

	Current Funeral Trust	Proposed features of new Funeral Trust
Contributions	You can make one single payment, pay in regular instalments or make ad hoc payments.	You can make one single payment, pay in regular instalments or make ad hoc payments
Joint Accounts	Joint participation (e.g. with a spouse/ partner or family member) is permitted. At the discretion of the remaining participants, any remaining funds after paying for the funeral of the first participant can either be left in the plan for a surviving participant(s) or returned to the estate of the deceased participant at that time.	Joint participation (e.g. with a spouse/ partner or family member) is not permitted. Instead each participant requires their own plan.
Structure	Payments received are held on trust for your funeral in accordance with the 'Funeral Directors Association Prepaid Funerals Trust Deed 2010'. This trust will end in 2090.	Payments received will be held in a charitable structure (being a charitable company owned by a charitable trust). It will meet modern charitable requirements. The structure does not have an end date.
Funds held	The trustee may invest all or part of the funds held in accordance with the terms of the trust deed and investment mandate (which may be altered from time to time by the trustee as required). This is not an investment product. The Trust invests funds with trading banks and fund managers (currently JB Were).	All or part of the funds held may be invested by the trustee in accordance with the terms of the charitable structure and investment mandate (which may be altered from time to time by the trustee as required). This is not an investment product. The Trust invests funds with trading banks and fund managers (currently JB Were).

<p>Distributions</p>	<p>The trustee can credit your plan from time to time with a share of tax paid income earned from investment of the fund less costs. An independent actuary provides advice to the trustee on whether sufficient money is held in the plan to allow a crediting adjustment each year. Such a credit is intended to reduce the effect of inflation on the purchasing power of your funeral contributions.</p> <p><i>(Note the plan is not an investment product and no form of return or distribution is promised or guaranteed)</i></p>	<p>At the time of your funeral if the money you have contributed isn't enough to cover the cost of your funeral due to inflation, the trustee can consider whether an additional top up distribution should be made to contribute to the difference.</p> <p>An independent actuary provides advice to the trustee on whether sufficient money is held in the plan to allow any top up distribution, which is paid at the time of your death to your funeral home.</p> <p>For example, if you have \$10,000 in the plan and your funeral costs \$12,000, you would be eligible to be considered for a top-up to cover the difference. How much of the difference is paid would be based on whether sufficient funds are held, based on actuarial advice, i.e. you may not receive the full \$2,000 difference in this example.</p> <p>If your funeral only cost \$7,000 you would not be eligible (with the balance of \$3,000 paid to your estate).</p> <p><i>(Note the plan is not an investment product and no form of return or top up distribution is promised or guaranteed)</i></p>
<p>Fees, tax and charges</p>	<p>While tax and administration costs can be charged to your plan, currently the trustee deducts the costs, charges and expenses of administration (including taxation) from the income earned from investment of the funds.</p>	<p>While administration costs can be charged to your plan, the current intention of the trustee is that all costs, charges and expenses of administration will be paid from the income earned from investment of the fund. No tax is payable as the plan structure has charitable status.</p>

No withdrawal	<p>You may not withdraw funds unless:</p> <ul style="list-style-type: none"> • You are permanently emigrating from New Zealand • You are suffering or likely to suffer significant financial hardship 	<p>You may not withdraw funds unless:</p> <ul style="list-style-type: none"> • You are permanently emigrating from New Zealand • You are suffering or likely to suffer significant financial hardship
Payment	<p>On receipt of proof of death and a funeral invoice from a Funeral Directors Association member firm the Trustee will pay your plan balance towards the funeral home invoice. Any money remaining will be paid to your estate. If the funds (including credits) contributed don't cover the cost the funeral home will make arrangements for your family or estate to pay the balance.</p> <p><i>Note if you decide to use a non-Funeral Directors Association member, your plan balance on your death will be paid directly to your estate and not the funeral home.</i></p>	<p>On receipt of proof of death and a funeral invoice from a Funeral Directors Association member firm your plan balance will be paid towards the funeral home invoice. Any money remaining will be paid to your estate. If the funds contributed (with or without a top up) don't cover the cost, the funeral home will make arrangements for your family or estate to pay the balance.</p> <p><i>Note if you decide to use a non-Funeral Directors Association member, your plan balance on your death will be paid directly to your estate and not the funeral home.</i></p>
Charitable support	None	<p>The general charitable purposes of the charitable structure are to:</p> <ol style="list-style-type: none"> a) Provide relief against poverty; b) Promote education; and c) Benefit the community; d) <p>For example, supporting families who can't afford a funeral and who may not be eligible for government grants or are relying on grief support organisations and charities.</p>

		<p>The amount of money available to be contributed towards general charitable purposes will vary each year. An independent actuary will provide the trustee with advice each year as to whether sufficient money is held to enable such contributions to be made (taking into account factors such as the obligation of the trustee to pay amounts for planholders funerals and the exercise of the trustee's discretion to pay top up amounts).</p>
<p>\$10K asset testing exemption</p>	<p>Contributions up to \$10,000 per funeral are exempt from asset testing when assessing eligibility for a subsidy for long-term residential care. <i>Note this could change if Government changed legislation.</i></p> <p>If you do not wish to transfer to the new plan and the Court approves withdrawal of your plan balance, this refund could impact any residential care subsidy arrangements you may have. This is due to the fact that the value of the pre-paid funeral refunded will no longer meet the definition of 'exempt asset' under the rest home subsidy requirements, with funds refunded classified as a cash asset. Please seek specialist advice if this may apply to you.</p> <p>The Citizen's Advice Bureau is also available to discuss this with you.</p>	<p>Contributions up to \$10,000 per funeral are exempt from asset testing when assessing eligibility for a subsidy for long-term residential care. <i>Note this could change if Government changed legislation.</i></p> <p>If you do not wish to transfer to the new plan and the Court approves withdrawal of your plan balance, this refund could impact any residential care subsidy arrangements you may have. This is due to the fact that the value of the pre-paid funeral refunded will no longer meet the definition of 'exempt asset' under the rest home subsidy requirements, with funds refunded classified as a cash asset. Please seek specialist advice if this may apply to you.</p> <p>The Citizen's Advice Bureau is also available to discuss this with you.</p>