

DUTIES OF A SUCCESSOR TRUSTEE FOLLOWING DEATH

1. Review Trust and Will in detail
2. (if necessary) check funeral arrangements for Settlor – Order Death Certificates (5-10)
3. Notify Social Security to cancel benefits/request Death benefit (<http://www.socialsecurity.gov/> or 1-800-772-1213). Funeral home usually notifies of death.
4. If deceased was receiving benefits from PERS/STRS or any pension plan, you must notify them and cancel the benefits. There may be a small death benefit payable to designated beneficiary. Check and submit claim accordingly.
5. Identify Life Insurance Policies/Annuities/Pension Plans or other assets that have designated beneficiaries. Submit claims for benefits as appropriate or notify named beneficiaries of their right to submit claims. If decedent's IRA named their trust as beneficiary, contact the IRA custodian promptly to provide them with a copy of the trust. If the deceased was taking minimum distributions and their distribution for the tax year in which they died had not yet been taken BE SURE TO HAVE THE BENEFICIARY TAKE THIS DISTRIBUTION BEFORE THE END OF THAT SAME YEAR – failure to do this can result in a substantial penalty.
6. *Obtain a federal tax identification number (FEIN) for the trust using IRS form SS-4, and submit IRS form 56 to arrange for all tax correspondence to go to trustee.
7. Secure the settlor's home and determine whether there are any specific instructions regarding the distribution of furniture, furnishings, personal belongings.
8. *Notify trust beneficiaries and heirs as required by law (See Probate Code Section 16061.7). Advise beneficiaries of the trust provisions concerning them and give them some idea regarding anticipated distribution dates. (If there is any reason to expect a challenge to the trust, don't make distributions for at least 120 days after the Notice goes out to the beneficiaries).
9. *File the original Will with the Superior Court Clerk (required even if there is no Probate).
10. Determine what assets are on hand and the nature and location of those assets (cash, bank accounts, securities, real estate, vehicles, etc.).
11. Determine what ongoing bills will have to be paid and what funds are available.
12. Establish date of death values for all trust securities (stocks, bonds, mutual funds, etc.) by contacting the brokerage firm or mutual fund that holds the account, or by using an appraisal service. Get these date of death values in writing.
13. Hire advisors as needed (attorney, CPA, investment advisor, appraisers, etc.).
14. Review investment portfolio with advisors to determine whether any immediate actions are necessary.
15. Identify, locate, and value all non-trust assets (if any), including safe deposit boxes.
16. Determine whether there will be a need to probate non trust assets. *If the non-trust assets total over \$184,500 a probate may be necessary.*
17. Obtain written appraisals for any real estate and business interests held in trust.

18. *Record an Affidavit of Death of Trustee (together with a certified copy of death certificate) for each piece of property held in trust.
19. For each California property, prepare a Death of Real Property Owner form, a Preliminary Change of Ownership Report, and , if applicable, a Claim for Reassessment Exclusion for Transfer between Parents and Children, and file these with the County Recorder/ Assessor in the county where the property is located within 150 days of the date of death.
20. Cancel credit cards and close accounts (do not just cut up cards).
21. Verify and pay valid debts of the deceased Settlor (wait two months on medical bills that may be paid by insurance).
22. After all covered medical expense claims have been paid, arrange to cancel any existing medical insurance policies.
23. *Send a letter to the Department of Health Care Services and Franchise Tax Board advising of death, include a copy of the death certificate to determine if monies are owed. DHCS has four months to notify you if there is a claim against the estate.
24. After vehicles have been sold or transferred contact and cancel auto insurance.
25. If necessary, set up and calendar important dates: income and estate tax return due dates, CD maturity dates, property tax due dates, etc.
26. Get trust accounts re-titled in your name as successor trustee and use the trust tax ID number as the tax ID number on those accounts
27. Arrange for the preparation and filing of final income tax returns for the deceased by April 15.
28. If the total value of all trust and non-trust assets (including pension and life insurance proceeds) approaches or exceeds \$12,060,000 (2022) before subtracting outstanding debts, mortgages, etc., list all assets and their values and meet with an accountant who can prepare the estate tax return (form 706). That return, together with the taxes owed, must be filed no later than the due date, which is 9 months after the date of death. If the estate includes real property in another state, it is possible that a separate state death tax may be imposed and a separate tax return required.
29. IF there definitely will be estate taxes to pay, consider doing an alternate valuation of the assets six months after death if this is likely to lower the estate tax liability.
30. Continue administration of trust or distribute remaining assets in accordance with trust directions and state statutes. If assets will be held in trust for a period of years, the trustee will need to comply with the Uniform Prudent Investor Act requirements.
31. If trust is to continue in existence there will be annual trust tax returns (forms 1041 and 541) that must be prepared and filed, and appropriate accounting records must be maintained. Beneficiaries are legally entitled to accountings and may inquire as to the status of trust assets/ investments. Keep beneficiaries property informed.
32. Once all obligations have been met, all tax returns filed, and taxes paid (and IRS has approved or audited the returns, or the time limit for IRC challenge has passed) and all assets have been distributed the trust may be terminated.