



# When You Lose a Loved One



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# When You Lose a Loved One

Whether you are the spouse, partner, child, parent, sibling or friend of the deceased, there are necessary tasks and decisions that must be made when a loved one dies.

However, these decisions do not have to intrude completely on your need for solitude or quiet reflection, and can be made less stressful.

Having assisted many people in similar situations, we know that you will have questions. You are dealing with issues and emotions you may never have faced before. Over the next few months, you will need to make important choices that you may feel unprepared to make. That's why we are here, to help you through this difficult time so you can make decisions that are beneficial to you. To that end, we have included sections on:

- ▶ How to Take Care of You
- ▶ How to Prioritize the Things You Need to Do
- ▶ Documents You'll Need and Suggestions on How to Find Them
- ▶ Sample Letters for You to Copy and Send as Needed
- ▶ Making Sense of Tax Issues
- ▶ Additional Resources

## How to Take Care of You

Grief is something that must be dealt with and worked through — a process that takes time. Some experts say that grieving takes over a year, while others admit that most people take two to four years to get beyond the loss of someone close.

With the death of a spouse, a partner, a child or a parent, the grief can last even longer. Yet, while each relationship creates its own form of bereavement, one thing does remain constant: grief will not just go away on its own — or by avoiding it. There is some evidence, in fact, that the stress induced by denial of the mourning process can cause illness, at times even serious illness.

## What You're Feeling

*Those who grieve need to give themselves permission to mourn.*

The death of a loved one has a profound effect on the mental state of those left behind. For some, the loss of a spouse is devastating and its effects are long lasting. For others, it is more manageable. In either case, the death of a spouse irrevocably alters the daily structure, caretaking, companionship and social life of the one left behind.

Grief is a multi-stage process wherein stages may overlap, leaving you with emotions that swing dramatically from one extreme to another. At first you may experience disbelief, numbness and shock. You may find that your eating or sleeping patterns change, and that your mind becomes cluttered, leaving no time or room for anything else.

Then, as you begin to feel the separation, you may become extremely depressed and lonely. Sometimes you may find yourself avoiding anything that reminds you of the deceased, and other times you may surround yourself with mementos. You may have trouble concentrating, appearing disorganized and forgetful. Normal, everyday dealings may become annoying. And there will be days when you can't help but act irritable, anxious or restless.

## What You Need

You need support. One way to help resolve your grief is to reach out to those around you for support and understanding. One of the best ways is to share your feelings with others.

Family and friends are usually the first people we turn to in time of need. And yet, if family and friends are going through their own grieving process, they may not be able to lend as much support to you as you need.

Or, you may feel separated from your friends; that you no longer “fit in” with the same social circle. If you’ve lost a spouse, you may find it awkward to be around couples. If you’ve lost a child, you may feel uneasy about being around friends who have children.

Perhaps the best way you can gain support is to reach out to an organization that specializes in assisting people to cope with their losses. There are many community service organizations, as well as your own house of worship, that could serve as a resource for bereavement groups. Sometimes sharing your grief with others who face similar issues and who have similar needs can be most helpful.

You need to be well. Whether you feel up to it or not, you must take care of yourself. That means keeping both mind and body healthy. This is extremely important, since one of life’s greatest stresses — the death of someone close — can take a toll on your health.

Be sure you get regular exercise, proper nutrition and rest, and consult your physician about any physical ailments, including sleep disturbances, loss of energy or appetite.

We hope what you find on the next few pages is helpful to you during this time. Please see page 17 for a list of additional resources that may be beneficial to you as you cope.

## The First Few Days

-  **Find the will (if there is one).**

Funeral instructions may be contained in the will, and, therefore, it should be the first document you locate. Usually the will is kept in a safe deposit box or in a home safe. However, a copy may be obtained at the office of the attorney who drew up the will or on file at the Surrogate Court.
-  **Make funeral or memorial service arrangements.**

Funeral directors often help notify newspapers and associations for the purposes of publishing a death notice.
-  **Order 15 or more certified death certificates.**

You may obtain death certificates from either the funeral director or the County Clerk's office. This can usually be done for a nominal fee. You will need certified copies of death certificates to claim Social Security and insurance benefits, change ownership of joint property, to enter safe deposit boxes and to file tax returns. Larger estates may require as many as 50 certificates. Photocopies are often not acceptable.
-  **Check with Social Security and the Veterans Administration.**

You may qualify for burial allowances. The VA also provides a marker for the grave, an American flag for the casket and, in some cases, transportation to a Veterans Cemetery. Contact them again within the next two weeks to discuss death benefits.
-  **Clip obituary notices.**

Some insurance companies require a dated newspaper announcement in order to process claims.
-  **Call your financial professional.**

You don't need to pay an advisor to file for insurance or annuity proceeds. Your financial professional will help expedite your claims processing, discuss payment options and review your new financial situation.
-  **Check the status of your medical insurance coverage.**

Spouse and children may be entitled to continue their medical coverage under the deceased's employee benefit plan as long as they continue to pay the premiums. If the present coverage cannot be continued or can only be converted to an individual policy at a higher rate, your financial professional may be able to help you find the most cost-effective coverage.



**Contact each financial institution where the deceased banked.**

A bank may seal the deceased's safe deposit box and may freeze any checking or savings accounts after the death announcement is published. You may then be required to obtain a release before funds can be withdrawn from those accounts. A bank officer can explain the procedure for obtaining a release.



**Apply for death benefits.**

Write formal letters notifying companies and organizations that the insured is deceased. These include: the Social Security Administration, the Veterans Administration, the deceased's employer or former employer, union, civil service, professional and trade associations, fraternity/sorority, alumni and automobile club. *Employment and membership organization benefits do not come automatically. You must apply for them.*

(You may want to contact Social Security and the Veterans Administration right away because a delay in applying can result in the loss of some benefits.)



**Consult an attorney.**

It is wise to seek legal counsel on such matters as setting up trusts, recording property deeds, disposing of stocks, bonds, bank accounts or business property, as well as conserving and disbursing the deceased's estate. During the initial consultation, discuss fees and the need for engaging an attorney's service.



**Have someone watch your home during services.**

Burglars have been known to read obituaries to find out when no one will be home.

## Within Two Weeks



**Locate important papers and documents.**

Certain documentation is needed (see document checklist) to claim death benefits. Most often these papers are kept in a safe deposit box or in a home safe. Also, you will need to check with the deceased's accountant, who may know of certain business arrangements that you are not aware of and who will help access tax records. Do not throw out any documents such as life insurance policies and certificates, even if the policyholder stopped paying premiums. The policy may still be in force. In addition, canceled checks and receipts may be needed to prove payment or ownership.

- Advise all creditors.**  
Be sure to notify all agencies that hold installment loans, credit cards, mortgages, student loans and service contracts about the death. Ask if any outstanding loans are insured, or if any life insurance benefits are available. Some of these loans may become fully paid in the event of a customer's death. (See Sample Letters, pages 10–11.)
- Discuss outstanding debts with an attorney or surrogate court.**  
Do not use insurance proceeds to pay debts of the deceased unless advised to do so by an attorney. You may not be obligated to use the insurance proceeds to pay such debts. Also, beware of swindlers who send phony bills and overcharge for services. When in doubt, check with the Better Business Bureau and refer suspicious bills to your attorney.
- Contact the trust officer.**  
If a trust was established by the deceased, discuss the terms of the trust with the trust officer.
- If children are attending college, contact their school's financial aid office.**  
When a parent dies, college students are often eligible for increased financial aid, loans or grants.

## The First Month

- Set aside your inheritance and death benefits.**  
If you are the beneficiary of a policy insuring the deceased, you may want to choose a relatively safe, short-term financial instrument such as the AXA Asset Account (if proceeds are eligible) until you determine how to invest your money for the long term.
- Review your life and disability insurance coverage.**  
Your needs may have changed and, therefore, your life and disability insurance needs may be different. You may want to discuss your situation with your financial professional.
- Start or continue to establish your credit rating.**  
This can be done by applying for credit cards, bank or car loans in your own name.

## The First Six Months



### Prepare a budget.

Record all income and expenses for several months to help determine where you stand financially. Another way to determine your household budget is to review your checking account and tax forms. Estate settlement papers are also a good source of income information.

Monthly Income	\$	Monthly Expenses	\$
Trust Funds	\$	Rent/Mortgage	\$
Insurance Proceeds	\$	Utilities	\$
Rental Income	\$	Installment Loans	\$
Securities	\$	Insurance Premiums	\$
Social Security	\$	Medical & Dental	\$
VA Benefits	\$	Telephone	\$
Deceased Employee Benefits	\$	Credit Cards	\$
Pensions & Annuities	\$	Car/Transportation	\$
Earnings from Investments/Savings	\$	Food	\$
Salary/Bonuses/Tips	\$	Clothing	\$
Other	\$	Household	\$
	\$	Child Raising	\$
	\$	Entertainment	\$
	\$	Vacation	\$
	\$	Gifts/Contributions	\$
	\$	Taxes	\$
	\$	Savings	\$
<b>Total Income</b>	\$	<b>Total Expenses</b>	\$
<b>Less Total Expenses</b>	\$		
<b>Balance</b>	\$		

If you find you cannot balance your budget, you may have to consider reallocating invested funds and taking or changing jobs to produce more income. Do not forget to factor in federal, state and local tax liabilities. It may be in your best interest to seek professional assistance from a financial professional.



**Review your own will.**

If you do not have a will, have your attorney draw one up for you. This is a proper time to make contingency plans in the event something happens to you. Remember to appoint an executor, and if you have minor children, a legal guardian. Be sure to ask person(s) you have in mind for these roles for their permission before you appoint them.



**Change names on joint property.**

Be sure to include joint billing accounts, credit cards, house, property, automobiles and subscriptions. Once your property is released from joint tenancy, you should change any fire, auto or other insurance coverage you may have held jointly. Change beneficiary designations on life insurance policies and retirement plans that named the deceased. Contact your local Motor Vehicle Department to clear title to your automobile, since it is handled differently in each state.



**Find out if state and federal taxes on the estate are payable and when they are due.**

Most states impose either an inheritance tax or a state death tax. (Check your state law for filing deadlines.) The federal government also taxes estates valued above a certain amount and requires a return to be filed within nine months. Since tax laws are complicated, and can have a tremendous effect on you, consult an attorney or certified public accountant.



**Postpone the decision on where to live for at least six months.**

If you feel the need to act sooner, consider taking temporary measures such as renting out your house instead of selling it, visiting family for a week or two before moving, or taking a long vacation before relocating. This will give you a chance to feel out a new neighborhood, living arrangements and conveniences.

## The First Year



**Plan for your future.**

Begin to make decisions you have postponed, including changing your residence and investing your inheritance. It is also a good time to set financial goals, such as providing for your children's education and building a retirement nest egg.

# Document Checklist

Check List	Documents	Purpose of Document	Likely Location
<input type="checkbox"/>	<b>Original life insurance policies or annuity contracts</b> (or policy numbers or contract numbers) on the deceased	Needed to file claims and inquire about methods of payments	Safe deposit box, home or office desk, safe, file cabinet
<input type="checkbox"/>	<b>Certified death certificates</b>	Required to process claims Required to apply for Social Security benefits, including Railroad Retirement Act benefits, burial allowance, lump sum benefit Required to apply for VA benefits, including burial allowance (photocopy OK) Bring to your attorney (photocopy OK) Required to change ownership on joint property, such as house, property, stocks, bonds, automobile, bank accounts Required to enter safe deposit box Required to file tax return	Request certified copies from Funeral Director or County Clerk's office
<input type="checkbox"/>	<b>Dated obituary notice and newspaper articles</b>	May be required for processing claims	Clip from local newspaper
<input type="checkbox"/>	<b>Certificates of appointments</b> (if you are filing as executor, administrator, or in any other fiduciary responsibility)	May be required for processing of claims and disposing of assets	Obtain certified copy of the appointment from the court
<input type="checkbox"/>	<b>Will</b>	Bring to an attorney or to the Surrogate Court	Safe deposit box, home or office desk, safe, file cabinet, the attorney who drew up the will, or on file at the Surrogate Court
<input type="checkbox"/>	<b>Marriage certificate(s)</b>	Required to apply for Social Security benefits Required to apply for VA benefits (photocopy OK) Bring to your attorney (photocopy OK)	Safe deposit box, home or office desk, safe, file cabinet
<input type="checkbox"/>	<b>Domestic partner or civil union certificates</b>	Required to claim any state or employer-sponsored benefits	Safe deposit box, home or office desk, safe, file cabinet, on file with the municipality that issued the certificate
<input type="checkbox"/>	<b>Names and addresses of heirs, next of kin, beneficiaries</b>	Bring to your attorney Bring to the Surrogate Court if you are not using an attorney	Safe deposit box, home or office desk, safe, or best of your knowledge
<input type="checkbox"/>	<b>Summary of deceased's assets</b>	Bring to your attorney	Safe deposit box, home or office desk; these papers might include the W-2 form, recent tax returns, property and casualty insurance form records
<input type="checkbox"/>	<b>Business records</b> such as Partnership Agreements, Buy-Sell Agreements, Tax Records, Balance Sheet	Bring to your attorney	Your accountant, safe deposit box, home or office desk, safe, file cabinet

Check List	Documents	Purpose of Document	Likely Location
<input type="checkbox"/>	<b>Employee benefits statement for deceased</b>	Help determine the benefits you are entitled to as the survivor	Safe deposit box, home or office desk, safe, file cabinet, or contact employer
<input type="checkbox"/>	<b>Your retirement plans and employee benefits</b>	Change beneficiary designation	Safe deposit box, home or office desk, safe, file cabinet
<input type="checkbox"/>	<b>Social Security numbers or cards</b>	Required to apply for Social Security benefits	Wallet, W-2 form, paycheck stub, file cabinet, or contact employer
<input type="checkbox"/>	<b>Deceased's approximate earnings during the year of death</b>	Required to apply for Social Security benefits	Paycheck stub, or contact the employer
<input type="checkbox"/>	<b>Government life insurance policy number</b> (or the "C" claim number, military service serial number, the branch and date of military service, or a copy of the discharge papers)	Required to apply for VA benefits	Safe deposit box, home or office desk, safe, file cabinet; the VA can help you secure some of these documents
<input type="checkbox"/>	<b>Membership cards or dues notices</b> to organizations and associations to which the deceased belonged	Ask what benefits you are entitled to as the survivor	Home or office desk, briefcase, wallet
<input type="checkbox"/>	<b>Bank statements and passbooks, keys to safe deposit box</b>	Ask the bank if the deceased had mortgage insurance, safe deposit box, trust agreements, bank accounts	Safe deposit box, home or office desk, safe, file cabinet
<input type="checkbox"/>	<b>Fire, homeowners, automobile and other casualty insurance coverage</b>	Change name on policies	Safe deposit box, home or office desk, safe, file cabinet
<input type="checkbox"/>	<b>Medical and disability insurance policies and certificates</b>	Needed to review amount and type of coverage you need now	Safe deposit box, home or office desk, safe, file cabinet
<input type="checkbox"/>	<b>Current bills</b>	Discuss with an attorney or Surrogate Court Prepare household budget	Monitor mail for two months
<input type="checkbox"/>	<b>Installment payment books, credit cards, checking account book, credit agreements, loan papers</b>	Find out if there is credit life insurance or disability insurance on installment loans, credit cards and checking account lines of credit Change name on existing accounts	File cabinet, home or office desk; also monitor mail for two months
<input type="checkbox"/>	<b>Joint billing statements</b> (utilities, etc.)	Change name on these accounts	Home or office desk, file cabinet
<input type="checkbox"/>	<b>Real estate deeds</b>	Required to change name on these deeds	Safe deposit box, home or office desk, safe, file cabinet
<input type="checkbox"/>	<b>Brokerage and mutual fund statements, stocks, bonds and securities certificates</b>	Change name on deceased's account and joint account	Safe deposit box, home or office desk, safe, file cabinet
<input type="checkbox"/>	<b>Automobile registration</b>	Required to change name	Home or office desk, or glove compartment
<input type="checkbox"/>	<b>Life insurance policies or annuity contract on you and other family members</b>	Change beneficiary if the deceased is named For life insurance, ask if children's coverage is automatically paid up	Safe deposit box, home or office desk, safe, file cabinet

# Sample Letters

**You can personalize these letters to notify organizations about the death and to initiate the claims process.**

**Be sure to include your full name, address and phone number, and keep a copy of every letter. Also include full name of the deceased, date of birth and month, day and year of death.**

## Life Insurance Companies

Dear **(Name)**:

This is to inform you that **(deceased's name)** died on **(month, date, year)**. Please send me the necessary documents to process a claim under policy number(s) **(list policy numbers)**, and let me know to whom they are payable.

Please describe all payment methods that are available.

Please search your files for any other coverage that **(deceased's name)** may have had, including other policies or riders on other family members that may be paid up, due to this death.

Sincerely,

## Social Security Administration

Dear **(Name)**:

**(Deceased's full name, Social Security number)**, passed away on **(month, day, year)**. I would like to schedule an appointment with your representative on **(preferred date and time, and two alternative dates and times)**.

I have obtained copies of the death certificate, marriage certificate, birth certificates, and those of dependent children, Social Security numbers and evidence showing **(deceased's name)**'s recent earnings. If you require additional forms of verification or information, please let me know when you confirm our appointment. Thank you.

Sincerely,

## Veterans Administration

Dear **(Name)**:

**(Deceased's full name)** died on **(month, date, year)**. I would like to schedule an appointment with your representative on **(preferred date and time, and two alternative dates and times)**. **(Deceased's name)**'s government life insurance policy number is **(policy number)** and military service serial number is **(number)**. **(Deceased's name)** served in the US **(branch)** from **(date)** to **(date)**.

If you require any documents or additional information, please let me know when you confirm our appointment. Thank you.

Sincerely,

## Employer and Former Employees

(Assuming Writer Is Sole Beneficiary)

Dear **(Name)**:

This is to inform you officially that **(deceased's full name)** died on **(month, date, year)**. Please tell me if there are employee benefits, such as group life insurance, pension funds, deferred compensation, accrued vacation or sick pay, unpaid commissions, disability pay, service recognition awards, credit union balances, continuing medical insurance, etc., and to whom they are payable.

Please send me a list of documents you will require and the necessary forms that must be completed as beneficiary. Thank you.

Sincerely,

## Creditors

Dear **(Name)**:

This is to inform you that **(deceased's full name)** died on **(month, date, year)**. I understand that **(deceased's name)**'s loan may have been covered by a credit life insurance plan offered through your company. Please let me know if there are benefits available, and to whom they are payable. Thank you.

Sincerely,

## Member Organizations

(Assuming Writer Is Sole Beneficiary)

Dear **(Name)**:

This is to inform you that **(deceased's full name)** died on **(month, date, year)**. I understand that **(deceased's name)** may have been covered by a life insurance plan through your organization. Please send me a list of documents you will require and the necessary forms that must be completed.

In addition, please inform me of any other documentation that may be due, including the refund of the unused portion of annual dues. Thank you.

Sincerely,

# Planning for Your Future

**We offer this simple four-step process to help you identify your priorities and sort through your finances to make sure your needs are met. You may want to enlist the support of one or more financial professionals, and a certified public accountant or tax attorney.**

## **Step 1: Define your goals**

When you lose a loved one, chances are your priorities will change. Your financial goals will take many forms, some immediate, some long-term. For example:

- ▶ If the deceased was your household's primary wage earner, generating an income may be your immediate goal.
- ▶ If you've lost an adult child, you may wish to provide for the future of your grandchildren.
- ▶ If a parent has passed away, you may need to care for your surviving parent during his/her golden years.

## **Step 2: Assess your finances**

Next, you'll need to take a look at your finances. If the deceased took care of the bills and investments, you may not even know where to start.

- ▶ The first thing to do is to simply gather together all brokerage and bank statements, retirement accounts, annuity and insurance policies, and a listing of the contents in your safe deposit box. Give them to your financial advisor.
- ▶ At the same time, you should prepare a simple budget to evaluate your income and expenses. This will help you understand your immediate financial situation.

## **Step 3: Make an investment plan**

Once you know your financial situation, you can figure out strategies to help you meet your goals. You may be well on your way to achieving some of them, if you haven't already. However, there may be others — perhaps new ones — that are far from being satisfied. Here is where a financial professional can really help. Your advisor can provide invaluable advice on how to:

- ▶ Select a benefit payment plan — or combination of plans — that is best for you.
- ▶ Help manage your money to meet immediate needs.
- ▶ Invest to help achieve long-range objectives.

## **Step 4: Monitor results**

Creating a plan is not a one-time event — and any plan developed in the wake of a significant loss should be designed for change.

- ▶ Keep an eye on your investments to help achieve your immediate goals.
- ▶ Evaluate the services and successes of your financial advisor.

***When you feel able, you should solidify your long-term strategy and make necessary changes.***

# Making Sense of Tax Issues

**The following pages are for you to better understand how your death benefits may be affected by income and transfer taxes (such as estate and inheritance taxes). You should consult your tax advisor for specific information on how taxes apply to your benefits and financial circumstances.**

## Estate Taxes

Federal and state estate and inheritance taxes are imposed on the transfer of property as a result of someone's death. Whether or not these taxes apply to your benefits depends upon the specific retirement plan or annuity contract, the amount of the benefits and your relationship to the deceased. Typically, spousal beneficiaries are not subject to this tax. However, all beneficiaries should consult their tax advisors to determine how inheritance taxes may affect their distributions.

You should also know that some states may require us to obtain an estate or inheritance "tax waiver" from the beneficiary before we are allowed to distribute benefits. This is your agreement to pay these taxes, if any, from your benefits to the deceased's state of residence, and is the state's permission for us to distribute benefits to you as the beneficiary.

## Income Taxes

Unlike life insurance death benefits, which generally are not subject to income taxes, annuity death benefits (and death benefits under tax-favored retirement plans) may be fully or partially taxable as "ordinary" income. The amount subject to tax is usually the difference between the amount you, the beneficiary, receive and any "after-tax" contributions made to the annuity contract. If the annuity contract is held in a tax-favored retirement plan, the taxation of the annuity payments is governed by the tax rules applicable to the type of plan. If you are the beneficiary in a tax-favored retirement plan, the tax rules generally are the same whether the plan is invested in an annuity contract or any other kind of investment.

Annuity contract death benefits are generally required to be reported to the IRS on Form 1099-R. Also, if you choose a benefit payment option such as the special deposit option for non-qualified contracts only, and/or if you choose to have your lump sum death benefit payment go to a retained asset account if available, you will receive interest income, which is also taxable as ordinary income. A retained asset account is an account that is established by the issuer for death benefit proceeds to be automatically deposited while earning a rate of interest. The account holder will receive a checkbook, and upon receipt, account holders can immediately write checks for any or all of the proceeds. We must also report this income to the IRS on Form 1099-INT.

## Deferring Income Tax

Beneficiaries who don't need to take all their benefits in a single payment may want to consider options that can help manage the impact of taxes. ***The taxes don't go away — you simply pay them over a period of time or at a later time.***

In some instances a fact card may be enclosed in the back pocket of this brochure; we suggest that you review the information when provided. This will give you a better understanding of the options available to you, especially those that can result in deferral of your taxes. You'll note that if you are a spousal beneficiary, you may have more choices as to how to take — or defer — your annuity contract death benefits.

It's important to consult your tax advisor to determine which option is right for you. Please also note that if you are a beneficiary of an annuity contract and you do not want the death benefit at all, you may be able to "disclaim" your death benefit before you receive it. If you think you might be interested in disclaiming your interest, please consult your tax advisor or attorney before filling out any claim to annuity benefits.

### Income Tax Withholding

Annuity death benefits are generally taxable and they may also be subject to income tax withholding. Whether you are subject to income tax withholding, what the rate will be and whether you can "elect out" of it, may depend on the source of the payment, the form of the payment and your tax status. See the chart on page 16 for details.

### Electing Out of Withholding

If you are eligible and would like to "elect out" of withholding, you can do so. You must provide us with your correct Taxpayer ID number and your U.S. residence address. Special withholding rules apply to foreign recipients and United States citizens residing outside of the United States. You cannot elect out of withholding if we are sending the payment out of the United States. We may require additional documentation in the case of payments made to non-United States persons and United States persons living abroad prior to processing any requested transaction. You should note that some states require the insurer to withhold state income tax if federal income tax is withheld. Whether state income tax withholding is required or permitted depends on the rules of the state in question. Please consult your tax advisor for the rules that apply to you.

### Other Taxes

Generation-skipping transfer tax is a special kind of tax that applies when annuity benefits are included in the deceased's estate for tax purposes and the beneficiary is:

- ▶ A grandchild, great-grandchild, etc., of the deceased; or
- ▶ An unrelated individual who is at least 37 years younger than the deceased; or
- ▶ A trust that benefits only those individuals described above

Submit an IRS Schedule R-1 (Form 706), titled "Payment Voucher for Generation-Skipping Transfer Tax," with your "Claim to Annuity Benefits" form to avoid tax withholding by the insurer. A significant portion of the benefits will be withheld unless you advise us not to withhold this tax.

## A Special Note about Taxation of Selected Retirement Plans

### **For spousal beneficiaries of Traditional IRAs, 403(b) TSAs, qualified plans and governmental 457(b) Employee Deferred Compensation (EDC) plans:**

Generally, there is no tax when you roll over funds from one eligible retirement plan to another. This means that funds rolled into a Traditional IRA or other eligible retirement plan remain tax-deferred, as do any earnings on them, until distributions begin. You may be able to roll over death benefits from a Traditional IRA into another eligible retirement plan.

**Important information for a spousal beneficiary of a tax-sheltered annuity (TSA), governmental EDC plan or a qualified plan:** Before requesting a check from us, you should decide whether or not to roll over your death benefits into a Traditional IRA or other eligible retirement plan. If you request a check, rather than a direct rollover, we will be required to withhold 20% from your benefit payment. Then, you would have to replace the amount withheld and claim it as a credit on your income tax return in order to roll over the full benefit amount. Instead, if you request a direct rollover of benefits into a Traditional IRA or other eligible retirement plan, there is no mandatory federal income tax withholding and your full benefits will be rolled over. And, you may be able to roll over after-tax funds. If you do not want to roll over the entire proceeds of the death benefit, you can make a partial rollover into a Traditional IRA or other eligible retirement plan. However, the taxable portion of the benefits that you do not roll over will be subject to income tax in the year you take the distribution. Your tax advisor can tell you more about how the items discussed here can possibly benefit you.

### **For Contracts Subject to the Required Minimum Distribution (RMD) Rules:**

If the deceased was over 70½ and was a participant in a qualified plan, EDC plan, TSA plan or was the owner of some type of Traditional IRA contract (including a SEP, SARSEP, or SIMPLE IRA), the deceased may have been receiving lifetime Required Minimum Distributions (RMDs) from or with respect to the plan or contract. As a result, we may need to make one final lifetime RMD for the deceased's last taxable year. You may wish to discuss this with your tax advisor before requesting settlement of the contract.

# Guide to Withholding on Tax Payments Made to U.S. Beneficiaries

Income or Payment Type	Withholding Rate	Is Electing Out an Option?
<b>Periodic Payment Plan</b>		
For all contracts and beneficiaries (see exception below)	Wage-type, based on withholding exemptions and marital status	Yes, for U.S. residents providing U.S. residence address and U.S. Taxpayer ID number (usually Social Security number)
Under 10-year period certain from a TSA, qualified plan or governmental EDC made to spousal beneficiary	20% mandatory withholding from each payment if no direct rollover to eligible retirement plan	No
<b>Lump Sum Distribution</b>		
From an NQ (non-qualified) contract, funded with after-tax dollars for all beneficiaries	10% withholding of taxable amount	Yes (see above)
From an IRA	10% withholding of payment amount Note: if decedent made after-tax contributions, we are required to treat all amounts as taxable for withholding and reporting; follow tax return instructions to recover after-tax contributions	Yes (see above)
From a TSA, qualified plan or governmental EDC made to spousal beneficiary	20% withholding of taxable amount Note: unless we have documentation of after-tax contributions, we treat all amounts as taxable	No
From a TSA, qualified plan or governmental EDC made to non-spousal beneficiary	10% withholding (see Note above)	Yes (see above)
From a tax-exempt EDC for all beneficiaries	None	N/A
<b>Beneficiary Continuation Option (BCO) Withdrawal Payment*</b>		
From TSA made to spousal beneficiary	20% withholding (see Note above)	No
From TSA made to non-spousal beneficiary	10% withholding (see Note above)	Yes (see above)
From IRA or NQ to any beneficiary	10% withholding (see Note above)	Yes (see above)
<b>Interest Income</b>		
On a retained asset account or a special deposit option	Normally, there is NO WITHHOLDING on interest income on a deposit, unless "backup withholding" applies because you fail to give your correct U.S. Taxpayer ID number (usually the Social Security number), fail to certify your backup withholding status, or the IRS tells us we must do backup withholding on your account  The backup withholding rate is 28%	No

\* Please note, not available in all annuity contracts.

# What You'll Find Along the Way

**Mourning takes time and cannot be rushed. By working through each stage of grief, however, the intensity of your feelings will gradually lessen and become more manageable.**

**Accepting the loss of a loved one does not mean you have forgotten him or her; but, it will help you to put the past in perspective. Your memories will always be there to cherish, but they won't disrupt your life. Instead, you will be able to redirect your energies into other areas of your life as it is today.**

## Additional Resources

You may want to explore some of the subjects discussed in this booklet in further detail. While we neither recommend nor endorse these books, the following list is offered as a starting point. Many of these are available in libraries and book stores throughout the country.

### Grief

Tatelman, Judy. *The Courage to Grieve. Creative Living, Recovery and Growing Through Grief*. HarperCollins Publishers, September 1984.

Kushner, Harold S. *When Bad Things Happen to Good People*. Bantam Doubleday Dell Publishing Group, August 2004.

Kubler-Ross, Elizabeth. *On Death and Dying*. Simon & Schuster Adult Publishing Group, June 1997.

Clogrover, Ph.D., Melba; Bloomfield, M.D., Harold H., and McWilliams, Peter. *How to Survive the Loss of a Love*. Prelude Press, October 1993.

Veninga, Robert L.A. *A Gift of Hope: How We Survive Our Tragedies*. Ballantine Books, September 1996 (paperback).

Zimmerman, Susan. *Rays of Hope in Times of Loss*. Expert Publishing, Inc., Andover, MN, 2005.

### Parent, Child and Other Relationships

Grollman, Earl A. *Talking about Death: A Dialogue Between Parent and Child*. Beacon Press, July 1991 (paperback).

LeShan, Eda. *Learning to Say Good-bye: When a Parent Dies*. William Morrow & Company Inc., April 1988 (paperback).

Myers, Edward. *When Parents Die*. Penguin Group, February 1997 (paperback).

Schiff, Harriet Sarnoff. *Living Through Mourning: Finding Comfort and Hope When a Loved One Has Died*. Penguin Group, August 1987 (paperback).

### Career/Volunteer

Bolles, Richard N. *What Color Is Your Parachute?* Ten Speed Press, December 2005.

Winston, Stephanie. *Getting Organized*. Warner Books, Inc., January 2006.

## Financial

Ashton, Betsy. *Guide to Living on Your Own for the Very First Time*. Little, Brown & Company, May 1988.

Brown, Judith N., and Baldwin, Christina. *Second Start: A Widow's Guide to Financial Survival at a Time of Emotional Stress*. Simon & Schuster Adult Publishing Group, April 1987.

Siverd, Bonnie. *Working Woman Financial Advisor*. Warner Books, Inc., December 1986.

## Organizations and Other Resources

You may want to contact the following organizations as a source of additional information:

American Counseling Association, 5999 Stevenson Ave., Alexandria, VA 22304

Women Work! The National Network for Women's Employment, 1625 K Street NW, Suite 300, Washington, DC 20006

Consumer Federation of America (CFA), 1424 16th St. NW, Suite 604, Washington, DC 20036

National Foundation for Credit Counseling, 801 Roeder Road, Suite 900, Silver Spring, MD 20910

Parents Without Partners International, Inc. 1650 South Dixie Hwy., Suite 510, Boca Raton, FL 33432

The Pension Rights Center, 1350 Connecticut Avenue, NW, Suite 206, Washington, DC 20036-1739

American Association of Retired Persons (AARP) Volunteer Talent Bank/Widowed Person Service, 601 E Street NW, Washington, DC 20049

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## **AXA Equitable Life Insurance Company and MONY Life Insurance Company of America**

We are dedicated to the continuous refinement and updating of our products and services to address the changing needs and opportunities of our customers. Nothing is more important than the people we serve.

### **We're Here to Help**

Although this is a difficult time to make long-term financial decisions, you should familiarize yourself with the payment methods that may be available to you. We suggest you discuss these payment methods, as well as other products and services, with your financial professional to see which is best for you. Your financial professional is available to help you, and is specially trained to evaluate your financial needs and to recommend solutions. After taking inventory of your financial situation, your financial professional will assist you to find the best course to follow.

AXA Equitable Life Insurance Company and MONY Life Insurance Company of America and their affiliates provide insurance, investments and other related financial services. If you want to re-evaluate your overall funding objectives, your financial professional is available to help with each of the following:



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Insurance needs change. Our tax-deferred, cash-value-building life insurance and annuity products can help provide funding for such goals as college education and retirement, while providing family protection.



#### **Annuities**

AXA Equitable Life Insurance Company and MONY Life Insurance Company of America offer a full line of annuity products. Deferred annuities allow you to accumulate interest on a tax-deferred basis.



#### **Investment Products**

We offer a number of mutual funds and brokerage accounts that provide professional management and diversification of investment risk. We also make available a number of tax-deferred, variable annuity products that allow investment flexibility.



#### **Retirement Planning**

Our financial professionals are trained to review your assets, income and expenses, and to make appropriate recommendations to help meet your retirement goals.



#### **Charitable Giving**

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