

Your funeral home will be happy to provide you with additional information about opening a PrePlan account.



Established in 1988, PrePlan® is a New York pre-funded funeral trust administered for the New York State Funeral Directors Association, by Funeral Director Support Services, Inc., a New York State corporation.

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www.preplan.org



PrePlan is proudly accredited by the Better Business Bureau.

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PREPAYING YOUR FUNERAL EXPENSES

A Special "How-To" Guide

How Prefunding Works

- Select a funeral home and meet with a funeral director.
- Select desired services and merchandise.
- Your funeral director will prepare an Itemization Statement and either a **REVOCABLE** or **IRREVOCABLE** Preneed Agreement. More details about each type of agreement can be found on the following page.
- Review, sign and retain a copy of the documents – including the **GENERAL PRICE LIST**.
- Make a check made payable either to the funeral home or PrePlan.
- Within ten days, the funeral director forwards your funds to PrePlan.
- Within 30 days, you should receive a deposit acknowledgment in the mail.
- You should receive an annual tax statement detailing the account's activity for the entire year.
- Funds are paid directly to the funeral home once the funeral services have been provided.

PREPAYING YOUR FUNERAL MAKES GOOD SENSE . . .

Preplanning a funeral is undoubtedly one of the biggest and most important decisions you will make in your lifetime. Whether it is for you or a loved one, the first step is obtaining all the necessary information to make an informed decision.

Preplanning a funeral allows you the opportunity to make personal and specific selections for the funeral and memorial arrangements that most closely meet your preferences.

Prefunding your funeral provides peace of mind and reduces the financial burden on family members during the emotional days and weeks immediately following your death. In addition, Medicaid/SSI applicants may set aside and designate funds for the sole purpose of paying the funeral and burial expenses, for themselves and certain family members, without those funds being counted as a resource when determining your eligibility for benefits.

PrePlan is a funeral trust pre-funding program, backed by the New York State Funeral Directors Association, that is the nationally-recognized leader in managing prepaid funeral and burial accounts.

▶ HOW SHOULD I SELECT A FUNERAL HOME?

Think of choosing one the same way you would a doctor or attorney. Get recommendations from family, friends and neighbors, or visit the New York State Funeral Directors Association's website, nysfda.org for a list of member funeral homes in your community. Schedule a pre-arrangement conference with the funeral home you've chosen. Your funeral director will help you explore your options and once you have selected services and merchandise, (s)he will prepare a preneed agreement and fully itemized statement for your review. Your funeral director will also discuss payment options – many people choose to prepay in full, or you can often work out a payment schedule.

▶ ARE THE FUNDS IN MY PRENEED TRUST ACCOUNT SAFE?

Consumers in New York State who prepay their funerals enjoy the full benefit of having their funds protected by the strongest preneed laws in the nation. These laws require that 100% of such funds be deposited into an interest-bearing, government-backed trust account where the principal and all accumulated interest remain the property of the account holder. Each PrePlan account is federally insured.

You can also have peace of mind in prepaying funeral/burial expenses knowing that PrePlan is designated as an accredited company by the highly acclaimed Better Business Bureau.

Once your pre-paid funeral account is opened with a funeral home offering our services, PrePlan's professional staff immediately goes to work, sending you a personalized confirmation that your funds have been received and deposited.

You will also receive from PrePlan informative tax statements detailing your account's activity for the entire year. The IRS has determined that purchasers of preneed funeral trusts are responsible for any income tax (if the purchaser is required to file) resulting from interest earned on their trust account.

▶ WHO CONTROLS THE FUNDS IN A PRENEED TRUST ACCOUNT?

Until the funeral home has actually provided the merchandise and services, you can change arrangements and/or your choice of funeral home at any time.

If the account is **REVOCABLE**, you may request a full refund of the principal and interest earned at any time, for any reason, without penalty. If your account is revocable and there is a balance left after the funeral expenses have been paid, any funds remaining must be remitted to the purchaser, if different from beneficiary, or to the estate of the beneficiary (decedent).

▶ IF I AM APPLYING FOR MEDICAID, MAY I SET ASIDE FUNDS FOR MY FUNERAL EXPENSES?

Yes, New York State allows an individual applying for Medicaid or Supplemental Security Income (SSI) to set aside funds in an **IRREVOCABLE** account for funeral and burial expenses. These funds are considered an 'excludable asset,' meaning they are not counted as a resource when determining eligibility.

However, any funds set aside in an irrevocable account may not, by law, be refunded to the purchaser. In addition, any overage in funds remaining in the account after funeral expenses are paid must be sent to the county where they received benefits at the time of his/her death.

A Medicaid/SSI applicant also has the option of setting funds aside to pay the funeral/burial expenses of certain family members. Any account established for the benefit of a family member must, under New York State law, also be irrevocable, as any and all funds in such account would be an 'excludable asset' as well. Immediate family members include:

- The applicant/recipient's spouse;
- Minor and adult children;
- Stepchildren;
- Brothers;
- Sisters;
- Parents; and
- Spouses of these individuals.

▶ CAN I CHANGE FUNERAL HOMES?

The law allows you to change funeral homes at any time prior to death. Even if you move out-of-state, you can request that the funds be transferred to a different funeral home.

▶ WHAT HAPPENS IF THE FUNERAL HOME I SELECT GOES OUT OF BUSINESS?

The funeral home must, by law, inform each individual who has pre-funded a funeral with them of this fact. They must also advise all accountholders of their right to transfer their prearrangements to any other funeral home they choose or, if revocable, receive a refund of their total deposited amount plus all interest earned. The New York State Bureau of Funeral Directing may also be of assistance if the funeral home goes out of business.

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