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Suddenly Single: ssss
What Widowed Boomers Need to Know About Finances

By Casey Dowd

"The Boomer" is a column written for adults nearing retirement age and those already in their "golden years." It will also promote reader interaction by posting e-mail responses and answering reader questions. E-mail your questions or topic ideas to thefoxboomer@gmail.com.

Widowed boomers face tough economic challenges including rising medical costs and inadequate retirement savings in addition to the current weak economy. Adding to this is the fact that in our generation, men tended to take care of the investments and financial planning.

Taking control of the family's financial assets after losing your spouse may be overwhelming, but it is critical for female boomers to maintain a positive and financially-healthy lifestyle.

"While the world of finance may seem foreign to many women, it is important that they take control if they find themselves widowed," says Jean Dorrell, president of Senior Financial Security Inc. "Taking responsibility--even during a difficult time--will determine a secure financial future."

Dorrell answered the following questions to give tips and advice for widowed baby boomer women to follow in order to become financially stable:

Boomer: What legal documents need to be addressed with the loss of a spouse? What happens if a husband dies suddenly without a will?

Dorrell: Most people hold their assets jointly with their spouse; it is either called a joint tenant with rights of survivorship (JTWROS), or joint tenants in common (JTTEN). If you hold your assets as JTWROS with your spouse even if your spouse dies without a will all assets that are titled that way will still belong to the remaining spouse without any kind of probate or any problems like that. In this situation the surviving spouse would need to title assets properly so that she could then pass them onto who she wants after death. Usually, financial planners use a pay on death (POD) or transfer on death (TOD) method to do this—both are ways to add beneficiaries to eliminate probate.

For individuals with a larger estate ($5 million or more), it is a good idea to have a trust—that way not much has to happen in the event of a death. In most estates with less than $5 million in assets, financial planners use POD or TOD because that will automatically bypass probate and keeps everything private.

Real estate works this way in some states where you can name a POD on your real estate and the child that you leave it to just goes to the courthouse, presents a death certificate, pays a $10 recording fee (depending on the state) and then the house would be re-titled in the beneficiary's name without probate, all private and they can then sell the home or refinance the home if they so need to.

As far as documents for the remaining spouse, you definitely are going to want to re-designate your power of attorney since most couples give the other this power. I always recommend couples have an alternate power of attorney because in case both members are in an accident together. In that case, the alternate power of attorney would then become the primary and you want that to be your most

trusted child, your CPA or maybe your attorney to serve in that right. Without that document the state is going to make decisions for you. If you don't have a power of attorney or a will with designations than you get the state's plan, it will decide who gets what, when, where why and how and it's not a good plan. Everyone needs to have a power of attorney for financial, health care, a living will which designates what you want to have happen if you are diagnosed with a terminal illness and not necessarily a will but a beneficiary

A will is going to go thru probate. If you want to keep everything private and you don't want to spend a lot of money on a trust, you simply just name beneficiaries on everything. Those need to be checked and revisited because many of the financial institutions change names or merge and when that occurs if you have a named beneficiary on file it basically becomes null and void with the name change. They don't always come out and tell you this, they actually will shred the old beneficiary form because it has the old

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bank name on it and it becomes null and void.

Boomer: For female boomers that are covered under their husbands' employers' health plan, what rights do they have and what do they need to do to continue their coverage?

Dorrell: To be perfectly frank, I work with retirees so 98% of my clients are on Medicare. Most people opt for Medicare if they are eligible as opposed to the employer plan. Going forward, people may elect to stay on the employer plans if Medicare is going to have all of these cutbacks, but right now most people remain on Medicare with a Medicare supplement and none of that changes when their spouse dies.

If they are covered on an employer health plan thru their spouse and their spouse dies, they can continue their coverage thru COBRA at their own expense.

Boomer: Will widows continue to receive their husbands' Social Security checks? If the husband passed away prior to applying for Social Security, do wives have any rights to collect that?

Dorrell: If both are on Social Security and the husband passes away and his Social Security check is higher, than she will lose her check and start receiving his higher check If her check is higher than she will not continue to receive his check. Either way, there will be a loss of income.

If they haven't applied yet for Social Security there is a widows' benefit that would be available to the remaining spouse. It is usually a lesser benefit than what she would be entitled to once she gets to the age to collect Social Security.

Boomer: My husband's income has been our sole means of support for the last 20 years. Am I responsible for any unpaid federal or state income taxes?

Dorrell: If you are filing a joint tax return--which most married couples do--and there were taxes that weren't paid, the surviving spouse will be responsible for that. If they filed separate tax returns, a widow would only be responsible for her own filings.

Boomer: What happens to the balance on our credit cards, individual and joint accounts?

Dorrell: There are a couple of things involved here both legally and ethically. I wouldn't pass judgment on someone who doesn't want or cannot afford to pay her dead husband's credit card bills. If the credit card was in his name, the surviving spouse is not responsible for that debt. That is not to say that the credit card company won't hound the surviving spouse to make the payments, even though she is not responsible. I think ethically, most older people are going to go ahead and pay that bill as long as they can afford to do so. If it was a jointly-owned credit card they are required to by law to pay off that debt.

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