

50-24.1-02.3. When designated pre-need funeral service contracts, prepayments, or deposits not to be considered in eligibility determination.

1. In determining eligibility for medical assistance, the department may not consider as an available resource any pre-need funeral service contracts, prepayments, or deposits to a fund which are placed in an irrevocable itemized funeral contract designated by the applicant or recipient to pay for the applicants or recipients funeral.

2. An applicant or recipient designates a prepayment or deposit for that applicant's or recipient's burial by providing funds that must be used for the funeral or burial expenses of the applicant or recipient. If an applicants or recipients burial is funded by an insurance policy, the amount considered set-aside for

burial is the lesser of the cost basis or the face value of the insurance policy. Interest or earnings retained in a funeral fund also may not be considered as an available resource.

3. A pre-need funeral service contract, prepayment, or deposit designated under this section is not a multiple-party account for purposes of chapter 30.1-31. Any amount in a pre-need funeral service contract, prepayment, or deposit designated under this section which is not used for funeral or burial expenses must be returned to the estate of the medical assistance recipient and is subject to the recovery by the department from the medical assistance recipients estate. A claim for payment of funeral expenses may not be made against the estate of a deceased medical assistance recipient except to the extent the funds are maintained in accordance with this chapter.

## Will

A will lets you, rather than the state, control how your assets will be split among your heirs, and it allows you to designate the guardian of your minor children.

## Power of Attorney

A power of attorney names another individual as your agent. If you were to become disabled or seriously ill, a power of attorney allows your agent to pay your bills, deposit your checks, and make decisions on your behalf.

## Health Care Directive

Also called a living will or directive to physicians, this document states your wishes should you become terminally ill or permanently unconscious.

## Power of Attorney for Health Care

This may be the same person as your business Power of Attorney or you may designate a different individual. This is a specific person named to make health care decisions on your behalf if you should become incapacitated.

## Financial Inventory

Prepare a list of your bank accounts, other assets, income sources, insurance policies, mortgages, and credit cards. Include the name and phone number of your accountant, lawyer, doctor, and insurance agent.

*Preplanning a funeral can offer family members peace of mind, as well as the opportunity to plan a meaningful funeral that reflects the unique life of the individual. Meeting with a local National Funeral Directors Association funeral director or Certified Preplanning Consultant is a good way to ensure you have all the information you need to make informed decisions, and that your wishes are carried out.*

Before making any decisions on preplanning or prefunding funeral goods or services, or signing a preneed funeral contract, we urge you to ask any and all questions you may have regarding the planning process.

**An ethical and reputable NFDA funeral home will ensure the following rights and protections:**

- Provide you with detailed price lists of goods and services before you make your selections.
- Provide to you, at the conclusion of the funeral arrangement conference, a written statement listing all of the goods and services you have purchased and the associated price.
- Give you a written preneed funeral contract explaining, in plain language, your rights and obligations.
- Guarantee in the contract that if any of the goods or services you have selected are not available at the time of need, goods and services of equal or greater value will be substituted at no extra cost.
- Explain in the contract the geographical boundaries of the funeral home's service area and under what circumstances you can transfer the preneed contract to another funeral home if you were to relocate, or if the death were to occur outside of the service area.
- State in the contract where and how much of the funds you pay will be deposited until the funeral is provided.
- Explain in the contract who will be responsible for paying taxes on any income or interest generated by the preneed funds that are invested.
- Inform you in the contract whether, and to what extent the funeral home will guarantee the price of goods and services you are purchasing. If the prices are not guaranteed, the contract will explain who is responsible for any additional amounts that may be due at the time of the funeral.
- Explain in the contract whether and under what circumstances you may cancel your preneed contract and how much of the funds you paid will be refunded.

You may use any type of investment to fund your prearranged funeral. This chart explains the benefits of the three most common prefunding vehicles.

	A – Preneed Insurance	B – Bank-held Trust Account
BENEFIT DESCRIPTION	A	B
Safety of your dollars	X	X
Payment options	X	X
Investment earns interest	X	X
Funds not spent on funeral home returned to estate	X	X
Funds can be protected for funeral home goods and services from nursing home and medical expenses. This can include other funeral related expenses (flowers, lunch, printed goods, honorarium, etc.)	X	X
Protects future interest from nursing home and medical expenses	X	X
Ability to transfer ownership if necessary	X	X
Tax-free / deferred growth (No Federal 1099 tax form issued during life)	X	
Convenient payment plans with early death protection	X	
Increased initial benefit	X	

IMPORTANT: This chart is for comparison purposes only. Make sure you are fully informed as to benefits, restrictions, charges, financial security, and tax implications, as well as your allowable exclusions if applying for medical assistance.

*Prearrangement is planning a funeral before the time of death. Without prearrangement, planning a funeral is usually done by a small group of family members, who have little warning or time to plan a funeral. Prearrangement relieves your family of that responsibility. You are able to leave detailed instructions about your desires and wishes. Prearrangement gives peace of mind to you and your family.*

## **Is there more than one way to prearrange a funeral?**

Yes, there are several different ways you can choose to prearrange depending on your wishes. There are basically three different types of prearranged funerals:

- The funeral is completely prearranged and paid for in advance.
- The funeral is completely prearranged and partially prepaid.
- The funeral is completely preplanned but no money is paid until the time of death.

## **What if I prearrange in my community and die away from home?**

If you are traveling or visiting another city when death occurs, your survivors should contact our funeral home immediately. We will make all necessary arrangements for transfer to your local funeral home.

## **I would like to prearrange, but what if I move?**

Because of the flexible nature of our preneed contracts, your preferences for prearrangement may be transferred at any time in the event you move. We can even recommend a reputable funeral home in your new community.

## **What if I change my mind about arrangements?**

Our funeral home is based on service to families. We respect your wishes at all times and strive to meet the special needs and requests from you and your family, whether planning ahead or at the time of need. Together we can adapt plans to meet your changing needs or desires.

## **What happens to my money when I prepay my funeral?**

State regulatory agencies have requirements for prefinancing a funeral. When a funeral home receives money for a prefinanced funeral, they have two options: (1) place the funds in a Certificate of Deposit or trust account at bank, or (2) for those who qualify, purchase an insurance policy or annuity. No matter which option you use for prepayment, you can be sure that your money is protected.

# Decisions Your Loved Ones Don't Want to Make - by Dr. Val Farmer

*Did you know that 40 to 50 decisions have to be made within 48 hours after a death? It is a gift for loved ones if the decedent has already made those decisions. Survivors are freed up to grieve the loss instead of being preoccupied with a myriad of details. Because of the raw or numbed emotions, decisions made within the first two weeks of a death are generally poorer than normal.*

**We are all terminal.** Shauna Hannan, associate director of admissions at Luther Seminary in St. Paul MN, draws on her experience as a parish pastor. She gives workshops on the importance of preparing beforehand for an inevitable day in each of our lives. "We are all terminal."

**The emotional benefits of preplanning.** Hannan's main message is that if these decisions are discussed and worked through ahead of death they will be in accordance with the desires of the deceased. It will also bring peace and contentment about the choices that were made with respect to family members and creates an opportunity to celebrate and grieve meaningfully for the life of the deceased.

If these decisions are left to the survivors, in addition to the sheer number of decisions, opportunities abound for disputes about what is right and appropriate. People's emotions are keenly involved. Old rivalries will be present. More family disputes occur following a death than almost any other time. Hurts and bad memories may linger for years because of the way decisions were made.

The conversations about ultimate wishes bring into focus basic values and potentially can transform the way we live now and bring our lives more in tune with what we really care about.

**Write them down.** Decisions should be written down. If possible, prepay funeral expenses or have a designated life insurance policy pay for these expenses. This will relieve family members of the burden of having to worry about finances.

There are several workbooks for planning that are available at funeral homes or over the Internet. One favorite of Hannan is, "Let the Choice Be Mine," by Cathy Robertson. This booklet is available at [www.funeralplanning1.com](http://www.funeralplanning1.com).

## What are these 50 decisions?

- Living will? Power of attorney? Hospice care? Organ donation?
- Funeral home? Funeral Director? Embalming? Full funeral? Graveside service? Closed casket? Cremation? Cremation followed with a memorial service? Disposition of cremated remains?
- Choosing and purchasing a grave plot? In a mobile society, this is not always an easy choice. Earth burial or entombment above ground in a mausoleum? Grave marker? Inscriptions and designs? Paid for? Casket / vault selection? Outer burial receptacle at cemetery?
- Death certificate information? Veterans death benefits - information needed? List of survivors? General information.
- Church affiliation, civic memberships, achievements, honors, military service, public or community service? Special talents, hobbies, interests, pets?
- Clothing? The task of choosing funeral attire is quite stressful for family. You choose. Hair style? Have a favorite hairdresser? Include the name and number. Have a photo of your choice. Make-up instructions - foundation color, lipstick color, eye shadow, rouge? Fingernail polish? Color? Perfume or aftershave? Jewelry? Many people prefer jewelry to be worn during visitation and funeral and then returned to specific individuals.
- Funeral service? Who will make arrangements on behalf of the family? Body present? No service? Location? Conducted by? Who gives the eulogy? Is there anything you wish to censor from the eulogy? Favorite scriptures, poems? Prayers? Favorite flowers? Preferred charities? Video tribute? ► *Continued...*

Items for memorial table? Mementos? Photographs? Handicrafts? Organist? Pianist? Vocalists? Special music? Pallbearers? Honorary pallbearers? Luncheon and invitees?

- Location of important papers and information such as will, attorney, insurance papers and policy numbers, bank accounts – location and account numbers, safe deposit box, stocks, bonds. Be thorough about what others might need. A friend of mine has what he calls a “just in case” file.

- Special messages to those you care about. Have these in a special booklet to be distributed. Disposition of special belongings not included in the will. Leave special messages to those you care about.

- Write your own obituary. Make it interesting. Include special people, dates, activities, accomplishments, events and other events important to you. Don't make it a list of facts. Tell a story of your life. What do you want to be remembered for? What made you what you are? Your reflections will probably be the most treasured of your gifts. Which picture do you want to send to the newspaper? What other papers besides the local paper do you want your obituary to appear? Specify the disposition of special belongings.

- Compile a list of people to notify in the event of your death. The family may be unaware of who some of these people might be.

If you have compiled all of this in a booklet form, sign it and have it witnessed and requested that our wishes be carried out to the extent possible.

None of this is easy – for anyone. Just try going through this list. Now imagine your spouse or children being confronted with these decisions at a time when they are absorbing the finality of their loss. If you haven't decided these things, how will they ever know what to do? Do them and yourself a favor by engaging in this life-giving activity.

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