



# A Quick Review of Executors: Their Roles and Responsibilities

This quick reference sheet highlights the Safe Banking for Seniors presentation on executors and what they do on your behalf.

Your executor is a fiduciary who is legally obligated to follow the terms of your will, including distributing the assets in accordance with your wishes and to work in the best interest of your beneficiaries.

Since the choice of executor rests with you, you should choose an individual or professional whom you believe will handle the job effectively and live up to the trust you have placed in him or her.

The most important thing you need to know about the executor of your will is that he or she is responsible for managing your estate, which includes:

- After your death, filing your will and having it verified by the probate court
- Collecting all the documents the probate court needs to initiate the settlement process
- Assembling and valuing your estate's assets
- Calculating your estate's debts and seeing that they are paid
- Filing your income tax return and an estate income tax return, if required
- Distributing your estate's probate assets and ensuring they are titled in their new owners' names
- Filing the final paperwork with the court to close out the estate

The clearer your will is about what you want to happen to your probate assets, the more easily and efficiently your executor can carry out your wishes. You can simplify the process as well by making sure that your records are organized and your executor knows the location of all the documents needed to settle the estate.

You and your executor can find the state law that applies to your state by visiting its probate court website.



# Evaluating Potential Executors

If you are planning to name an individual rather than a professional as executor of your estate, you may find this checklist helpful in making your decision.

After answering the questions for each of the people you may be considering, note the number of times you chose “no” as an answer.

- 1. Is the person trustworthy? Think about what being trustworthy means to you based on your past experiences with the person.  
 Yes    No
- 2. Is the person efficient? In this case, efficient means being able to handle a lot of details and meet deadlines.  
 Yes    No
- 3. Does the person communicate well? Will he or she be able to talk effectively with court officers, bank and investment company representatives, and family members?  
 Yes    No
- 4. Does the person have a relationship with your family that will help ensure he or she will be committed to act in the best interest of your beneficiaries?  
 Yes    No
- 5. Could he or she stand up to people who object to the wishes you have expressed in your will?  
 Yes    No
- 6. As far as you know, is the potential executor in good health and likely to be able to serve when the time comes?  
 Yes    No
- 7. Does the person meet the legal requirements of your state?  
 Yes    No
- 8. Can you say without hesitation that the person you are considering is the best choice?  
 Yes    No



# Probate and Non-Probate Assets

Your estate assets are divided into two categories: those that are subject to probate and those that are not. Understanding the difference between probate and non-probate assets can help you make decisions about assets that could be transferred either way.

## Probate Assets

Probate assets include any property you own individually—which means in your name alone—from bank accounts and investments to real estate and automobiles. It also includes all your personal property including furniture and jewelry, whether or not you specify in your will to whom you want to give those items.

## Non-Probate Assets

Non-probate assets are typically transferred directly to the beneficiary and are not subject to probate court proceedings because they are not included in your will. In practically all cases, non-probate assets are passed to beneficiaries more quickly than those that are probated. That may explain why some people choose to take assets out of the probate estate if that is possible.

## Types of Non-Probate Assets

- 1. Assets with named beneficiaries.** These assets include insurance policies, annuities, employer sponsored retirement accounts, such as 401(k)s, individual retirement accounts (IRAs), education savings accounts, 529 plans and health savings accounts (HSA) for which you have named a beneficiary. They are always part of the non-probate estate and are never transferred by your will.
- 2. Assets with joint owners.** These are assets that you may have purchased with a joint owner, each of you with right of survivorship, or that have been retitled from individual to joint ownership. The surviving owner becomes the sole owner at your death.
- 3. Assets you title as payable or transferable on death.** With these assets, you retitle accounts that were yours to be payable on death (POD) in the case of bank accounts or transferable on death (TOD) in the case of investment accounts. The person you name becomes the sole owner at your death. All you do is contact the bank or brokerage firm where you have the account and make that arrangement. That takes these assets out of the probate estate.
- 4. Living trust.** If you wish, you may move some or nearly all of your assets in a living trust. A living trust is one that you set up during your lifetime as a way to reduce the size of your probate estate and speed up the transfer of assets to your beneficiaries. For example, you might choose to leave only the money in your checking account and your personal property in the probate estate.



# Create a Financial Inventory

Use this checklist below to help gather and organize the financial records, expenses, and other critical documents you need to manage an older adult's finances.

## Financial Accounts

- Annuities
- Certificates of deposit
- Checking accounts
- Credit cards
- Investment accounts
- Retirement accounts
- Savings accounts

## Living Expenses

- Cellphone/landline
- Electricity
- Gas
- Internet
- Cable TV
- Property taxes
- Rent
- Subscription services

## Property

- Antiques
- Art
- Boat(s)
- Jewelry
- Rental property
- Primary residence
- Vehicle(s)
- Safe deposit box

## Loans

- Auto
- Home equity
- Mortgage
- Personal
- Reverse mortgage
- Student

## Insurance

- Auto
- Disability
- Homeowners
- Life
- Long-term care
- Medical
- Medicare
- Renters
- Umbrella

## Income

- Annuities
- Business income
- Insurance payments
- Investment interest
- Dividends
- Military benefits
- Pension
- Retirement income
- Rental property
- Salary
- Social Security

## Professional Services

- Accountant
- Attorney
- Insurance agent
- Financial advisor
- Doctor
- Dentist
- Landlord
- Property manager

## Home Services

- House cleaner
- Plumber
- Handyman
- Gardener/landscaper
- Snow removal
- Home health aide
- Dog walker



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## Assembling Important Records

You can make your executor's job easier if you organize your legal and financial documents and provide a list of what you have and where to find them.

Legal Documents	Completed	Location
Will		
Living trust documents		
Birth certificate(s)		
Marriage license		
Prenuptial agreement		
Divorce decree and related documents		
Military service records		
Real estate deeds/titles		
Rental property contracts		
Vehicle titles		
Naturalization papers		
Partnership agreements		
Passport		
Other		





<b>Financial Records</b>	<b>Institutions/Account Numbers</b>	<b>Username/ Password</b>	<b>Location</b>
Loan and lease documents			
Tax returns			
Social Security records			
Safe deposit box			
Other			

<b>Professional Advisers</b>	<b>Contact Information</b>
Estate attorney	
CPA/Tax preparer	
Investment adviser	
Other	
Other	