



Guide for Handling a Deceased Member's
Estate, Assets, and Debts

Summary

We understand that this is a difficult time, so we have created this guide to help make the account-settlement process as seamless as possible. This guide is a general overview and is not meant to address all aspects of the account-settlement process. If you have any questions regarding this process, please contact us at 626 799-0882. At the end of this document, you can find additional contact information and important phone numbers, should you have further questions.

Please note that this guide is for informational purposes only and not for providing legal, tax, financial planning, or investment advice. Pasadena Federal encourages you to seek financial, tax, and legal advice from professional advisors with respect to any particular issue or problem you may encounter during the settlement process. If appropriate, contact the probate court or its equivalent in the jurisdiction where the assets are located for further information on the probate process. For clarification, all funds deposited with Pasadena Federal are located in California.

General Information

We recommend that you settle your loved one's accounts as soon as possible. Pasadena Federal will continue to report to the Internal Revenue Service (IRS) under the deceased's Social Security Number (SSN) until the account is closed. By taking prompt action, you can avoid complications resulting from continued IRS reporting under the deceased's SSN. We cannot predict how long it will take for an account to settle without understanding the scope of an individual's circumstances.

Account Settlement

For us to begin the account-settlement process, we will need a certified copy of the death certificate. We may require other documentation based on the account structure and will notify you if we need anything further.

What to Expect on Deposit Accounts

- **Checking, Savings, and Money Market Accounts**
 - Single-owner accounts with designated beneficiaries will be closed, and any remaining funds will be distributed to the designated beneficiaries once any existing debts have been resolved.
 - Single-owner accounts with no designated beneficiaries will be closed, and any remaining funds will be distributed to the Estate once any existing debts have been resolved.
 - Joint-owner deposit accounts will remain open until Pasadena Federal receives all proper documentation. The surviving joint owner can continue to use the account, including, but not limited to, writing checks against the funds, making withdrawals from the account, and making deposits into the account. Please be advised that, eventually, this account will be closed or the surviving joint owner can choose to have the account retitled in his or her name.
 - Any debit card assigned to the deceased member must be deactivated to prevent unauthorized use.

- **Certificates of Deposit (CDs)**

- Single-owner accounts with designated beneficiaries will be closed, and any remaining funds will be distributed to the designated beneficiaries once any existing debts have been resolved.
- Single-owner accounts with no designated beneficiaries will be closed and any remaining funds will be distributed to the Estate once any existing debts have been resolved.
- If the certificate has a joint owner, the surviving joint owner may choose one of the following options:
 - If the surviving joint owner is a Pasadena Federal member, he/she may transfer the certificate funds “as is” into a newly established certificate, keeping the same dividend rate and maturity date as the original.
 - Cash in the certificate without penalty. This is the only option if the surviving owner does not qualify for Pasadena Federal membership.
 - If the surviving joint owner is not a Pasadena Federal member but qualifies for membership, he/she may establish membership and transfer the certificate funds “as is” into a newly established certificate, keeping the same dividend rate and maturity date as the original.

- **Individual Retirement Accounts (IRAs):**

- *Due to tax implications and the complexity of IRA accounts, please contact us to discuss further details.*

- **Automatic Payments/Transfers:**

Pasadena Federal will take the following steps with regards to automatic payments/transfers once we receive notification that a member is deceased:

- Bill Pay – We will discontinue the automatic payments from the Pasadena Federal Bill Pay system once we are notified that a member with this service is deceased.
- For individual accounts, any automatic transfers going in to or out of the Credit Union will be rejected.
- For joint accounts, any automatic transfers in or out will still disburse accordingly, except for direct deposits coming into the Credit Union account with the deceased member’s name as the beneficiary; these direct deposits will be rejected.

Please notify the companies that are debiting the deceased’s accounts that the member has passed away. Advise them to stop the automatic transfers because the member is deceased.

- **Federal Direct Deposits**

- Any Federal payments received in the deceased account holder’s name after the date of death must be returned to the U.S. Treasury per Federal regulation. Common Federal payments include (but are not limited to) Social Security Benefits, Department of Veterans Affairs Benefits, and U.S. Railroad Retirement Benefits. Any payments returned to an agency must be settled directly with that agency. All Federal payments received after the date of death are subject to reclamation by the U.S. Treasury.
- We often receive notices from the U.S. Government stating that a member is deceased. Once we receive such a notice, we reserve the right to begin our process. If you have questions regarding a Federal Benefits Payment, please see the Important Information section for the appropriate agency’s contact information.

How Loan Accounts Are Handled

Deposit account balances may be applied to the outstanding loan balance(s), per our statutory lien rights. Surviving borrower(s), or the member's estate, will be responsible for repaying any outstanding loan balances.

If for any reason you don't believe you will be able to make the payments or wish to surrender the property/collateral, contact our Special Services team at the number listed in the PFCU Contact Information section.

○ First Mortgages

- For single-borrower accounts, please have the successor-in-interest of the property contact us for further information. Please see the PFCU Contact Information section for our contact information.
- If you are a co-borrower on a real estate loan, you will automatically become the primary borrower on the account. If you don't wish to keep the loan with us, you will need to pay off the loan and close the account.

○ Credit Cards

- If the deceased was a sole borrower on a credit card account, the credit card account will be frozen. Statements will continue to be issued and will be addressed to the Estate once an Estate is opened.
- If there is a co-borrower on a credit card account, the account can remain open and be retitled in the co-borrower's sole name. Co-borrowers should continue to make regular payments on the credit card account. Statements will continue to be issued and addressed to the new primary cardholder.

○ Auto Loans/Lines of Credit

- For single-ownership accounts related to auto loans, please have the successor-in-interest of the vehicle contact us for further information.
- For single-ownership accounts related to lines of credit, the line will be closed and the debt will have to be repaid by the estate or from the remaining funds in the deposit accounts prior to the Credit Union releasing any funds.
- If you are a co-borrower, we will contact you to see if you would like to retain or close the loan. If you don't wish to keep the loan, you will need to pay off the loan and close the account.

○ Automatic Payments on a Deceased's Loan

If automatic payments are deducted from the deceased member's external or internal account(s), we can assist you with updating payment instructions.

General Questions

The following frequently asked questions will help you know what to expect as you deal with account settlement for a recently deceased loved one.

1) ***What if the beneficiary hasn't received the beneficiary documents?***

The beneficiary's/beneficiaries' contact information may have changed. Please contact the Credit Union to provide an updated mailing and/or email address. Once we review the request and validate the beneficiary, we can send the beneficiary documents to the updated address.

2) ***What if the beneficiary wishes to disclaim inherited funds?***

If you wish to disclaim your inherited funds, please contact us as soon as possible and before you accept any funds.

3) ***How do I reach the Social Security Administration concerning survivor benefits?***

You can contact the Social Security Administration toll-free at 1-800-772- 1213 or online at www.ssa.gov. Since it can take up to 90 days to process a claim, it is important to notify them as soon as possible.

You are generally required to provide:

- proof of death, such as a certified copy of the death certificate
- the SSN of the deceased
- the name of the deceased's employer
- the deceased's most recent W-2 forms or self-employment tax return showing earnings in the year of his or her death
- a certified or original copy of the birth certificates of the spouse and minor children
- divorce papers if the divorced spouse is applying for benefits

4) ***I am the designated personal representative of the Estate, but I am not a joint owner on the deceased's accounts; will I be able to access information on the account, such as which checks have cleared?***

Yes. Once you provide a certified copy of the probate documentation naming you as the personal representative of the Estate, you will be entitled to all account information.

5) ***Does the Credit Union offer Estate Accounts?***

Not at this time.

Planning Your Financial Future

Need advice about what to do with the disposition of accounts and assets? Visit the Investment Center at Pasadena Federal and talk to a CUSO Financial Services (CFS)* Investment Advisor about your goals for investing, retirement, and estate planning; they will work with you to help you create a strategy to suit your needs. Call 626 799-0882 to set up your complimentary, no-obligation appointment, or visit our website at pfcu.org.

*Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member [FINRA/SIPC](#)) and SEC Registered Investment Advisor. Products offered through CFS: **are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal.** Investment Representatives are registered through CFS. Pasadena Federal Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union customers.

PFCU Contact Information

Should you have questions regarding this process, you may use the following communication channels to reach us.

- Phone: Pasadena Federal Credit Union—626-799-0882

- Mail: Pasadena Federal Credit Union
Attn: Member Services
PO Box 7132
Pasadena CA 91190-7132

- Email: pfcu@pfcu.org

- Branch: Visit our branch location to speak with a representative, who can help you through this process.

Important Information

California Letter of Administration information: www.courts.ca.gov/documents

- Internal Revenue Service (IRS)
 - 800-829-1040
 - Be prepared to fax:
The deceased taxpayer's death certificate, **and** either copies of Letters Testamentary approved by the court or [IRS Form 56, Notice Concerning Fiduciary Relationship](#) (for estate executors)
 - www.irs.gov

- Social Security Administration (SSA)
 - 800-772-1213
 - www.ssa.gov

- U.S. Treasury
 - 202-622-2000
 - www.treasury.gov