

Funeral Options for Planning Ahead



**Foresters
Financial**

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Funeral Planning Options

Like any financial decision, such as taking out life insurance or writing your will, you have choices.

Funeral planning is no different and it can be as simple or detailed as you want and may help protect your loved ones from the emotional and financial burden.

This guide summarises four popular funeral planning options and their features that you may want to consider when planning ahead.

1. Pre-Arranged Funeral Plan
2. Fixed Price Funeral Plan
3. Funeral Bond
4. Funeral Insurance



1. Pre-Arranged Funeral Plan

The most important step in planning any funeral in advance is to document your wishes.

You need to consider some of the essential funeral questions that need to be answered, for example:

- Do you have a preferred funeral director?
- Do you want to be buried or cremated?

Completing a Pre-Arranged Funeral Plan and answering many of these important questions provides your loved ones with information that they need when the time comes.

Key Features:

- ✓ It is a document that records your funeral wishes, as detailed as you like
- ✓ Lets your loved ones know your preferences and how you want to be remembered
- ✓ Eases the emotional burden on those you leave behind, ensuring your wishes are known
- ✓ Does not involve any payment, but it is also not a legally binding document so you will not be protected against rising funeral costs or your funeral wishes being followed

A Pre-Arranged Funeral Plan gives your loved ones an essential guide and helps protect them from the emotional stress at a time when they may not know the answers to many of the questions asked.

If you choose this option, it is a good idea to leave a copy of your Pre-Arranged Funeral Plan with your will as well as with your preferred funeral director for safe keeping.

2. Fixed Price Funeral Plan

A Fixed Price Funeral Plan is a written contract between you and your funeral director, detailing your chosen funeral service and locked-in and paid for at today's prices.

Key Features:

- ✓ It is a legally binding contract between you and your preferred funeral director that formally documents your funeral arrangements
- ✓ When the time comes, your loved ones can simply contact your preferred funeral director and your arrangements will be carried out as set out in your contract
- ✓ Your Plan locks in the cost of the funeral at today's prices, easing your loved ones financial stress
- ✓ Changes to your funeral arrangements are only allowed if all parties agree
- ✓ May help maximise your pension entitlements as it is not deemed an asset and there are no restrictions on the amount you can invest, provided it is deemed a funeral expense
- ✓ Can be taken out in joint names

A Fixed Price Funeral Plan protects your loved ones from both the financial and emotional stress of arranging your funeral.

3. Funeral Bond

A Funeral Bond is a tax paid funeral investment with a specific purpose to contribute towards future funeral expenses.

It can provide financial protection for your loved ones but unlike a Fixed Price Funeral Plan, it does not document your preferred funeral arrangements.

Key Features:

- ✓ You have the flexibility to choose from three (3) investment options: capital guaranteed, sustainable or growth*
- ✓ You can nominate your preferred funeral director although your loved ones are not legally bound to use them
- ✓ Investment is held in your name
- ✓ Investment must be used to pay for your funeral expenses
- ✓ May help maximise your pension entitlements provided it is within the Funeral Bond Allowable Limit, which as at July 2021 was \$13,500 (indexed annually on 1 July)
- ✓ Regular contributions can be made from as little as \$25 per month
- ✓ Regular contributions can be paused or stopped at any time
- ✓ Your Funeral Bond is invested in a tax effective environment
- ✓ Can be taken out in joint names
- ✓ Should you move suburb or state your investment moves with you
- ✓ You have the option to take out a policy for someone else

A Funeral Bond eases the potential future financial burden on your loved ones by setting aside the funds to contribute towards your funeral expenses.

**More information about these investment options can be found in the Foresters Financial Funeral Bond Product Disclosure Statement.*

4. Funeral Insurance

Over the past 20 years, funeral insurance has gained significant public awareness through extensive advertising aimed at promoting a perceived cheaper alternative to funding funeral expenses.

Not all funeral insurance products are the same but here are some general points you may want to consider:

- If you are over the age of 80 you may not qualify for funeral insurance
- You may not be covered should you die from natural causes in the first 12 or sometimes even the first 24 months of taking out the insurance
- Your monthly premiums may be subject to annual increases
- Failure to make one monthly payment may result in your policy being cancelled
- You may receive nothing back if you stop making payments or cancel your policy
- Your premiums may not be tax deductible or offer any pension advantages
- You may not be able to choose your preferred funeral director
- You may not be able to specify your funeral wishes

Please Note: *We suggest doing your own research into funeral insurance to see if it is right for you and your personal circumstances.*



A funeral is a meaningful celebration of your life and planning ahead helps lessen the emotional and financial burden of those left behind

About Foresters Financial

Foresters Financial is a leading funeral industry fund manager providing exceptional customer service.

Originating over 170 years ago, Foresters Financial today is a member-owned Australian financial services provider of investment and insurance products with approximately \$390 million in total funds under management, serving over 80,000 members.

The contents of this brochure is to be used as a guide only, is general in nature and is the latest available at the date of printing. It is important that you think carefully before making an investment decision as this brochure does not take into account your particular financial situation, investment objectives or needs. Please consider whether it is appropriate for you and seek independent advice. We suggest that when considering funeral planning you also sit down and discuss your options with your preferred funeral director.



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