

INSTRUCTIONS TO SUCCESSOR TRUSTEE
WHERE GRANTOR OF REVOCABLE TRUST HAS DIED

The following contains general information about the laws in Oklahoma and is intended to act solely as a guideline for administration of a trust following the death of the grantor of a revocable trust. If the grantor during his or her lifetime transferred all their assets into their revocable trust, then their property will be managed and passed according to the terms of the trust agreement and there will be no probate required. However, if there is some property that is still in the decedent's name, then there may need to be a probate for those assets. You should call us so we can determine whether a probate of the pour over will is required. If someone other than you is named as personal representative under the will, you will need to coordinate the following instructions with them; if not, then you need to do the following:

- I. As soon as reasonably possible after the death of the decedent, you should take the following actions:
 - A. Life Insurance. You should gather all original life insurance policies on the life of the decedent and begin the claim procedure. This may be done by contacting (either by telephone or in writing) each insurance company and requesting that they forward to you the appropriate claim forms. However, the decedent's insurance agent, if any, will usually handle this for you. You should follow the same procedure for claims under any annuities or retirement benefits.
 - B. Social Security Benefits. You should contact the local Social Security office to determine what, if any, benefits may be payable.
 - C. Bank and Investment Accounts. You should notify each bank and brokerage or investment company where the decedent had an account or other cash investment (such as Certificate of Deposit). You will need to become a signatory on all accounts as the successor trustee (if you are not already on the accounts). If the accounts are not owned by the trust, then notify us as soon as possible to determine whether the funds can be transferred to the trust or whether a probate is required.
 - D. Safe Deposit Box. You should contact any banks where the decedent had a safe deposit box and make arrangements to have the box inventoried (if you are not already on the account for the safety deposit box). This is a simple procedure whereby you will make an appointment and you and a bank employee will jointly make a list of all items in the safe deposit box. You should deliver a copy of the inventory to us as your attorney.
 - E. Payment of Funeral and Other Expenses. You may go ahead and pay funeral expenses out of trust funds. If you need to advance personal funds, you will later be reimbursed by the trust estate. You may also pay other minor necessary expenses, such as utility bills from trust funds. For reimbursement purposes, you should keep a list of expenses paid.

F. Attorney. As soon as possible, you should make an appointment with us and bring with you the following information and documents:

1. The will (if any), trust agreement (if any) and death certificate;
2. A list of the full names, ages and residential mailing addresses of all potential heirs, legatees and devisees (this will include spouse, children, children of deceased children, mother and father if there are no children).
3. A preliminary list showing the ownership (trust, individual or joint), the nature (real estate or personal property) and approximate value of the decedent's assets.

We can then advise you concerning the steps to take as trustee and prepare any required court documents (if needed).

II. Administration of Trust

A. Initial Matters for Trustee

1. Tax ID Number. As soon as possible after becoming trustee, you will need to have a new taxpayer identification number assigned to the trust. We can do this for you during our initial meeting.
2. Bank Accounts. As soon as possible after becoming trustee, you can either set up new accounts in the name of the trust or you can go on the existing accounts as the successor trustee. All future transactions, no matter how small, should be handled through the trust accounts, so that later the account will provide a single complete record of all transactions. This will make it much easier to complete some of the items which are necessary later, such as estate and income tax returns.
3. Marshal Assets. As soon as possible you should begin to collect or inventory all of the decedent's assets, such as checking and savings accounts, brokerage accounts, investments and certificates of deposit, real and personal property.
4. Payment of Expenses. You should begin to deposit all income to, and pay debts and expenses from, the trust checking account.
5. Determine Distribution and Other Requirements of Trust Agreement. You should visit with us about what the distribution requirements of the trust are and how you should follow the decedent's wishes concerning how the trust should be managed and distributions made.

B. Estate Tax Returns. Estate tax returns are due nine months from the date of death. The filing of an Oklahoma estate tax return will not be required for deaths occurring on or after January 1, 2010. A federal estate tax return is only required to be filed if

an individual's estate is more than the statutory exemption for that year. In 2019 that amount is \$11,180,000 per person or \$22,360,000 per couple. If the estate has assets exceeding these amounts you should visit with your attorney and accountant about the next steps.

- C. **Income Tax Returns.** The trust will now become a separate tax reporting (and possibly tax paying) entity. Give some thought as to who will be retained to prepare the necessary income tax returns. Two types of income tax returns are required.
1. **Decedent's Final Individual Income Tax Return.** This tax return will cover the period from January 1 of the year in which the decedent died to the date of death. It will be due on the same date the decedent would file an income tax return if he or she were still alive.
 2. **Fiduciary Income Tax Returns.** Beginning on the date of death, the trust, rather than the decedent, becomes the taxpayer for income tax purposes. The trustee will need to have the appropriate trust income records, such as checking account, investment and other records, for the preparation of this return each year the trust is in existence.

The fiduciary (estate) income tax return is different from the estate tax return in that it covers only income, whereas the estate tax return covers the value of the assets owned and not the income produced from them.

- D. **Ongoing Trust Management.** As a fiduciary, you have certain responsibilities under both the trust agreement and Oklahoma law. It is important that you adhere to these responsibilities. Both legal and financial advisors can assist you with this.

III. Termination of Trust

Whether the trust is a short-term trust intended to be immediately liquidated with assets distributed to the beneficiaries, or whether it is intended to continue for a number of years, with periodic income as well as principal distributions, there will come a point in time when you as trustee will need to liquidate the trust and make final distributions. At that point in time, it will be necessary for you as trustee to consult with counsel, accountants and any investment advisors to assist you in the termination of the trust and distribution of the assets.

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