

How to Claim a Final Paycheck

Indiana law provides two ways for you to petition for final pay for a deceased employee depending upon whether an estate has been or will be established.

1) An estate is or will be opened:

If the Probate Court oversees the distribution of property, an estate is opened. The administrator or personal representative may request release of a final paycheck by presenting "Letters of Administration."

- A) Please provide an original court issued "Letters of Administration." and a copy of the EIN Document from the IRS
- B) Complete the forms entitled "Paycheck Claim" and "W-9 Request for Taxpayer Identification Number and Certification" using the name of the estate.
- C) Discard the "Affidavit of No Administration," since the court has named a personal representative. These claims can be handled without delay, since the 45-day waiting period prescribed by Indiana law does not apply.

2) An unsupervised estate:

If the Probate Court is not involved in the distribution of property, the court does not administer an estate. **The State of Indiana has established a 45-day period for all persons associated with the deceased individual to put forward property claims.**

Complete the "Paycheck Claim", "Affidavit of No Administration", and the "W-9 Request for Taxpayer Identification Number and Certification" forms using the name of the claimant. **You need to sign the Affidavit in the presence of a Notary Public.**

Requesting a Check:

Return the original "Letters of Administration" or notarized "Affidavit of No Administration" along with the "Paycheck Claim" and "W-9 Request for Taxpayer Identification Number and Certification" to:

**Office of the University Controller
1024 E 3rd Street, Room 104
Bloomington, IN 47405**

After receiving the information and the 45-day waiting period has passed, a check will be issued in your name (or the name of the estate) within approximately 20 calendar days. It will be mailed to the address you indicate on the "Paycheck Claim" form.

Additional Tax Information:

A tax return may have to be filed for the deceased individual. For information on tax reporting, see IRS Publication 559, "Tax Information for Survivors, Executors, and Administrators." This publication can be obtained free of charge from the IRS by calling 1-800-829-3676.

In the event wages earned prior to the date of death are **not payable until after the date of death**, Federal Income tax will not be withheld from the final payment. Accordingly, these wages will not be reported in box 1 of Form W-2 for the employee.

Instead, a separate Form 1099-MISC will be reported to the estate or payee in January of the year following the date of death with the gross amount of wages included in the final payment.

However, social security and Medicare tax, will be withheld from the final payment and will be included in boxes three and five of Form W-2 for the employee, **if the final payment is made in the year of death.**

If the final payment is made in the year following the date of death, the wages are not subject to social security and Medicare tax and therefore, will not be withheld from the final pay.