

ISBA'S ELDER LAW BOOTCAMP 2017

TRUST ADMINISTRATION

April 28, 2017

Heather McPherson
McPherson Law Offices
1720 Hance Drive
Freeport, IL 61032
815.235.4411
McPhersonLaw.com

CHECKLIST
TRUST – POST DEATH
FOR THE TRUST OF

DECEDENT'S DOD: _____ DECEDENT'S DOB: _____

Trustee:

Address:

Telephone Number:

Email Address:

Trust TIN:

- Declaration of Trust or Trust Agreement
- Will (Filed with Court)
- Obituary
- Death Certificate
- SS-4
- IRS TIN Notice
- IRS Form 56
- Authorizations
- Initial letters to trust beneficiaries
- IRS Form W-9 for beneficiaries
- Inventory
- Address List for all beneficiaries
- Copy of ID/Driver's license
- Final Accounting
- Approvals of Accounting
- Final Receipts

Application for Employer Identification Number

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)

OMB No. 1545-0003

EIN

▶ See separate instructions for each line. ▶ Keep a copy for your records.

| | | |
|--|---|---|
| Type or print clearly. | 1 Legal name of entity (or individual) for whom the EIN is being requested | |
| | 2 Trade name of business (if different from name on line 1) | 3 Executor, administrator, trustee, "care of" name |
| | 4a Mailing address (room, apt., suite no. and street, or P.O. box) | 5a Street address (if different) (Do not enter a P.O. box.) |
| | 4b City, state, and ZIP code (if foreign, see instructions) | 5b City, state, and ZIP code (if foreign, see instructions) |
| | 6 County and state where principal business is located | |
| | 7a Name of responsible party | 7b SSN, ITIN, or EIN |
| 8a Is this application for a limited liability company (LLC) (or a foreign equivalent)? <input type="checkbox"/> Yes <input type="checkbox"/> No | | 8b If 8a is "Yes," enter the number of LLC members ▶ |
| 8c If 8a is "Yes," was the LLC organized in the United States? <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 9a Type of entity (check only one box). Caution. If 8a is "Yes," see the instructions for the correct box to check. | | |
| <input type="checkbox"/> Sole proprietor (SSN) _____ <input type="checkbox"/> Estate (SSN of decedent) _____ <input type="checkbox"/> Partnership _____ <input type="checkbox"/> Plan administrator (TIN) _____ <input type="checkbox"/> Corporation (enter form number to be filed) ▶ _____ <input type="checkbox"/> Trust (TIN of grantor) _____ <input type="checkbox"/> Personal service corporation _____ <input type="checkbox"/> National Guard <input type="checkbox"/> State/local government _____ <input type="checkbox"/> Church or church-controlled organization _____ <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government/military _____ <input type="checkbox"/> Other nonprofit organization (specify) ▶ _____ <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises _____ <input type="checkbox"/> Other (specify) ▶ _____ Group Exemption Number (GEN) if any ▶ _____ | | |
| 9b If a corporation, name the state or foreign country (if applicable) where incorporated | State | Foreign country |
| 10 Reason for applying (check only one box) | | |
| <input type="checkbox"/> Started new business (specify type) ▶ _____ <input type="checkbox"/> Banking purpose (specify purpose) ▶ _____ <input type="checkbox"/> Hired employees (Check the box and see line 13.) <input type="checkbox"/> Changed type of organization (specify new type) ▶ _____ <input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Purchased going business _____ <input type="checkbox"/> Other (specify) ▶ _____ <input type="checkbox"/> Created a trust (specify type) ▶ _____ <input type="checkbox"/> Created a pension plan (specify type) ▶ _____ | | |
| 11 Date business started or acquired (month, day, year). See instructions. | | 12 Closing month of accounting year |
| 13 Highest number of employees expected in the next 12 months (enter -0- if none). If no employees expected, skip line 14. | | 14 If you expect your employment tax liability to be \$1,000 or less in a full calendar year and want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be \$1,000 or less if you expect to pay \$4,000 or less in total wages.) If you do not check this box, you must file Form 941 for every quarter. <input type="checkbox"/> |
| Agricultural | Household | |
| 15 First date wages or annuities were paid (month, day, year). Note. If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) ▶ | | |
| 16 Check one box that best describes the principal activity of your business. | | |
| <input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing <input type="checkbox"/> Health care & social assistance <input type="checkbox"/> Wholesale-agent/broker <input type="checkbox"/> Real estate <input type="checkbox"/> Manufacturing <input type="checkbox"/> Finance & insurance <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-other <input type="checkbox"/> Retail <input type="checkbox"/> Other (specify) ▶ _____ | | |
| 17 Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided. | | |
| 18 Has the applicant entity shown on line 1 ever applied for and received an EIN? <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| If "Yes," write previous EIN here ▶ | | |
| Third Party Designee | Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form. | |
| | Designee's name | Designee's telephone number (include area code) |
| | Address and ZIP code | Designee's fax number (include area code) |
| Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete. | | Applicant's telephone number (include area code) |
| Name and title (type or print clearly) ▶ | | Applicant's fax number (include area code) |
| Signature ▶ | | Date ▶ |

Notice Concerning Fiduciary Relationship

▶ Information about Form 56 and its separate instructions is at www.irs.gov/form56.
 (Internal Revenue Code sections 6036 and 6903)

Part I Identification

| | | |
|---|--|--------------------------------|
| Name of person for whom you are acting (as shown on the tax return) | Identifying number | Decedent's social security no. |
| Address of person for whom you are acting (number, street, and room or suite no.) | | |
| City or town, state, and ZIP code (If a foreign address, see instructions.) | | |
| Fiduciary's name | | |
| Address of fiduciary (number, street, and room or suite no.) | | |
| City or town, state, and ZIP code | Telephone number (optional) () | |

Section A. Authority

- 1** Authority for fiduciary relationship. Check applicable box:
- a** Court appointment of testate estate (valid will exists)
 - b** Court appointment of intestate estate (no valid will exists)
 - c** Court appointment as guardian or conservator
 - d** Valid trust instrument and amendments
 - e** Bankruptcy or assignment for the benefit of creditors
 - f** Other. Describe ▶ _____
- 2a** If box 1a or 1b is checked, enter the date of death ▶ _____
- b** If box 1c–1f is checked, enter the date of appointment, taking office, or assignment or transfer of assets ▶ _____

Section B. Nature of Liability and Tax Notices

- 3** Type of taxes (check all that apply): Income Gift Estate Generation-skipping transfer Employment
 Excise Other (describe) ▶ _____
- 4** Federal tax form number (check all that apply): **a** 706 series **b** 709 **c** 940 **d** 941, 943, 944
e 1040, 1040-A, or 1040-EZ **f** 1041 **g** 1120 **h** Other (list) ▶ _____
- 5** If your authority as a fiduciary does not cover all years or tax periods, check here ▶
 and list the specific years or periods ▶ _____
- 6** If the fiduciary has a CAF number and wants a copy of notices and correspondence (**see the instructions**) check this box . . . ▶
 and enter the year(s) or period(s) for the corresponding line 4 item checked. If more than one form entered on line 4h, enter the form number.

Complete only if the line 6 box is checked.

| If this item is checked: | Enter year(s) or period(s) | If this item is checked: | Enter year(s) or period(s) |
|--------------------------|----------------------------|--------------------------|----------------------------|
| 4a | | 4b | |
| 4c | | 4d | |
| 4e | | 4f | |
| 4g | | 4h: | |
| 4h: | | 4h: | |

Part II Revocation or Termination of Notice

Section A—Total Revocation or Termination

- 7** Check this box if you are revoking or terminating all prior notices concerning fiduciary relationships on file with the Internal Revenue Service for the same tax matters and years or periods covered by this notice concerning fiduciary relationship Reason for termination of fiduciary relationship. Check applicable box:
- a** Court order revoking fiduciary authority
 - b** Certificate of dissolution or termination of a business entity
 - c** Other. Describe

Section B—Partial Revocation

- 8a** Check this box if you are revoking earlier notices concerning fiduciary relationships on file with the Internal Revenue Service for the same tax matters and years or periods covered by this notice concerning fiduciary relationship
- b** Specify to whom granted, date, and address, including ZIP code.

Section C—Substitute Fiduciary

- 9** Check this box if a new fiduciary or fiduciaries have been or will be substituted for the revoking or terminating fiduciary and specify the name(s) and address(es), including ZIP code(s), of the new fiduciary(ies)

Part III Court and Administrative Proceedings

| | | | |
|--|------|---|----------------------------|
| Name of court (if other than a court proceeding, identify the type of proceeding and name of agency) | | Date proceeding initiated | |
| Address of court | | Docket number of proceeding | |
| City or town, state, and ZIP code | Date | Time <input type="checkbox"/> a.m. <input type="checkbox"/> p.m. | Place of other proceedings |

Part IV Signature

Please Sign Here

I certify that I have the authority to execute this notice concerning fiduciary relationship on behalf of the taxpayer.

 Fiduciary's signature Title, if applicable Date

AUTHORIZATION TO RELEASE INFORMATION

You are hereby authorized to release to my attorneys, _____, any information including tax information which they may request in regard to bank accounts/brokerage accounts/insurance policies/other financial instruments at your institution, and further any information requested from U.S. Government Agencies including the Social Security Administration and U.S.D.A., State Agencies of any State part of the United States, which may be in the name(s) of:

_____ SSN:

_____ Trust SSN:

A copy or other electronic form of this document shall be the same as an original.

Dated this ____ day of _____, 201__.

, Trustee

Subscribed and sworn to before me
this ____ day of _____, 20__.

Notary Public

**AUTHORIZATION TO RELEASE INFORMATION
TO ATTORNEYS FOR TRUST**

You are hereby authorized to release to my attorneys, _____, any information including tax information which they may request in regard to bank accounts/brokerage accounts/insurance policies/other financial instruments at your institution, and further any information requested from U.S. Government Agencies including the Social Security Administration and U.S.D.A., State Agencies of any State part of the United States, which may be in the name of:

_____ Trust TIN:

A copy or other electronic form of this document shall be the same as an original.

Dated this ____ day of _____, 20__.

, Trustee

Subscribed and sworn to before me
this ____ day of _____, 20__.

Notary Public

SAMPLE LETTER TO BENEFICIARY RECEIVING A SPECIFIC BEQUEST

April 26, 2017

Re: _____, Deceased

Dear _____:

As you may know, _____ died on _____. Since _____ assets were in a trust, there will not be any formal court administration of **his/her** estate. The Trustee of the trust is (name of bank) in Freeport, Illinois, and (name of trust officer) who has handled the account for several years will be handling the final settlement of the trust. As Attorney for the Trustee, this is to advise you that you have been named in the trust to receive the sum of \$_____. We anticipate that the settlement of the trust will have proceeded to the point that this amount can be paid by the end of this year. At that time you will receive a check for the \$_____ and a receipt to return to the Trustee. Since this is a specific sum of money, no portion of the money which you receive will be taxable. Although the terms of the trust are private, we have enclosed a sheet showing the portion under which you are receiving the \$_____.

Very truly yours,

Heather McPherson

Enclosure

HM/gvt

c. _____

SAMPLE LETTER TO RESIDUARY BENEFICIARY AND BEQUEST RECIPIENT

April 26, 2017

Re: _____, Deceased

Dear _____:

As you may know, _____ died on _____. Since _____ assets were in a trust, there will not be any formal court administration of **his/her** estate. The Trustee of the trust is (Name of Bank) in Freeport, Illinois, and (Name of Trust Officer) who has handled the account for several years will be handling the final settlement of the trust. As Attorney for the Trustee, this is to advise you that you will share in the trust. Enclosed is a copy of the Declaration of Trust for your records. In Paragraph _____ you receive _____, and in Paragraph _____ you receive _____ per cent of the balance. **[Due to the various tax returns required and other administrative matters, it will not be possible to complete the administration of the trust this year.] [Since it appears that it will be necessary to file a Federal Estate Tax Return for the trust, it will not be possible to complete the administration of the trust this year.]** We do anticipate paying the specific amounts given in Paragraph _____ by the end of this year, and at that time making a partial distribution to each of the beneficiaries in Paragraph _____. Upon approval of the Federal Estate Tax Return which we hope to receive in 20__, we will then be in a position to make final distribution of the trust assets. At that time you will receive an accounting listing all of the expenses and the distributions made. If you receive a distribution in 20__, a portion of the distribution will be taxable for income tax purposes. We will furnish you with a Schedule K-1 by _____, 20__, which will contain information for the preparation of your 20__ tax returns. At this time it is difficult to estimate exactly what the balance of the trust will be, but we would estimate that the balance after payment of expenses and taxes would be at least \$ _____ which would mean that your _____ per cent share would be approximately \$ _____.

If you have any questions you can call either (**Trustee**) or myself.

Very truly yours,

Heather McPherson

Enclosure

HM/gvt

c. _____

