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HANDBOOK FOR ADVANCE PLANNING BY RETIREES & FAMILIES

3rd Edition



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GLOSSARY

Advance Medical Directive (AMD)	A legal document that lays out your wishes about your future medical care when you cannot speak for yourself
Durable Financial Power of Attorney	A legal agreement that allows you to appoint a person to make financial decisions on your behalf, including if you become incapacitated and are unable to make decisions yourself
Health care power of attorney (HCPOA)	Another type of AMD specifying the person who is authorized by you to make decisions regarding your health care when you are unable to do so.
Living Trust	Same as Revocable Living Trust
Last Will and Testament	A legal document in which you describe how your real estate should be divided and personal property distributed to your beneficiaries
Living Will	One form of AMD directing which types of life-sustaining treatment, if any, you would like to receive if you have a terminal illness or are incapacitated
Long-Term Care Insurance	Policies which reimburse policyholders a daily amount (up to a pre-selected limit) for long-term services and supports, including personal and <u>custodial care</u> in a variety of settings such as your home, a community organization, or other facility
Probate	Probate is the official proving of a Will as authentic or valid in a probate court
Revocable Living Trust	A trust established by you indicating where all the assets in that trust are meant to go upon your death. It describes your properties and assets held in the trust, who the beneficiaries are, and who the successor trustee will be to carry out the instructions left behind in the trust upon your death or when you become incapacitated
Revocable Trust	Same as Revocable Living Trust
Will	Same as Last Will and Testament

ABBREVIATIONS

AARP	American Association of Retired Persons
AMD	Advance Medical Directive
COLA	Cost-of-living adjustment
CPR	Cardiopulmonary resuscitation
DC	District of Columbia
DNR	Do not resuscitate
EMS	Emergency Medical Services
FAQ	Frequently Asked Questions
HCPOA	Health Care Power of Attorney
HELOC	Home equity loan
HR	Human Resources
ID	A means of identification
IRA	Individual Retirement Account
IRS	Internal Revenue Service
LTC	Long-Term Care
PENAD	Pension Administration
POLST or MOLST	Physician (or Medical) Order for Life-Sustaining Treatment
RMIP	Retiree Medical Insurance Plan
SSA	Social Security Administration
UPI	Universal Personnel Identifier
WBG	World Bank Group

PREFACE–The Need for Advance Planning

Real Life Examples of Why Planning is Necessary

Case #1: A TRAGIC ACCIDENT WHICH INCAPACITATES A RETIREE:

While traveling alone, a colleague had a horrific accident and was placed on life support in a distant city. Days passed as the authorities tried to identify next of kin. Some chance events resulted in contact with the World Bank, and a former colleague was found who knew how to locate next of kin overseas.

LESSONS:

- Always carry a means of identification (ID) and emergency contact information with you!
- Do not assume that others will notice when you are not where you expected to be!
- Make sure that your emergency contact has an original signed copy of your Advance Medical Directive (AMD) with instructions for when you cannot advocate for your own medical care.

Case #2: HEART ATTACK of a NON-US CITIZEN with NO BLOOD RELATIVES IN USA:

A former World Bank colleague who lived alone was fortunate to have a ‘telephone care circle’ of other retirees as their health deteriorated. When he had a heart attack and the emergency services were called, they administered cardiopulmonary resuscitation (CPR). The retiree had prepared an Advance Medical Directive (AMD) that declined CPR. However, this document was not readily available. The members of the care circle did not have ‘legal standing’ to intervene with Emergency Medical Services (EMS) staff.

LESSONS:

- Identify a person to serve as your Medical Power of Attorney.
- Prepare an Advance Medical Directive and make sure that the person designated as your Medical Power of Attorney has agreed to this role and possesses an original signed copy.
- This is essential both for emergency care and if hospitalization occurs.
- Without such a document, medical and hospital services will apply their own medical protocol, which may not be consistent with your wishes.

Case #3: SICKNESS AND RAPID DEATH OF US RESIDENT (GREEN CARD HOLDER) WHO HAD PREPARED A WILL AND ADVANCE MEDICAL DIRECTIVE:

A former World Bank colleague feels unwell and is hospitalized with an aggressive cancer. The retiree rapidly slips into a coma and die days later. The family is devastated by this horrendous and shocking loss.

The retiree had prepared all necessary legal documents – a Will, instructions about all assets and passwords; financial accounts in joint names or in a trust so there was no blockage on access to funds.

While the family was devastated by their loss, they are grateful that all administrative requirements to manage the estate were prepared in a way that made this as smooth and tax efficient as possible.

LESSONS:

- Obtain appropriate legal and financial advice as you prepare your Will and financial power of attorney. Make sure that you have a Will in every jurisdiction in which you have assets and that this Will is appropriately executed in that jurisdiction.
- Pay particular attention to your current bank and investment accounts and make sure that they are held in a way that they are still accessible should you become temporarily or permanently unable to manage them (e.g., in the joint name of a trusted person).
- Discuss all aspects of preparations for end of life with your loved ones (spouse, partner, children), so that they know what arrangements are in place should you become incapacitated.

Note: It is very common for the processing of a Will to be delayed significantly because there are no disinterested witnesses to confirm that the documents presented are indeed the ‘last/current’ documents. Likewise, when ‘final’ documents are stored in places that are not known to survivors, this adds great stress to loved ones and families.

Be prepared: Your family will love you for it!

INTRODUCTION

Many practical problems that retirees and spouses face as they age and approach the end of their lives can be resolved or simplified by retirees taking fairly simple steps *in advance*. The 1818 Society® is providing this series of resources to assist retirees plan for the inevitable and provide tips on the essential steps that can, indeed should, be taken to help them as they age, or in the event of incapacity or death of a retiree or other loved one, ensure that their survivors abide by their choices, and eventually take over management of the retirees' estate. The resources in this series, which are also available on the [Society's website](#) and can be downloaded as a pdf or printed, are:

1. This *comprehensive Handbook* for Advance Planning¹ by retirees & their families is aimed at helping them prepare for incapacity or end of life. It has been structured in two parts.
 - a. Part A covers the generic topics that are essential elements of preparing for the inevitable. While drawing largely on systems prevalent in USA, the topics in Part A are applicable to retirees living in other countries as well, with the caveat that some laws and regulations might differ across countries.
 - b. Part B covers the topics related to Pension, Medical Insurance, and Life Insurance benefits from the World Bank Group followed by a section on the Credit Union. These chapters describe what you as the survivor must do and conclude with warnings about possible problems and complications. Many of the warnings need attention by the retiree and family *in advance* – it will usually be too late after the retiree's death. They are relevant to retirees regardless of their place of residence.
2. Part C is the **Guide for Actions after a Death of a Retiree/Spouse/Partner**. Produced in a Q&A format, it provides practical guidance to survivors on how to report the demise of a retiree or their spouse/partner, and answers questions related to continuation of benefits. The Guide includes convenient, *clickable links* to relevant, authoritative internal and external sources. Since the Guide is intended for survivors, it has been produced as a stand-alone document that can be downloaded or printed for use by surviving family members.
3. A **Checklist** for Advance Planning, which is designed to help retirees and their families track implementation of the actions recommended in the Handbook.

Other helpful resources exist on the 1818 Society website under the FAQs or Quick Links and on the World Bank Pension and Human Resources websites.

We have tried to keep the explanations and the language simple and to eliminate ambiguities, as far as possible. Many of the matters discussed have complex legal implications and long-term consequences. You are advised to consult licensed professions before making any consequential decisions.

This Handbook does not replace Bank documents, such as the Staff Retirement Pension Plan document, the Medical Insurance Plan Summary Plan Description, and the Staff Rules which continue to govern. Those documents are available from Pension Administration and HR Operations, respectively.

¹ This replaces the 2023 version of the Handbook.

Part A: PREPARING FOR THE INEVITABLE

1. Managing Your Assets

Preparing for the end of life is difficult! It is painful, frightening, and feels almost ‘unnatural’. The least difficult time to prepare for the end of life is when you are as well as you are ever going to be “for sure.” And that time is right now! Part A of the Handbook describes what you need to know and what you should do to prepare for the inevitable end-of-life.

The substance of Part A of the Handbook is based on information currently available from official sources of various departments of the US Government. The Society cannot vouch for the comprehensiveness and/or accuracy of this information since they are subject to changes in US Government rules. Relevant laws and regulations may also change over time. Therefore, this discussion should be used, mainly, as a general source of information and a checklist of issues to be addressed by each of us as a matter of priority to ease the follow-up necessary by our survivors. For specific situations, it is advisable for retirees, spouses, and partners to seek advice/assistance from professionals.

ADVANCE PLANNING ACTIONS FOR RETIREES:

- *Ensure that all your bank and investment accounts have a joint owner or a designated beneficiary, and that your insurance policies have a designated beneficiary*
- *Alternatively, establish a revocable trust managed by you and hold your financial assets and property in that trust which is managed by you during your lifetime*
- *Ensure that your beneficiaries are aware of all of your assets, investments and liabilities as well as service contracts and rental agreements, where relevant*
- *Store usernames and passwords for your computing devices, online banking, online accounts and subscriptions in a safe place and ensure your beneficiaries will have access to them, if you are incapacitated*

1.1 Financial Assets

Make a list of all your bank accounts whether in the credit union, or other banks both in your country of residence and overseas. Verify if all of them have a joint owner or a designated beneficiary. If they do not, remember to add a co-owner, or designate a beneficiary, or include them in a revocable trust managed by you. If you use paperless statements, make a list of your usernames and passwords, so that your survivors will be able to access your bank statements when the time comes for them to take responsibility for your accounts.

Make a list of all your credit cards whether issued by the credit union, other financial institutions, or store credit cards. Add a co-owner to your credit cards, if you have a trustworthy family member, who can manage your credit cards if you are unable to do so yourself. If you use paperless statements, make a list of the online accounts, usernames and passwords or pin, so that your survivors will be able to access your credit card statements when the time comes for them to take responsibility for your accounts.

Make a list of all your investment accounts, including stocks, bonds, and accounts managed by financial advisors. Where possible have a joint owner of the account, or a designated beneficiary.

Ensure that the contractual documents for those accounts are stored in a safe place where your survivors will be able to access them. If you have paperless access to your investment accounts, make a list of the online accounts, usernames and passwords, so that your survivors will be able to access them when the time comes for them to take responsibility for your investments.

Make a list of all your retirement accounts, including the pension payable by the World Bank Group (WBG) and other organizations you worked in, as well as your personal retirement accounts (such as 401K, or Roth IRA). Ensure that you have designated your spouse and other beneficiaries (as relevant) for each of your retirement accounts, that your beneficiaries are aware of the survivor pensions they will be entitled to and have access to the contact information and online access to all of those accounts.

Make a list of all your life insurance policies—including term life insurance and whole life insurance policies—and ensure that the plan documents are stored in a safe place where your survivors will be able to access them. It is essential to keep the designation of a beneficiary up to date. Instructions in a Will on how to dispose of the benefits payable by any life insurance plan will have no effect. Only the designated beneficiary can receive the payment. A Will cannot override the explicit terms of such beneficiary designation.

1.2 Physical Assets

Make a file of all housing property owned by you and your spouse/partner, including your primary family home, rental property, vacation property, or inherited property which may be located in another state or another country. The easiest way to ensure that property is transferred to the surviving spouse without penalty or inheritance tax is to have joint ownership of your property. If that is not possible, another way to ensure both you and your spouse/partner will have unfettered access to your property is to include them as assets in a revocable trust that is managed by you jointly. In case that is not possible, ensure that at least the primary home is jointly owned so that the surviving spouse is able to continue living there. Ensure that all ownership documents, including title deeds, mortgage agreements, and home insurance agreements are stored in a safe in a safe place where your survivors will be able to access them.

For each property owned, include a list of all contracts and contractors who provide services to maintain your property, and home warranty agreements, if relevant. For rental property include a copy of the rent agreement and the contact of the managing agency/agent, as appropriate, to help your survivors take over responsibility of those properties when it is time for them to do so.

Moveable assets including motor vehicles, boats, motorcycles can also be worth a substantial amount. If they are all held in the name of one person, such as the retiree, they may not be available for use by the surviving family and may not be easily transferable to the heirs until the Will is settled through a court-administered probate process. Planning ahead such as by registering some of these moveable assets in the name of family members while the retiree is able to do so can save the survivors quite a bit of trouble if the retiree is incapacitated.

Other household goods that are valuable, such as art collections or electronics, are best dealt with in a Will which every retiree should prepare well in advance to ensure that their disposal is carried out in accordance with your wishes (see Section 2: Estate Planning).

1.3 Liabilities

When we usually think of inheritance by our heirs we often overlook the fact that in addition to inheriting assets, heirs can also be saddled with liabilities and debts. When any Will is settled by a court-appointed administrator all liabilities have to be paid off first before the heirs can claim their inheritance. For that reason it is imperative for retirees to prepare a list of known liabilities, including taxes owed to federal or state tax authorities, the property tax payable on the house and other properties, mortgage and other loans outstanding, insurance premiums, and significant credit card debts. It is advisable to draw up a calendar clearly indicating the dates when various payments are due and the amounts payable on those dates. The list of liabilities and the calendar of payments should be shared with the spouse/partner and other heirs in advance. The best plan is a “No Surprises” plan. Your survivors should know what they will owe, when those payments will be due, and where they can access the resources to pay for those liabilities.

One intangible is the share of medical costs payable by the family for long-term care or end-of-life medical care. These can add up to a significant amount. Setting aside funds to meet these expenses can ease the burden on surviving family members. Another cost related to end-of-life is funeral services. Depending on the choice made by the retiree or family members this too can be significant. Making funeral arrangements in advance both ensures that your wishes will be respected and reduces the burden on the surviving family.

1.4 Computing Devices and Virtual Accounts

In this electronic age, preparing for the inevitable end-of-life must include arrangements to transfer knowledge about computing devices, emails, and online accounts to surviving family.

The resources held in computing devices and virtual accounts can be as significant, or even more significant than physical and financial assets. To ensure that your survivors will have access to all of your computing devices (including computers, tablets, and smartphones) you must draw up a list of your username and password for each of these devices and keep the list in a safe place where your surviving family will be able to access them.

Emails are a vital trove of information. Retirees should plan ahead of time and make provisions for their surviving family to access their email accounts. This means either sharing email addresses and passwords in advance or storing them in a safe place where your surviving family will be able to access them in case you are incapacitated.

Finally, it is a sad reality that many of us may not even know ourselves how many virtual accounts and services we have subscribed to. Drawing up a list of all your online subscriptions may result in you discovering how many tiny or large subscriptions you are paying for on a monthly or annual basis. Thus, the prime benefit of such advance planning might be that you end up realizing how many of these subscriptions—for online newspapers, magazines, anti-virus programs, software, Netflix or other television channels, phone Apps—you no longer need. Cancelling unwanted subscriptions can result in significant savings to retirees. Sharing that information with a spouse/partner or other family members can help them decide whether they want to continue or cancel their subscriptions once the retiree is no longer around to use them.

2. Estate Planning

ADVANCE PLANNING ACTIONS FOR RETIREES:

- *Prepare your Last Will and Testament for each country in which you own property or other assets*
- *Establish a Revocable Living Trust to ensure that your beneficiaries have quick access to their inheritance without having to go through probate court*
- *Prepare a Durable Financial Power of Attorney to appoint a person to make financial decisions on your behalf*
- *Prepare an Advanced Medical Directive to specify your wishes about your future medical care when you cannot speak for yourself*
- *Retirees are encouraged to inform themselves regarding the legal and practical standing of an AMD in their place of residence and prepare their families to ensure that their own end-of-life wishes are honored to the extent feasible*

Estate planning is essential to avoid probate and to ensure that your estate is managed according to your wishes. This requires the close attention of retirees, their spouses, and partners as early as possible, preferably, well before retiring. Proper estate planning well before death helps to ensure that: (a) After death property passes to the people or institutions you choose and at the time you decide; (b) The right people are appointed to handle your estate, liquidate your trust, if any, and take care of minors, if any; (c) People of your choice will make your financial/medical decisions if you should become incapacitated; and (d) You are better able to take advantage of potential opportunities to eliminate, minimize, or defer estate taxes, and also minimize the cost of estate administration.

2.1 What is Probate?

Probate is the official proving of a Will as authentic or valid in a probate court. If you do not have an estate plan in place when you pass away, a probate proceeding may be opened. If your financial accounts, or any account, or any property, or any asset, is only in your name, then your spouse/partner/survivor will encounter Probate.

Depending on state law, probate will generally open 30 to 90 days after the date of death. One of the probate court's first actions is to appoint an estate administrator. An estate administrator is the appointed legal representative of the deceased. The legal representative may be a surviving spouse, other family member, the executor named in the Will or an attorney.

Under probate, all of your financial accounts and assets will be frozen, and your spouse/survivor will not be able to access them. Your beneficiary will likely have to get a probate lawyer, who will charge a hefty retainer fee (as much as US\$10,000), which your spouse/survivor must pay upfront. It can take up to one year before your beneficiary has access to the bank accounts, assets, etc.

The estate administrator:

- Provides the probate court with an accounting of the assets and debts of the deceased.
- Collects all the assets of the deceased.
- Pays creditors.
- Distributes the remaining assets to heirs or other beneficiaries.

They will need to:

- Determine the value of all assets.
- Verify all debts. See "request deceased person's information".
- Contact the IRS to file a proof of claim.
- The probate court will issue Letters of Testamentary or a similar document, authorizing the estate administrator to act on behalf of the deceased. The estate administrator will need the Letters of Testamentary to handle tax and other matters.

2.2 Estate and End of Life Planning and Administration

In recent years, the 1818 Society has organized several seminars on U.S. Estate Planning. The PowerPoint presentations and the audio recordings of these seminars are available on the 1818 Society website under **Informational Seminars** (*login required*). This information gives members a general idea of the issues as well as options for estate planning and administration.

Generally, estate planning involves executing four documents: (1) Last Will and Testament; (2) Living Trust (avoids probate, i.e., going to the court, which is expensive and time-consuming); (3) Durable Financial Power of Attorney, authorizing someone to take financial decisions in case you should become incapacitated; and (4) Advance Medical Directive so that someone you trust would be able to take medical related decisions on your behalf when you are incapacitated.

The choice and contents of these documents depend on the uniqueness of each individual case. Therefore, it is generally advisable for retirees to consult a qualified attorney to assist them in the process of estate planning² and receive appropriate legal advice regarding Advance Directives. In case of the death of a retiree, it is recommended that the surviving spouse or partner should seek guidance from his or her attorney. Moreover, it is advisable to review and update estate and medical planning documents periodically.

2.2.1 Last Will and Testament

A Will is a legal document in which you describe how your estate should be divided and distributed to your beneficiaries. Historically, a Will described how real estate was to be distributed and a testament to how personal property was to be distributed. They are now combined in one document called "Last Will and Testament", or just simply "a Will".

If you do not have a Will, no one will know what your wishes are and the State in which you lived will make the decision for you.

The administration of a Will differs in different jurisdictions and countries. Therefore, it is essential that you verify the precise requirements for your Will to be probated in your location of primary residence.

Preparing a Last Will and Testament

Always consult lawyers who specialize in the preparation of estate planning documents or "Will and probate" lawyers.

² It is important that the attorney specializes in estate planning and has knowledge of relevant state laws.

You can hire a lawyer to prepare your Will or use online sources.

<https://www.uslegalforms.com/wills/> and specify the state in which you live. Be aware that you may need to prepare/file your Will in more than one state if you have assets in more than one state in the US.

<https://eforms.com/wills/virginia-last-will-and-testament-template/>

<https://eforms.com/wills/maryland-last-will-and-testament-template/>

In Washington, DC, you can access standard legal forms, such as for a Last Will and Testament, through the library system. <https://www.dclibrary.org/legalforms>

Actions to do before filling in online forms or seeing a lawyer

Gather information and discuss it with your loved ones. How complicated or simple this task depends on the level of assets, the complexity of the family situation, and the complexity of your wishes. A helpful list of documents to gather can be found by clicking on the link below.

<https://www.legalzoom.com/personal/estate-planning/last-will-and-testament-overview.html>

A Last Will and Testament should be prepared in each country in which you have assets

If you have assets in more than one country, it is wise to prepare a Last Will and Testament in each country to distribute the assets located in that country to ensure that the jurisdiction of the Will is accepted in each country.

Ensuring the welfare of minor children

Depending on State regulations in the U.S., you may be able to make arrangements for minor children in your Last Will and Testament. Alternatively, there may be a need for a special guardianship document. Be sure to discuss all guardianship arrangements with prospective guardians. If you make no arrangements, State regulations prevail. Consult a lawyer for more professional advice.

Role of elder care lawyers and an estate planning lawyer

Elder care lawyers are advocates for the elderly and their loved ones. Most elder law attorneys handle a wide range of legal matters affecting an older or disabled person, including issues related to health care, long-term care, guardianship, retirement, and Social Security, Medicare / Medicaid, and other important matters.

In many ways, elder care lawyers are "specialists" because of their focus on the needs of older adults, which are often different and more specialized than the needs of younger adults. Not only can they handle important financial and estate planning matters, but they also take care of day-to-day issues affecting the actual care of seniors, such as assisted living and life planning.

An alternative to an elder care lawyer is a geriatric care manager, who often functions as a team leader for different professionals working with their clients (health, financial, legal)

An elder care lawyer should not be confused with an estate planning lawyer. whose role is to help with planning the distribution of your estate according to your wishes and provide advice on tax ramifications of estate planning instruments.

2.2.2 Living Trust

Revocable Living Trust (also called a “Living Trust” or a “Revocable Trust”)?

People often put all or much of their property in revocable living trusts because it is the fastest way for your beneficiaries to have access to your assets (house, bank accounts, etc.) upon your death without having to go through probate court.

When you establish a revocable living trust, you indicate where all the assets in that trust are meant to go upon your death. The Living Trust describes what you (the trustee) want to happen. It describes your properties and assets held in the trust, it describes who the beneficiaries are, it mentions who the successor trustee will be because the successor trustee has to carry out the instructions left behind in the trust upon your death or when you become incapacitated.

You avoid probate court this way; the instructions can be carried out much faster. When there is no Living Trust, everything will go through the probate court, which means that your beneficiaries will have to hire a probate lawyer, who will likely require a large retainer fee, and your beneficiaries may only get access to your assets (house, bank accounts, etc.) after more than a year.

A Living Trust can be set up with a lawyer, however, there are also other ways that you can set up a Living Trust, for example online.

With a Living Trust, you as the creator of the trust and the owner of the property in the trust (usually referred to as the “grantor” of the trust) would normally receive the income from the trust during your lifetime. You as the grantor would also usually be a trustee of the trust who manages the property in the trust for the benefit of yourself as the grantor.

Upon the grantee’s death, the trust becomes irrevocable and is then managed by a successor trustee whom the grantee named in the trust and who would make distributions from the trust to the beneficiaries as stated in the trust.

2.2.3 Durable Financial Power of Attorney

A Durable Financial Power of Attorney is a legal agreement that allows you to appoint a person to make financial decisions on your behalf, including if you become incapacitated and are unable to make decisions yourself. You can prepare it yourself with online forms or have a lawyer prepare it for you.

Guidance on how to prepare a Durable Financial Power of Attorney is available from private websites, such as Suzeorman.com. Or from <https://eforms.com/power-of-attorney/durable/> where you select the form for the state where you live.

The forms must be signed/notarized according to State law!

The designated person should have an original signed copy in their possession.

You can find more information about estate planning online

As with all estate plan documents, there are software programs that allow you to fill out these forms yourself. However, given the potential complexity of these documents and the importance of having them tailored to your needs and circumstances, using qualified professional expertise to help prepare them is strongly advised.

There are also many books and publications available on estate planning, such as,

Estate Planning Basics: A Simple, Plain English Guide to Estate Planning Concepts
by Jeffrey Marsocci; or

Estate Planning Basics, by Denis Clifford.

Financial advisors can also provide guidance on estate planning as part of their services.

Points you need to research before you appoint anyone to handle your assets and/or finances while you are alive. Before hiring any professional to handle any of your life or your loved ones' lives, be sure to check that they are vetted by their professional organizations. Ask any professional that you are consulting about your finances whether they are a "fiduciary".

What is a fiduciary?

A fiduciary is a person or entity who has a legal and ethical obligation to act in the best interest of another party. Fiduciaries can include trustees, financial advisors, lawyers, and other professionals who are entrusted with managing the assets or affairs of others. Certified Financial Planners, for instance, have to put their client's interests above their own interests. Registered Independent Advisory Firms have to do the same. If you hire financial planners at brokerage firms, they may or may not be "fiduciaries", so check whether you are paying them for their services to advise you or if their compensation is tied to the management of your assets and their compensation comes from buying/selling of (your) assets.

Always ask where your assets are being held. Independent advisors or advisory firms do not hold their clients' investments. If they do hold your investments, drill down on the question of "fiduciary status" (see above).

2.2.4 Advance Medical Directive

An Advance Medical Directive (AMD) is a legal document that lays out your wishes about your future medical care when you cannot speak for yourself. There are several forms of AMD.

The broadest form of AMD outlines your health care wishes to be used when severe medical situations occur, and you are not able to communicate your wishes. It is not limited to terminal illness and may also be used for medical events such as dementia, stroke or coma and if you are under anesthesia or have an illness that renders you too sick to communicate.

A Living Will is one form of Advance Medical Directive. It directs which types of life-sustaining treatment, if any, you would like to receive if you have a terminal illness or are incapacitated. Note that a Living Will is not the same as a Will. A Living Will is similar to an AMD, which is a legal

document dealing with the medical care you want while a Will deals with the distribution of your assets.

A medical or health care power of attorney (HCPOA) is another type of Advance Medical Directive. It is sometimes called a health care proxy or a durable power of attorney for health care. The HCPOA specifies the person who is authorized by you to make decisions regarding your health care when you are unable to do so. When you designate a person as your HCPOA, you delegate all health care judgments to that person when you are unable to make your own medical decisions. Your HCPOA must have an original signed copy of the document for hospitals and emergency medical services to accept those medical decisions on your behalf.

If you want your own wishes to guide your HCPOA then your own wishes must be specified in your AMD.

Doctors in the USA will normally be bound by the instructions that you state in your AMD when these instructions are represented by a Health Care Proxy if the documents are executed in a format that is acceptable to the state in which this is required. Requirements differ for different states. Key requirements may include that the proxy can provide an original copy that has been signed by two (2) witnesses who are not related to you. In addition, neither witness should be the designated proxy, nor should they knowingly be a beneficiary of your estate.

An AMD does not have to be drawn up or witnessed by a lawyer, but it must be signed by two witnesses. It is prudent to check your state's specific requirements.

Format to prepare your own AMD

Many forms can be found online, and we encourage you to share your own ideas and findings on this with our membership. To start with here are some useful sites:

<https://fivewishes.org>: This document meets the legal requirements for an advance directive in most US states, including DC, Maryland, and Virginia.

[Durable Power of Attorney for Health Care, Living Will and Other Wishes](#): This form is a combined durable power of attorney for Health Care and Living Will for use in DC.

<https://www.marylandattorneygeneral.gov/pages/HealthPolicy/Advancedirectives.aspx>: This is a specific form for Maryland.

<https://compassionandchoices.org/end-of-life-planning>: This website includes tools to “Finish Strong”, including the new Dementia Values and Priorities Tool, and Dementia Decoder.

The following concepts relevant to AMD may be helpful:

What is Cardiopulmonary resuscitation (CPR)? CPR involves chest compressions often combined with artificial ventilation to try to manually preserve intact brain function until further measures are taken to restore spontaneous blood circulation and breathing in a person who is in cardiac arrest, or unresponsive with no breathing or with abnormal breathing.

What is a DNR (Do Not Resuscitate) instruction? A DNR guides Emergency Medical Services (EMS) providers. If a DNR is properly executed under medical supervision (see next para.), it can give EMS permission not to perform Cardiopulmonary resuscitation (CPR).

How can I ensure that my DNR wishes are respected? DNR wishes must be discussed with and documented by a medical team who will then prepare formal DNR documentation. A DNR document signed by a physician is usually only written for a terminally ill or extremely elderly or frail individual. If a physician approves your request for an out-of-hospital DNR then you will be informed on how to properly display the document and whether you may need to wear a bracelet or necklace indicating that you have such an order. Some states require a specific-colored paper copy of your DNR order to be posted on a refrigerator or other visible location.

Can an AMD include DNR instructions? Yes, an AMD can include DNR instruction. However, these DNR instructions are NOT binding on medical professionals in a hospital or ‘out-of-hospital’ setting. A DNR instruction is ONLY binding on medical professionals if it has been documented by a medical team as described in the paragraph above.

What is a POLST or MOLST? This is a Physician (or Medical) Order for Life-Sustaining Treatment. It is completed by a health care professional and is recommended for anybody whose health status may result in their becoming severely ill or dying within a year. A POLST specifies the types of medical treatment that a patient wishes to receive toward the end of life. A POLST form includes instructions about whether to attempt cardiopulmonary resuscitation (CPR); administer antibiotics and IV fluids; use a ventilator to help with breathing and provide artificial nutrition by tube. You can visit POLST.org to learn more about the program in your state.

The Emergency Medical Service (EMS) team will administer CPR if a person collapses, and they are called to assist unless an out-of-hospital DNR order or POLST with original signatures is available and visible to them.

Is my AMD recognized outside the USA? In other jurisdictions (e.g., Scotland and Ireland) doctors may be willing to be ‘informed’ by an AMD but may reserve the right to exercise their own judgment in medical care.

What are Organ Donation Instructions? Most advance medical directive forms contain a section about organ donation where you can express your wishes as to whether or not you want to donate your organs upon your death. A medical assessment will be done to determine what organs can be donated.

1818 Society® members are encouraged to inform themselves regarding the legal and practical standing of an AMD in their place of residence and prepare their families to ensure that their own end-of-life wishes are honored to the extent feasible.

3. Taxes and Financial Liabilities

ADVANCE PLANNING ACTIONS FOR RETIREES:

- *Prepare your family to help them pay your tax liabilities; if there is a risk of probate set aside funds for them to pay your taxes if there is no executor or administrator when taxes are due.*
- *Prepare a tax file with a list of the taxes payable on all of your property, the schedule of payments, and the tax preparers or agencies who help you file these taxes in different states or countries.*
- *Prepare a file with a list of all outstanding loans, including copies of loan documents, statements received, and proof of payments made.*

3.1 Tax Liabilities

After the death of a retiree, the tax liability of the decedent, and the obligation to file tax returns (federal as well as state) do not extinguish. Instead, these become the responsibility of the decedent's Personal Representative, i.e., the executor, administrator, or anyone who is in charge of the decedent's property. Generally, an executor is named in a decedent's Will to administer the estate and distribute properties as the decedent has directed. If no Will exists, the court usually appoints an administrator. Generally, the personal representative and the surviving spouse can file a joint return for the decedent and the surviving spouse.

However, the surviving spouse alone can file the joint return if no personal representative has been appointed before the due date for filing the final joint return for the year of death. This also applies to the return for the preceding year if the decedent died after the close of the preceding tax year and before filing the return for that year. The income received by the decedent during the year up to the date of death and the income of the surviving spouse for the entire year must be included in the final joint return. Note that a final joint return with the decedent cannot be filed if the surviving spouse remarries before the end of the year of the decedent's death. The filing status of the decedent in this instance is "Married Filing Separately."

The requirements for filing tax returns may vary depending on each individual situation. Generally, the following U.S. Federal Tax Returns could be relevant:³

- *Final Federal Income Tax Return for the decedent* - A final income tax return (Form 1040) must be filed for the year of death up to the time of death. Due date is April 15 of the year following death, just as would be the case with a normal income tax return. Normal filing extensions for the return would apply, but any taxes due must be paid by April 15 or penalties may apply.
- *Federal Income Tax Return for the Estate* - This return (Form 1041) must also be filed to cover the period of time from death during the year to the end of the tax year if the estate should receive more than a minimum amount of income set by federal law following the individual's death. The due date is April 15 of the year following death, similar to the deceased's final income tax return.

³ For the tax filing requirements of the state of the decedent's domicile, please refer to the relevant state's tax regulations.

- *Federal Income Tax Return for a Trust* - If the trust receives a minimum amount of income set by federal law; a trust return must also be filed. The due date is April 15 of the year following death assuming the trust was set up to use a calendar year for reporting. Further annual trust returns may also be required in subsequent years if the trust has set up sub-trusts like bypass trusts or children's trusts that receive income.
- *Federal Estate Tax Return (Form 706)* - The due date is nine months after death. Many people will not have enough wealth to require an estate tax return to be filed, but filing an estate tax return may still be prudent. It is required if a spouse wishes to elect portability of the unused estate tax exclusion of the deceased spouse. Please note, however, that the use of estate tax "portability" comes with a few important conditions, which are described in some of the IRS documents listed below.

At both the Federal and state level, the decedent's Personal Representative should also be aware of the potential availability of "disclaimer(s) of interest in the property," which may allow a beneficiary named in the decedent's estate documents to "disclaim" a particular bequest or interest in the property, including an Individual Retirement Account (IRA).

In general, a disclaimer allows the property to pass to alternate beneficiaries as if the disclaimant had died immediately before the time of distribution of the property. Disclaimers, however, normally need to be formally completed within nine months of the date of death of the deceased and prior to the original beneficiary taking any control over the property concerned.

If the deceased spouse has any income in the US past the date of his/her demise, the survivors will have to obtain a tax ID number, as the social security number no longer will serve for tax purposes. An attorney's help in this respect is advisable.

There are many IRS directives and publications available online on the topic of taxation after death. The two publications that seem most relevant, at present, are: (a) IRS Publication 559 (Cat. No. 15107U), *Survivors, Executors, and Administrators*;⁴ and (b) Internal Revenue Bulletin 2012-28 of July 9, 2012; T.D. 9593; *Portability of a Deceased Spousal Unused Exclusion Amount*.⁵ In addition, the IRS Instructions for Form 1040 (U.S. Federal Income Tax Return), Form 1041 (U.S. Federal Income Tax Return for the Estate), and Form 706 (U.S. Federal Estate Tax Return) are also particularly relevant, as is the IRS' FAQ on Estate Taxes, which can be found by searching for the FAQ on the IRS website.⁶

There are many books available on these topics. One book that we have found to be an easy-to-understand guidebook for someone without specialized legal training is "The Executor's Guide - Settling a Loved One's Estate or Trust", published by Nolo, a publisher of books and software on legal topics. This book also includes chapters describing the various steps that the Personal Representative, the surviving spouse, and other survivors should take in the first days, weeks, and months following the death of a loved one. Also, the Nolo website provides useful legal information⁷. More information on estate taxes, inheritance taxes, and gift taxes is available at:

⁴ <http://www.irs.gov/pub/irs-pdf/p559.pdf>

⁵ www.irs.gov/irb/2012-28_IRB/ar08.html

⁶ www.irs.gov

⁷ www.nolo.com/legal-encyclopedia/wills-trusts-estates

- The IRS website at www.irs.gov, Publication 559 (Survivors, Executors, and Administrators). Also see:
- IRS Instructions for Form 706 describe the portability of estate tax exemptions for married persons.
- IRS instructions on Estate and Gift Taxes.

At the state level, some states have estate tax and/or inheritance tax regimes that may or may not be linked to the federal tax regime. Some states also have gift tax regimes. Check the official website of your relevant state government.

If you pay taxes in multiple countries store your previous tax returns in a safe location where your surviving family can easily access them. The financial years of other countries may not coincide with the U.S. financial year. For that reason it is important to make a list of the taxes you have been paying and a record of when those taxes are due in different countries, and who helps you prepare the tax returns in each country. Given the considerable variations in tax regulations in different jurisdictions it is advisable to use the services of qualified and experienced tax accountants in each country. Contact information for those tax accountants should be included in the tax records you store for your surviving family. However, it is strongly recommended that you also brief them about these tax liabilities and tax preparers to ease the burden on them when the time arises for them to take over these responsibilities.

3.2 Property Tax

Prepare a tax file with a list of all the taxes payable on your property—including your primary home, rental property, vacation home, vehicular property, and overseas property. File a copy of taxes paid at least for the last three years in your tax file. Include a schedule of payments for taxes payable in different jurisdictions and different countries. If any tax preparer or managing company administers your tax payments on your behalf, include their contact information in the tax file you prepare and store for your surviving family. It is strongly recommended that you also brief your surviving family about these property tax liabilities and tax preparers or managing companies who help administer your tax payments to ease the burden on your family when the time comes for them to take over these responsibilities.

3.3 Outstanding Loans

Prepare a file with a list of all outstanding loans—including mortgage loans, home equity loans, home improvement loans, business loans, vehicle loans, or unpaid medical bills. Include copies of all contract documents, bills, or invoices that provide a record of your loans, previous payments made, and outstanding balances payable.

This file will be invaluable for your family and will enable them to provide evidence to support or cross-check the information on liabilities payable being compiled by the executor who is administering your estate either as part of a probate process or an Irrevocable Trust.

These loans will unfortunately not include any additional liabilities for medical costs incurred on you during your final days in hospitals or rehabilitation facilities. Long-term care insurance and

Medicare (or national health plans in other countries) and medical insurance under the Retiree Medical Insurance Plan (RMIP) may partly offset these costs. Hence it is important to ensure that those documents will also be accessible to your surviving beneficiaries.

3.4 Insurance policies

In addition to the life insurance policy for retirees offered by the Bank, when they retired from the World Bank Group, retirees were offered an option to purchase life insurance from Prudential or New York Life Insurance. Some retirees availed that opportunity and purchased a life insurance policy from them. Other members may have taken out a term life insurance or whole life insurance policy offered by another agency, such as AARP, AAA, or other private insurers.

Other categories of insurance policies include homeowners insurance, automobile insurance, personal liability insurance, long-term care insurance, and emergency insurance. Retirees are advised to prepare a file with a list of all insurance policies with their premiums and payment schedule, and the original or copy of insurance policy documents for each policy.

4. U.S. Social Security Benefits

4.1 Social Security

In case of surviving spouses of retirees who have contributed to the U.S. Social Security during their lifetimes, it may be important for the surviving spouse or the decedent's Personal Representative to review the actions that need to be taken to report the death of the retiree to Social Security Administration (SSA), and also to assess the potential benefits that the surviving spouse may be eligible to receive from Social Security. On the SAA's website (www.socialsecurity.gov), the surviving spouse should review SAA Publication No. 05-10008, entitled "How Social Security Can Help You When a Family Member Dies," and also a "Survivors Planner: How Much Would Your Benefit Be?"

5. Managing Your Health

ADVANCE PLANNING ACTIONS FOR RETIREES:

- *Make a list of all doctors and health professionals who provide healthcare services to you and your family.*
- *Prepare an Emergency Medical ID card for yourself and your family members and ensure that each of you always carries the card whenever you travel outside the home.*
- *Purchase a device that includes a Medical Alert System or subscribe to a Medical Alert System service for yourself and your spouse/partner*
- *Maintain a list of all medical subscriptions so you or your surviving family can monitor the timely delivery and charges for these subscriptions and be able to discontinue those no longer needed.*
- *If you have long-term care insurance, review the policy carefully to ensure that it is adequate.*
- *Advance planning for funeral arrangements can help decision making and ameliorate the burden on grieving family members when the time arises for the inevitable.*

5.1 Doctors and other medical professionals

Compile a list and contact information of your family doctor and other doctors and medical professionals who provide healthcare services to you, your spouse/partner, and dependent children. Ensure that this list is filed safely and is easily accessible to you and your family members. Maintain a file of health records for you and your family members.

Ensure that you and family are making full use of the emergency resources offered by the 1818 Society. Fill out an Emergency Medical ID card with all essential medical information and emergency contacts for yourself and your spouse/partner, and ensure that each of you always carries the card whenever you travel outside the home. Display a copy of the Emergency Medical ID card for yourself and your spouse/partner prominently in your home. We recommend posting a copy on your refrigerator or a notice board where EMS staff can easily find it in an emergency.

Accidents are likely to occur more frequently as we age. Retirees should prepare for aging by installing physical aids, such as grab bars, ramps, chair lifts, etc. at their home. Even with such aids the risk of a medical emergency or a fall inevitably increases with age. Having a medical alert system can help you receive medical help quickly and can be a lifesaver. This is especially important for those of us who are alone, or for those who are physically challenged or face memory loss which prevents them from summoning help when it is most needed. A medical alert system triggers a call to a response center in case of an emergency. Alert systems range from a basic, wearable device with a push button or fall detection service to a more sophisticated health monitor or fall monitor on an iPhone. A 2022 article on the AARP website offers a useful description of the range of options available to help you choose what services best suit your needs. Several service providers offer a wearable button device with a monthly subscription plan you may want to check out. The AARP article does not describe the health monitoring and medical alert services now available on smartphones, such as an iPhone and Apple Watch, or an Android phone. These require a higher up front cost but avoid the need for monthly subscriptions. Choose whichever medical alert system you prefer but do add this to your list of important gadgets to help you age gracefully.

5.2 Prescription and other medical subscriptions

As we age we need to accept the fact that we will become increasingly dependent on various medications and supplements which will add significantly to our health costs, in spite of having access to one of the best insurance plans available in the USA. One way to reduce costs of long-term prescription drugs or supplements is to set up subscriptions which lower the costs of these medications and food supplements. However, if you set up automatic refill subscriptions, ensure that you maintain a list of the medications and the suppliers, and monitor the costs being charged to your account regularly. This is essential both to avoid being overcharged but also to ensure that you are regularly receiving what you have subscribed to. Maintaining a list of subscriptions also enables you or your family members to manage them and discontinue subscriptions which are no longer needed.

5.3 Long-term care

In addition to medical insurance, some retirees have also acquired Long-Term Care (LTC) insurance policies. It is a private insurance available to anyone who is willing to pay the premium to access benefits later in your life when you or your spouse may need extended care.

In addition to life insurance, some staff responded to the World Bank's invitation more than 20 years ago to sign up for LTC insurance offered by MetLife. While the Bank no longer provides the option to join that program, the LTC policies for those who signed up are still valid. Other retirees may have purchased a LTC insurance plan through another agency, such as AARP. Those LTC policies are not associated with the Bank-sponsored LTC plan.

LTC insurance policies reimburse policyholders a daily amount (up to a pre-selected limit) for long-term services and supports, including personal and custodial care. These support services can be provided in a variety of settings such as your home, a community organization, or other facility. However, the insurance only reimburses costs up to a pre-selected limit which depends on the individual policy. If you have LTC insurance, check your policy plan document carefully so that you are aware of the reimbursement limit you are entitled to. From time-to-time, insurance companies offer an increase in the daily amount in return for a premium increase. If you receive such an offer, consider your options carefully to decide whether or not the increased payout is worth the increased premium amount. You can opt out of these offers but in some cases, if you opt out for several years in a row, the insurance company may restrict your ability to increase the daily reimbursement amount.

For more information on LTC insurance go to the section on Aging Resources within the [FAQs](https://www.wbgalumni.org/faq/). (<https://www.wbgalumni.org/faq/>)

5.4 Funeral arrangements

Funerals are not events that anyone looks forward to. However, the only thing worse than a funeral is not having arrangements for one and not having set aside funds to pay for funeral costs when they are needed.

Funerals can be expensive. In 2024, the average total cost related to funeral services in the Greater Washington area is estimated to be around \$22,000. This cost becomes even more significant in the absence of advance planning when all assets can be frozen until they go through a lengthy probate process.

Advance planning for funeral services sounds morbid but it allows retirees to make their own choice of the kind of funeral arrangements they would prefer—burial or cremation, with viewing or without viewing, or repatriation of a dead body to a home country. Advance planning also allows us to look around for an appropriate location for a funeral home and cemetery or crematory. It is even possible to make advance reservations of a burial site Finally, it makes it more likely that a retiree will set aside funds so as to not burden their family when they are grieving from the loss of a spouse or a parent.

Part B: ADVANCE PLANNING - WORLD BANK GROUP BENEFITS

6. Pensions

(The discussion in this chapter applies to all retirees who participate in the World Bank Group's Gross and Net Pension Plans. Gross plan participant refers to a participant who started in the pension plan prior to April 15, 1998. Net plan participant refers to a participant who started in the pension plan on or after April 15, 1998.)

ADVANCE PLANNING ACTIONS FOR RETIREES:

- *Check the Pension Portal regularly to access your pension documents and familiarize your spouse/partner with the portal and obligations of pensioners.*
- *Ensure that your annual Life Certification is completed before April 30 each year.*
- *Ensure that Pension Administration (PENAD) has your current contact information and that your beneficiary(ies) have been clearly designated.*
- *Ensure that your beneficiaries are aware of their survivor benefits from your pension, the annual life certification process, and the tax supplement for Net Plan pensions.*
- *Ensure that your beneficiaries know how to contact PENAD.*

6.1. Managing your Pension

All retirees should regularly check the pension portal to verify that the information they provided to the Pension Administration (PENAD), including your contact information and beneficiary designation is up to date. Ensure that your annual life certification is submitted in a timely manner, by April 30 of each year. As you age, it will be important for you to ensure that your family members are aware of this annual life certification requirement and how they can help you complete the life certification in case you are incapacitated and unable to do so yourself. The pension portal contains copies of all of your pension documents, including annual pension statements which also list the deductions for medical and life insurance, annual cost-of-living adjustment (COLA) statements, and tax documents. The pension portal allows you to indicate your preference of how you receive your pension documents—paperless or by mail. Retirees who complete their life certification using DocuSign or by emailing a pdf copy of their life certification are enrolled in paperless documents by default. Retirees who complete their life certification by mail are defaulted to receiving their documents by mail. All retirees who wish to change their preferences can switch from paperless to mail, or mail to paperless documents can do so by logging in to the pension portal and changing their settings. Since a surviving spouse/partner would have to access the pension portal to manage the survivor's pension after the demise of a retiree, it is very useful, almost imperative, to familiarize your spouse/partner with the pension portal and with the obligations of pensioners to complete the life certification annually, and access form 1099-R to prepare tax returns. It will also be useful to inform any other named beneficiaries about their entitlements from the pension.

Net Plan participants have the ability to manage part of their pension benefits more actively. Most important is the need to submit tax estimates and tax returns to ensure reimbursement of the tax supplement. Net Plan retirees should ensure that their spouse/partner is aware of the tax supplement and the procedure for claiming tax reimbursement from the Tax Office. Gross Plan participants do not have to submit tax returns as their pension plans includes compensation for taxes, therefore they are not entitled to an additional tax supplement.

6.2. Eligibility for Survivor Benefit under the Pension Plan

GROSS PLAN	NET PLAN
<p>Eligible surviving spouse: The spouse on the last day of service and the same spouse on the date of death is deemed to be the “eligible surviving spouse”. If there is no “eligible surviving spouse” at the time of death, then the benefit will be paid as a lump sum to the designated beneficiaries on file. Children are not the automatic beneficiaries for this purpose unless they are named as beneficiaries.</p>	<p>Eligible surviving spouse/partner: Spouse/WBG registered partner on the last day of service and the same spouse/WBG registered partner on the pension effective date and who is the named beneficiary for a spouse pension on the pension application is deemed to be the “eligible surviving spouse/partner”. However, the retiree at the time of pension application has the option to name a different survivor or change the form of benefit to a lump sum death benefit. Spousal consent in the form of a signature on the pension application approving such election is required. In the absence of such consent, the default would be a spouse pension to the eligible surviving spouse.</p>
<p>Eligible partner: An “eligible partner” is one who was the WBG registered partner as of the last day of service of a retiree, who retired after March 1, 2002, and the same registered partner as of the date of the retiree’s death. If there is no “eligible partner” at the time of death, then the benefit will be paid as a lump sum to the designated beneficiaries on file. Children are not automatic beneficiaries for this purpose unless they are named as beneficiaries.</p>	
<p>Surviving spouse/partner pension in principle is set at 50% of the retiree’s pension. If there was a commutation, it will be ignored in calculating the survivor’s pension – in other words, the retiree’s pension will be set as it was at the time of retirement, before any commutation, and/or (and/or optional survivor pension) and increased by the cost of living adjustments since that time.</p>	<p>Surviving spouse/partner pension is a percentage of the retiree’s pension based on the retiree’s age on the pension effective date and the age difference between the retiree and the named survivor. For example, if the retiree started the pension at age 62 and the surviving spouse/partner is five years younger than the retiree, they will receive 50% of the retiree’s pension as a survivor pension.</p>
<p>Lump Sum death benefit: This benefit becomes payable when there is no eligible surviving</p>	<p>Lump Sum death benefit: The retiree made an election for a lump sum death benefit at the time of the pension</p>

<p>spouse/partner to receive the surviving spouse/partner pension in the event of the retiree's death. For example, retiree was not married on the last day of service, the retiree was married on the last day of service but later divorced in retirement, and the retiree married a new spouse in retirement, and the spouse of the last day of service pre-deceased retiree.</p>	<p>application. The named beneficiary(ies) to receive this benefit may be updated in retirement.</p>
<p>Currency of payment: If all or part of the deceased retiree's pension was paid in a non-US dollar currency, the same arrangement will continue for the surviving spouse/partner pension. They have the option to change the arrangement at the time or later, provided that they meet the 12-month principal residency requirement, which is explained in the currency option fact sheet available on Pension Administration's website.</p>	<p>Currency of payment: The survivor benefit is paid in the same currency as the retiree's pension. If the retiree was receiving the pension under a fixed exchange rate policy (irrevocable currency option), the same arrangement will continue. If the retiree was receiving the pension in the currency of salary or under the floating exchange rate option (revocable currency option), then the survivor may have some flexibility to receive the survivor pension in a different currency.</p>

6.3. What an Eligible Surviving Spouse or Partner Can Expect

The survivor pension will become effective the day after the death of the retiree and will be paid into their account at the end of each month, with a cost of living adjustment each May. If you participate in the Retiree Medical Insurance Plan (see Section 2), premiums will be deducted automatically from your pension each month.

In some cases, the retiree may have chosen a reduced pension during his or her lifetime in order to provide an optional survivor benefit to a designated beneficiary—who may be the surviving spouse, or someone else. If the surviving spouse is also the designated beneficiary of an optional survivor pension, the two benefit streams will be combined into one monthly payment.

Female staff in the Gross Plan hired before April 1974 had a lump sum as the default death benefit, instead of a pension payable to an eligible surviving spouse. It is possible to switch the death benefit from a lump sum to a surviving spouse pension, but only before the retiree's death. If you are a retiree in this category and you wish to make this switch, please contact *Pension Administration*.

In every case, *Pension Administration* will make the appropriate calculations based on the recorded decisions of the retiree and will inform you in the letter mentioned under "What You Must Do" above.

6.4. Warnings

- As noted earlier, a final monthly pension payment is made into the pension recipient's bank account at the end of the month in which he or she dies. If it is a joint account, the other account holder will normally have access to the funds. However, if the account is held solely in the name of the pension recipient, complications may arise, since financial institutions are generally required to close or freeze accounts as soon as the owner's death is reported. You may wish to

postpone informing the institution until the final month's pension payment has been processed, so as to avoid the additional formalities and delays that arise when the pension payment is returned to the Bank because the account has been closed or frozen.

- The retirees or their survivors who receive a pension are required to sign and submit a “life certificate” each year to confirm their continuing eligibility for the pension. It is advisable to make arrangements for a “durable power of attorney” so that someone else has the authority to sign this document (and others) in case the pension recipient is incapacitated.
- It is obviously essential to keep *Pension Administration* up to date on the addresses of the retiree, the eligible survivor, and any beneficiaries of either optional survivor pensions or lump sum death benefits. A retiree can find out what beneficiary designation is currently on file by contacting *Pension Administration*. They have a form available for changing a beneficiary, or the form can be printed out from the website.
- Gross Plan only: No pension is due to a surviving spouse/partner who dies within 30 days of the retiree – but in that event instead the lump sum death benefit is paid to the beneficiary(ies) recorded by the retiree. The survivor does not have to “prove” that he or she is alive after 30 days. In the unlikely event that the survivor dies within 30 days but after the first pension payment has been processed, the payment will have to be returned before the lump sum death benefit is paid.
- Gross Plan only: In general, the choices and arrangements made by a retiree at the time of retirement cannot be changed subsequently. There are certain circumstances, however, in which a retiree can reduce his or her pension benefits in order to make provision for an annuity to be paid to a newly designated beneficiary (e.g. such “life events” as divorce, marriage or birth of a child). In all such cases, the new arrangements must be made within 180 days of the event. *Pension Administration* will respond to inquiries on these matters, and information can also be found on the Pension Administration website.
- Net Plan only: The survivor pension benefit is payable to the named survivor even if the survivor is alive for less than 30 days. Upon the death of the survivor, there is no other death benefit payable.
- Net Plan only: The choices and arrangements made by a retiree at the time of retirement cannot be changed subsequently. There are no options selections available in retirement for the Net plan.
- Net Plan only: Net Plan participants are entitled to a tax supplement which, in the USA can be paid in advance to help with quarterly Estimated Tax payments, or reimbursed after the tax has been paid. Pensioners residing outside the USA can only claim the tax supplement as reimbursements after taxes are paid.
- Retirees who were not US citizens during their service but remain in the US have a portion of their pension tax-exempt (the amount is calculated at the time of retirement, on the basis of actuarial tables). They and their survivors should bear in mind that the tax exemption ceases after a certain number of years. Pension Administration can provide information on your particular circumstances.

7. Retiree Medical Insurance Plan

Most, but not all, retirees participate in the Bank's Retiree Medical Insurance Plan (RMIP). This chapter offers advice to survivors of retirees who participated in the RMIP.⁸ If you are not sure of your entitlements contact *HR Operations* who will be able to clarify what you and your dependents are entitled to.

ADVANCE PLANNING ACTIONS FOR RETIREES:

- *Ensure that your spouse/partner is aware of your medical insurance plan and has the contact information of plan administrators (AETNA or CIGNA Dental for US-based pensioners, and CIGNA International for most pensioners residing overseas).*
- *Prepare an Advance Medical Directive (AMD) for yourself and ensure that your family is aware of its content and location. Or designate someone as your Health Care Power of Attorney (HCPOA) to make health decisions on your behalf if you are unable to do so.*
- *Prepare an AMD for your spouse/partner and be aware of its content and location.*
- *Ensure your spouse/partner is aware of the rules for continuation of health insurance.*

7.1 Advance Planning for your Medical Care as you age

An Advance Medical Directive (AMD) (also called an Advance Health Care Directive or “Living Will”) is a legal document that lays out your wishes about your future medical care when you cannot speak for yourself. As discussed earlier, there are several forms of AMD (see section 2.2.4).

The broadest form of AMD outlines your health care wishes to be used when severe medical situations occur, and you are not able to communicate your wishes. It is not limited to terminal illness and may also be used for medical events such as dementia, stroke or coma and if you are under anesthesia or have an illness that renders you too sick to communicate.

7.2 Medical Insurance for Survivors

When a retiree who participated in the RMIP dies, there are three possibilities for the surviving spouse or eligible partner to continue medical insurance. In each of these, if the survivor wishes to continue coverage under the RMIP, he/she must notify the Bank of his/her intention within 31 days from the date of the retiree's death. Failure to do so will result in the loss of insurance coverage for the survivor and/or associated dependents. This can be done by responding to HR Operation's communication, which is sent soon after they are advised of the death of a retiree:

- If the spouse or partner is entitled to receive a survivor pension from the Bank Group, RMIP coverage can continue for the lifetime of the survivor, with continuing coverage for eligible dependents on the same basis as the retiree enjoyed. Premiums will continue to be subsidized by the Bank and will be deducted from the monthly pension payment.

⁸ RMIP benefits are not limited to retirees strictly defined – for example participants in the Net Pension Plan who left the World Bank with more than five years service, but less than the ten years required for a pension are eligible for coverage, as are their survivors, provided the decision to participate in the RMIP was taken at the time of leaving the Bank. Similarly, surviving spouses of those who left the Bank with deferred pensions may be eligible.

- If a spouse or partner is not eligible to receive a survivor pension but was an RMIP participant as of the date of death, the surviving spouse or partner can elect to continue RMIP coverage at subsidized rates, with payment arrangements to be made with the HR Operations Center.
- In all other cases, the surviving participant can elect to continue RMIP coverage, but only for a maximum of three years, with no subsidy, and with premiums payable on a monthly basis in advance.

In all these cases, it will be necessary for the Bank to issue a new RMIP card, and for the survivor to file claims using the new RMIP identification number.

7.3 Warnings

- In the event of marriage or birth/adoption of a child after retirement, a retiree may add an eligible dependent under the family category of RMIP coverage; or increase coverage from individual to dual category, or from dual to family category, with an associated increase in premiums. But this is only possible if the HR Operations Center is notified in writing within 60 days of the “life event.” This option is only available while the retiree is living – it is not available to survivors.

Articles or books to help guide difficult conversations with loved ones as we prepare for failing health and end of life:

Susan Flanders: *If I ever lose My Mind*

Atul Gawande: *Being Mortal: Medicine and What Matters in the End*

The conversation project - an interactive web-based guidance program established by syndicated Washington Post Journalist Ellen Goodman

Diane Rehm: *When My Time Comes*

8. Life Insurance

Many, but not all, retirees participate in the Bank's Life Insurance Plan (formally called the Group Term Life Insurance Plan for Retirees). This chapter offers advice to retirees and their beneficiaries. If you are not sure if or what coverage applied, the Bank's HR Operations Center will be able to advise you regarding the Bank's Life Insurance Plan. However, in addition to this plan, some retirees avail the option made available to them to purchase Term Life Insurance from Prudential, while some retirees may have purchased additional life insurance policies from other insurance companies.

ADVANCE PLANNING ACTIONS FOR RETIREES:

- *Ensure that you have designated beneficiaries for your life insurance policy.*
- *Ensure that your beneficiaries are aware of your life insurance policy and their entitlements as beneficiaries of that policy.*
- *Ensure that copies of all your life insurance policy documents are stored in a safe place and your beneficiaries know how they can obtain them, when needed.*
- *If your spouse has life insurance coverage, make sure that all the above actions are carried out for their insurance policies as well.*

8.1 Basic Facts about the Life Insurance Plan

The Life Insurance Plan for retirees who retired with a Headquarters appointment is underwritten by a private life insurance company. As of this writing, the Life Insurance program for Country Office staff is underwritten by Cigna. The Bank plays an active part in administering the plan, e.g., by deducting premiums from monthly pension payments (for staff electing pensions instead of lump sum), and recording beneficiary information in its files, but the insurance company bears all the financial risk, makes all claim decisions and pays the life insurance benefit to the beneficiaries.

8.2 Warnings

- You (and any beneficiary) should be aware that the Bank's Life Insurance Plan provides "term" insurance, and that the amount the insurance company pays depends on (a), which of two options was selected at the time of retirement, and (b) how old the retiree is at the time of death. The company pays 100% of the defined coverage amount if the retiree dies before or at age 62. Then the coverage amount drops by 8% for each year, up to age 74 (although the monthly premium deducted from the retiree's pension remains constant throughout this period). If the retiree dies at age 75 or more, the benefit is limited to \$5,000 under the standard option and \$10,000 under the high option.⁹
- The retiree may avoid the annual reduction in coverage after age 62 by converting to a "whole life policy"—this requires arrangements with and direct payments to the insurance company.

⁹ The life insurance scheme for those who retired before May 1982 entailed lower premium payments, and the benefit above age 75 was limited to \$2,000—subsequently increased to \$3,000. Some pre-1982 retirees chose to pay the higher premiums and convert to the current plan with the \$5,000 limit.

- Instructions in a Will on how to dispose of the benefit payable by the Life Insurance Plan will have no effect. Only the designated beneficiary can receive the payment. A Will cannot override the explicit terms of such beneficiary designation.
- It is essential to keep the designation of a beneficiary up to date. A retiree who cannot find his or her own records can ask the HR Operations Center to check what is in their files.
- A beneficiary can be changed at any time, simply by submitting a new signed and dated beneficiary form, which will override any other prior designations in the Bank's files. The form is available online for printing, or it can be obtained from HR Operations. It is important to keep a copy of any new beneficiary designation sent to the Bank.
- For the Bank's Life Insurance Plan, the original of the new form must be on file with HR Operations in order to be valid for the group insurance policy. It is not enough simply to sign the form and keep it or put it in a safe deposit box.
- In the event of any dispute over which beneficiary is to be paid, it is the insurance company, not the Bank, that makes the determination.
- It is possible to stipulate a trust as the beneficiary, but again it is important to keep details up to date, e.g., ensuring that trustees are still alive.
- Older retirees will find that their life insurance documentation refers to New York Life as the insurance company rather than Prudential. This is not a reason for concern. When the Bank switched insurance companies in January 2000, it required the new insurance company to agree to honor the policies issued earlier by New York Life.

9. Bank-Fund Staff Federal Credit Union

ADVANCE PLANNING ACTIONS FOR RETIREES:

- *Ensure that all your bank accounts and investment accounts in the Credit Union have a joint owner or a designated beneficiary.*
- *Ensure that your beneficiaries are aware of all your bank accounts and investments at the Credit Union.*
- *Alternatively, managed your accounts and investments as part of your revocable trust, if you have established one.*
- *Store your passwords and security questions for online banking in a safe place and make arrangements for your beneficiaries to access them, if you are incapacitated for any reason.*

9.1 Managing your Credit Union Accounts

The majority of retirees, especially those residing in the U.S., receive their pensions in their Credit Union account. That particular account where pension payments are received is thus the first among equals, even for retirees who may have parallel accounts in other banks. It is strongly recommended that the account in which you receive your pension payments have joint ownership or, at a minimum, have a clearly designated beneficiary so that the account stays active even after the death of a retiree.

If you have multiple accounts at the Credit Union, make a list of all of your accounts, including checking, savings, money management accounts, 401K, and any share certificate accounts you have at the Credit Union. Verify that you either have a co-owner or a designated beneficiary for all of your accounts. Alternatively include them in any Trust you have established to manage your assets.

If you have credit cards or debit cards issued by the Credit Union, ensure that you keep their code in a secure location.

If you have taken out any loans from the Credit Union—mortgage, home equity loan (HELOC), car loans, etc.—include them in your list of accounts and keep them in a safe place. Store your online banking password and credit/debit card passcodes in a safe place. Ensure that your surviving beneficiaries are aware of all your accounts and know where they can access the list of accounts, your bank statements, and your passwords.

The survivor is expected to inform the Bank-Fund Staff Federal Credit Union (BFSFCU.org), on the death of a retiree if the deceased retiree had an account there. But if pension payments were regularly deposited into the Credit Union account, they may wish to delay this notification until after the last day of the month, when the final pension payment has been deposited (as the account may be restricted on receipt of notification, and the final pension payment would then be rejected). Contact the Credit Union by phone 202-212-6400 (or 1- 800-923-7328); or by fax 202-683-2380.

9.2 The Legal Formalities

If an account is individually owned, the Credit Union is required to freeze the funds in the account upon receiving notice of the owner's death, unless there is a designated beneficiary for that account. Any checks that have not yet cleared are returned, and all automatic withdrawals are rejected. The

account must go through the normal US probate process, which generally requires a lawyer in the US. The probate court will issue a document appointing an “executor” or “personal representative” (the terms vary by jurisdiction). When the US lawyer or the executor presents the appointment document to the Credit Union, funds in the deceased member’s account are released to the executor, whose responsibility is then to distribute the assets of the estate.

This legal probate process can be avoided if alternative arrangements are made ahead of time – see below.

9.3 Alternative Arrangements

There are three mechanisms through which the US probate process may be avoided altogether for Credit Union accounts:

- *Joint Ownership* – the spouse and/or others can be joint owners of the account. On the death of one owner, full ownership automatically passes to the other owner(s), and the Credit Union will not freeze the account, regardless of where the account holders reside.
- *Designation of a Beneficiary* – one or more people can be designated as a beneficiary of either an individual or a joint account. Beneficiaries have no access at all to the account as long as any owner is alive. In the case of a joint account, ownership passes as indicated above. When the last owner dies, or on the death of an individual account holder, the Credit Union will freeze the account temporarily. Once a designated beneficiary provides a copy of the death certificate and proof of his or her identity, the beneficiary becomes the owner of the assets without probate. If there is more than one beneficiary, the assets are divided equally among them. If a beneficiary is not eligible for Credit Union membership, the account will be closed, and the funds sent to the beneficiary¹⁰. As an account owner with designated beneficiaries, you will need to ensure that your beneficiary’s contact information on file with the Credit Union is up to date.
- *Revocable Trust* – if the account is held in the name of a revocable trust, on the death of the trustee, the Credit Union will freeze the account temporarily until the successor trustee has provided a death certificate and signed a new Account Designation Form. The account can then be operated by the successor trustee or disposed of in accordance with the terms of the trust document.

It is easy for an account holder to make any of these arrangements with the Credit Union. Simply inform the Credit Union of your intention, and they will send you a new Account Designation Form. You then fill it out with whatever signatures will now be relevant to the account and return it to the Credit Union. Of course, before changing the ownership of an account to a revocable trust, you must have a trust document drawn up and you must provide a copy (or an abstract of the trust agreement) to the Credit Union.

¹⁰ If a retiree is a member of the Credit Union, spouses, partners and children are always eligible for membership, as long as they become members before the retiree’s death. Whether other surviving owners or beneficiaries are eligible for membership is determined according to the eligibility rules in force at the time.

9.4 Useful Information

- *Wills* – instructions in a Will on how to dispose of the assets in a joint account, or an account with a beneficiary, or a trust account will have no effect. A Will cannot override the explicit terms of these accounts.
- *Power of Attorney* – a Power of Attorney is no longer valid on the death of the individual who signed it. It cannot, therefore, be relied upon to distribute the funds in an account following the death of the owner.
- *Joint Accounts* – if you establish a joint account, it is essential to inform the Credit Union if one of the joint owners dies, perhaps adding another owner or a designated beneficiary at the same time. Otherwise, when the second owner dies, the Credit Union will assume that the first owner is still alive and now controls the assets, which cannot be released to heirs until the death of the first owner has been properly documented – this may be difficult if several years have passed.
- *Revocable Trust Accounts* – setting up a revocable trust by itself does not accomplish any change in the account; you must place the account in the name of the trust and file a new *Account Designation Form*, along with an abstract or copy of the trust agreement.
- *Inactive Accounts* – an account can become “inactive” if considerable time passes without any member-initiated financial transactions. To maintain an “active” account, you must make a deposit or withdrawal – the automatic deposit of Credit Union dividends or interest is not enough.
- Under US law the Credit Union is required to turn over to the DC Government the balance in any account that has been “inactive” for three years. Once assets have been turned over to the DC Government, it is extremely time-consuming to retrieve them.
- In addition, the Credit Union assesses a monthly fee on accounts with no member-initiated transactions during the previous two years (except accounts with an IRA, loan, or share certificate attached, or where the account owner is under the age of 18). Application of such inactivity fees may result in the closure of the account when the balance falls to zero.
- To avoid these consequences (and to continue to receive statements and other important mailings), make sure there are some transactions through the account, and always keep the Credit Union informed of your current address and other contact information, such as telephone/fax numbers and e-mail addresses.

10. Contact Information

Initial communications are best handled by phone or e-mail. Either courier services or fax will expedite written correspondence, and if important documents are enclosed, it is advisable to use registered mail or courier service. Always include the UPI (staff number) of the retiree or spouse/partner in communications with the Bank – write the numbers here and on page 1 of the Handbook.

UPI (staff no.): retiree _____ spouse/partner _____

(if no separate UPI was ever issued to the spouse, just use the retiree's number)

Pension Administration

Mail and courier address:

The World Bank

Pension Administration Division

1818 H Street, NW

MSN C7-702

Washington, DC 20433

E-mail: 1pension@worldbank.org

Phone: 202 458 2977

Fax: 202 522 1723

To access Pension forms, go to www.wbgalumni.org, select Pension Portal under the WBG Resources tab. On the Pension Portal homepage, select Pension Benefits to get Information on Pension Benefits & Forms

Medical and Life Insurance

Mail address:

World Bank HR Operations

MSN G2-202

P.O. Box 27290

Washington DC 20038-7290

Phone: 202 473 2222

Fax: 202 522 2150

E-mail: hroperations@worldbank.org

Street address (For Courier Service):

World Bank HR Operations

MSN G2-202

1818 H Street NW

Washington DC 20433

Website for forms and information: <https://www.worldbank.org/en/about/unit/human-resources/retirees>.

Bank-Fund Staff Federal Credit Union

Mail address (also for courier service):

Bank-Fund Staff Federal Credit Union

1775 I Street NW, Suite 150

Washington DC 20006



Phone: 202 212 6400

Fax: 202 683 2380

BankFund Contact Us page: [Contact Us | Bank-Fund Staff Federal Credit Union](#)

Disclaimer: The information provided here and in the FAQs on the 1818 Society website on preparation for Incapacity and End of Life were prepared by 1818 Society volunteers to help guide Society members in their search for commonly needed information on these topics. The information presented should not be considered fully authoritative, reliable, or complete, because it is continually evolving and the volunteers who prepared it are neither qualified professionals nor experts in the topics. Therefore, before taking any action based on it, members are encouraged to reconfirm the information with a qualified professional adviser or other reliable sources.

**An online version of this Handbook and the Checklist are available on the Society’s website at:
<https://www.wbgalumni.org/emergency-resources/>**

Note: You can download the Handbook, Guide and the Checklist as PDF files and print or save them for future use. If you are using Chrome, Edge, or Firefox you can click on the download button  or save button  with the arrow pointing downwards, on the upper right corner of your screen. If you are using Safari, go to File on the menu bar and select “Export as PDF.”