

[Reader Story: Estate Planning – The First Month](#)

*This guest post from Jeffrey G. is part of the [“reader stories”](#) feature at *Get Rich Slowly*.*

What would happen if you, your spouse, a parent, someone who you shared a financial life with died today? Not next week after the car payment is sent in. Not next month when you’ve finally gotten around to writing down all of your passwords and account numbers. Not next year when you’ve updated your will. What would happen if they died *today*?

Last month, Robert Brokamp wrote about [estate planning done right](#) and made an important point: Estate planning is for everyone (not just the rich or retired), and you should have important documents like your will updated at least every five years. But what I would like you all to think about today is what does that first month after the death of a loved one look like? Do you know how to access all of the necessary accounts? Do you know what bills need to be paid and when? Do you know where the checkbook is kept?

Estate planning in real life

My mother passed away unexpectedly this year at the age of 53. She was in charge of everything financial in the household. I, being the oldest child, was left to try to get my father back on track financially in the weeks following the incident.

My mother was well prepared. She had a book listing all of her passwords, notes about where she kept all the important documents in the house, and a sheet given with all important account information on it. Unfortunately, the passwords were two years out of date (and she, being a good internet citizen, changed them regularly), the important documents had been moved to a more hidden location because my parents had been on vacation, and the account information was about five years out of date, during which time more than half of the accounts had been closed and new ones opened in the meantime.

My family was operating a shoestring budget and had bills that needed to be paid. She died on the 30th of the month, with the end-of-month bills not yet paid — and the first-of-the-month bills coming due. We had no idea what accounts existed or how much was in them. We found checkbooks but had no idea what the balance was. Sure, she kept a register, but it was in her own foreign shorthand. I assumed this would all be easily solved, but everyone wants death certificates to process anything (life insurance payouts, access to accounts, etc.) and those can take a couple of weeks to arrive.

I’ve spoken to others who have dealt with similar situations and it seems like there are a number of takeaways from this experience:

- First, an [emergency fund](#) that is easily accessible by an heir is key. “Easily accessible” doesn’t just mean that the person is listed as a beneficiary or that it is dictated to go to an heir in the will, but that the person can access the account without jumping through legal hoops. That means if you keep separate finances, each partner must have access to enough savings to keep the household running for a month or two in the other person’s absence (before benefits like life insurance kick in).

- I also learned that it's important to have an emergency fund myself as the heir. Things worked out alright for us because my mother had all of her accounts jointly listed, but during the first stressful few days, I slept better knowing that I had enough of a cushion that I could help my father during the first month or two myself.
- All household account information, including account numbers, passwords, security question answers, social security numbers, etc. need to be recorded and updated regularly. This includes not only things like bank accounts, retirement accounts, and the like, but also bills and loan information, plus details on how those bills get paid. For example, I discovered that my mother had a Blockbuster subscription for \$20 a month that no one remembered existing. It was auto-withdrawing on a credit card. While it won't break the bank, it's still important to know about so that the bill gets paid (or cancelled).

To me, this adds a new perspective on the idea of [automating your finances](#). While automation reduces some of the immediate stress of getting bills paid, it also makes things more complicated when somebody dies because accounts change.

If you're the primary financial guru in your household, be sure your accounting methods are clear enough for someone else to understand. My mother's checkbook register ran negative often. I'm sure there was a reason for it, but I don't know what it was and it made figuring out what was going on very difficult.

Final thoughts/b>

As a result of this experience, I've committed to sitting down with my fiancée and going over our accounts and a typical month in the accounting of our household. I've also used [1Password](#) to save all of my passwords and have given my fiancée and a trusted friend knowledge of how to access my master password. I have all of our financial documents backed up securely, but in a manner in which my fiancée can easily access them. I'll be upping my emergency fund and have made sure that all of our accounts are held jointly.

While the personal finance literature — and this blog — do a great job of considering what you need to do to ensure that your heirs are cared for in the years after you die, I ask that you consider what you can do to make the first month as easy as possible for your survivors.