



Our #1 priority is the security of the funds entrusted to us.

Your Tax Statement Provides:

- The gross interest income earned on your funeral trust. To comply with IRS tax filing requirements, this amount must be reported on your 2019 income tax return. Please consult with your tax advisor should you have any questions pertaining to this requirement.

Your Summary Statement provides:

- A detailed listing of all cash flow transactions posted to your account during 2019.
- The name and address of the funeral firm you selected during the prearrangement process.
- The net interest posted to your account each month, which is the *gross interest earned less the fiduciary and investment advisory fees paid*. The annualized net yield earned on your prefunded funeral account for the period January 1, 2019 through December 31, 2019 was 1.69%.

PrePlan is a New York Trust administered for the New York State Funeral Directors Association, Inc., by Funeral Director Support Services, Inc., a New York Corporation.

Privacy Policy

At *PrePlan*, your privacy is important to us. While obtaining necessary information is the cornerstone of our ability to offer excellent services, *PrePlan* recognizes that our most important asset is our customers' trust. We are particularly concerned about the privacy of each individual customer who obtains financial products and services from us for prefunded funeral prearrangement purposes. This brochure provides you with our privacy policies and practices with respect to the disclosure of nonpublic information about you. For purposes of this Privacy Policy, the term "we" or "us" refers to the *PrePlan* Trust, New York State Funeral Directors Association, Funeral Director Support Services, Inc., and their officers, directors, trustees, and employees.

Information We May Collect:

In providing you with financial products or services, we may collect nonpublic personal information about you from the following sources:

- Information we receive from you on preneed agreements, preneed itemization statements, subsequent information change requests, and other forms and correspondence necessary to maintain your preneed account with the *PrePlan* Trust program.
- Information about your transactions with us, our affiliates, and/or others.

Information We May Disclose and to Whom We May Disclose the Information:

We may disclose nonpublic personal information about you to our affiliates. These affiliates include the funeral home with whom you have established funeral prearrangements, state and federal tax agencies, and other members of our corporate family. We may disclose to our affiliates all of the categories of information we collect as described above. Except as stated herein, no information will be disclosed to nonaffiliated third parties. It is important to remember that we have no financial interest or ownership in any funeral home with which you may do business.

(Continued on back panel)

Privacy Policy

(continued)

Our Security Practices:

We restrict access to nonpublic personal information about you to employees of the New York State Funeral Directors Association, employees of Funeral Director Support Services, Inc., document storage vendors, employees of the funeral firm with whom you have made funeral prearrangements, and employees of state and federal tax agencies. Employees of the New York State Funeral Directors Association and Funeral Director Support Services, Inc., are trained in the importance of maintaining confidentiality and customer privacy. We maintain physical, electronic and procedural safeguards that comply with federal regulations and leading industry practices to safeguard your nonpublic personal information.

Former Customers:

Even if you are no longer a *PrePlan* customer, our Privacy Policy will continue to apply to you with respect to any nonpublic personal information which we may have in our possession. This Privacy Policy applies to nonpublic personal information about individuals who obtain financial products or services primarily for personal, family or household purposes. We reserve the right to change this Privacy Policy and any of the policies described above at any time. The examples contained within this Privacy Policy are illustrations only; they are not intended to be exclusive.

- Nonpublic personal information means personally identifiable financial information that is not publicly available.



Frequently Asked Questions Regarding Your *Preplan* Account And Tax Statement

Enclosed with this brochure is the 2019 Tax/Annual Summary Statement for your prepaid funeral trust account



Frequently Asked Questions

How can I be sure the funds in my *PrePlan* account are safe and will be there when they are needed?

Consumers in New York who prepay their funeral expenses enjoy the full benefit of having their funds protected by the strongest preneed laws in the nation. These laws require that 100% of your preneed funds be deposited into an interest-bearing, government backed trust account.

In addition, *PrePlan* works on behalf of its member funeral homes and their consumers by investing solely in certificates of deposit with a diversified group of highly-rated banks. Each accountholder in *PrePlan* is federally insured.

PrePlan also voluntarily submits the trust fund to an annual audit to ensure the transparency and accuracy of our reporting.

Who actually owns the funds in a preneed account?

Until the funeral home has provided the merchandise and services, the purchaser whose funds were used to open the account remains in control of the account and can change arrangements and/or their choice of funeral home at any time. If the account is “revocable,” a purchaser may request a full refund of the principal and interest earned at any time, for any reason, without penalty.

My mother is applying for Medicaid; can she set aside funds by opening a preneed account to pay for her future funeral and burial 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 these very 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 expenses are paid must be sent to the appropriate department of the county where the beneficiary was living 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.

If my account is “revocable” and there is a balance left after my funeral expenses have been paid, where does this overage go?

Any funds remaining in a revocable account must be remitted to the purchaser, if different from beneficiary, or to the estate of the beneficiary (decedent).

What happens if the funeral home I make arrangements with 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 the consumer 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.

I received my annual tax statement from *PrePlan*; what amount do I report on my 2019 taxes for interest income?

It is the “Gross Taxable Interest” amount as printed on the trust tax statement that must be reported on your 2019 income tax return.

What are the fiduciary and advisory fees disclosed in my preneed agreement for?

As with any trust in New York State, *PrePlan* is permitted by law to expend up to three quarters of one percent of the balance in the fund to provide the necessary services to operate and staff the trust. This is one of the lowest fees in the nation. In addition, a minimal advisory fee is also paid for the expert investment advice given to *PrePlan* for the direct benefit of its customers. These terms are fully disclosed in the preneed customer agreement provided to all consumers.

Is *PrePlan* accredited by the Better Business Bureau?

Yes! *PrePlan* is proud to have earned an “A+ excellence rating” by the highly regarded Better Business Bureau (BBB). This designation was awarded following a successful review and BBB background check. With the strongest consumer laws in the nation and BBB accreditation, New York State consumers can be confident that their prepaid funeral funds are well protected with *PrePlan*.



PREPLAN
a service you can trust

Have more questions? Your funeral home will be happy to provide you with additional information.

Need your balance or a copy of a tax statement?

Log on to www.preplan.org and select the “Individual” tab for your account information!