2026 · WHAT ISSUES SHOULD I CONSIDER BEFORE CLOSING THE ESTATE?

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CASH FLOW ISSUES	YES	NO
Is any residual income expected from dividends or interest? If so, this could result in the estate having to be reopened.	☐	☐
Is there any outstanding money owed to the deceased person or to the estate?	☐	☐
Are there any final expenses or fees payable by the estate? This includes debts, taxes, probate costs, attorney, accountant, and executor fees, etc.	☐	☐

ASSET & DEBT ISSUES	YES	NO
Are there any debts that still need to be paid by the estate? Ensure that all valid creditor claims have been settled and the creditor claim period has been closed.	☐	☐
Was the deceased person a Medicaid recipient? If so, ensure that any estate recovery proceedings are settled.	☐	☐
Does any property need to be liquidated before distributing the proceeds of the estate to the heirs? If so, liquidate according to any obligations, maximizing net proceeds and tax efficiency.	☐	☐
Do any assets need to be retitled or distributed in kind?	☐	☐
Did the deceased person reach their Required Beginning Date or (if they had an inherited IRA) were they taking an RMD at the time of their death? If so, beneficiaries must take any remaining RMD amount for the year of death before the end of the year.	☐	☐
Did the deceased person live in a continuing care retirement community? If so, look to see if there are refundable entrance fees.	☐	☐

ADDITIONAL ADMINISTRATION ISSUES	YES	NO
Could there be property, assets or life insurance not yet identified? If so, consider the following: ■ Look at the "points" feature on credit cards and "miles" with airlines to see if they are transferable. ■ Check for safe deposit boxes but be sure to follow probate rules before opening. ■ Search state agencies and unclaimed property sites that are run by many state treasurers.	☐	☐
If there is a federal estate tax liability, was the total value of the estate on the date of death greater than the value at six months after the date of death? If so, you may elect on Form 706 to use the alternate valuation date to reduce estate taxes, valuing all assets as of six months after the date of death (unless sold within that period).	☐	☐
Did the deceased person leave a surviving spouse and any unused federal estate and gift tax exclusion amount, and might the surviving spouse's net worth exceed their own exclusion amount ($15 million, if no lifetime use)? If so, Form 706 should be filed so that the surviving spouse can claim portability of the deceased person's unused estate tax exemption (even if a 706 is not otherwise required). If a 706 is filed only to elect portability, it is due within five years of the date of death.	☐	☐
Are any beneficiaries disclaiming their inheritance? If so, the disclaiming of assets generally must be completed within nine months of the date of death. Note the special requirements to make a qualified disclaimer.	☐	☐
If probate occurred in multiple states, are there ancillary issues that need to be resolved?	☐	☐
Are there digital assets that should be preserved and/or distributed?	☐	☐
Did the deceased person have dependent children? If so, consider financial strategies to protect the children's interests, in accordance with the deceased person's wishes.	☐	☐
Did the deceased person have spousal or child payment obligations? If so, consider measures to satisfy these obligations.	☐	☐

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TAX ISSUES	YES	NO
Are the heirs in a lower tax bracket than the estate? If so, consider distributing income to the heirs prior to year-end to ensure earnings are taxed at the lowest possible rate.	☐	☐
Do final tax returns need to be filed? If so, consider the following: ■ A deceased person's final federal income tax return (Form 1040) is due by the usual tax filing deadline (April 15th). A surviving spouse can claim MFJ for the year of death. ■ An estate's final federal income tax return (Form 1041) is due by April 15th for calendar year estates, and before the 15th day of the 4th month following the close of the tax year for fiscal year estates. ■ If a federal estate tax return (Form 706) must be filed, it is due within nine months after the date of death (or five years if only to claim portability). ■ Six-month extensions of time to file are available for Form 1040, Form 1041, and Form 706. ■ Filing requirements for state tax returns vary by state.	☐	☐
Did the deceased person own property jointly with someone else? If so, that person may receive a partial (or full) step-up in basis. Reference "Will I Receive A Step-Up In Basis For The Appreciated Property I Inherited?" flowchart.	☐	☐
If you filed a Form 706 or state estate or inheritance tax return, are you waiting for closing documentation from the taxing authorities? If so, request an account transcript or closing letter from the IRS, and obtain any necessary documentation from state taxing authorities to document that your returns have been reviewed and accepted.	☐	☐

OTHER ISSUES	YES	NO
Do files need to be organized and documented to show evidence of disbursements?	☐	☐
Are there state-specific issues that need to be considered?	☐	☐
Are there additional filings to be made with the Probate Court? If so, be sure to fulfill all filing obligations, and look for opportunities to expedite your administration when appropriate (e.g., seeking beneficiaries' consents to accountings and waivers of hearings).	☐	☐
Are there non-probate assets that require administration? If so, these would not prevent closing the estate, but you may want to consider the following: ■ Legal title should be updated for certain assets that transferred on death (e.g., JTWROS real property, joint accounts, etc.). ■ For retirement accounts with multiple beneficiaries, the determination date is September 30th of the year after death, and separate accounts should be divided and distributed by the following December 31st.	☐	☐

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Jonathan Torrens, CFP®

TCM Wealth Advisors
66 South Miller Road, Suite 202, Fairlawn, OH 44333
330-836-7000 | info@tcmwealthadvisors.com | tcmwealthadvisors.com

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