Helpful Terms

Caring for a loved one's finances can feel overwhelming, especially when you come across unfamiliar legal terms. To help, here are general explanations for some of the most common terms you may see.

Apostille: A certificate that may be needed to authenticate certain documents issued outside the United States.

Beneficiary: A person or entity designated to receive money, property, or other assets by the account holder when they pass away.

Decedent: A person who has passed away.

EIN number (Employer Identification Number): A nine-digit number the IRS uses to identify a business or estate for tax purposes.

Estate: The assets and liabilities left by the person who has passed away.

Estate Administrator(trix)/Executor(trix)/Personal Representative: The person legally appointed to manage and settle someone's estate when they pass away.

Fiduciary: A person or organization legally obligated to act in the best interests of someone else such as a trustee, financial advisor, executor and attorney.

Last Will and Testament: A legal document that states how a person wants their property and belongings to be distributed after they pass away.

Letters of Administration/Letters Testamentary/Short Form/Short Certificate: A legal document issued by a court that gives someone the authority to manage and settle an estate of the person who passed away.

Power of Attorney: A power of attorney generally ends when the account owner passes away.

Probate: The legal process of settling a deceased person's estate, which may include validating a will, paying debts and taxes, and distributing remaining assets to the rightful beneficiaries.

Small Estate: In some states, the size of the estate can determine if assets can be distributed without going through court. The availability and requirements vary from state to state.

Trust: A legal arrangement where one party holds and manages assets for the benefit of another.

Trustee: A person who has been designated to take care of and manage assets according to the terms of the trust.

We share these explanations for general information. They're not meant to provide legal advice, and requirements can vary by state.