

**November 2023**

(replaces the 2016 Handbook)



# **PREPARING FOR THE INEVITABLE**

## **HANDBOOK FOR ADVANCE PLANNING BY RETIREES & FAMILIES FOR INCAPACITY OR END OF LIFE**

The 1818 Society provides three (3) resources to plan for or in the event of incapacity or death of a retiree or other loved one. The three resources are:

1. A quick **FAQ Guide** for Actions at the Death of a Retiree/Spouse/Partner, which includes convenient, *clickable links* to authoritative internal and external sources.
2. An End of Life Advance Planning Checklist of *essential actions* for retirees and loved ones to take, and
3. This comprehensive Handbook for Advance Planning for incapacity or end of life for retirees & their families.

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. Please consult with licensed professionals to be sure you have up-to-date, authoritative advice. **(Please see the disclaimer on page 33).**

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**For Quick Reference, Write UPIs (staff numbers) here:**

**Retiree \_\_\_\_\_ spouse/partner \_\_\_\_\_**

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

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## **A. PREFACE–The Need for Advance Planning**

### *Real Life Examples of Why Planning is Necessary*

#### **EXPERIENCE #1: A TRAGIC SUDDEN DEATH:**

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 being made with the World Bank, and a former colleague was found who knew how to locate next of kin overseas.

#### **LESSONS:**

Always carry 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 named emergency contact has physical possession of an original signed copy of your Advance Medical Directive (AMD) instructions for when you cannot advocate for your own medical care.

#### **EXPERIENCE #2: DEATH of a NON-US CITIZEN with NO BLOOD RELATIVES IN THE USA:**

A former WB colleague who lived alone was fortunate to have a ‘telephone care circle’ of other retirees as their health deteriorated. When they died and the emergency services were called, they administered cardiopulmonary resuscitation (CPR). The deceased 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 the EMT staff.

#### **LESSONS:**

Identify a person to serve as your Medical Power of Attorney. Make sure they know they have been identified and have agreed to serve in this task.

Do prepare an Advance Medical Directive and make sure that your Medical Power of Attorney is in possession of an original signed copy. This is essential both in emergency care AND if hospitalization occurs. An original copy of a signed and witnessed Medical Directive needs to be available in all care situations. Without such a document, medical and hospital services will apply their own medical protocol, which may not be consistent with your wishes.

#### **EXPERIENCE #3: SICKNESS AND RAPID DEATH OF US RESIDENT (GREEN CARD HOLDER) WHO DID PREPARE A WILL AND ADVANCE MEDICAL DIRECTIVE:**

A former WB colleague feels unwell and is immediately hospitalized with an aggressive cancer. They rapidly slip into a coma and die days later. The family is devastated by this horrendous and shocking loss.

The retiree had prepared all the necessary legal documents—Will, instructions relating to identifying all assets; passwords, etc.; their financial accounts were in joint names or in a trust such that there was no blockage on access to funds.

While the family remains devastated by this awful loss, they are grateful that at least the overwhelming logistical requirements to administer the estate have been prepared in a way that makes this as manageable and tax efficient as possible.

### **LESSONS:**

Obtain appropriate legal and financial advice as you prepare your will and financial power of attorney. These are critically important documents to protect your assets and your family. 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 your preparation for the end of life with loved ones (spouse, partner, children), so that it is clear what you want to happen should you become incapacitated at the end of life.

*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!**

## B. IMMEDIATE STEPS

- Review the 1818 Society End of Life Checklist that lists helpful actions for advance planning in case of incapacity and death. It can be viewed at [www.wbgalumni.org](http://www.wbgalumni.org) under WBG Alumni Resources/Members Helping Members.
- For links to original source materials, review the 1818 Society Guide for Actions after the Death of a Retiree/Spouse/Partner. It can be accessed at <https://www.wbgalumni.org/wbg-guide-what-to-do-after-a-death-of-retiree-spouse-partner/>
- And, of course, for a more detailed explanation of helpful actions, consult this Handbook. The Handbook is available online at [www.wbgalumni.org](http://www.wbgalumni.org) under WBG Alumni Resources/Members Helping Members.

These three resources are an excellent starting point to guide your advance planning. Please consult licensed professionals and original sources for up-to-date, authoritative advice before making any decisions. **(Please see disclaimer on page 34).**

<https://www.wbgalumni.org/member-resources/member-survivor-resources/>

## C. INTRODUCTION

Many practical problems that retirees and survivors face can be resolved or simplified by retirees taking fairly simple steps *in advance*.

We have tried to keep the explanations and the language simple and to eliminate, as far as possible, any ambiguities. Unfortunately, many of the matters discussed have complicated legal implications or important long-term consequences, so you are encouraged to seek professional guidance in making consequential decisions.

Note that the Handbook does not replace the formal documents, such as the Staff Retirement Pension Plan document, the Medical Insurance Plan Summary Plan Description, and the Staff Rules. The language of these formal documents will govern. These documents are available from Pension Administration and HR Operations, respectively.<sup>1</sup>

In our observation, the Bank (and Credit Union) staff who deal with these matters are highly experienced, competent, and helpful, and we recommend that you address them with your concerns without delay.<sup>2</sup>

The Handbook explains how various people are to be notified when a retiree or spouse/partner dies, but you do *not* have to notify the 1818 Society. The Society is informed by others in the Bank when a retiree passes away and automatically transfers Society membership to the surviving spouse or partner – no further payment or notification is required. The Society will post the deceased’s name and date of death in its “In Memoriam” list, which appears in the quarterly Bulletin and on its website. A surviving spouse or partner will continue to have access to the Bank’s buildings during normal working hours, for example, to use the Credit Union or the cafeteria, or to visit the Society’s office, but will need a Bank ID to pass the security guards.

In this Handbook, three chapters correspond to the main benefits of concern to survivors, i.e., Pension, Medical Insurance, and Life Insurance, followed by a chapter on the Credit Union. These chapters start with a brief review of the formalities, 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.

Chapters D-I go into some detail in order to cover a variety of circumstances. But in essence, after a retiree or survivor’s death the following fairly simple steps need to be taken:

- Inform Pension Administration (which will inform other Bank units as necessary).
- Fill out and return any forms that the Bank then sends you.
- Contact the Bank-Fund Staff Federal Credit Union, if there was an account there.

The last chapter in this Handbook covers other important matters that surviving spouses, who are US citizens or reside in the US, might have to handle, such as preparing for the inevitable estate and end

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<sup>1</sup> See I. Contact Information, page 33.

<sup>2</sup> See I. Contact information, page 33.

of life planning and administration, income tax, social security, and immigration. To a large extent, these matters can be resolved/simplified by advance planning by retirees. The substance of this chapter is based on information currently available from official sources of the US Government. Since these rules are subject to change by the US Government, the Society cannot vouch for the comprehensiveness and/or accuracy of information provided in this Handbook. Therefore, this discussion should be used mainly to orient oneself to issues to be prioritized now or whenever possible and followed up after the death of a retiree or spouse/partner. Also, it is advisable for retirees, spouses, and partners to seek advice/assistance from appropriate professionals.

Contact information is listed on page 33. Initial communications with the Bank are best handled by phone or e-mail. Courier services or fax will expedite written correspondence; if important documents are included, 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 (Make sure these numbers are noted on page 2 and page 33 of this Handbook).



## D. PENSIONS

*(The discussion in this chapter applies to all retirees who participated in the World Bank’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.)*

### i. The Formalities in Brief

#### Who is eligible for a survivor benefit?

GROSS PLAN	NET PLAN
<p><b>Eligible surviving spouse:</b> The spouse on the last day of service and the same spouse on the date of death is automatically 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><b>Eligible surviving spouse/partner:</b> 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 automatically 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><b>Eligible partner:</b> An “eligible partner” is one who was 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><b>Single on the last day of service:</b> A retiree who is single (not married) can name any person to receive the survivor lump sum death benefit.</p>
<p><b>Surviving spouse/partner pension</b> 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><b>Surviving spouse/partner pension</b> 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 you are five years younger than the retiree, you will receive 50% of the retiree’s pension as a survivor pension.</p>

<p><b>Lump Sum death benefit:</b> This benefit becomes payable when there is no eligible surviving 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, the spouse of the last day of service pre-deceased retiree.</p>	<p><b>Lump Sum death benefit:</b> The retiree made an election for a lump sum death benefit at the time of the pension application. The named beneficiary(ies) to receive this benefit may be updated in retirement.</p>
<p><b>Currency of payment:</b> 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. You have the option to change the arrangement at the time or later, provided that you meet the 12-month principal residency requirement, which is explained in the currency option fact sheet available on Pension Administration's website (see address on page 33).</p>	<p><b>Currency of payment:</b> 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>

**What steps are taken when *Pension Administration* receives notice of the death of a retiree or a spouse/partner? (Information below applies to both Gross and Net Plan)**

<p>Pension Administration is informed of the death of the retiree</p>	<p align="center">Pension Administration:</p> <ul style="list-style-type: none"> <li>● Informs other Bank units concerned (including the HR Operations, which is responsible for Medical Insurance and Life Insurance (see Chapters E. and F.).</li> <li>● Makes a final pension payment into the deceased retiree's account at the end of the month in which the death occurs.</li> <li>● If there is an eligible surviving spouse or partner (or, in appropriate cases, eligible dependents), calculates the pension due and sends a letter specifying the amount and enclosing forms to be filled out. The form is needed to establish the account into which pension payments are to be made, and to provide tax information for US tax residents. Pension Administration may contact the administrator or executor of the estate to obtain information about the beneficiary(ies) address.</li> <li>● If there is no eligible surviving spouse or partner, calculates the amount of the lump sum death benefit payment to be paid, and sends a letter to the beneficiary(ies) recorded on file by the retiree, enclosing forms to be filled out.</li> </ul>
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<p>Pension Administration is informed of the death of the retiree's spouse or partner (i.e., spouse or partner predeceases the retiree).</p>	<p style="text-align: center;">Pension Administration:</p> <p>Informs other Bank units concerned (including the HR Operations, which is responsible for Medical Insurance and Life Insurance (see Chapters E and F).</p> <p>Acknowledges the notification and sends a letter to the retiree requesting a copy of the death certificate and a reminder is sent to the retiree to update the designation of beneficiary on file, if needed.</p>
<p>Pension Administration is informed of the death of the surviving spouse or surviving partner</p>	<p style="text-align: center;">Pension Administration:</p> <ul style="list-style-type: none"> <li>• Informs other Bank units concerned, including HR Operations, which is responsible for Medical Insurance and Life Insurance (see Chapters E and F).</li> <li>• Acknowledges the notification and makes a final pension payment into the deceased surviving spouse/partner's account at the end of the month in which the death occurs.</li> </ul>

Because of the way in which the exchange rate is calculated, you are strongly advised to consult Pension Administration to see whether a change in the currency of payment is to your advantage (the currency option fact sheet can be obtained from Pension Administration or viewed on their website).

If a pension is due, the form must be duly completed, signed, and returned, along with an official death certificate (and other documents if there are dependent beneficiaries). Once the form is in hand, and various calculations have been completed, *Pension Administration* begins pension payments into the account indicated on the last day of each month. A survivor pension becomes effective starting on the day after the retiree's death, meaning that during that month benefits will accrue from both the retiree's pension and the survivor's pension. However, the actual date on which the first payment reaches the survivor's bank account will be at least 30 days from the date of death – it usually takes about six weeks from the time of death notification. If any overpayments were made to the retiree these will be recovered from the surviving spouse pension.

If no pension or other benefit is due, e.g., when a retiree's spouse or partner dies, it is sufficient to submit an official death certificate.

## ii. What You Must Do

There are basically two steps:

- Inform the Bank *Pension Administration* of the death of the retiree or spouse/partner and submit a death certificate.
- If a survivor pension or death benefit is payable, also return the claim form that the Bank sends you.

A family member should inform *Pension Administration* at the Bank promptly (within 15 days) of the death by letter, e-mail, telephone or fax (see contact information on page 34). The information should include the date of death, and an immediate contact person and how to reach him or her. It is important for initial notification to come from a family member, because *Pension Administration* cannot act on the word of someone with no obvious connection to the retiree (unless they have been formally designated as executor or administrator of the estate). Please include the retiree or spouse/partner's staff number (UPI) in all communications with the Bank. ***Please also note the caution under Warnings below, concerning the closure of the account into which the pension was paid.***

You will need one or more official death certificates<sup>3</sup>. These will take different forms depending on where you live. Ideally, you should send an original or certified copy (which *Pension Administration* will be glad to return to you if you request)—the key point is that the Bank has to satisfy itself that the reported death is genuine. If the death certificate is not in English, you should include a translation (which does not have to be certified). The death certificate can be sent at the time of initial notification; if not, it must be attached to the form you will have to submit (see below). Note that in the case of a retiree who participated in the Bank's Life Insurance Plan, you will also need to send an official death certificate to *HR Operations*. You may request *Pension Administration* to pass on the official death certificate to *HR Operations*, but as explained, this may slow down the process. In addition, you may need an official death certificate for the Credit Union (see Chapter G, Bank-Fund Staff Federal Credit Union, page 20).

It is important to ascertain, as soon as possible, precisely how death certificates are generated and certified in the government jurisdictions in which one lives. Typical procedures in United States communities involve either the funeral home or the hospital or the medical facility. These entities, in consultation with affected families if relevant, complete requisite information for the certificate such as the name of deceased, date, place, and cause of death, etc. The certificate is then filed with the local and/or state governments in which the deceased has lived most recently. These procedures may vary in other countries and government jurisdictions, so it is important to learn about the procedures depending on the circumstances.

Within ten working days of the initial notification, if a survivor's pension is due *Pension Administration* will send you a letter with forms to be filled out. The form asks for details of the bank account into which the monthly survivor's pension will henceforth be paid, including the bank's ABA number or SWIFT BIC code to facilitate electronic transfers. The form also asks for information about your status with regard to US tax laws, which *Pension Administration* is required to collect and needs to know in order to provide information you will need to file tax returns. You must sign the form and have your signature witnessed by two non-family members (the witness does not have to have any official status), and you must attach three items: (a) a voided check or deposit slip for the account into which pension payments are to be made (or alternatively a note confirming that you want the Bank to continue paying the pension into the same account as before); (b) copy of the beneficiary(ies) passport or driver's license; and (c) the official death certificate (unless that was submitted with the initial notification to the Bank).

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<sup>3</sup> Depending on the circumstances, you plan on needing at least a dozen copies of the death certificate—for pension and life insurance purposes and for the Credit Union, other financial institutions, investment advisers, life insurance companies (other than WBG provided life insurance), estate executors, etc. Therefore, it may be efficient to order all of the death certificates that may be required in the first instance (plus a few extras just in case they may be needed).

If there are dependent children eligible for “child’s benefit”, an additional form must be submitted. (The basic condition for eligibility for the “child’s benefit” is that the child should be unmarried and under the age of 22). Attachments to the “child’s benefit” form include each child’s birth certificate. If you have an unmarried child who is disabled, you may request the *Pension Benefits Administration Committee* to consider the payment of a “disabled child’s benefit”, provided the child’s disability became apparent before the age of 22.

It is important to complete and return the form (or forms) promptly, with their attachments, since *Pension Administration* cannot begin payments into the designated account until the forms are reviewed and accepted, and various calculations performed. To ensure that the process moves quickly it is best to send the original forms and relevant documents via courier. Advance copies may also be sent by fax or as attachments to e-mail to allow for an early review of the material.

### **iii. 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 your 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 D), 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.

### **iv. 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. In case the pension recipient is incapacitated, 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).

- 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 available a form 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.
- 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.

## E. 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.<sup>4</sup> If you are not sure, the *HR Operations* will be able to tell you. Contact information is on page 33.

### i. The Formalities in Brief

When a retiree who participated in the RMIP dies, there are three possibilities. In each of these possibilities, if the survivor wishes to continue coverage under the RMIP, he/she must notify the Bank of his/her intention within 60 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 will receive a survivor pension from the Bank Group, 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.
- If a spouse or partner will not receive a survivor pension but was a plan participant as of the date of death, the surviving spouse or partner can elect to continue coverage at subsidized rates, with payment arrangements to be made with the HR Operations Center.
- In all other cases, the surviving participant can elect continuing coverage, but only for a maximum of three years, with no subsidy, and with premiums payable on a monthly basis in advance.

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

### ii. What You Must Do

When Pension Administration is informed of a retiree's death (see Chapter D), they will inform HR Operations, which in turn will contact you to confirm coverage arrangements and to issue new identification numbers and RMIP cards for you and any other eligible family members. You do not have to inform the RMIP Administrator separately. But if you do contact the HR Operations Center, please mention the retiree's or your own UPI (staff number) in all communications.

### iii. 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

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<sup>4</sup> 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.

event.” Note that this option is only available while the retiree is living – it is not available to survivors.

- Survivors must inform the Bank (by contacting the HR Operations Center) of their intention to continue coverage within 60 days from the date of the retiree’s death. The HR Operations Center can inform you if you are eligible to continue lifetime subsidized premiums or if you are only eligible for coverage for up to three years at the full cost of premiums (unsubsidized premiums). These arrangements are consistent with US domestic laws regarding the continuation of health insurance sponsored by an employer.

### **Additional Points in Planning for Your Medical Care**

What is an Advance Medical Directive (AMD) (Also called an Advance Health Care Directive or “Living Will”)?

-- An 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 left you too sick to communicate.

–What is a Living Will? 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 if you are incapacitated.

– What is a Medical or Health Care Power of Attorney (HCPOA)?

A medical or health care power of attorney is also a type of Advance Medical Directive. It may also be called a health care proxy or a durable power of attorney for health care. The health care power of attorney specifies the person who is authorized by you to make decisions regarding your health care when you are unable to do so.

When you name a HCPOA, you delegate all health care judgments to that person in consultation with your doctors when you are unable to make your own medical decisions.

If you want your own wishes to guide your Health Care Proxy when your proxy advocates for you, 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 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.

Where can I find a format to draw up my own AMD?

There are many forms that 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. The medical team 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 Do Not Resuscitate (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](http://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, and likely many others) 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.

Can you recommend any good 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*

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1818 Members are encouraged to inform themselves regarding the legal and practical standing of an AMD in their place of residence and prepare with their families to ensure that their own end-of-life wishes are honored to the extent feasible. We also encourage 1818 members to share their own findings on these matters with our MHM team so that information can be widely shared with our membership.

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### **Additional Points to Consider**

*What is the difference between an elder care lawyer and an estate planning lawyer?*

Elder law 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 planning, guardianship, retirement, Social Security, Medicare/Medicaid, and other important matters.

In many ways, elder law 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)

Estate planning lawyers, on the other hand, help with planning the distribution of your estate according to your wishes and provide advice on tax ramifications of estate planning instruments.

Points you need to research before you appoint anyone to handle your assets and/or finances while you are alive.

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).

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 (insert the databases to check here)

The other, more intangible, aspect of setting up such relationships is that you are building trust. After vetting, do not neglect to listen to your intuition and gut.

## F. 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 survivors of those who did. If you are not sure if or what coverage applied, the Bank's HR Operations Center will be able to advise you (see I. Contact Information, page 33).

### i. The Formalities, in Brief

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.

When the Bank is informed of a retiree's death, HR Operations writes to the beneficiary specified by the retiree prior to the death and records in the Bank's beneficiary files, indicating how much will be paid to that beneficiary. If there is more than one beneficiary, the Bank will only disclose the amount payable to each beneficiary and will not disclose other beneficiary names or amounts. Included with the letter is a Life Insurance claim form that must be filled out and returned to the HR Operations Center together with an official death certificate (if there is more than one beneficiary, only one needs to submit the death certificate). Other relevant information may also be requested, e.g., a copy of a Police Report in case of death in an accident. HR Operations Center then passes the completed claim form, along with the death certificate and any other relevant documentation provided by the beneficiary to the insurance company, which satisfies itself that the claim is in order and formally determines the beneficiary and the payment amount. The insurance company then prepares the check for delivery to the beneficiary.

### ii. What You Must Do

You or a family member should inform Pension Administration at the Bank promptly of the retiree's death (see Chapter D), and they will automatically inform HR Operations. HR Operations staff will be glad to discuss the process outlined above with a family member but can only discuss such details as the amount payable with the beneficiary designated by the retiree, or with a person holding legal power of attorney for the beneficiary, or with the executor of the deceased's estate. Please mention the retiree's UPI number (staff number) in all communications with the Bank.

The beneficiary must sign the Life Insurance claim form. When submitting the form, the beneficiary will have to include an official death certificate, which will be retained by the insurance company (if there is more than one beneficiary, only one needs to submit the death certificate). It will expedite matters if you would send a separate official death certificate from the one required by the Pension Administration (see Chapter D).

### iii. 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.<sup>5</sup>

- 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.
- 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 a 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 designation sent to the Bank.
- Note that 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.

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<sup>5</sup> 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.

## **G. BANK-FUND STAFF FEDERAL CREDIT UNION**

### **i. Informing the Credit Union**

The survivor should also inform the Bank-Fund Staff Federal Credit Union (BFSFCU.org), if the deceased retiree had an account there. But if pension payments were regularly deposited into the Credit Union account, you 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.

### **ii. 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. 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.

*Note that this legal process can be avoided if alternative arrangements are made ahead of time – see below.*

### **iii. What You Must Do**

Inform the Credit Union of the account holder's death, by telephone, letter, or e-mail (see contact information on page 33). Note that the Credit Union is **not** part of the World Bank Group and that the Credit Union must be notified of the account holder's death separately from the Bank. The Credit Union will tell you whether an official death certificate is required and what other documents are necessary – this will depend on the type of ownership of the account.

If a US attorney is needed because of the type of account ownership but you do not have one, you can ask the Credit Union to provide a list of lawyers accredited in Washington DC who have experience in handling cases of this kind.

### **iv. 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 beneficiary<sup>6</sup>. 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.

#### **v. Warnings**

- *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.

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<sup>6</sup> 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.

- 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.



## H. IMPORTANT MATTERS FOR US CITIZENS AND RESIDENTS<sup>7</sup>

Invariably, the surviving spouses and partners also need to tackle matters requiring interaction with US Government and states. To a large extent, these matters can be resolved/simplified by advance planning by retirees. Therefore, in this chapter, we are providing information on the important topics of preparing for the inevitable – estate and end-of-life planning and administration, taxes, immigration, and social security. The substance of this chapter 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. 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. Of course, this discussion also serves as a checklist for our survivors, so it is particularly useful to facilitate discussions and clarifications as we do our best to get our affairs in order. Also, note that the relevant laws and regulations could change over time. In specific situations, it may be advisable for retirees, spouses, and partners to seek advice/assistance from professionals.

### **Avoiding Probate**

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.

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. 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 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 (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.

In general, the estate administrator:

- Collects all the assets of the deceased.
- Pays creditors.
- Distributes the remaining assets to heirs or other beneficiaries.
- The first responsibility as an estate administrator is to provide the probate court with an accounting of the assets and debts of the deceased.

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<sup>7</sup> The discussion in this chapter is mostly relevant to US citizens and residents only. However, the last section, “Protecting Against Identity Theft”, is relevant for retirees living in any country.

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.

Preparing for the end of life is difficult! It is painful, frightening, and feels almost 'unnatural'.

But preparing for the end of life now, when you can, is more important than ever!

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!

### **i. Preparing for the Inevitable—Estate and End of Life Planning and Administration**

To avoid probate and to ensure your wishes are carried out 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.

In recent years, the 1818 Society has organized seminars on U.S. Estate Planning. The PowerPoint presentations and the audio recordings of these seminars are available on the 1818 Society website ([www.wbgalumni.org](http://www.wbgalumni.org) under WBG Alumni Resources/Taxation and Immigration). Referring to this information gives members a good general idea of the issues as well as options for estate planning and administration.

Generally, estate planning involves executing four documents: (a) Last Will and Testament; (b) Living Trust (avoids probate, i.e., going to the court, which is expensive and a time-consuming process); (c) Durable Financial Power of Attorney authorizing someone to take financial decisions in case you should become incapacitated; and (d) Advance Medical Directive so that someone you trust would be able to take medical related decisions on your behalf when you are incapacitated. However, 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 planning<sup>8</sup> 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.

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<sup>8</sup> It is important that the attorney specializes in estate planning and has knowledge of relevant state laws.

## **Planning for Distribution of Assets**

### **What documents are usually required for an effective estate plan?**

- Last Will and Testament
- Living Trust
- Advance Medical Directive
- Durable Financial Power of Attorney

### **What is a 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.

### **How do I prepare a last Will and Testament?**

Either use online sources and prepare the documents yourself or consult a lawyer.

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

### **What kind of lawyer should I consult?**

Lawyers who specialize in the preparation of estate planning documents or “will and probate” lawyers.

### **What do I need to do before I fill in the online forms or see a lawyer?**

Gathering information and discussing it with loved ones is advisable. 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>

### **Do I need a last Will and Testament in each country in which I have assets?**

Yes. 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.

### **How do I ensure 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. The following is a useful link:

<https://thelawdictionary.org/article/how-to-arrange-for-guardianship-of-your-children-after-your-death>

### **Is a Will the same as a Living Will?**

No. A Living Will is the same as an Advance Medical Directive (AMD), which is a legal document dealing with the medical care you want. (See the prior question on AMD)

A Will deals with the distribution of your assets. (See the prior question on Last Will and Testament)

### **What is a 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 much easier upon your death for your beneficiaries to not have to go through probate court.

When you establish the 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 (of sometimes US\$10,000), and it can happen that your beneficiaries will only have 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.

## **What is the main purpose of a Revocable Living Trust?**

A Living Trust is one of the fastest ways for your beneficiaries to have access to your assets.

Setting up a Living Trust helps your beneficiaries to get quick access to your assets (house, bank accounts, etc.) by avoiding probate. In comparison, when you only have a Will or Testament, the beneficiaries will have to go through (probate) court, get a probate lawyer, put up a retainer of as much as US\$10,000 or more, and only give access to your assets after maybe 1 year or longer.

Under this kind of arrangement, 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.

## **What is a Durable Financial Power of Attorney?**

It 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 on the internet, e.g., Suze Orman’s website: [Suzeorman.com](http://Suzeorman.com). Or from

<https://eforms.com/power-of-attorney/durable/> and fill in the state in which you live.

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

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

## **Where can I find more information about estate planning?**

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.

Also, financial advisors can provide guidance on estate planning as part of their services.

## **Where can I find information on estate taxes, Inheritance taxes, and gift taxes?**

Substantial information is available on the IRS website at [www.irs.gov](http://www.irs.gov), Publication 559 (Survivors, Executors, and Administrators).

IRS Instructions for Form 706 describe the portability of estate tax exemptions for married persons.

IRS Estate and Gift Taxes for Individuals, Businesses and Self-Employed.

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.

### **ii. Taxes**

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., an 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:<sup>9</sup>

- *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.

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<sup>9</sup> 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 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;<sup>10</sup> and (b) Internal Revenue Bulletin 2012-28 of July 9, 2012; T.D. 9593; Portability of a Deceased Spousal Unused Exclusion Amount.<sup>11</sup> 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.<sup>12</sup>

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 information<sup>13</sup>.

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<sup>10</sup> <http://www.irs.gov/pub/irs-pdf/p559.pdf>

<sup>11</sup> [www.irs.gov/irb/2012-28\\_IRB/ar08.html](http://www.irs.gov/irb/2012-28_IRB/ar08.html)

<sup>12</sup> [www.irs.gov](http://www.irs.gov)

<sup>13</sup> [www.nolo.com/legal-encyclopedia/wills-trusts-estates](http://www.nolo.com/legal-encyclopedia/wills-trusts-estates)

### iii. U.S. Social Security

For the 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 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](http://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?"

### iv. Immigration

Some retirees and their spouses continue to hold a G4 visa. On the death of such retirees, the spouses have 30 days to either leave the country or apply for a change of visa status. Spouses in such a situation, as well as those in other visa statuses, who wish to reside in the US as a permanent resident, can explore the following possibilities:

- *Pending Green Card Petition* - If the deceased retiree had sponsored the spouse and other family members for permanent resident status (Green Card) and the Green Card had been issued, the death of the deceased retiree should not affect the status of the Green Card. However, if a relative (the retiree) who sponsored a family member for a Green Card should pass away before the processing is completed, the individual or relative that was sponsored by the deceased may proceed with the application. In this respect, the requirements include that the spouse and/or family resided in the US when the petitioner died and continue to reside in the US on the date of the decision on the pending petition. Moreover, if the decedent was expected to guarantee the sponsored person's financial well-being for a period of time, it appears possible that in a few cases, the sponsored person(s) may need to find a substitute relative or person to fill that role. For more details, please refer to USCIS Policy Memorandum No. PM-602-0017, dated December 16, 2010.<sup>14</sup>
- *Spouses of US Citizens* – Spouses of deceased US citizens for whom a petition for a Green Card was not filed can self-petition as an “immediate relative” on Form I-360<sup>15</sup> for a Green Card. The eligibility requirements for such a petition include: (a) Married to a US citizen at the time he or she passed away; (b) File Form I-360 within 2 years of spouse's death; (c) Not remarried; (d) Not divorced or legally separated from spouse at the time he or she died; (e) Able to prove a bona fide marital relationship until the time of spouse's death; and (f) Admissible<sup>16</sup> to the US. For details refer to the USCIS website.<sup>17</sup>
- *Spouses of Non-US Citizen Retirees* - Spouses as well as unmarried children below the age of 25 years of deceased WBG retirees, who were neither US citizens nor Green Card holders, may be eligible for a special immigration status and Green Card. The relevant eligibility requirements state that a surviving spouse and/or children: (a) while maintaining status as a nonimmigrant, have resided and been physically present in the U.S. for a total of at least half (50%) of the last 7 years

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<sup>14</sup> <http://www.uscis.gov/sites/default/files/USCIS/Laws/Memoranda/2011/January/Death-of-Qualifying-Relative.pdf>

<sup>15</sup> [www.uscis.gov/i-360](http://www.uscis.gov/i-360)

<sup>16</sup> For definition of admissibility refer to USCIS web site: [www.uscis.gov/policymanual/HTML/PolicyManual-Volume8.html](http://www.uscis.gov/policymanual/HTML/PolicyManual-Volume8.html)

<sup>17</sup> <https://www.uscis.gov/green-card/green-card-eligibility/green-card-for-family-preference-immigrants>



before applying for adjustment of status or for a visa; (b) have a combined period of physical residence in the U.S. of at least 15 years before the death of the retiree; and (c) file a petition for special immigrant status (Form I-360) no later than 6 months after the retiree's death. Additionally, in all cases, you must be admissible to the U.S. to be eligible to become a permanent resident. To obtain a Green Card, spouses, and children must first file Form I-360. For more details, please refer to the website of the U.S. Citizenship and Immigration Services.<sup>18</sup> Moreover, children under the age of 21 years holding a Green Card under this facility can also sponsor their widow/widower parents for a Green Card.

#### **v. Protecting Against Identity Theft**

Unfortunately, identity theft is a very real concern in this day and age, and, therefore, the survivor should consider taking appropriate steps to help prevent the decedent's estate and their survivors from being victimized. Some of the important steps that might be taken include:

- Notifying the credit bureaus, since it may take some time for the state government in which the decedent resided to inform the credit bureaus.
- Notifying all institutions where the decedent has a financial relationship, as suggested above.
- Avoiding, if possible, the inclusion of some pertinent details in media notifications of the retiree's passing (e.g., in newspapers), such as the decedent's exact address, his or her middle initial, and her maiden name – information, which is frequently requested when applying for new credit.
- Not long after the death of the retiree, it may also be helpful to cancel his or her driver's license and to notify the Direct Marketing Association to put the decedent's name on the "deceased do not contact list."

#### **Other things you can do in advance to reduce the work and emotions for your loved ones:**

- In the age of two-step verification, where we often use our phone to complete a login, ensure that a trusted person knows the two-step verification for your phone. Without access to your phone, family or fiduciary persons may not be able to access needed information.
- Write down the history/stories of beloved possessions (tape them to the object). Survivors won't know the provenance of objects, nor the emotional value they may have for you.
- Tape to the object whom you want it to go to, if you have made promises (and have not listed these objects/recipients in your Will) or give them away while alive. Avoids conflicts.
- Digitize documents/photos that document your life's history.
- Put your car in joint ownership, so it can be used after your death.
- Clean out your house and get rid of possessions. Survivors have little time to do this and may throw away important objects/papers, whether financially or emotionally important.

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<sup>18</sup> [www.uscis.gov/green-card/other-ways-get-green-card/green-card-international-organization-employees](http://www.uscis.gov/green-card/other-ways-get-green-card/green-card-international-organization-employees)

- Friends to contact: Indicate which folks need to be notified right away.
- List of ALL Credit Cards, (account number; phone number, memberships. customer service number. Same info for Mortgage, utilities, recurrent automatic charges, etc.)
- Gifts/donations: Also include in Will. BE SURE TO HAVE A CURRENT WILL!
- Medical Team: all doctors (internist first), including specialists, dentists, etc.
- Online identify after death; legacy contacts (for instance, give instructions to Facebook on what to do with your profile after death)
- ALL online IDs and Passwords. Make a list that you share with those who will need it (and specify a location on my computer). If you've got a Password Manager service; be sure to make that information available way up front. It's a disaster if the person handling these things can't access your passwords.
- Prescriptions and Mail Order Service, if applicable.

## I. 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](mailto:1pension@worldbank.org)

Phone: 202 458 2977

Fax: 202 522 1723

To access Pension forms, go to [www.wbgalumni.org](http://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

Street address (For Courier Service):

World Bank HR Operations

MSN G2-202

1818 H Street NW

Washington DC 20433

E-mail: [hroperations@worldbank.org](mailto:hroperations@worldbank.org)

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

### ***Credit Union***

Mail address (also for courier service): e-mail: [memberservices@bfsfcu.org](mailto:memberservices@bfsfcu.org)

Bank-Fund Staff Federal Credit Union

1725 I Street NW

Suite 150

Washington DC 20006

Phone: 202 212 6400

Fax: 202 683 2380

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**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. However, 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 is available at:**

**<https://www.wbgalumni.org/member-resources/member-survivor-resources/>**