

# Understanding funerals

## Information for people affected by cancer

**Arranging a funeral can seem like a complicated process that comes at a difficult time. A funeral director will take care of most of the arrangements.**

### Types of funerals

#### Basic funeral

A basic funeral is the lowest cost funeral service available. It may also be called an economy funeral or budget funeral.

A basic funeral includes a single service conducted at the funeral director's premises or the burial or cremation site. It would take place on a weekday between 8am and 5pm. It covers the following:

- arranging and conducting the funeral
- transporting the body to the funeral director's premises, mortuary and burial or cremation site, where each individual journey is no more than 30 km
- storing the body at a mortuary or holding room
- preparing the body for burial or cremation (but not preparation for viewing or embalming)
- providing the least expensive coffin available
- providing compulsory medical certificates or permits
- burial or cremation of the body.

While most funeral directors offer some type of basic funeral service, they are not required by law to offer a basic funeral. Ask the funeral director whether this is something they offer.

Under the law, any funeral director who offers a basic funeral service must provide an itemised quote called a 'basic funeral notice' before entering into any funeral arrangement. Even if the customer does not want a basic funeral, the funeral director must still give them a basic funeral notice so they know it is an option. This rule applies regardless of the name funeral directors use for the 'basic funeral'.

#### Full-service funeral

A full-service funeral is the most expensive type of funeral service. It includes extras, such as flowers, memorial keepsakes, church service, embalming and preparation of the body for viewing, decorative coffins and caskets, and mourning cars.

The price will depend on your choice of funeral director and which optional extras you would like. Burials are more expensive than cremations because a plot of land must be purchased from the cemetery. A full-service funeral may cost up to \$10,000 or more.

If you are organising a full-service funeral, ask the funeral director for an itemised written quote specifying each of the goods and services that will be provided and their costs, including the estimated costs of the disbursements (see page 2).

#### Direct committal

A direct committal is a cheaper option than a basic funeral and is offered by most funeral directors. It is a cremation or burial without a service.

Bereaved families and friends do not attend the committal, but can still arrange a memorial service at another venue.

#### Destitute funerals

The Area Health Service or a hospital will pay for a basic funeral if the person who died had no known estate, and relatives and friends cannot pay for a funeral.

Destitute funerals are arranged with funeral operators contracted with the State Government.

If the destitute funeral is for a person who died in a hospital a long way from the person's usual home, the costs of returning the body to the person's home area may be paid by the Area Health Service or hospital.

## Understanding funerals

---

### Making the arrangements

The executor of a person's will has the legal authority to make the funeral arrangements. However, the executor can choose to pass on this responsibility to someone else, such as the family or a friend. If there is no will, the next of kin or other family members or friends usually arrange the funeral.

### Prearranging your own funeral

If you would prefer, you can make your own arrangements for your funeral. This will give you the chance to find a funeral director you are happy with and make the arrangements you want, rather than leaving this to others. You can do this by contacting a funeral director and prepaying for the type of funeral you want. It's a good idea to leave the details in a safe place, such as with your will.

### Funeral expenses

#### Cost of a funeral

The three components to the cost of a funeral service include:

- **the funeral director's professional fees** – cover professional services and facilities, such as liaising with the cemetery/crematorium and florists; newspaper notices; and supplying a hearse and staff on the day of the funeral
- **merchandise costs** – such as a coffin, memorial book, urn and service booklets
- **disbursements** – costs the funeral director pays on behalf of the family, such as cemetery or crematorium fees, flowers and newspaper notices, which are provided by third parties.

The final costs of the funeral service will reflect the choices you have made.

#### Paying funeral costs

The person arranging the funeral is financially responsible for it. This person is also the only one who can make arrangements with the cemetery or crematorium. However, various funds and payment options are available to help pay for a funeral. Discuss these with the funeral director before you sign an agreement for a funeral.

Money to pay for a funeral may come from:

- the estate of the deceased person
- a prepaid funeral scheme, such as a contributory fund, prepaid funeral fund, funeral insurance, or funeral bond
- Centrelink
- the Department of Veterans' Affairs
- Aboriginal Land Council
- a trade union or other club
- your superannuation.

**Estate** – Ask the bank if money in the deceased person's bank account can be used to pay for funeral expenses before the estate is administered.

**Contributory fund** – Small, regular payments are made during the person's lifetime. The amount contributed then pays for part or all of a funeral service with a particular funeral director, or provides a cash benefit that can be used towards the cost of the service. Conditions may vary between funds and will be set out in detail in the fund's constitution. There are very few contributory funds now operating in NSW.

**Prepaid funeral fund** – This involves selecting a funeral director, making decisions about the type of funeral you would like and paying for that funeral at today's prices, usually in one lump sum or several instalments.

The money is held by an independent trustee or friendly society registered with NSW Fair Trading. If the funeral director goes out of business, the money will still be available to pay for the funeral with another funeral director.

Some funeral directors limit prepaid schemes to parts of the funeral they have control over, such as personal services and the coffin, and may not include the burial or cremation. Make sure you understand your rights and obligations before you sign for a prepaid funeral arrangement. Be sure you know if the arrangement covers all or only some of the costs. If you have any concerns about the conditions of the arrangement, seek independent legal or financial advice.

Money held in a funeral fund is an exempt asset for the purpose of determining eligibility for pensions.

## Understanding funerals



Contributory funds and prepaid funeral funds must be registered in NSW with the Office of Fair Trading. Contact them on **1800 502 042** for a list of registered funds and the funeral directors in your area that are affiliated with a fund.

**Funeral insurance** – This can be purchased directly from an insurer. You pay small regular premiums in exchange for a specified cash payment on your death. Age and health restrictions may apply when taking out the policy. The premiums may increase over time to keep up with inflation or other factors.

Like most forms of insurance, the money you have already paid cannot be refunded if you cancel the insurance.

Many insurers have guaranteed acceptance for Australian citizens and permanent residents aged 18–69. However, within the first 12 months of taking out the policy, funeral insurance will usually only be paid out for accidental death.

**Funeral bonds** – A funeral bond is a form of investment that allows you to set aside your own money for a funeral, which is held and then paid out when the funeral is required.

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. It cannot be withdrawn early.

A funeral bond can be in your own name, in joint names (with the benefit paid in full upon the death of the first joint owner), or can be assigned to a funeral director.

Centrelink will not include the value of a funeral bond when conducting an assets test in relation to a claim for benefits.

**Centrelink** – A person whose partner has died may be eligible for the Bereavement Payment if

at the time of death both partners were receiving a Centrelink benefit.

The Bereavement Payment is usually paid as a lump sum. The maximum amount payable is equal to the amount the couple would have received jointly, less the single rate of the surviving partner, for 14 weeks.

A Widow Allowance may be paid to women born before 1 July 1955 who have been widowed, divorced or separated since they turned 40 and have no recent workforce experience.

Centrelink does not provide any additional grants or rebates to cover the costs of funerals. However, the bereaved person may be able to apply for an advance payment on their existing benefit. Currently, up to \$1046.85 can be advanced, and this amount is then repaid from your fortnightly payments over a period of 13 fortnights.

Contact Centrelink on **13 23 00** to check your eligibility for bereavement assistance.

### **Department of Veterans' Affairs (DVA) –**

The DVA will meet some or all of the costs of a funeral for some returned service people. Some people may also be eligible for an official war grave. Call 13 32 54 to check eligibility. Types of benefits the DVA pays include:

- **Funeral benefit** – a one-off payment of up to \$2000.
- **Bereavement payment** – paid to the family of a deceased returned service person. Payment will occur automatically after notification of the death to the DVA.

### **Aboriginal Land Council**

The family of any deceased Aboriginal person who was residing in NSW at the time of their death, and who was not a member of a funeral fund, is entitled to a funeral grant of up to \$1000 to assist with covering the funeral costs.

See [alc.org.au/nswalc-in-the-community/funeral-fund.aspx](http://alc.org.au/nswalc-in-the-community/funeral-fund.aspx) for more details.

## Understanding funerals

### Clubs

Some social clubs (such as RSL or Rotary), trade unions and lodges will contribute towards the cost of a deceased member's funeral. Call the relevant club or union to ask whether they offer this assistance.

### Accessing superannuation

Sometimes you can access your superannuation before retirement to pay the funeral costs of a dependant. You may be eligible if:

- you need assistance to meet the costs of your dependant's funeral expenses
- you cannot afford to pay the expenses without accessing your superannuation.

You need to first apply through Centrelink and then contact your super fund to confirm they will release the money if the application is approved.

To find out more, see [humanservices.gov.au](http://humanservices.gov.au).

### Complaints about funeral directors

There are three industry associations for funeral directors. To make a complaint, contact the associations to find out which one your funeral director is a member of.

- Australian Funeral Directors Association (AFDA) – [afda.org.au](http://afda.org.au); 03 9859 9966
- Independent Funeral Directors Association of Australia (IFDAA) – [ifdaa.org](http://ifdaa.org); 1300 937 531
- National Funeral Directors Association (NFDA) – [nfda.com.au](http://nfda.com.au).

You can also complain to the NSW Office of Fair Trading by calling 13 32 20.

### Glossary of funeral terms

**Coffins and caskets** – Coffins are usually less expensive than caskets. Coffins and caskets with more elaborate fittings are more expensive.

**Disbursements** – This is the fee charged by someone else which the funeral director pays on your behalf and then charges you for. Necessary disbursements include the fees charged by a doctor for medical certificates, or fees charged by a cemetery or crematorium. Other disbursements may include newspaper notices, flowers or refreshments. The funeral director can only pass on the actual cost.

**Plaques, plots and urns** – You may incur some additional costs to be paid directly to the cemetery or crematorium, such as a plot, plaque, wall niche or urn. You should make these arrangements directly with the cemetery or crematorium. You may choose not to purchase a memorial spot and instead scatter the ashes or keep them in your home.

#### Note to reader

This fact sheet provides general information relevant to NSW only and is not a substitute for legal advice. You should talk to a lawyer about your specific situation.

#### Cancer Council NSW

153 Dowling Street, Woolloomooloo NSW 2011  
Cancer Council 13 11 20 for Information and Support  
**Facsimile** (02) 9334 1741  
**Email** [feedback@nswcc.org.au](mailto:feedback@nswcc.org.au)  
**Website** [cancerCouncil.com.au](http://cancerCouncil.com.au)



For information and support on cancer-related issues, call Cancer Council **13 11 20**. This is a confidential service.