



Caring Funeral Professionals

Saving for your funeral is important to remember in Money Week

14 August 2017

Less than 5 per cent of New Zealanders plan and pre-pay their funerals and it's a statistic we need to change, says the Funeral Directors Association of New Zealand (FDANZ).

Speaking at the start of Money Week, FDANZ Chief Executive Katrina Shanks says it's an ideal time to remind people that planning and saving for funerals is as important as saving for other events, such as holidays and weddings.

"Kiwis really aren't great at saving, although thanks to schemes such as KiwiSaver we are getting better at it. But planning for funerals remains at the bottom of the list for most, despite it being an event we all face.

"Planning and pre-paying your funeral is a most unselfish act, because you're taking the pressure off your family, making it easier for them to see you off in a meaningful manner.

"I frequently hear funeral directors talking about the difficulty many families face when it comes to the death of a loved one. Sorting out funeral options, choices, and costs can be daunting at a time when people are grieving.

"It's a reality we're all faced with. Unless there has been planning and pre-payment, families are left to organise these things at the most difficult of times.

"The Ministry of Social Development can help with funeral grants, but these are only for families who have no other means of meeting funeral costs. Even then they don't cover all expenses. The maximum grant is \$2008.76, while funerals can range from \$4,000 to \$15,000, after all costs are taken into account: preparation of the body for cremation or burial, casket cost, hearse fees, and compulsory fees such as cremation or the purchase of a burial plot.

"And that's if your application is accepted. In 2015, there were 5,948 applications but only 4,815 were accepted. It's figures like these that can illustrate the wisdom of pre-paying for your funeral.

"As well as taking the financial strain off your loved ones, there are strong fiscal reasons for putting aside funds in a pre-paid funeral plan.

"Many people say they aren't worried about the cost of a funeral because the proceeds of selling their house will cover it. But there are two reasons this isn't such a great plan: First, the settlement of an estate and sale of a property can take many months, leaving loved ones still having to find the funds to pay in the meantime. Secondly, many of us will spend our latter years in a retirement village or residential care facility rather than in our own home. The funds from the sale of the family home

can get eaten up by the cost of that care, leaving uncertainty about what amount would be left to fund a funeral.

“But if you pre-pay your funeral, and if the need later arises for long-term residential care in a rest home or hospital, the value of that pre-paid funeral, up to \$10,000, is excluded from the government’s financial means assessment for the residential care subsidy. That means up to \$10,000 that you might otherwise have had to spend on subsidising your care can be set aside for your funeral.

“Advance planning and pre-paying towards your funeral is an extension of retirement planning and one we as a society must consider sooner rather than later.”

For further information contact Katrina Shanks 021 474 010



Caring Funeral Professionals

The Funeral Directors Association of New Zealand (FDANZ) is an association of caring professionals who are committed to ensuring the families they serve receive high quality funeral services. www.fdanz.org.nz