benefits

Ensure all benefits, such as final payments or death benefits, are claimed.

• Maintain Records

Keep copies of all communication with federal agencies and documentation of any changes to benefits.

By following these steps, you'll ensure the deceased's federal benefits are appropriately managed, and survivors receive the benefits they're entitled to.

Important Phone Numbers

Frontwave Credit Union

Toll-free	1-800-736-4500
Fax	877-789-7628

Frontwave Investment Services	760-439-6960
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Social Security Administration

Toll-free	1-800-772-1213
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www.ssa.gov

Civil Service	888-767-6738
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DFAS	800-321-1080
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IRS	800-829-1040
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Railroad Retirement Board	855-868-0151
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Veterans Administration	800-827-1000
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