EQUITABLE

When you lose a loved one

Strategies for the future
Helping you through a difficult time

Whether you are the spouse, partner, child, parent, sibling or friend of the deceased, there are necessary tasks and decisions that must be made when a loved one dies.

However, these decisions do not have to intrude completely on your need for solitude or quiet reflection, and can be made less stressful.

Having assisted many people in similar situations, we know you will have questions. You are dealing with issues and emotions you may never have faced before. Over the next few months, you will need to make important choices you may feel unprepared to make. We are here to help you through this difficult time so you can make decisions that are beneficial to you. To that end, we have included sections on:

Table of contents

1 How to take care of you
2 How to prioritize the things you need to do
6 Documents you'll need and suggestions on how to find them
8 Sample letters/emails for you to copy and send as needed
11 Making sense of tax issues
19 Additional resources

When you lose a loved one

How to take care of you

Grief is something that must be dealt with and worked through — a process that takes time. Some experts say grieving takes over a year, while others admit that most people take 2 to 4 years to get beyond the loss of someone close.

With the death of a spouse, a partner, a child or a parent, the grief can last even longer. Yet, while each relationship creates its own form of bereavement, one thing does remain constant: grief will not just go away on its own — or by avoiding it. There is some evidence, in fact, that the stress induced by denial of the mourning process can cause illness, at times even serious illness.

What you're feeling

Those who grieve need to give themselves permission to mourn. The death of a loved one has a profound effect on the mental state of those left behind. For some, the loss is devastating and its effects are long lasting. For others, it is more manageable. In either case, the death irrevocably alters the daily structure, caretaking, companionship and social life of the one left behind.

Grief is a multistage process wherein stages may overlap, leaving you with emotions swinging dramatically from one extreme to another. At first you may experience disbelief, numbness and shock. You may find your eating or sleeping patterns change, and your mind becomes cluttered, leaving no time or room for anything else.

Then, as you begin to feel the separation, you may become extremely depressed and lonely. Sometimes you may find yourself avoiding anything reminding you of the deceased, and other times you may surround yourself with mementos. You may have trouble concentrating, appearing disorganized and forgetful. Normal, everyday dealings may become annoying. And there will be days when you can't help but act irritable, anxious or restless.

What you need

You need support. One way to help resolve your grief is to reach out to those around you for support and understanding. One of the best ways is to share your feelings with others.

Family and friends are usually the first people we turn to in time of need. And yet, if family and friends are going through their own grieving process, they may not be able to lend as much support to you as you need.

Or, you may feel separated from your friends; that you no longer "fit in" with the same social circle. If you've lost a spouse, you may find it awkward to be around couples. If you've lost a child, you may feel uneasy about being around friends who have children.

Perhaps the best way you can gain support is to reach out to an organization specializing in helping people cope with their losses. There are many community service organizations, or possibly a house of worship, that could serve as a resource for bereavement groups. Sometimes sharing your grief with others who face similar issues and who have similar needs can be most helpful.

You need to be well. Whether you feel up to it or not, you must take care of yourself. That means keeping both mind and body healthy. This is extremely important, since one of life's greatest stresses — the death of someone close — can take a toll on your health.

Be sure you get regular exercise, proper nutrition and rest, and consult your physician about any physical ailments, including sleep disturbances, loss of energy or appetite.

We hope what you find on the next few pages is helpful to you during this time. Please see page 21 for a list of additional resources that may be beneficial to you as you cope.

The first few days

- **Find the will (if there is one).**
  Funeral instructions may be contained in the will, and, therefore, it should be the first document you locate. Usually the will is kept in a safe deposit box or in a home safe. However, a copy may be obtained at the office of the attorney who drew up the will or on file at the surrogate court.

- **Make funeral or memorial service arrangements.**
  Funeral directors often help notify newspapers and associations for the purposes of publishing a death notice.

- **Order 15 or more certified death certificates.**
  You may obtain death certificates from either the funeral director or the county clerk's office. This can usually be done for a nominal fee. You will need certified copies of death certificates to claim Social Security and insurance benefits, change ownership of joint property, to enter safe deposit boxes and to file tax returns. Larger estates may require as many as 50 certificates. Photocopies are often not acceptable.

- **Check with Social Security and the Veterans Administration (VA).**
  You may qualify for burial allowances. The VA also provides a marker for the grave, an American flag for the casket and, in some cases, transportation to a veterans cemetery. Contact the VA again within the next 2 weeks to discuss death benefits. (You may want to contact Social Security and the Veterans Administration right away because a delay in applying can result in the loss of some benefits.)

- **Clip obituary notices.**
  Some insurance companies require a dated newspaper announcement in order to process claims.

- **Call your financial professional.**
  You don't need to pay an advisor to file for insurance or annuity proceeds. Your financial professional will help expedite your claims processing, discuss payment options and help you and your other professional advisors review your new financial situation.

- **Check the status of your medical insurance coverage.**
  Spouse and children may be entitled to continue their medical coverage under the deceased's employee benefit plan as long as they continue to pay the premiums. If the present coverage cannot be continued or can only be converted to an individual policy at a higher rate, your financial professional may be able to help you find the most cost-effective coverage.

- **Contact each financial institution where the deceased banked.**
  A bank may seal the deceased's safe deposit box and may freeze any checking or savings accounts after the death announcement is published. You may then be required to obtain a release before funds can be withdrawn from those accounts. A bank officer can explain the procedure for obtaining a release.

- **Apply for death benefits.**
  Contact companies and organizations to notify them the insured is deceased. These include: the Social Security Administration, the Veterans Administration, the deceased's employer or former employer, union, civil service, professional and trade associations, fraternity/sorority, alumni and automobile club. Employment and membership organization benefits do not come automatically. You must apply for them.

- **Consult an attorney.**
  It is wise to seek legal counsel on such matters as setting up trusts, recording property deeds, disposing of stocks, bonds, bank accounts or business property, as well as conserving and disbursing the deceased's estate. During the initial consultation, discuss fees and the need for engaging an attorney's service.

- **Have someone watch your home during services.**
  Burglars have been known to read obituaries to find out when no one will be home.

Within 2 weeks

- **Locate important papers and documents.**
  Certain documentation is needed (see document checklist on page 8) to claim death benefits. Most often these papers are kept in a safe deposit box or in a home safe. Also, you will need to check with the deceased's accountant, who may know of certain business arrangements you are not aware of and who will help access tax records. Do not throw out any documents, such as life insurance policies and certificates, even if the policyholder stopped paying premiums. The policy may still be inforce. In addition, canceled checks and receipts may be needed to prove payment or ownership.

- **Advise all creditors.**
  Be sure to notify all agencies holding installment loans, credit cards, mortgages, student loans and service contracts about the death. Ask if any outstanding loans are insured, or if any life insurance benefits are available. Some of these loans may become fully paid in the event of a customer's death. (See the section on sample letters/emails, pages 10–11.)

- **Discuss outstanding debts with an attorney or surrogate court.**
  Do not use insurance proceeds to pay debts of the deceased unless advised to do so by an attorney. You may not be obligated to use the insurance proceeds to pay such debts. Also, beware of swindlers who send phony bills and overcharge for services. When in doubt, check with the Better Business Bureau and refer suspicious bills to your attorney.

- **Contact the trust officer.**
  If a trust was established by the deceased, discuss the terms of the trust with the trust officer.

- **If children are attending college, contact their school's financial aid office.**
  When a parent dies, college students are often eligible for increased financial aid, loans or grants.

The first month

- **Set aside your inheritance and death benefits.**
  If you are the beneficiary of a policy insuring the deceased, you may want to choose a relatively safe, short-term financial instrument until you determine how to invest your money for the long term.

- **Review your life and disability insurance coverage.**
  Your needs may have changed and, therefore, your life and disability insurance needs may be different. You may want to discuss your situation with your financial professional.

- **Start or continue to establish your credit rating.**
  This can be done by applying for credit cards, bank or car loans in your own name.

The first 6 months

- [ ] **Prepare a budget**
Record all income and expenses for several months to help determine where you stand financially. Another way to determine your household budget is to review your checking account and tax forms. Estate settlement papers are also a good source of income information.

If you find you cannot balance your budget, you may have to consider reallocating invested funds and taking or changing jobs to produce more income. Do not forget to factor in federal, state and local tax liabilities. It may be in your best interest to seek professional assistance from a financial professional and your other professional advisors.

Monthly income	**$**	**Monthly expenses**	**$**
Trust funds	$	Rent/mortgage	$
Insurance proceeds	$	Utilities	$
Rental income	$	Installment loans	$
Securities	$	Insurance premiums	$
Social Security	$	Medical/dental	$
VA benefits	$	Telephone	$
Deceased employee benefits	$	Credit cards	$
Pensions/annuities	$	Car/transportation	$
Earnings from investments/savings	$	Food	$
Salary/bonuses/tips	$	Clothing	$
Other	$	Household	$
	$	Child care	$
	$	Entertainment	$
	$	Vacation	$
	$	Gifts/contributions	$
	$	Taxes	$
	$	Savings	$
Total income	$	**Total expenses**	$
Less total expenses	$		$
Balance	$		$

- **Review your own will.**
  If you do not have a will, have your attorney draw one up for you. This is a proper time to make contingency plans in the event something happens to you. Remember to appoint an executor, and if you have minor children, a legal guardian. Be sure to ask the people you have in mind for these roles for their permission before you appoint them.

- **Change names on joint property.**
  Be sure to include joint billing accounts, credit cards, house, property, automobiles and subscriptions. Once your property is released from joint tenancy, you should change any fire, auto or other insurance coverage you may have held jointly. Change beneficiary designations on life insurance policies and retirement plans naming the deceased. Contact your local motor vehicle department to clear the title to your automobile, since it is handled differently in each state.

- **Find out if state and federal taxes on the estate are payable and when they are due.**
  Most states impose either an inheritance tax or a state estate tax. (Ask an attorney or check your state law for filing deadlines.) The federal government also taxes estates valued above a certain amount and requires a return to be filed within 9 months. Since tax laws are complicated, and can have a tremendous effect on you, consult an attorney who is familiar with the laws in your state.

- **Postpone the decision on where to live for at least 6 months.**
  If you feel the need to act sooner, consider taking temporary measures, such as renting out your house instead of selling it, visiting family for a week or two before moving or taking a long vacation before relocating. This will give you a chance to feel out a new neighborhood, living arrangements and conveniences.

The first year

- **Plan for your future.**
  Begin to make decisions you have postponed, including changing your residence and investing your inheritance. It is also a good time to set financial goals, such as providing for your children's education and building a retirement nest egg.

Document checklist

	Documents	Purpose of document	Likely location
○	**Original life insurance policies or annuity contracts** (or policy numbers or contract numbers) on the deceased	May be needed to file claims and inquire about methods of payments	Safe deposit box, home or office desk, safe, file cabinet
○	**Certified death certificates**	May be needed to process claims Required to apply for Social Security benefits, including Railroad Retirement Act benefits, burial allowance, lump-sum benefit Required to apply for VA benefits, including burial allowance (photocopy OK) Bring to your attorney (photocopy OK) Required to change ownership on joint property, such as house, property, stocks, bonds, automobile, bank accounts Required to enter safe deposit box Required to file tax return	Request certified copies from funeral director or county clerk's office
○	**Dated obituary notice and newspaper articles**	May be required for processing claims	Clip from local newspaper
○	**Certificates of appointments (if you are filing as executor, administrator or in any other fiduciary responsibility)**	May be required for processing of claims and disposing of assets	Obtain certified copy of the appointment from the court
○	**Will**	Bring to an attorney or to the surrogate court	Safe deposit box, home or office desk, computer files, safe, file cabinet, the attorney who drew up the will or on file at the surrogate court
○	**Marriage certificate(s)**	Required to apply for Social Security benefits Required to apply for VA benefits (photocopy OK) Bring to your attorney (photocopy OK)	Safe deposit box, home or office desk, computer files, safe, file cabinet
○	**Domestic partner or civil union certificates**	Required to claim any state or employer-sponsored benefits	Safe deposit box, home or office desk, computer files, safe, file cabinet, on file with the municipality that issued the certificate
○	**Names and addresses of heirs, next of kin, beneficiaries**	Bring to your attorney Bring to the surrogate court if you are not using an attorney	Safe deposit box, home or office desk, computer files, safe or best of your knowledge
○	**Summary of deceased's assets**	Bring to your attorney	Safe deposit box, home or office desk, computer files; these papers might include the W-2 form, recent tax returns, property and casualty insurance form records
○	**Business records, such as partnership agreements, buy-sell agreements, tax records, balance sheet**	Bring to your attorney	Your accountant, safe deposit box, home or office desk, computer files, safe, file cabinet

Document checklist

✓	Documents	Purpose of document	Likely location
○	**Employee benefits statement for deceased**	Help determine the benefits you are entitled to as the survivor	Safe deposit box, home or office desk, computer files, safe, file cabinet or contact employer
○	**Your retirement plans and employee benefits**	Change beneficiary designation	Safe deposit box, home or office desk, computer files, safe, file cabinet
○	**Social Security numbers or cards**	Required to apply for Social Security benefits	Wallet, W-2 form, paycheck stub, file cabinet, computer file or contact employer
○	**Deceased's approximate earnings during the year of death**	Required to apply for Social Security benefits	Paycheck stub, or contact the employer
○	**Government life insurance policy number (or the "C" claim number, military service serial number, the branch and date of military service, or a copy of the discharge papers)**	Required to apply for VA benefits	Safe deposit box, home or office desk, computer files, safe, file cabinet; the VA can help you secure some of these documents
○	**Membership cards or dues notices to organizations and associations to which the deceased belonged**	Ask what benefits you are entitled to as the survivor	Home or office desk, briefcase, wallet
○	**Bank statements and passbooks, keys to safe deposit box**	Ask the bank if the deceased had mortgage insurance, safe deposit box, trust agreements, bank accounts	Safe deposit box, home or office desk, computer files, safe, file cabinet, online accounts
○	**Fire, homeowners, automobile and other casualty insurance coverage**	Change name on policies	Safe deposit box, home or office desk, computer files, safe, file cabinet
○	**Medical and disability insurance policies and certificates**	Needed to review amount and type of coverage you need now	Safe deposit box, home or office desk, computer files, safe, file cabinet
○	**Current bills**	Discuss with an attorney or surrogate court Prepare household budget	Monitor mail for 2 months
○	**Installment payment books, credit cards, checking account book, credit agreements, loan papers**	Find out if there is credit life insurance or disability insurance on installment loans, credit cards and checking account lines of credit Change name on existing accounts	File cabinet, online accounts, home or office desk, computer files; also monitor mail for 2 months
○	**Joint billing statements (utilities, etc.)**	Change name on these accounts	Home or office desk, computer files, file cabinet
○	**Real estate deeds**	Required to change name on these deeds	Safe deposit box, home or office desk, safe, file cabinet
○	**Brokerage and mutual fund statements, stocks, bonds and securities certificates**	Change name on deceased's account and joint account	Safe deposit box, home or office desk, safe, file cabinet
○	**Automobile registration**	Required to change name	Home or office desk, file cabinet
○	**Life insurance policies or annuity contract on you and other family members**	Change beneficiary if the deceased is named For life insurance, ask if children's coverage is automatically paid up	Safe deposit box, home or office desk, safe, file cabinet

Sample letters (for print or email)

You can personalize these letters/emails to notify organizations about the death and initiate the claims process.

Be sure to include your full name, address and phone number, and keep a copy of every letter or email. Also include full name of the deceased, date of birth and month, day and year of death.

Life insurance companies

Dear (Name):

This is to inform you (deceased's name) died on (month, date, year). Please send me the necessary documents to process a claim under policy number(s) (list policy numbers), and let me know to whom they are payable.

Please describe all payment methods available.

Please search your files for any other coverage (deceased's name) may have had, including other policies or riders on other family members that may be paid up due to this death.
Thank you.

Sincerely,

Social Security Administration

Dear (Name):

(Deceased's full name, Social Security number), passed away on (month, day, year). I would like to schedule an appointment with your representative on (preferred date and time, and two alternative dates and times).

I have obtained copies of the death certificate, marriage certificate, birth certificates and those of dependent children, Social Security numbers and evidence showing (deceased's name)'s recent earnings. If you require additional forms of verification or information, please let me know when you confirm our appointment.
Thank you.

Sincerely,

Sample letters

(for print or email)

Veterans Administration

Dear (Name):

(Deceased's full name) died on (month, date, year). I would like to schedule an appointment with your representative on (preferred date and time, and two alternative dates and times). (Deceased's name)'s government life insurance policy number is (policy number) and military service serial number is (number). (Deceased's name) served in the U.S. (branch) from (date) to (date).

If you require any documents or additional information, please let me know when you confirm our appointment. Thank you.

Sincerely,

Creditors

Dear (Name):

This is to inform you (deceased's full name) died on (month, date, year). I understand (deceased's name)'s loan may have been covered by a credit life insurance plan offered through your company. Please let me know if there are benefits available, and to whom they are payable. Thank you.

Sincerely,

Employer and former employees

(Assuming writer is sole beneficiary)

Dear (Name):

This is to inform you officially (deceased's full name) died on (month, date, year). Please tell me if there are employee benefits, such as group life insurance, pension funds, deferred compensation, accrued vacation or sick pay, unpaid commissions, disability pay, service recognition awards, credit union balances, continuing medical insurance, etc., and to whom they are payable.

Please send me a list of documents you will require and the necessary forms that must be completed as beneficiary. Thank you.

Sincerely,

Member organizations

(Assuming writer is sole beneficiary)

Dear (Name):

This is to inform you (deceased's full name) died on (month, date, year). I understand (deceased's name) may have been covered by a life insurance plan through your organization. Please send me a list of documents you will require and the necessary forms that must be completed.

In addition, please inform me of any other documentation that may be due, including the refund of the unused portion of annual dues. Thank you.

Sincerely,

Planning for your future

We offer this simple four-step process to help you identify your priorities and sort through your finances to make sure your needs are met. You may want to enlist the support of one or more financial professionals, and a certified public accountant and/or tax attorney.

Step 1:

Define your goals

When you lose a loved one, chances are your priorities will change. Your financial goals will take many forms, some immediate, some long term. For example:

- If the deceased was your household's primary wage earner, generating an income may be your immediate goal.
- If you've lost an adult child, you may wish to provide for the future of your grandchildren.
- If a parent has passed away, you may need to care for your surviving parent during their golden years.

Step 2:

Assess your finances

Next, you'll need to take a look at your finances. If the deceased took care of the bills and investments, you may not even know where to start.

- The first thing to do is to simply gather together all brokerage and bank statements, retirement accounts, annuity and insurance policies, and a listing of the contents in your safe deposit box. Give them to your financial advisor.
- At the same time, you should prepare a simple budget to evaluate your income and expenses. This will help you understand your immediate financial situation.

Step 3:

Make an investment plan

Once you know your financial situation, you can figure out strategies to help you meet your goals. You may be well on your way to achieving some of them, if you haven't already. However, there may be others — perhaps new ones — that are far from being satisfied. Here is where a financial professional can really help. Your advisor can provide invaluable advice on how to:

- Select a benefit payment plan — or combination of plans — that is best for you.
- Help manage your money to meet immediate needs.
- Invest to help achieve long-range objectives.

Step 4:

Monitor results

Creating a plan is not a one-time event — and any plan developed in the wake of a significant loss should be designed for change.

- Keep an eye on your investments to help achieve your immediate goals.
- Evaluate the services and successes of your financial advisor.
- When you feel able, you should solidify your long-term strategy and make necessary changes.

Making sense of tax issues — annuity contract beneficiaries

The following pages will help you better understand how your death benefits under an annuity contract may be affected by income and transfer taxes (such as estate and inheritance taxes) and are for informational purposes only. You should consult your own legal and tax advisors for specific information on how taxes apply to your benefits and financial circumstances.

Estate taxes

Federal and state estate and inheritance taxes are imposed on the transfer of property as a result of a loved one's death. Whether or not these taxes apply to your benefits depends upon the specific retirement plan or annuity contract, the amount of the benefits and your relationship to the deceased. Typically, transfers to spousal beneficiaries are not subject to these taxes. However, all beneficiaries should consult their tax advisors to determine how inheritance taxes may affect their distributions.

You should also know some states may require us to notify them or obtain an estate or inheritance **tax waiver** before we are allowed to distribute benefits. A notification requirement alerts the deceased's state of residence about transfers that might be taxable. A tax waiver is the state's permission for us to distribute benefits to you as the beneficiary, and is based on the agreement or understanding that any transfer taxes will be paid.

Income taxes

Unlike life insurance death benefits, which generally are not subject to income taxes, annuity death benefits (and death benefits under tax-favored retirement plans) may be fully or partially taxable as **ordinary** income. The amount subject to tax is usually the difference between the amount you (the beneficiary) receive and any **after-tax** contributions made to the annuity contract. If the annuity contract is held in a tax-favored retirement plan, the taxation of the annuity payments is governed by the tax rules applicable to the type of plan. If you are the beneficiary in a tax-favored retirement plan, the tax rules generally are the same whether the plan is invested in an annuity contract or any other kind of investment.

Annuity contract death benefits are generally required to be reported to the IRS on Form 1099-R. Also, if you choose to have your lump-sum death benefit payment go to a retained asset account (if available), you will receive interest income, which is also taxable as ordinary income. A retained asset account is a draft account similar to an interest-bearing checking account. The death benefit proceeds deposited in the account earn interest (the rate may change from time to time). The account holder will receive a draft book, and upon receipt, account holders can immediately write drafts for any or all of the proceeds. We must also report interest income from a retained asset account to the IRS on Form 1099-INT.

Deferring income tax

Beneficiaries who don't need to take all their benefits in a single payment may want to consider options that can help manage the impact of taxes. The taxes don't go away — you simply pay them over a period of time or at a later time. It's important to consult your tax advisor to determine which option is right for you.

In some instances, a fact card may be enclosed in the back pocket of this brochure; we suggest you review the information when provided. This will give you a better understanding of the options available to you, especially those that can result in deferral of your taxes. You'll note that if you are a spousal beneficiary, you may have more choices as to how to take — or defer — your annuity contract death benefits.

Disclaiming the death benefit

If you do not want all or part of the death benefit, you may be able to **disclaim** your death benefit before you receive it. When you disclaim all or part of your interest in the death benefit, the part of the death benefit that would have gone to you (and the income, estate and inheritance tax consequences) goes to another beneficiary under the contract. Disclaimers must meet a number of technical rules and have to be submitted to us within a limited period of time. If you think you might be interested in disclaiming your interest, please consult your tax advisor or attorney before filling out any claim to annuity benefits. If you have questions about requirements, we encourage you or your attorney to contact us before you make a claim or any court filing that affects the contract's death benefit.

Annuity contracts providing death benefits are **non-probate** assets. That means the insurance company issuing the contract typically does not have to wait for a court to approve the deceased owner's will or appoint an executor or personal administrator to pay out the death benefits. The owner of the contract tells the insurance company the beneficiary or beneficiaries under the policy or contract, and the beneficiary can be paid directly when all necessary claim documents are submitted. If the beneficiary indicated by the owner of the contract dies before the owner, or disclaims the benefits, the benefits are paid to the default beneficiary under the contract.

Spousal status

The status of an individual as a spouse is determined under state law. However, in June 2013, the U.S. Supreme Court ruled the portion of the federal Defense of Marriage Act that precluded same-sex marriages from being recognized for purposes of federal law was unconstitutional. The IRS adopted a rule recognizing the marriage of same-sex individuals validly entered into in a jurisdiction that authorizes same-sex marriages, even if individuals are domiciled in a jurisdiction that does not recognize the marriage. The IRS also ruled the term **spouse** does not include an individual who has entered into a registered domestic partnership, civil union or other similar relationship that is not denominated as a **marriage** under the law of that jurisdiction. Also, under certain state laws, a divorce may affect the designation of a former spouse as a beneficiary. Please consult your tax or legal advisor regarding your individual circumstances.

Income tax withholding

Annuity death benefits are generally taxable, and they may also be subject to income tax withholding. Whether your death benefits are subject to income tax withholding, what the rate will be and whether you can **elect out** of it, may depend on the source of the payment, the form of the payment and your tax status. See the chart on page 17 for details.

Electing out of withholding

The choices, if any, you have regarding tax withholding depend on your status and the documentation you provide. What do we mean when we say status? Status refers to whether you are a U.S. citizen or foreign, an individual or some type of entity. Many Equitable contract beneficiaries are individuals who are **U.S. persons**. Individuals providing both a U.S. residence address and a Taxpayer Identification Number (TIN) are eligible to elect out of withholding. Please note we will accept your mailing address as a P.O. box, but we must maintain your residential address for our records

Special withholding rules apply to foreign recipients and U.S. citizens residing outside the United States. You cannot elect out of withholding if we are sending the payment out of the United States. We may require additional documentation and/or forms in the case of payments made to non-U.S. persons and U.S. persons living abroad prior to processing any requested transaction. If you do not have a U.S. residence address, we require you to provide Form W-9 or Form W-8BEN, as appropriate. Please note an address of a bank or brokerage account in the United States is not a U.S. residence address. Non-individuals (for example, corporations and trusts) may have to provide documentation on Form W-9 or a type of Form W-8, as appropriate, regardless of address. You should note some states require the insurer to withhold state income tax if federal income tax is withheld. Also, please be aware some states require state tax be withheld regardless of federal tax withholding. Whether state income tax withholding is required or permitted depends on the rules of the state in question. Please consult your tax advisor for the rules that apply to you.

Other taxes

Generation-skipping transfer tax is a special kind of tax that applies when annuity benefits are included in the deceased's estate for tax purposes and the beneficiary is:

- A grandchild, great-grandchild, etc., of the deceased.
- An unrelated individual who is at least 37 years younger than the deceased.
- A trust benefiting only those individuals described above.

Submit an IRS Schedule R-1 (Form 706), titled **Generation-Skipping Transfer Tax — Direct Skips From a Trust — Payment Voucher**, with your **Claim to Annuity Benefits** form to avoid generation-skipping transfer tax withholding. A significant portion of the benefits will be withheld unless you advise us not to withhold this tax.

Time to file claim

We want you to take the time you need to review your benefit options with your tax and legal advisors and family members who would be affected by any decision you may make. If you have questions, we want you to ask them and understand the process, because it may be difficult to reverse a claim once it's submitted. However, once you've considered the available settlement payout options, we strongly suggest all beneficiaries promptly file claims and provide us with all the required documentation to process your claim on a timely basis, for the reasons outlined below.

- If you are the beneficiary under a variable annuity contract and there is no death benefit guarantee, until you decide on the form of payment and we receive your complete request, your death benefit amount will continue to be invested in the investment options the deceased elected. As a result, the benefit amount may increase or decrease depending on the performance of the investment options.
- Also, failure to settle a claim in a timely manner may result in the death benefit being considered **abandoned** under state law. We are required to report property we're holding that has been inactive for a set period of time (usually between 1 and 5 years) as unclaimed or abandoned property and remit such property to the applicable state. Although that would not result in the forfeiture of your death benefit, you might have to seek it through the state agency.
- Certain forms of payment must start by a year after death, so if you wait, you may eliminate some available choices.

For additional information, please visit Equitable's Beneficiary Resource Center at equitable.com/beneficiary.

A special note about taxation of selected retirement plans

For spousal beneficiaries under IRAs, 403(b) TSAs, qualified plans and Governmental 457(b) Employee Deferred Compensation (EDC) plans:

Generally, there is no tax when you roll over funds from one eligible retirement plan to another. This means funds rolled into a traditional IRA or other eligible retirement plan remain tax-deferred, as do any earnings on them, until distributions begin. You may be able to roll over death benefits from a traditional IRA into another eligible retirement plan.

Important information for beneficiaries under a 403(b) Tax-Sheltered Annuity (TSA), Governmental 457(b) EDC Plan or a qualified plan:

Spousal beneficiaries

Before requesting a check from us, you should decide whether or not to roll over your death benefits into an IRA or other eligible retirement plan. If you request a check, rather than a direct rollover to an eligible retirement plan, we will be required to withhold 20% from your benefit payment. Then you would have to replace the amount of tax withheld in order to roll over the full benefit amount. Instead, if you request a direct rollover of benefits into an IRA or other eligible retirement plan, there is no mandatory federal income tax withholding and your full benefits will be rolled over. You may also be able to roll over after-tax funds. If you do not want to roll over the entire proceeds of the death benefit, you can make a partial rollover into an IRA or other eligible retirement plan. However, the taxable portion of the benefits you do not roll over will be subject to income tax in the year you take the distribution. Your tax advisor can tell you more about how the items discussed here can possibly benefit you.

Non-spousal beneficiaries

You may be able to directly roll over all or part of the death benefit to a special new inherited IRA contract or account set up for the purpose of making post-death required minimum distribution payments to you.

All beneficiaries

Special rules may apply to amounts from designated Roth accounts under these plans. Direct rollovers may be available to Roth IRAs. If certain qualifications are met, amounts may be distributed tax-free.

For contracts subject to the required minimum distribution (RMD) rules:

If the deceased was older than 72 and was a participant in a qualified plan, 457(b) EDC plan, 403(b) TSA plan or was the owner of some type of Traditional IRA contract (including a SEP, SARSEP or Simple IRA), the deceased may have been receiving lifetime RMDs from or with respect to the plan or contract. As a result, we may need to make one final lifetime RMD for the deceased's last taxable year. You may wish to discuss this with your tax advisor.

Guide to withholding on tax payments made to U.S. beneficiaries

Income or payment type	Withholding rate	Is electing out an option?
For all contracts and beneficiaries (see exception below)	Wage-type, based on withholding exemptions and marital status	Yes, for U.S. residents providing U.S. residence address and U.S. taxpayer ID number (usually Social Security number)
Payments under a periodic payment plan for a period certain of less than 10 years from a TSA, qualified plan or governmental EDC plan made to spousal beneficiary	20% mandatory withholding from each payment if no direct rollover to eligible retirement plan	No

Lump-sum distribution

Income or payment type	Withholding rate	Is electing out an option?
From an NQ (nonqualified) contract, funded with after-tax dollars for all beneficiaries	10% withholding of taxable amount	Yes (see above)
From a traditional IRA (including SEP, SARSEP and Simple IRA)	10% withholding of payment amount Note: if decedent made after-tax contributions, we are required to treat all amounts as taxable for withholding; follow tax return instructions to recover after-tax contributions	Yes (see above)
Roth IRA	10% withholding of payment amount unless we know that distribution is tax-free (because Roth IRA is at least 5 years old)	Yes (see above)
From a TSA, qualified plan or governmental EDC plan made to spousal beneficiary	20% withholding of taxable amount Note: unless we have documentation of after-tax contributions, we treat all amounts as taxable	No
From a TSA, qualified plan or governmental EDC plan made to non-spousal beneficiary	10% withholding (see note above)	Yes (see above)
From a tax-exempt EDC plan for all beneficiaries	None	N/A

Beneficiary Continuation Option (BCO) withdrawal payment*

Income or payment type	Withholding rate	Is electing out an option?
For all contracts and beneficiaries	10% withholding (see note above)	Yes (see above)

Interest income

Income or payment type	Withholding rate	Is electing out an option?
On a retained asset account	Normally, there is **no withholding** on interest income on a deposit, unless **backup withholding** applies because you fail to give your correct U.S. taxpayer ID number (usually the Social Security number), fail to certify your backup withholding status or the IRS tells us we must do backup withholding on your account. The backup withholding rate is 28%.	No

* Please note, not available in all annuity contracts.

Making sense of tax issues — life insurance policy beneficiaries

The following pages touch on tax issues that could apply to death benefits under a life insurance policy. The deceased's beneficiaries and personal representatives might be concerned about transfer taxes (such as estate and inheritance taxes) and income taxes. This is presented for information only and is not intended as tax or legal advice. You should consult your own legal and tax advisors for specific information on how taxes apply to the policy proceeds and your own financial circumstances.

Our death claim process covers the death benefits under a life insurance policy (also referred to as policy proceeds) when the insured dies. Sometimes the insured and the policyowner are not the same. If the owner dies and the insured is alive, no death claim should be made. However, we may require a change of ownership form and documentation of the new owner's identity. We suggest also the new owner consider the beneficiary designation on the policy.

Transfer taxes — Estate, inheritance and generation-skipping transfer taxes

Estate and inheritance taxes

Federal and state estate and inheritance taxes are imposed on the transfer of property as a result of someone's death. Whether these taxes apply to your life insurance policy proceeds depends upon a number of things, including whether the deceased had control of the policy before death (incidents of ownership), the amount of the benefits, and the relationship of the beneficiary and the deceased. Typically, transfers to spousal beneficiaries are not subject to transfer taxes. However, all beneficiaries should consult their tax advisors to determine how federal and state estate and inheritance taxes may affect the distribution of policy proceeds.

IRS Form 712

The value of the life insurance policy at death might be required to be included under an estate tax return even though the distribution of the policy proceeds to beneficiaries does not have to go through the estate. See the explanation in the non-probate asset section below. An executor or other personal representative of the deceased's estate can contact our processing office to ask how to get the necessary Internal Revenue Service (IRS) Form 712.

Tax waivers

You should also know that some states may require us to notify them or obtain an estate or inheritance **tax waiver** from the beneficiary before we are allowed to distribute benefits. A notification requirement alerts the deceased's state of residence about transfers that might be taxable. A tax waiver is the state's permission for us to distribute policy proceeds to you as the beneficiary, and is based on the agreement or understanding that any transfer taxes that might be due will be paid.

Generation-skipping transfer tax

Generation-skipping transfer tax is a special kind of tax that applies when benefits are included in the deceased's estate for tax purposes and the beneficiary is:

- A grandchild, great-grandchild, etc., of the deceased.
- An unrelated individual who is at least 37 years younger than the deceased.
- A trust benefitting only those individuals described above.

If generation-skipping transfer tax applies to you, submit an IRS Schedule R-1 (Form 706), titled **Generation-Skipping Transfer Tax — Direct Skips From a Trust — Payment Voucher**, with your **Claim to Life Insurance Benefits** form to avoid generation-skipping transfer tax withholding. A significant portion of the benefits will be withheld unless you advise us not to withhold this tax.

Income taxes

Life insurance policy proceeds are generally income tax-free. There are exceptions. All or a portion of the policy proceeds may be subject to income tax if the policy had been transferred for value prior to the insured's death. Also, if the policy funded a tax-qualified employer-sponsored plan, was purchased or held in an employment context, is a business or investment asset of a partnership, corporation, trust or other entity, policy proceeds might also be fully or partially taxable. You should discuss the situation with your tax and legal advisors, as the tax consequences may vary by specific facts, including the relationship of the deceased and the policyowner.

Interest we pay on policy proceeds is generally taxable as ordinary income (not capital gain) and is reported on Form 1099-INT. Income tax withholding usually does not apply for U.S. beneficiaries unless the beneficiary does not provide IRS-required information. The same rules apply whether we pay interest on a lump-sum settlement check of the life insurance policy proceeds or credit interest on amounts paid through the Access Account. (If you are eligible to do so and choose to do so, you may elect to have your life insurance benefits be payable through our retained asset account, the Access Account. The Access Account is a draft account that works in most respects like an interest-bearing checking account.)

If the beneficiary elects a settlement option that pays out the life insurance policy proceeds over a specified period of time or over life, the principal amount of the policy proceeds is generally not taxable, but the earnings are taxable. Part of each payment is treated as tax-free policy proceeds and the other part as ordinary income. The payout would be subject to income tax withholding, but the beneficiary choosing the payout might be able to elect not to have withholding apply. The payout would also be reported to the IRS on Form 1099-R (U.S. recipients) or Form 1042-S (foreign recipients).

Other issues

Loans and liens

While the insured was living and the policy was inforce, the life insurance policy may have been **collaterally assigned** security for a loan, or there may have been an outstanding policy loan, or an amount may have been paid under the policy as an **accelerated death benefit** for a terminally ill or chronically ill individual.

In such cases, the amount of the policy proceeds payable to the beneficiary is reduced by the debt or advance that is repaid. In the case of a loan, that is the unpaid balance of the loan plus any interest on the balance that has not yet been paid. In the case of accelerated death benefits, it is the amount advanced plus interest, if applicable. This repayment generally does not affect the tax treatment to the beneficiary ultimately receiving amounts under the policy.

Disclaiming the policy proceeds

If you do not want all or part of the policy proceeds, you may be able to **disclaim** all or part of your policy proceeds before you receive them. When you disclaim all or part of the policy proceeds, the part of the policy proceeds that would have gone to you (and the income, estate and inheritance tax consequences) go automatically to another beneficiary under the policy. Disclaimers must meet a number of technical rules and have to be submitted to us within a very limited period of time or may fail to meet tax and state law requirements. If you think you might be interested in disclaiming all or part of the policy proceeds, please consult your tax advisor or attorney before filling out any claim to life insurance benefits. If you have questions about requirements, we encourage you or your attorney to contact us before you make a claim to life insurance benefits or any court filing that affects the policy proceeds.

Non-probate asset

Life insurance policies are **non-probate** assets. That means the insurance company issuing the policy typically does not have to wait for a court to approve the deceased owner's will or appoint an executor or personal administrator to pay out the policy proceeds. The owner of the policy tells the insurance company the beneficiary or beneficiaries under the policy and the beneficiary can be paid directly when all necessary claim documents are submitted. If the beneficiary indicated by the owner of the policy dies before the owner, or disclaims the benefits, the benefits are paid to the default beneficiary under the policy. The default beneficiary under the policy is not necessarily the estate of the policyowner or the insured person; a surviving spouse or children might be listed first. If you cannot locate the policy or have questions about the default beneficiary under the policy, we encourage you or your attorney to contact us for clarification.

Spousal status

The status of an individual as a spouse is determined under state law. However, in June 2013, the U.S. Supreme Court ruled that the portion of the federal Defense of Marriage Act that precluded same-sex marriages from being recognized for purposes of federal law was unconstitutional. The IRS adopted a rule recognizing the marriage of same-sex individuals validly entered into in a jurisdiction that authorizes same-sex marriages, even if individuals are domiciled in a jurisdiction that does not recognize the marriage. The IRS also ruled that the term **spouse** does not include an individual who has entered into a registered domestic partnership, civil union, or other similar relationship that is not denominated as a **marriage** under the law of that jurisdiction.

Also, under certain state laws, a divorce may affect the designation of a former spouse as a beneficiary.

Please consult your tax or legal advisor regarding your individual circumstances.

Time to file claim

We want you to take the time you need to review your benefit options with your tax and legal advisors and family members who would be affected by any decision that you may make. If you have questions, we want you to ask them and understand the process because it may be difficult to reverse a claim once you submit it. However, once you've considered the available settlement payout options, we strongly suggest that all beneficiaries promptly file claims and provide us with all the documentation we require to process your claim on a timely basis, for the reasons outlined below.

- If you are the beneficiary under a variable contract and there is no death benefit guarantee, until you decide on the form of payment and we receive your complete request, your policy proceeds will continue to be invested in the investment options the deceased elected. As a result, the benefit amount may increase or decrease depending on the performance of the investment options. This is not applicable to variable life insurance where date of the insured death is controlling date of determination of the death benefit.
- Also, failure to settle a claim in a timely manner may result in the policy proceeds being considered **abandoned** under state law. We are required to report property that we are holding that is inactive for a set period of time (usually between 1 and 5 years) as unclaimed or abandoned property and remit such property to the applicable state. Although that would not result in the forfeiture of your policy proceeds, you might have to seek them through the state agency.

What you'll find along the way

Mourning takes time and cannot be rushed. By working through each stage of grief, however, the intensity of your feelings will gradually lessen and become more manageable.

Accepting the loss of a loved one does not mean you have forgotten them; but it will help you to put the past in perspective. Your memories will always be there to cherish, but they won't disrupt your life. Instead, you will be able to redirect your energies into other areas of your life as it is today.

Literature resources

You may want to explore some of the subjects discussed in this booklet in further detail. While we neither recommend nor endorse these books, the following list is offered as a starting point. Many of these are available in libraries and bookstores throughout the country.

Grief

When Bad Things Happen to Good People.
Harold S. Kushner,
Schocken, August 2004.

On Death and Dying.
Elizabeth Kubler-Ross,
Scribner, January 1997.

How to Survive the Loss of a Love.
Melba Clogrover, Ph.D.,
Harold H. Bloomfield M.D.
Peter McWilliams
Prelude Press, November 1993.

Rays of Hope in Times of Loss.
Susan Zimmerman,
Expert Publishing, Inc., Andover,
August 2005.

Parent, child and other relationships

Talking about Death:
A Dialogue Between Parent and Child.
Earl A. Grollman,
Beacon Press,
September 2011 (paperback).

When Parents Die.
Edward Myers,
Penguin Group, January 1997
(paperback).

Living Through Mourning:
Finding Comfort and Hope
When a Loved One Has Died.
Harriet Sarnoff Schiff,
Penguin Group, August 1987
(paperback).

Career/volunteer

What Color Is Your Parachute?
2020 Edition
Richard N. Bolles,
Ten Speed Press, August 2019.

Getting Organized:
The Easy Way to Put Your Life in Order
Stephanie Winston,
Grand Central Publishing,
January 2006.

Organizations and other resources

You may want to contact the following organizations as a source of additional information:

American Counseling Association
5999 Stevenson Ave.
Alexandria, VA 22304

Women Work! The National Network for Women's Employment
1625 K Street NW, Suite 300
Washington, D.C. 20006

Consumer Federation of America (CFA)
1620 St. NW, Suite 200
Washington, D.C. 20006

National Foundation for Credit Counseling
2000 M Street NW, Suite 505
Washington, D.C. 20036

Parents Without Partners International, Inc.
parentswithoutpartners.org

The Pension Rights Center
1350 Connecticut Avenue NW, Suite 206
Washington, D.C. 20036-1739

American Association of Retired Persons (AARP)
aarp.org

Social Security Administration
ssa.gov

About Equitable

Equitable Financial Life Insurance Company and its affiliated companies

We are dedicated to the continuous refinement and updating of our products and services to address the changing needs and opportunities of our customers. Nothing is more important than the people we serve.

We're here to help

Although this is a difficult time to make long-term financial decisions, you should familiarize yourself with the payment methods that may be available to you. We suggest you discuss these payment methods, as well as other products and services, with your financial professional and other professional advisors to see which is best for you.

Your financial professional is available to help you, and is trained to evaluate your financial needs and recommend strategies. After taking inventory of your financial situation, your financial professional will help you seek the best course to follow. If you need help reaching your financial professional, visit equitable.com.

For additional information, you can also refer to Equitable's Beneficiary Resource Center at equitable.com/beneficiary.

Equitable Financial Life Insurance Company and its affiliates provide life insurance, annuities, investments and other related financial services.

If you want to reevaluate your overall funding objectives, your financial professional is available to help with each of the following:

Family protection

Life insurance needs change. Our tax-deferred, cash value-buliding life insurance products provide family death benefit protection and can also help provide funding for goals, such as college education and retirement.

Charitable giving

If you would like to contribute to a charity, but lack the funds to do so, we can work with you and your other professional advisors to demonstrate how you may be able to turn an affordable series of donations through life insurance into philanthropy.

Investment products

Financial professionals from our affiliate, Equitable Advisors, LLC, offer a number of mutual funds and brokerage accounts providing professional management and diversification of investment risk.

Retirement planning

Equitable Advisors Financial Professionals are trained to help you review your assets, income and expenses, and to make appropriate recommendations to help you meet your retirement goals.

Annuities

We offer a full line of annuity products. Deferred annuities allow you to accumulate any gains on a tax-deferred basis.

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Please visit our website at equitable.com.