

# Planning a funeral

This Fact Sheet contains information about planning or arranging a funeral, and what happens to pension payments after someone dies. The information provided here applies to planning your own funeral, and to the arrangements you make for a friend or family member who has died.

A funeral can be arranged by friends and/or relatives or you can organise something for yourself, in advance. When planning a funeral, here are some ideas to start with:

- Decide how you would like your (or your family member's) life to be celebrated: Do you want a religious or a civil ceremony? Where will the ceremony take place? Who do you want to attend (public or private ceremony)? What order of service do you want, including music or readings? Do you want flowers (if so what type)? Do you want photos or mementos?
- Do you want a burial or a cremation? If you choose a cremation, where would you like the ashes to go?
- Do you want to donate your organs to people needing a transplant, or to research?
- How much money do you want to allocate to the ceremony? Do you want to prepay or have a fund set aside?

To ensure your wishes are followed in relation to your own funeral, include your instructions in your Will and discuss your plan with your executor. For more information on how to do this see Fact Sheet 5B Planning ahead: wills, power of attorney, guardianship, advanced care directives.

There are legal requirements to be considered when planning a funeral – either your own or someone else's. Depending on the arrangements you want, you should clarify these with your local funeral director.



## Costs

It is easy during the sad time of the death of a loved one to make choices which are more expensive than we really can afford. Below are some pointers to help you make decisions.

- Quotes for funerals often begin from \$5,000. However a “no-frills” cremation can cost as little as \$2,600. Be aware that burials are more expensive.
- Funeral costs can vary appreciably from one funeral director to another. It is worth arranging for two or three written quotes so you can compare the price and the services that are offered. Ensure all quotes are itemised so you know exactly what you are paying for and can compare quotes.
- Funeral directors are operating a business just like any other and will charge for “extras” such as large bouquets of flowers, coffin or casket trimmings or extravagant ceremonies. Remember you can always ask for simpler, lower-cost items if this is what you want. If you already have a family plot in a cemetery which you plan to use, be sure you are not buying another one as part of a “package” arrangement.
- If you want flowers, check what happens to them after the ceremony – can your family take them home if they want to?
- If you choose a cremation, you can also choose the container for the ashes.
- Also check the costs of placing a funeral notice in the newspaper. Your funeral director can assist you with this.
- If you decide to have a civil funeral (not in a church, mosque, temple or other place of worship) you may not need a spiritual leader to officiate. A civil ceremony is an option you may like to consider.



## Pre-paid funeral plans

A pre-paid funeral is a contractual arrangement between a customer and a funeral director where the funeral director guarantees to provide an agreed funeral service in the future. This plan means you pay for your funeral in advance, which will relieve your family of the financial responsibility. Points to keep in mind when considering a pre-paid plan include:

- It is possible to maximise your pension entitlements, as money paid into a funeral plan is exempt from Centrelink's asset and income test and is tax-exempt.
- Read your contract carefully to ensure there will be no additional fees. Check if the contract can be cancelled – some will allow cancellation within 14 days of signing but this can still incur a cancellation fee.
- Check that any money you pay will be invested with an independently-managed fund (e.g. a trustee company), and will only be released to the funeral director after the funeral.
- Pre-paid funeral funds may be paid in instalments or in a lump sum.
- If you die interstate or overseas, there will be additional costs for transporting your body back home. If a death and funeral happen overseas, the family will usually need to pay all accounts directly – the funeral plan funds will then be paid to the person's estate. But check this carefully before you sign your contract.

## Funeral bonds

- A funeral bond is a form of investment, where you can arrange to accumulate funds to pay for your funeral, similar to an insurance policy. You can either contribute a lump sum or make regular payments into your fund. The money is invested on your behalf and the accumulated interest adds to the value of your bond.
- A bond can only be paid upon death and must be used for funeral expenses. If the bond does not cover the funeral costs, your family or the executor will need to pay any difference



- There are rules around the size of the bond you can enter into as well as some tax benefits from this form of investment, so you need to research these aspects carefully. For example, funeral bonds of up to \$5,000 are exempt from Centrelink's assets tests. However, the main advantage is knowing that funds have been set aside to pay for your funeral.
- You can enter into a bond through selected insurance companies, banks or credit unions, or through a funeral bond company. A good place to start your research is your current insurer, or your bank.
- Some funeral bond providers will liaise with a funeral director that you nominate, to coordinate the financial arrangements with a pre-planned funeral.
- Before signing any paperwork, check the contract carefully so that you know exactly what is (and isn't) included in the arrangements.

## Payment options and financial assistance

- Usually funeral costs are payable on the day of, or the day before, the funeral. You can sometimes arrange to pay in instalments – check with your funeral director.
- Banks and credit unions will usually release funds from a deceased person's account to pay for their funeral. Check with your bank.
- Centrelink may be able to provide help, depending on your circumstances. For more information call Centrelink on **13 23 00** or the Seniors Information Service (**13 12 44**) for a free copy of "Are you needing help after someone has died?"
- Private health insurance may be payable on a person's death – check the deceased person's records.
- The Department of Veterans' Affairs can provide bereavement payments or funeral benefits for eligible veterans. Call the Department of Veterans' Affairs on **13 32 54**.

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- Some social clubs (such as RSL or Rotary) will contribute towards the cost of a deceased member's funeral – call the relevant club to see if they offer this assistance.
- If the deceased person's family cannot be found, or has no way of paying for a funeral, a 'destitute funeral' can be arranged, paid for by the state (see below for further information).

### Do-it-yourself funeral

- Legislation covers funerals that are conducted without the services of a funeral director. For further information, contact your lawyer or Law Access on **1300 888 529**.
- Funerals can be conducted without a funeral director when a person dies in hospital. But when someone dies at home a funeral director must be involved as they have the facilities to store the body properly.
- If a person dies in hospital and you decide to handle the arrangements without a funeral director, you should find out about any hospital requirements (e.g. for removing the body from the hospital within a certain number of days).
- Transportation of the body from the hospital must be dignified and with due reverence.
- You will need to purchase a coffin made to certain standards, which can be sealed.
- You must also apply for a burial or cremation, and lodge this directly with the cemetery or crematorium.
- You will need to make your own arrangements for transporting the coffin throughout all aspects of any ceremony and the burial or cremation.
- You must notify the NSW Registry of Births Deaths and Marriages and complete the necessary paperwork. A fee applies. The registry's phone number is **1300 655 236** and their website is **www.bdm.nsw.gov.au**.



## Burial/cremation of people without means

When a person without means dies in a hospital or other public health facility, the hospital must make reasonable attempts to find relatives or friends who may wish to arrange the burial or cremation. If no one can be found (or no one is willing to pay), the hospital will arrange with a local provider to conduct the funeral and forward the deceased person's information.

If the person dies at home or in a nursing home the funeral is arranged by the police, and if they die in a hospital the funeral is arranged by a social worker. However, a hospital may request assistance from the police if they cannot locate relatives or friends. In this case, the police will arrange the funeral in metropolitan areas and in rural areas the Public Health Unit will make arrangements. Bereaved relatives and friends should be informed of the arrangement by the funeral director.

The body will generally be cremated rather than buried, as long as:

- There is no objection set out in a Will
- There is no written agreement with any known friends or relatives about burial
- Cremation is not contrary to a State Coroner directive
- All necessary cremation certificates have been completed.

## Death certificate and registration

When a person dies within a health facility, the facility's medical practitioner will provide the death certificate. If the death occurs at home, or in a nursing home or hostel, the person's General Practitioner will issue the certificate.

Deaths must also be registered with the Registry of Births Deaths and Marriages. The funeral director will usually register the person's death, however a relative of the deceased may prefer to do this themselves. The registry will ask for the following information:

- Surname and first names of the deceased
- Their sex



- Dates of birth and death, and place of death
- Usual address of the deceased
- Usual occupation during working life
- Marriage particulars (place, age, full name of spouse)
- All children of the deceased (names and ages)
- Full name of both parents (including mother's maiden name).

You will need to supply a medical certificate stating the cause of death (issued by a doctor). If the death was referred to a Coroner (e.g. in the case of a suspicious death, or if the person has died while homeless), you must supply the order authorising disposal of the body. If you are not a funeral director and wish to register a death, please telephone the registry on **1300 655 236** for a death registration form.

## Probate

Probate is the process of legally establishing the validity of a Will before a judicial authority.

The Registry of Births Deaths and Marriages does not hold all records relating to Wills or probate, however it maintains a voluntary 'Wills Register' that enables a person to record where their Will is kept, who made the Will and who is executor. Next of kin may search the register after providing proof of death of the testator.

For more information contact the Probate Division of the Supreme Court.

Probate Division  
Supreme Court  
Queens Square  
Sydney NSW 2000  
Phone: **9230 8111**

For help with probate, call the Seniors Information Service **13 12 44** for a free copy of the handbook on **Executors and Probate** or call **Probate Incorporated**, part of Law Consumers on **9564 2055**.

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## Effects of a death on pension payments

### Centrelink customers

When someone who receives a pension or a part pension (or any other form of income support) dies, you must tell Centrelink. You can do this by phone, letter or in person.

When one of a pensioner couple dies, the surviving partner will receive a lump sum bereavement payment of up to seven payments of the difference between the combined partnered rate the couple were paid and the single rate the survivor will be paid. When a single pensioner dies, the estate receives one extra payment after death.

Carer payment recipients will continue to be eligible for their pension for seven pay periods after the death of the person in care. A lump sum bereavement payment of seven fortnightly payments of the person in care's pension will also be paid into the carer's account if they were looking after a single pensioner. For further information contact Centrelink on **13 23 00**.

A booklet is available for Centrelink customers called "Are you needing help after someone has died?" For a free copy call Seniors Information Service on **13 12 44**.

### Department of Veterans' Affairs customers

When a veteran who was on a service pension dies, the spouse/partner will receive a service pension bereavement payment (a lump sum made up of seven payments of the difference between the combined fortnightly partner rate service pension applicable to the veteran and their spouse, less the surviving spouse's new rate of pension). If a spouse dies, a similar service pension bereavement payment is made to the surviving veteran.

A disability bereavement payment is also paid to a spouse if the deceased veteran received a disability pension. In this case, the bereavement payment is the equivalent of six pension instalments, and is paid at the rate prior to death or 100 per cent of the general rate, whichever is less.

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Disability bereavement payments are not made after the death of a single pensioner.

The Department of Veterans' Affairs may – in addition to the bereavement payments – pay a lump sum funeral benefit depending on the circumstances.

For further information about bereavement payments for veterans or their spouse contact the Department of Veterans' Affairs on **9213 7900**, **1800 555 254** or **13 32 54**.

Other helpful publications

- A Consumer Guide to Funerals (Office of Fair Trading)
- Funeral Arrangements (Office of Fair Trading)

For a free copy of these booklets, call Seniors Information Service **13 12 44**, or contact the Office of Fair Trading on **13 32 20**.

- *The Do-It-Yourself Funeral Book* created by and for the residents in Bellingen Shire. This is a valuable read but if you live in another area, you must check with your local council, hospital and other relevant establishments as there may be differences in regulations. For a copy please call **6657 2648**.

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The Department of Ageing, Disability and Home Care suggests that professional advice be sought wherever necessary.

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