

Thinking Ahead What to do if your spouse or partner dies

**your
guide**

- free
- independent
- confidential



mabs

Money Advice & Budgeting Service

What is MABS?

The Money Advice and Budgeting Service (MABS) is:

- Free
- Independent
- Confidential
- Non-judgmental.

MABS provides advice to people who are having difficulties with managing their money or are in debt.

We have over 51 services around the country. We also operate a National Helpline, (Monday to Friday, 9.00 a.m. to 8.00 pm, on **076 1072000**).

Our website, **www.mabs.ie** also provides information and advice on money management and dealing with debt.

Please note

MABS does not give out any money, nor do we give financial advice to our clients on investments or specific financial products.

Our role is to help you draw up a realistic budget which will allow you to deal with your debts. Where possible, we will help you to maximise your income. For example, we can help you to claim all your entitlements and tax credits.

Think Ahead

Think Ahead is a public awareness initiative to guide members of the public in discussing and recording their preferences in the event of emergency, serious illness or death. By discussing, and then recording, their preferences people can ensure that their wishes are taken into account at critical times when others may be unsure of what they might want. The information recorded includes



Emergency Contacts, Care Preferences, Financial and Legal Affairs and Funeral Arrangements. Forms are available at www.thinkahead.ie and are also available from MABS offices, Citizens Information Centres and pharmacies. **Think Ahead** has been developed through the Forum on End of Life in Ireland, an initiative of the Irish Hospice Foundation

Thinking Ahead - What to do if your spouse or partner dies

The death of a spouse or partner brings not only emotional trauma, but also leads to a variety of financial challenges.

If you have lost a spouse or partner, you may be struggling to handle the resulting financial issues. For example, you may have to manage on a reduced income. Or, if your partner always handled the family finances, you might find it difficult to cope because you're not up to date on your current financial situation.

People who are already stressed and overburdened can find it difficult to manage without assistance. This booklet will help you to deal with your situation and plan for the future.



MABS Four-Step Approach

STEP 1 ASSESS YOUR SITUATION

Collect financial documents: As soon as you can, gather all the relevant financial documents and go through them. This will give you a clear picture of your financial situation.

Decide who needs to be contacted and if they require a copy of the death certificate – e.g. life insurance companies, your spouse/partner's employer, etc.

See sample letter in Appendix 1

Put off making any major financial decision: Do not rush to make any major financial decisions. If you feel you must do so, you should seek independent financial/legal advice. If you receive an insurance settlement or other payments, place them in the bank until you have time to look at your new situation and to inform yourself about your best options.

Check what bills you have to pay: One of the most urgent matters is to find out exactly what household bills you have to pay and how much money you have available. You need to have a clear idea of your ongoing financial obligations and whether you have the cash to pay them.

You may have to decide which bills you can pay and which you have to delay. If any arrears have built up, you should contact the creditors and explain your situation.

Be sure to pay priority payments first, such as mortgages, utilities, etc.

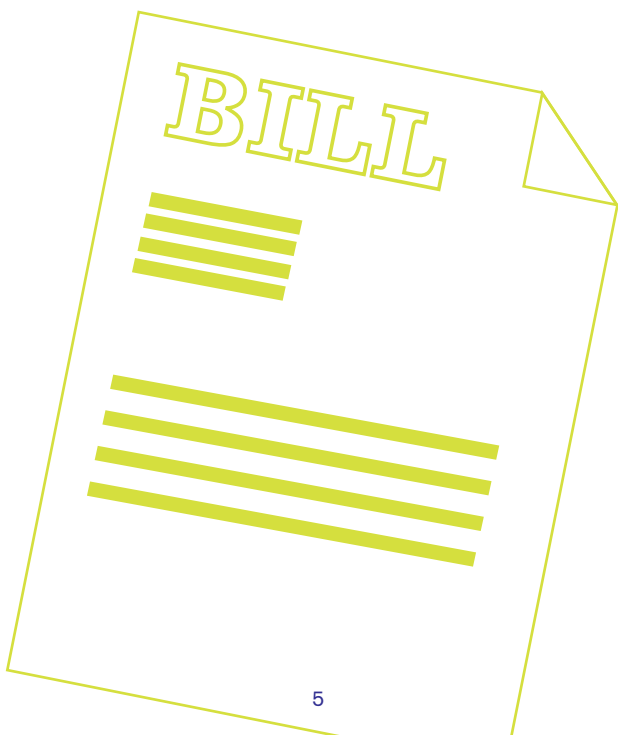
See sample letter in Appendix 2

If household bill accounts are in your spouse/partner's name, you will need to change these into your own name.

See sample letter in Appendix 3

If you and your spouse/partner had a joint account, you should open an account in your own name and lodge money in it, to pay these priority payments. To open an account in your own name, you will need to bring identification to the bank, such as your driving licence, your passport, or a bill (or two) in your name.

Don't pay debts you don't have to pay: Don't pay any *unsecured debts* that your deceased spouse/partner incurred. (With unsecured debt, the creditor doesn't have the right to take a particular item of property if the debtor doesn't pay. Examples are credit card debts and medical bills.) Debts owed by the deceased are generally the responsibility of the estate and should be given to the executor for payment. Creditors will usually wait until the estate is settled before seeking payment.



STEP 2 Make out a Budget

If your partner used to handle all the family finances, it is essential that you learn how to put a budget in place as soon as possible. There's nothing mysterious about a budget. It's simply a plan for the money you receive and how you spend it.

To maximise your income, you should consider the following:

Social Welfare Entitlements

The Citizens Information Service can help you to check what entitlements might be available to you as the surviving spouse/partner. Call their helpline at 1890 777 121 or 021 452 1600. You can also get information online from: www.citizensinformation.ie or www.welfare.ie

Health Board Payments

These payments are administered by Dept. of Social Protection's representative who are generally based in local health centres or clinics. For some of these payments, you must meet certain conditions. To check what might be available to you, contact the Citizens Information Service (see details above).

Tax

Your local tax office will advise you about the changes to your tax situation given your new circumstances (go to www.revenue.ie). You can also get information from the Citizens Information website, www.citizensinformation.ie, or phone their helpline: 1890 777 121 or 021 452 1600

Insurance

Check any insurance policies you have, or that your spouse/partner had, and how they affect your new financial situation.

To get help with your budgeting, go to the MABS website at www.mabs.ie, or contact the **MABS helpline 076 1072000**

STEP 3 Dealing with the estate and your personal arrears, loans and credit debts

The Estate

On the death of a spouse/partner, the estate is placed in the hands of his/her personal representative (the executor or administrator). This representative has the duty to distribute the deceased's money and property in accordance with the law, the will, if there is one, or, if there isn't, with the laws of intestacy (the rules that apply when someone dies without a valid will).

For more information on distribution by an executor or administrator, visit www.citizensinformation.ie

As we have already advised, don't pay any unsecured debts that a deceased spouse/partner incurred (see above, at the end of Step 1).

Your Personal Finances

If your income falls with the death of your spouse/partner, you will need to revisit any personal credit agreements or arrears arrangements you have – so that you can manage the repayments.

Which of your debts are the most important? Make a list of your arrears, loan repayments and credit debts. The golden rule here is to *prioritise* your debts. Some debts are more important to pay because the consequences of not paying are more severe.

So, before making any proposals, split your personal debts into two categories: *priority debts* and *secondary debts*.

- *Priority debts* are rent, mortgage, electricity, gas, fines, tax, TV licence, etc. You need to pay these debts first.
- *Secondary debts* are unsecured debts owing to creditors/lenders, such as credit card debt, personal loans, etc. You will need to contact these creditors to make them an offer of payment that you can afford.

What to offer

Once you've calculated your income, deducted your expenditure and made sure that you can pay your *priority debts*, you will be able to work out how much to pay your secondary creditors.

If there is any cash left after the priority payments, but not enough to cover the full payments to all secondary debts, offer each secondary creditor a *share* of the remaining cash, based on what they are owed. The ones you owe more to should receive more than the ones you owe less to. This is called 'making *pro rata* payments'.

How to make the offer

How do you persuade your creditors to accept reduced payments in line with your ability to pay? You can usually do this by sending each creditor a copy of your budget and asking them to suspend any interest charges, to help you reduce your debt.

See sample letter in Appendix 4

If you have no cash left over after your priority payments, send the companies a copy of your budget and ask for a *moratorium* (breathing space) to see if things improve in three to six months' time. If they take you to court, tell the court you are doing all you can and ask for time so that you can deal with your debts.

If you require more information or further help on dealing with a particular secondary debt – such as credit cards, car loans or credit arrears – visit our website at www.mabs.ie or call our helpline **076 1072000**

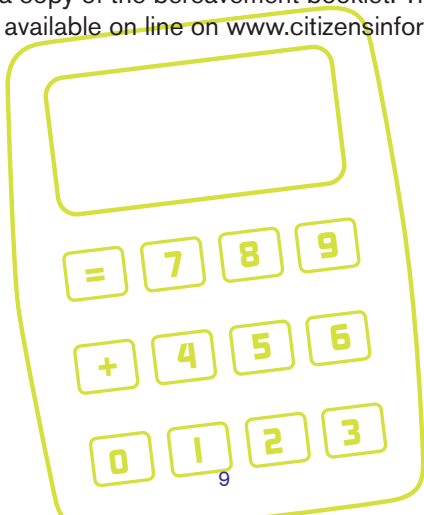
STEP 4 Set up a Payment Plan

So, you've drawn up a budget and decided how much to pay to cover living costs, arrears and credit commitments. Now, the key to staying in control is to find the cheapest and most convenient way to pay as many debts as possible when you receive your weekly/monthly income.

- If possible, set up an account where you can deposit an amount every week or month, and use it to pay all your utility bills and other credit agreements.
- If you are paid weekly, make a weekly budget. Put aside the weekly portion of the amount you need to pay bills that you have to pay each month, twice a month, or once a year.
- Choose a method of paying your bills that is most convenient. Choose a service that is near where you live or work.
- Shop around for the cheapest method. Some services charge a fee.

For further information visit www.mabs.ie

For further information on dealing with the main practical problems which arise, contact your local Citizens Information Service or call them on 1890 777 121 to receive a copy of the bereavement booklet. This booklet is also available on line on www.citizensinformation.ie



Appendix 1

Sample letter to accompany Death Certificate

[Address]

[Date]

Re. Account No.: _____

Dear Sir/Madam,

I am writing to you about the above account.

The purpose of this letter is to inform you that _____ died on [date] [month] 20____ and I am in the process of looking after [his or her] affairs.

Please find enclosed a copy of the death certificate

Thank you in advance for your co-operation.

Yours faithfully,

[*Relationship: e.g. Spouse or Partner*]

Appendix 2

Sample letter to creditors

[Address]

[Date]

Re. Account No.: _____

Dear Sir/Madam,

I am writing to you about the above account.

The purpose of this letter is to inform you that _____ died on [date] [month] 20____.

I am at present assessing my new financial situation. While I am doing so, it would be of immense help to me if you would put a hold on any action being taken on [this or these] account[s].

I will be in contact with you over the next few weeks to discuss the situation.

Thank you in advance for your co-operation.

Yours faithfully,

[*Relationship: e.g. Spouse or Partner*]

Appendix 3

Sample letter requesting change of name on account

[Address]

[Date]

Re. Account No.: _____

Dear Sir/Madam,

I am writing to you regarding the above account.

The purpose of this letter is to inform you that _____ died on [date] [month] 20____.

I am at present assessing my new financial situation. Please transfer the name on the above account to my name:

Please also advise me as to the current balance of the account.

If necessary, I will contact you over the next few weeks to rectify any arrears that might exist on this account.

Thank you in advance for your co-operation.

Yours faithfully,

[Relationship: e.g. Spouse or Partner]

Appendix 4

Sample letter making an offer

[Address]

[Date]

Re. Account No.: _____

Dear Sir/madam

Further to our recent correspondence, I am writing to advise you that I have now completed a full assessment of my current financial situation taking into account all my living expenses and commitments.

As a result I am now putting forward an offer of €_____ per week/month as being realistic in my current circumstances. Should circumstances improve to the extent where I can increase this offer, I will contact you immediately.

In the meantime, I hope that this proposal will be acceptable to you. I would be grateful if you would suspend any interest and other charges being added to the account in order to help me resolve my difficulties within the shortest possible period.

I look forward to hearing from you.

Yours faithfully

Insert your name here

How to contact us:

Helpline: 076 1072000

Website: www.mabs.ie

Disclaimer

Every effort is made to ensure that the information in this publication is accurate. However, no responsibility is accepted by MABS National Development Limited, its funders or MABS for any errors, omissions or misleading statements on these pages. The information is of a condensed and general nature only and can change from time to time. Readers should, therefore, verify any information on which they rely by contacting the MABS Helpline on LoCall 076 1072000.



mabs

Money Advice & Budgeting Service



log on

www.mabs.ie



phone

Helpline: 076 1072000



drop in

We have offices nationwide.
Our website and helpline will
direct you to your local office.



funded & supported by
Citizens **Information** Board
information · advice · advocacy

