

Mourning and managing finances

Back in 1967, the American scientists Thomas Holmes and Richard Rahe created the Social Readjustment Rating Scale. Following a survey of 5,000 medical patients, the scientists ranked the level of stress caused by different life events. The top source of stress, they concluded, was the loss of a spouse. Last year, *Harvard Health Publications* published an article saying that the death of a spouse/partner can lead to heart attack and stroke. Reasons for the cardiovascular decline include stress-induced changes in blood pressure, heart rate and blood clotting.

Amid this personal turbulence, unfortunately, personal finances (if you will) are oblivious to such stress. Bills still have to be paid, groceries have to be bought, garbage has to be taken out. How do you keep things going at perhaps the hardest time in your life? Let's consider it.

Family

A lot depends on whether you have family members or close relatives (or friends) in town. If you are not so fortunate, find someone – be it a banker you've worked with over the years, your Lawyer or a doctor or, more likely, someone the doctor can recommend. Here is what that person should help you with.

Funeral arrangements

This is the first thing to be arranged. Whether cremation or burial, it has to be the focus of the early going. Many people have prepaid a plot, and sometimes parts of the funeral ceremony, but in some cases a Personal Representative or Executor may not know that, and so have to search at home for any papers that can be found to confirm it.

When a death happens unexpectedly, it can be hard to locate where plans need to be made quickly. If nobody knows where the Will is (if there is one), leaving everyone in the dark as to who the Executor is, someone will have to search.

Pensions

In Canada, we are penalized if we lose our spouse. The surviving spouse (or "common law partner") loses their late spouse's OAS payment (likely around \$500 per month) and will receive only 60% of their late spouse's CPP payment (at most about \$600 per month; they lose around \$400). That's a loss of almost \$1,000 per month.

To top it off, the surviving spouse must apply for CPP survivor benefits. That should be done as soon as possible after the death. Add to that the CPP death benefit, a one-time payment of \$2,500 maximum. Again, an application has to be completed and mailed out. This should be done at the same time as the application for CPP survivor benefits, and can be mailed to the same place (Service Canada).

Bank accounts

At your bank, you should make arrangements to pay ongoing expenses (if that has not already been done). You should go with a family member or other helping person, and arrange automatic payments of regular bills (such as rent or strata maintenance, telephone and hydro). You may also change the bank account from a joint account (with your now deceased spouse) to an account in your name only.

In some circumstances, you may want to give someone a degree of authority over your accounts. For example, if you have one (adult) child, it may make sense to add them as a joint account holder with the right of survivorship. If you have more than one child, you may want to add all of your children as joint holders. Or, you may just want to give them authority to pay bills. Here, you will eventually need to get advice based on your circumstances.

Will and insurance policies

Once your regular expenses and pension matters are cleared, you should look for a Will of your deceased spouse and for any insurance policies they may have made. You will need to see the Will to ascertain if any insurance monies are available and, if so, contact the insurance company and complete the forms they send. Insurers usually pay relatively quickly on life policies, and this money is often needed after someone dies.

Summary

Unless you need to move quickly, you should take some time at such a point in your life. You do need to mourn, and most creditors and others will wait if certain payments are missed. In my opinion, the worst thing you can do is rush and try to do everything yourself. Don't be afraid to get help, because you do need it at such a time.

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