

Upon contacting Hiway Federal Credit Union (Hiway) and informing us of your loved ones passing, information will be gathered by a Member Service Representative regarding the deceased member's account(s). The deceased member's account(s) will be reviewed, which may include filing any insurance claims, determining account adjustments, asking for submission of and verifying the validity of required legal documents, determining funds disbursement and any other assistance we can provide.

Deceased Member's Account Process at Hiway

This section is to let you know what to expect as the deceased member's Hiway accounts are closed. We have included the more common frequently asked questions to help you understand the process.

Continuing Membership

Upon the death of a Hiway member, their family members remain eligible for membership. Eligible family members include:

- spouse
- parents
- children (including step and adopted children)
- brothers/sisters
- grandparents
- grandchildren

For more information about membership eligibility, call Hiway at 651.291.1515 or 800.899.5626 or visit hiway.org.

Savings and Checking Accounts

How long will the deceased member's account at Hiway remain open?

Hiway recommends that you try settling the deceased member's account within 90 days, however the ability to settle the account quickly can be different for each situation. Taking immediate action can help avoid any complications resulting from continued Internal Revenue Service (IRS) reporting under the deceased member's Social Security Number (SSN) since Hiway will report to the IRS under the deceased member's SSN until the account is closed. In certain circumstances, the account can be re-titled to the surviving spouse. When the account has a loan or Individual Retirement Account (IRA), the surviving joint owner will need to open a new Hiway membership.

What will happen to a Direct Deposit into a Hiway account?

If a Direct Deposit for pension is received after the date of death, Hiway is required to return the funds. If a Direct Deposit is received before or on the date of death, we will deposit the funds into the deceased member's account as normal. All paying agencies should be notified as soon as possible of the member's death.

What will happen to automatic payments deducted from the deceased member's Hiway account?

Automatic payments will continue to be deducted from the account until the account is closed. You will need to notify any companies that are debiting the account and advise them to stop automatic payments.

How do I reach the Social Security Administration concerning survivor benefits?

The Social Security Administration's toll-free number is 800.772.1213. You will want to notify the Social Security Administration as soon as possible to get the process started. You will need to provide:

- proof of death—either from funeral home or death certificate
- your Social Security Number, as well as the deceased member's
- your marriage certificate—if you are the widow or widower
- your divorce papers—if you are applying as a divorced widow or widower
- birth certificates of the spouse and minor children
- the deceased member's most recent W-2 forms or self-employment tax return
- credit union or bank's name and account number for deposit of benefits

Can I still use my own ATM and/or debit cards for the deceased member's account that I am a joint owner on?

Yes. You can either cancel your card(s) or keep them active until the account is closed. Hiway will automatically cancel the deceased member's card(s).

Can I still access the funds and write checks from the Hiway Checking, Money Market, and/or Second Savings account that I am joint owner on?

If the account is classified as "Joint Account—With Survivorship", then yes—for a limited time.

However, this account will be closed as soon as feasible. As a joint owner, you may be eligible for Hiway membership. If so, you can open your own Savings, Checking, Money Market and/or Second Savings Account if you do not already have one. Or, you can open an Estate Account (see page 5 for more information).

Will I be able to access information on the estate if I am the designated personal representative of the estate, but I am not a joint owner on the deceased member's account, nor am I a Hiway member?

Yes, you will be able to access estate information, once we receive the original court or probate documentation stating that you are the personal representative.

Share Certificates and Individual Retirement Accounts (IRAs)

What will happen to the deceased member's Share Certificate?

For a Joint Account—With Survivorship, certificates will be disbursed to the joint owner. The joint owner can then, do one of two things:

- Cash in the certificate without penalty or establish a new certificate at current dividend rates and terms.
- Transfer the certificate, as is, to a joint owner's Hiway account. Or, if the joint owner does not have a Hiway account and is eligible for membership, establish an account and transfer the certificate. This new certificate can keep the same dividend rate and maturity date as the original.

If a joint tenant is not listed, the funds will be disbursed to any applicable beneficiary, the deceased member's estate or next of kin, via an affidavit of collection.

What will happen to the deceased member's IRA?

Hiway will close the IRA without any penalties from Hiway—even if the deceased member was under age 59 ½ or the maturity date of the IRA certificate had not been reached. If there isn't a beneficiary listed, the funds may be payable to the deceased member's estate.

Payable on Death Accounts, Deposit Trustee Accounts and Deposit Trust Accounts

How are funds disbursed from Payable on Death Account?

At the time the account was opened, the deceased had to designate a beneficiary(ies). The account(s) will be closed and the funds paid directly to the beneficiary(ies) without having to pass through probate.

How is a Trust Account handled?

A legal trust (revocable, irrevocable or living) was set up for the member by an attorney. If there is a co-trustee, a new account will be opened and the funds will pass to the co-trustee to manage until his/her death. If there is no co-trustee, the funds will pass directly to the beneficiary(ies), or the trust as designated, without going through probate. In the case of an irrevocable Trust Account, the funds are paid entirely to the legal trust for distribution by the administrator.

Consumer Loans

We will determine if there is a Payment Protection Plan on the loan. If yes, we will begin the claim filing process. During this period, any applicable Payment Protection Plan coverage will be applied to the date-of-death loan balance. The estate's point-of-contact will be advised of any outstanding balance due.

Outstanding loan balances become the responsibility of the co-signer or the deceased member's estate. The executor/administrator must pay off all existing loan balances or provide Hiway with the necessary documentation to properly file a claim against the deceased member's estate. In those instances where there is no co-signer or the estate is insolvent, the loan will be referred to Hiway's Collection department for any further action.

Credit Cards

What happens to the deceased member's Hiway credit card?

If the deceased was the only cardholder, the account will be closed. However, if there is a co-applicant on the account, the account may remain open and we will assist in re-qualifying the surviving co-applicant for the current credit limit and re-titling the credit card in the co-applicant's name. In some situations, the credit limit may be reduced or the credit card may be closed.

If I am the co-applicant on the Hiway credit card, can I continue using the card?

Yes, you can continue using your card and the balance becomes your responsibility unless notified otherwise.

The deceased member was the only one on the credit card. What should I do with his/her card?

The deceased member's card and those of any authorized users should be destroyed and sent back to Hiway.

What will happen to the unpaid balance on the credit card?

We will determine the date-of-death balance and apply Payment Protection Plan coverage proceeds when applicable. Individual accounts will then be closed. Accounts with co-applicants may remain open, but will be re-qualified and re-titled to reflect the co-applicant as the primary cardholder.

Should I continue making monthly payments on the account?

Yes, continue making monthly payments. If there is Loan Protection Insurance and/or a Payment Protection Plan, file a claim. If the claim is paid out through the insurance, money will be given back to the survivor/estate.

Will monthly statements continue to be issued? To whom will they be addressed?

The statements will continue to be addressed and sent to the Primary cardholder.

As an authorized user, am I liable for any balance on the deceased member's credit card account?

You are not entitled to use the account after the death of the account holder. You must either destroy or return your card to Hiway. As an authorized user, you are responsible for any charges made after the date of death and must apply for credit in your own right before the account can be re-titled and the balance assumed.

I am the co-applicant—am I liable for any unpaid balance on the credit card account?

Yes. If there is a balance after any Payment Protection Plan settlement, you are responsible for repayment. You are also responsible for any charges made after the date of death.

What will happen to automatic payments to a credit card from a Hiway account?

Automatic payments will be canceled during the deceased member account audit process.

Real Estate: Mortgage Loans and Home Equity Loans

What will happen to the deceased member's Mortgage/Equity Loan through Hiway if I am the co-borrower on the Mortgage/Equity Loan?

As the co-borrower, you become the primary borrower on the account. We will update our records to reflect the change of ownership to your name and Social Security Number. You will not need to re-record the deed of record and deed of trust with local authorities. For future property actions—such as selling the property or adding names to the deed—a certified copy of the death certificate will be required.

What will happen to the deceased member's Mortgage/Equity Loan when there isn't a co-borrower on the loan?

Unless the loan will be paid in full, an Estate Account with Hiway will need to be established. Then, the loan will be re-titled to "The estate of..." with the deceased member's name.

What will happen to a Home Equity Line of Credit?

If there isn't a co-borrower on the Home Equity Line of Credit, the loan will be closed so no further disbursements will be allowed.

If there is a co-borrower on the Home Equity Line of Credit, the co-borrower can continue to use it and be responsible for repayment.

What will happen to automatic payments to the deceased member's Mortgage deducted from his/her (Checking, Share Savings or Money Market) Account?

You should contact a Real Estate Servicing Specialist for options on what can be done.

What should I do if I am the new primary borrower and will be assuming this loan as next of kin, but may not be able to afford the payments?

Contact one of our Collection Representatives at 651.291.1515 or 800.899.5626 for options available to you.

What is Probate?

Probate is the legal process that verifies the will is valid in court. Probate also identifies the deceased member's property, pays any outstanding debts and taxes and properly distributes the assets. The court will use the Will to determine who was appointed as the "executor" of the estate. If there wasn't a will in place, the court will appoint the next of kin as "administrator" of the estate.

Will I need to go to probate court if a will is in place?

Yes, primarily because until the probate court identifies the will as valid, nothing from it can be enforced. Also real estate in the deceased member's name will need to have a "clear title" before it is sold.

On the other hand, the probate process may not be required if the deceased member's estate had accounts that were classified as "Joint Account—With Survivorship." It is best to consult an attorney to determine what property is or is not subject to probate.

Establishing Hiway Estate Accounts

Hiway Estate Accounts (consist of a Share Savings and/or Checking) provides an efficient solution for holding estate assets in interest-earning accounts while keeping them separate from the executor/administrator's personal accounts. Typically, the deceased member's assets are deposited into savings, then transferred, as needed, to checking for easy payment of taxes, debts and other obligations during the estate settlement process. Estate Accounts gives the executor/administrator an accurate picture of the estate's assets at any given time, a real benefit when completing tax returns and other documentation.

Hiway Estate Accounts

- a \$5 minimum balance for Share Savings Account
- no minimum balance for Checking Account
- no monthly charges
- free box of checks
- dividends earned from day-of-deposit to day-of-withdrawal
- no dividend earnings—by executor/administrator's request
- a combined monthly itemized statement for easy reconciliation
- transfer funds between accounts online through TellernetSM Online Banking or TellerfoneSM Phone Banking—up to 6 per month from Share Savings

To open an Estate Account, you will need to provide Hiway with original documentation or certified copies of the following:

- deceased member's death certificate
- court documents designating an executor/administrator
- a Tax Identification Number (TIN) for the estate—file Form SS-4 with the IRS (This form is available at a U.S. Post Office, local library or online at [irs.gov](https://www.irs.gov).)
- a completed Estate Share Savings/Checking Application

Return the original documents listed above in person or mail to Hiway at 111 Empire Drive, St. Paul MN 55103.

Specific concerns or questions regarding your responsibility as an estate administrator, the probate process or estate settlement process should be referred to an attorney, financial advisor or probate court official.

Eligibility for an Estate Account

In the event that the deceased was not a member of Hiway, but was eligible at the time of death, we will permit the executor/administrator to open an Estate Account provided all beneficiaries of the estate are members of the credit union.* The executor/administrator does not have to be a member or be eligible for membership to open an Estate Account. **This decision is based on NCUA Opinion Letter 92-0434 [reference (c)].*

Duties of an Executor/Administrator

An executor/administrator, also known as a personal representative, is the person who is responsible for carrying out or “executing” the will’s instructions. An individual executor/administrator can sometimes easily settle a simple estate on his or her own. However, large or complicated estates almost always require legal advice. In many cases, it can be difficult to recognize without legal counsel whether an estate will be simple or complicated. The probate court may require an executor/administrator to be bonded to protect all interested parties against fraud, embezzlement or negligence by the executor/administrator. If you are named executor/administrator, it is your responsibility to pay debts or obligations, distribute the remaining assets to heirs and complete the necessary tax forms.

The following is a brief checklist of the typical duties of an executor/administrator in settling an estate:

- Consult an attorney and certified public accountant (CPA) about your exact duties as executor/administrator. While not required, checking with these professionals is helpful because they are familiar with local probate procedures and the steps required for settling an estate.

- File the will and initiate probate.
As executor/administrator, it is your responsibility to file a will with the appropriate state probate court and to petition the court for “letters testamentary” or “letters of administration”. These documents provide legal proof that you are the executor/administrator of the estate. You should get several certified copies of these court documents to submit when handling certain financial transactions for the estate. You will give notice to all interested parties, including heirs, persons named in the will and creditors.

- Request several copies of the death certificate.
You will need certified copies of the death certificate in order to conduct estate business. Certified copies usually cost between \$5 to \$25 each, depending on the jurisdiction. They can be obtained from the County Clerk’s Office in the county of the person’s death, or the funeral director may order them for you.

- Re-title property if necessary.
If the estate includes unencumbered automobiles, boats, other vehicles or real estate, you can transfer titles either to the beneficiary named or to yourself, as executor/administrator. If no beneficiary is designated, you may, as executor/administrator, decide to sell the property and add the proceeds to the estate. You should seek the advice of an attorney before you decide to sell or re-title the property.

- List any indebtedness.
As executor/administrator, it is your responsibility to pay off any debts at the time of the person's death. You must notify all creditors of the death and invite them to submit claims to the estate. Usually each state sets a time limit for creditors to submit claims. Some assets are exempt from payment of debts. If nonexempt estate assets are insufficient to pay all claims, there is a strict order of priorities for payment. It is important to ascertain all creditors to ensure payments are not made out of the order of priorities. Some things to look for are:
 - Utility payments or bills
 - Hospital, doctor or other medical expenses
 - Loan payments or bills
 - Credit card payments or bills

- Close credit union, bank and brokerage accounts, and open an Estate Account.
You should close any account owned solely by the deceased and transfer those assets to an account that will allow you to settle the deceased member's bills and other obligations, such as a Hiway Estate Account (see page 5 for details).

- Locate insurance policies and other assets payable to designated beneficiaries and file claims.
Life insurance benefits (and other assets, such as retirement accounts and annuities) are often payable to designated beneficiaries and are not part of the estate. To file claims, you will need the policy numbers, full name of the deceased and certified copies of the death certificate.

Use Hiway's "Be Prepared for the Unexpected" booklet to indicate where your important documents are located. It would be beneficial to fill this booklet out with your spouse and/or children before the unexpected happens.

- File taxes.
Federal and state taxes for the deceased will need to be filed for the year in which he or she passed away and the year the account is closed. Consult the IRS, a CPA or your financial advisor for assistance.

- Close the estate accounts and distribute the remaining assets to beneficiaries.
After making sure all estate debts have been paid, you can distribute any remaining assets to the beneficiaries and close the accounts.

Additional Information

Determining what taxes are due after a member's death can be complicated. You may need to contact the IRS, an attorney or CPA familiar with both federal estate taxes and local state inheritance taxes.

Federal Estate Taxes

- There is no federal estate tax due on an estate—no matter how large—when all the assets are left to the surviving spouse. However, it is important to speak with an CPA or attorney to determine if any filing is required or other tax planning is advisable.
- Beneficiaries other than the spouse are eligible for a federal gift and estate tax exemption. Most of the time, there is no estate tax if the value of the estate does not exceed \$5 million (for persons passing away in 2011 or 2012).
- Federal estate tax returns are due nine months after a person's death. A penalty-free extension may be requested before that date if more time is needed. During an extension, however, interest is assessed on amounts owed. Some states also impose an estate tax. For example, Minnesota imposes an estate tax on estates whose value exceeds \$1 million.

State Inheritance Taxes

Inheritance tax regulations vary from state to state and can depend on an heir's relationship to the deceased.

Income Tax Returns

Federal and state income tax returns for the deceased are due on April 15 of the year following the death. If the estate itself generated income during a certain period of time, the estate must file an income tax return.

Real Estate Property Taxes

Taxes on a home or other real estate must be paid when they are normally due. Because tax laws are complex and change frequently, it is a good idea to contact the Department of Revenue in the state the deceased resided, an attorney or tax advisor.

Updating Your Family's Estate Plans

Estate plans consist of many different components: a will, power of attorney, a living will and, for some people, a trust may be beneficial. If you need to update your current estate plan, we can provide a free estate planning consultation. We can also help establish estate plans for surviving family members, to help avoid future issues for their next of kin.

Plan Your Financial Future

For some additional guidance on what to do with the deceased member's accounts and assets, contact Hiway Federal Credit Union. Our Financial Consultants can offer professional guidance on stocks, bonds and mutual funds, as well as life, health, pet, renters and long-term care insurance.

To schedule an appointment, call 651.265.6100 or 800.899.5626.

Important Phone Numbers

Hiway Federal Credit Union.....	651.291.1515
Toll-free	800.899.5626
Fax.....	651.291.2538
Investment Services & Insurance..	651.265.6100
Social Security Administration.....	800.772.1213
Minnesota Department of Revenue.....	651.556.3000
Internal Revenue Service.....	800.829.1040
MN State Retirement System.....	651.296.2761
Estate Identification Number (EIN).....	800.829.1040
Medicare/Medicaid.....	800.MEDICARE
Minneapolis VA Health Care System.....	612.725.2000