

Claims Checklist: Trusts and Estates

Frequently Asked Questions

This information may be helpful if the claimant is a Trust or an Estate.

1. What is the difference between a Trust, a Last Will and Testament, and an Estate?

- A **Trust** is a legal arrangement under which one or more people, called “Trustees,” hold assets for beneficiaries. A person who creates a Trust is called a “Grantor,” “Settlor” or “Trustor.”
- A **Last Will and Testament** is a document that directs who should receive your property from your estate upon your death. It appoints a legal representative (often called an “Executor” or “Personal Representative”) to carry out your wishes; however, that appointment is not official until it is approved by a probate court.
- An **Estate** is all property and assets a person owns at death that does not pass under a right of survivorship, beneficiary designation or transfer on death designation. It is managed by an Executor, Administrator or Personal Representative, appointed by a probate court, who manages the assets until they are distributed to the persons entitled to the Estate.

2. How do I know if we have to open a formal Estate?

- A Last Will and Testament nominates a person as a proposed Executor or Personal Representative, but until appointed by a probate court that person does not hold any powers over the decedent’s assets.
- A probate court will issue a document, often called Letters Testamentary or Letters of Appointment or Letters of Authority, which will empower the Executor(s), Administrator or Personal Representative to act on behalf of the deceased person’s Estate.
- Each state has different regulations and dollar limits for when an Estate must be opened through the probate court. Some states allow for transfers of small Estates without probate court involvement. In order to find out the options for small estates, contact the probate court in the county where the decedent was a resident.

3. Do I need to get a separate Tax Identification Number for the Trust or Estate?

- If the claimant is an Estate, the Estate need to have a Tax Identification Number in order for us to complete any tax reporting and in order for the Executor to file tax returns for the Estate.
- If the claimant is a Trust created by one Grantor who has passed away, the Trust will require a Tax Identification Number.
- If the claimant is a Trust created by joint Grantors, the Trust may split into a survivor trust and a decedent’s marital, family or credit shelter trust. Upon the death of one of the Grantors, the Trust will generally require a Tax Identification Number. However, we may be able to use the surviving Grantor’s Social Security number, if the benefit is going to be allocated to the all survivor’s Trust, and we receive certification that other assets of equal value are being used to fund the decedent’s marital, family or credit shelter trust.

Frequently Asked Questions, *continued*

4. How do I apply for a Tax Identification Number (TIN)?

Visit IRS.gov to find the necessary steps.

5. How do I go about opening an Estate?

There may be different requirements and forms, depending on where the decedent resided. Please contact the probate court in the county where the decedent was a resident to learn more about your specific requirements.

Tips if claimant is a Trust:

- ☐ Submit a Trust Certification Form or submit a copy of the Trust pages which identify the name of the Trust, Trust date, name of the Trustee(s) and Successor Trustee(s), plus the signature/affirmation page and amendments.
- ☐ Be sure to indicate the Trust as the claimant on the Claim Form.
- ☐ Include the Trust's Tax Identification Number on the Claim Form. Do not use the deceased's Social Security number. A surviving Grantor's Social Security number may be able to be used if benefits are being directed wholly to the survivor's Trust.
- ☐ The claim form must be signed with the title Trustee or Successor Trustee after your signature (Example: *John Doe, Trustee*). If multiple Trustees exist, all Trustees must sign unless otherwise indicated in the Trust document.
- ☐ In limited circumstances, we may be able to pay benefits directly to Trust beneficiaries, at the Trustee's request and subject to our approval. Additional documentation will be required.

Tips if the claimant is an Estate:

- ☐ Submit a copy of the documents issued by the court to appoint an Executor/Administrator / Personal Representative.
- ☐ Be sure to indicate the Estate as the claimant on the Claim Form.
- ☐ Include the Estate's Tax Identification Number on the Claim Form. Do not use the decedent's Social Security number.
- ☐ The claim form must be signed with the title Executor/Administrator/Personal Representative after your signature. (Example: *John Doe, Executor*).
- ☐ At the request of the Executor/Administrator/Personal Representative and subject to our approval, we may be able to pay benefits directly to Estate beneficiaries. Additional documentation will be required.

General submission tips:

- ☐ Submit all applicable documentation with the claim form.
- ☐ Please enclose a copy of the Death Certificate which clearly indicates the cause and manner of death. We accept photo copies of the Death Certificate for death benefits up to \$250,000 if the death occurred in the United States. We require a Death Certificate certified by the government records office for death benefits over \$250,000, or if the death took place in a foreign country.
- ☐ Once processed, the claim payment cannot be reversed and a different claim option cannot be chosen. Please take time to discuss any questions you may have with a tax advisor, if necessary. While we cannot give advice, our Customer Service representatives can provide information on the taxable portion of the distribution and the tax implications of each election for you to consider.