

PREPARING FOR YOUR FUNERAL

There are a range of options to prepare for your funeral. Three (3) of the most common are: prepaid, bonds or insurance. These products have been created to offer you some control over your funeral arrangements and expenses, protect your family from unexpected financial issues and give you peace of mind to say goodbye.

Prepaid funerals, or *advance payment plans*, are part of a range of products offered by funeral businesses and directors. You arrange to plan, contract and pay for your funeral beforehand through your chosen funeral director, at current prices.

Depending on your wishes, funeral costs may involve director fees, transport, coffin or cremation processing, death certificates and permits, burial and arrangements. The final amount can vary considerably between businesses so it's essential to shop around for the best deal. By prepaying a funeral, you can cover some, or all of your expenses in full, make a deposit or pay it off in regular payments.

Currently in Western Australia, funeral directors are required to forward your money to an investment manager e.g., life insurance company, Public Trustee, friendly society. The money can only be released when the funeral has taken place. The funeral contract must also cover what happens if the funeral organiser closes down before the funeral takes place.

Funeral bonds provide an investment account, paid out at the time for funeral expenses. After making an initial deposit, you make regular payments over time and increase the amount you have saved for a funeral with interest earned. You cannot withdraw your money early and its final amount can only be used for your funeral. Funeral bonds are offered by funeral directors, friendly societies and life insurers and allow you to choose a funeral director.

Funeral insurance involves taking out a policy and paying an ongoing premium to cover some expenses at the time of your funeral. Insurance provides immediate cover and a lump sum. However, exclusions apply depending on the length of time you have been covered by insurance. As with other insurance products, the amount you pay may increase over time and you don't receive a refund if you stop payments. If you are considering insurance, think about how much you may end up paying as well as your future income and premiums.

If you are thinking about preparing financially for a funeral, you can also consider setting up a term deposit or high-interest savings account separate from your everyday bank account or accessing your superannuation. Remember to tell your family and leave instructions so that they can use your savings the way you want them to. The following is a general checklist to help you plan for and make an informed decision about your funeral.

THE CHECKLIST

ISSUE	YES	NO	COMMENTS
Check if you already have funeral cover as part of bereavement payments, superannuation, health insurance or veterans cover.			
If you are choosing a funeral product, shop around for different quotes and coverage.			
When you decide on a product, ensure you understand the description or product disclosure statement and have the opportunity to ask questions.			
Receive an itemised breakdown of all the costs, fees and charges involved beforehand.			
Discuss extra fees and charges, including administration, cancellation, refunds and transfers.			
Name your funeral organiser, and what happens if they are unavailable.			
Check for a cooling off period and use it to re-evaluate your satisfaction with your product and decision.			
Talk to a trusted person, financial planner or community worker about your decision.			
Discuss your arrangements with family and friends and talk about what you want to happen.			

HELPFUL LINKS

Description	Link
<p><u>Consumer Protection and Funeral Checklists</u></p>	<p>1300 304 054</p> <p>https://www.commerce.wa.gov.au/publications/prepaid-funerals-checklists</p>
<p><u>Moneysmart</u></p> <p>Paying for Funerals for Indigenous and Torres Strait Islander People</p>	<p>https://moneysmart.gov.au/indigenous/paying-for-funerals</p>
<p><u>Department of Veterans Affairs</u></p> <p>Funeral Bonds and Prepaid Plans</p>	<p>https://www.dva.gov.au/financial-support/income-support/what-changes-your-payments/your-business-or-investments/funeral</p>

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