



COMBINED PENSIONERS AND SUPERANNUANTS ASSOCIATION OF NEW SOUTH WALES INC.

Founded 1931.

Serving pensioners of all ages, superannuants and low-income retirees.

Consumer Protection Awards – 2002, 2003, 2004

FACT SHEET

Last Updated January 2005

Funeral Costs

The following information has been compiled to assist in planning a funeral. For further information please phone CPSA on (02) 9281 3588 or 1800 451 488 (country callers) or refer to the organisations listed.

Costs

- The person responsible for organising the funeral (usually the next-of-kin or close friend) is also responsible for all funeral costs.
- Funeral costs can vary considerably from one funeral director or cemetery to another. It pays to shop around and get three written quotes before making your decision.
- Ask for an itemised quote so each fee is clear to you. Don't feel pressured to purchase all the extras, such as large bouquets of flowers, coffin or casket trimmings or extravagant ceremonies. Funeral directors are operating a business just like any other and, while nice, these extras are not mandatory.
- Funeral directors tend to only display certain coffins and caskets. Always ask to see all they have and don't be pushed towards those at the upper spectrum of the market.
- Never sign anything until you have read it thoroughly and understand what is expected of you. If it helps, ask a close friend or relative to assist you.
- Never get carried away and spend more than you can afford.
- Average prices often quoted begin from \$5000, however a "no-frills" cremation can cost as little as \$2600. Burials are more expensive.

Pre-paid Funeral Plans

- A pre-paid funeral plan allows you to purchase your funeral in advance.

- Advantages are that you organise and pay for the type of funeral you want and thus relieve relatives of the financial burden. It is also possible to maximise your pension entitlement as money paid into a funeral plan is not subject to Centrelink's income or assets test or deemed earnings rule.
- It is important to carefully read the contract. As you are paying for a funeral in today's prices, no additional costs should be borne when the funeral occurs unless specific terms of the contract require additional fees (eg some specify that if Government taxes are subsequently imposed or increased then these must be paid).
- Furthermore, depending on the individual contract, it is not always possible to cancel the contract. Some will allow cancellation within 14 days but this will incur a cancellation fee. Always read the terms and conditions of the contract before signing and be sure of your rights if it does not include terms of cancellation.
- The money you spend is invested with an independently managed funeral fund, such as a trustee company, and only released to the funeral director once your funeral has been conducted.
- Pre-paid funeral plans may be paid for in a lump sum or by instalments. Your funeral director will be able to advise you.
- If you die interstate or overseas, additional fees will be charged for the transportation of the body. If the death and the funeral occur overseas or interstate, the funeral plan funds will be paid to the estate.

Pre-arranged Funerals

- Pre-arranged funerals differ from pre-paid funerals in that no money is paid ahead of time. You discuss your preferences with a funeral director who can record your wishes for future use.
- It is the responsibility of your family or executor to ensure you receive your preferred funeral and pay for it. As no contract has been entered into the choice remains with the family or executor.

Funeral Bonds

- These are similar to life insurance policies in that you accumulate funds to be used to pay for your funeral.
- They are only payable upon death and must be used for funeral expenses.
- It is the family or executor's responsibility to organise and pay any additional costs towards your funeral.
- Funeral bonds up to \$5000 are exempt from Centrelink's assets test.

Do-It-Yourself Funeral

- When a person dies the death must be confirmed by a doctor who completes a medical certificate of cause of death. This has to be sent to the Registrar of Births, Deaths and Marriages so that a Death Certificate can be issued.
- There is legislation that individuals must comply with in order to arrange a funeral without the services of a funeral director. When a death occurs at home the funeral arrangements will need to be arranged through a funeral director (because they can correctly store and prepare the body to be placed in a coffin). When a death occurs in hospital it may not be necessary to use a funeral director to make the necessary arrangements. If the hospital has a morgue (not just a holding room) they will prepare the body to be placed in a coffin (where possible) so relatives who provide a coffin can collect the body.
- It is advisable to be aware of what must be done prior to the time the arrangements are required to be made as the body must be removed from a hospital within 5 days of death.
- Individuals will need to purchase a compliant coffin made of natural materials which can be sealed.
- The NSW Registry of Births, Deaths and Marriages must be notified of the death and forms will need to be completed. A Death Certificate is required when dealing with certain institutions and a fee applies for having it provided.
- An application for burial or cremation must also be completed.
- All arrangements for the burial or cremation will need to be made directly with the cemetery. Pall-bearers must be provided.
- Transportation of the deceased from the hospital to the cemetery must be dignified and with due reverence.

Payment Options

- More often than not the costs of a funeral are payable on or before the day of the funeral. Payment in instalments may sometimes be allowed but this must be negotiated with individual funeral directors or cemeteries.
- Banks and credit unions will usually release funds from the deceased person's account to pay for a funeral. Contact the bank for verification.
- 'Pauper's funerals', now known as 'destitute funerals' are generally available for people with no known family or assets. If the death occurs at home or in a nursing home (and is not a coroner's case) the funeral is arranged by the Police. If the death occurs in a hospital (and is not a coroner's case), it is arranged by the hospital.

Financial Assistance

- Centrelink has a number of options if you require financial assistance. Please contact Centrelink for further information.
- Private health insurance may be payable upon death. Check the deceased person's records to see if a policy exists.
- The Department of Veterans' Affairs may be able to provide bereavement payments, funeral benefits and/or commemorative plaques for deceased eligible veterans. Contact the Department of Veterans' Affairs for further information.
- Some social clubs, such as RSL and Rotary, will donate an amount towards the cost of the deceased member's funeral. For more information contact the relevant club.

FOR FURTHER INFORMATION

- **Centrelink** – Phone 131 021 (or 131 202 for interpreter service). Financial Information Service: Phone 132 300. Visit the website at www.centrelink.gov.au
- **Department of Veteran's Affairs** – Phone 133 254 or toll free 1800 555 254. Visit the website at www.dva.gov.au
- **Office of Fair Trading – NSW Consumer Protection Agency** – Phone: 133 220 or TTY (02) 9338 4943. Visit the website at www.fairtrading.nsw.gov.au
- **Parliamentary Council's Office** – For information on NSW legislation, such as *Occupational Health and Safety Act 2000*, *Public Health (Disposal of Bodies) Regulation 2002*, *Local Government Act 1993* and *Public Health Act 1991* phone (02) 9228 7139. Visit the website at www.legislation.nsw.gov.au

This information was correct at the time of printing.
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