

A close-up photograph of a hand inserting a gold coin into the slot of a pink piggy bank. The piggy bank has the word 'FUNERAL' written on its side in large, black, hand-drawn letters. The background is a soft, out-of-focus blue.

Effectiveness of the Work & Income Funeral Grant

Results of a 2023 survey of Funeral
Directors Association of New Zealand
members

Contents

Summary findings	2
Recommendations for change	3
Findings in details	
1. Regional variations	4
2. Cost impacts	5
3. Family / whānau impacts	6
4. Funeral director impacts	7
5. WINZ administration issues	8
Appendix – full comments grouped by theme	9

Background

The Funeral Directors Association of New Zealand has been advocating for an increase in the Work and Income Funeral Grant since its last substantive increase in 2003. Since this date CPI increases have been applied but the maximum current value of the grant, \$2445.37 falls well below the \$8,000 - \$10,000 required for a modest funeral today.

The Association surveyed its members to find out how many of their families currently rely on a Funeral Grant to contribute to their funeral costs. We also asked what the impact of having to rely on the grant was on both their families and on their businesses.

23 funeral homes responded to an online survey. This represents approximately a quarter of the membership of the Association and includes responses from across New Zealand.

Summary findings

The survey results confirm that funeral directors see the Work and Income (WINZ) Funeral Grant as woefully inadequate to cover actual funeral costs. Results have been grouped into five key themes.

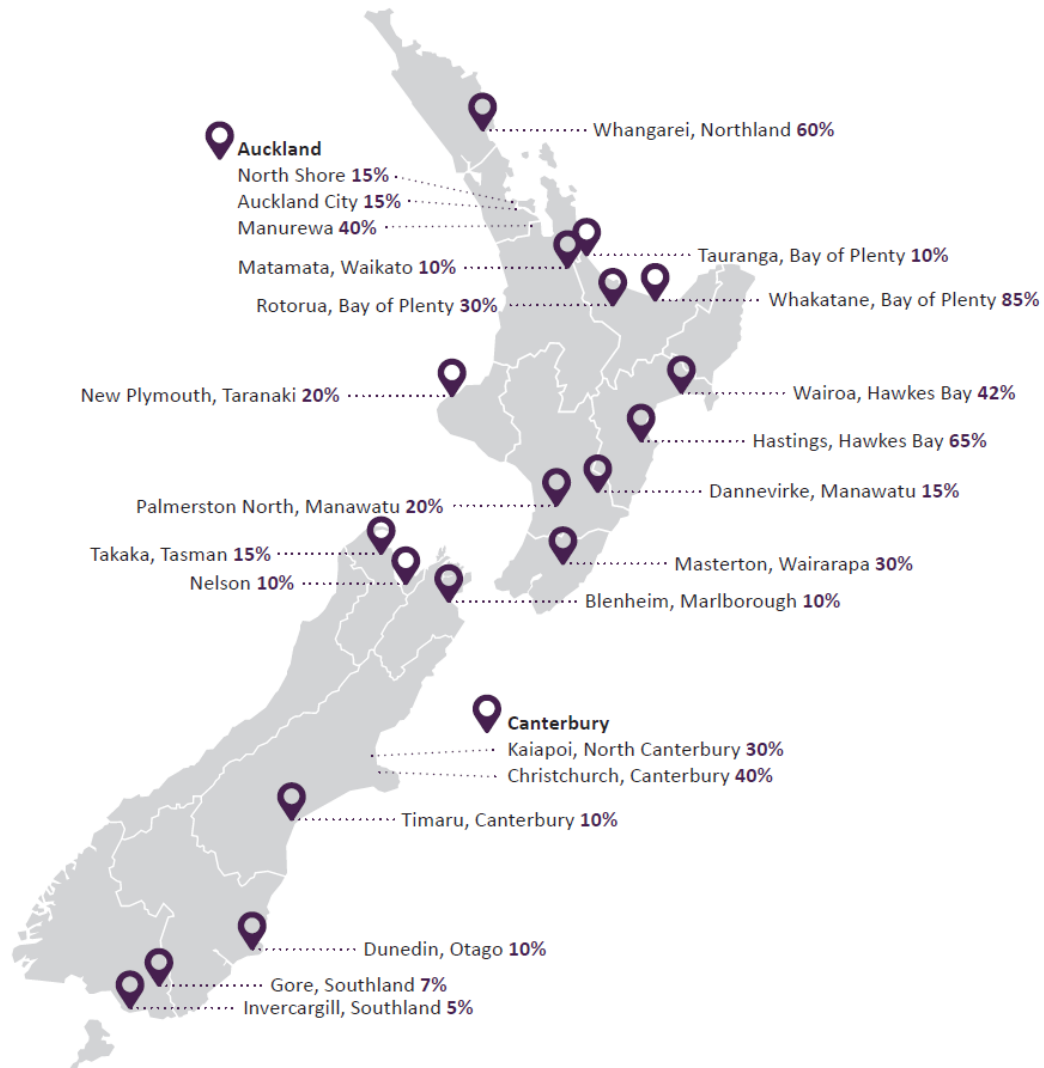
1.	2.	3.	4.	5.
Significant regional variations in reliance on the grant	Cost impacts	Impact on families / whānau	Impact on funeral directors	WINZ administration issues
↓	↓	↓	↓	↓
<ul style="list-style-type: none"> • WINZ funeral grants are used by up to 85% of families in some districts 	<ul style="list-style-type: none"> • Doesn't even cover direct cremation • Families struggle to make up the shortfall • Thresholds to qualify are unreasonable 	<ul style="list-style-type: none"> • Removes choices and reduces dignity • Causes stress and worry • Long-term impacts on mental health 	<ul style="list-style-type: none"> • Bad debt and financial losses • Feel like they are doing the Government's 'social work' 	<ul style="list-style-type: none"> • Onerous and outdated application process • Requirements that are difficult to gather • Inconsistency in approach and approvals • Poor communication

Recommendation for change

The survey results indicate a number of changes that would make a difference for funeral directors and their families.

1.	2.	3.	4.	5.	6.
Increase the WINZ funeral grant to the same as or closer to the ACC funeral grant	Reconsider the income and asset thresholds	Update the grant application process – a single portal funeral directors or their families could use would streamline applications	Update the grant approval process to improve consistency in payments	Review what is covered by the grant. At a minimum include death certificates.	Provide a main point of contact at WINZ so families and funeral directors have one place to follow-up queries

Percentage of WINZ funeral grants by location per year



Findings in detail

1. Regional variations

WINZ funeral grants are used by up to 85% of families in some districts

- Ministry of Social Development statistics show around 5,000 grants are issued each year on average.
- With an average death rate over the last five years of around 34,000, funeral grant use is around 15% across the country.
- Funeral Directors Association members were asked for an approximation of what percentage of their funerals relied on the grants, with more deprived communities showing a disproportionate use of the grants – in one case (Whakatane) up to 85% of funerals.
- Other 'high' use communities included Hastings, Wairoa and Whangarei.

2. Cost impacts

The WINZ grant doesn't even cover a direct cremation

The grant is not designed to cover a full funeral, but instead is communicated as something that can help with some of the funeral costs. However, Association members noted the amount is so low families can't even cover the cost of a direct cremation which includes no 'funeral' at all. They compared the amount available through ACC, noting this type of funeral grant does enable a 'funeral'.

"Current grant amount of \$2,280.72 is not even covering disbursement costs for a direct cremation with no service at all and this is in our smaller geographical area, so I would imagine in the bigger centres, it would cover even less."*

"The ACC amount would adequately cover a dignified funeral for these families."

* Survey conducted prior to 1 April increase to \$2445.37

Families struggle to find money to make up the shortfall

The grant assumes families can find the balance of any funds needed to cover the full costs of a funeral. However, Association members noted that families who use the grant typically don't have extra funds. This leaves them paying off their funerals over many years.

"The families that qualify for the grant do not have the funds to fully pay for the funeral that they wish for. Some of these families continue part-paying for years to finalise the account."

"We allow families to pay off the funeral as they can - some are paying as little as \$10/week as that is all they can afford."

The threshold to qualify is seen as unreasonable

The grant is subject to strict whānau income limits. These are low. For example if you are the deceased's partner and a parent with 2 or more children, your annual income (before tax) must be less than \$44,646.68.

"Threshold to qualify for a WINZ grant is unreasonable. We have had families on 1 income arranging a funeral for their child and they still do not qualify."

3. Family / whānau impacts

There are long-term impacts on mental health

Funerals help people through the grieving process – something reinforced to funeral directors when families couldn't have funerals during Covid. Not being able to provide a dignified farewell can also leave families feeling embarrassed or guilty that they have let their loved ones down.

“Not having a funeral has a long-term impact on grieving (mental health) and can leave families with a feeling of guilt and inadequacy (not being able to have a “proper” meaningful funeral) for their loved one.”

“It's a well-known fact that a farewell of sorts is hugely necessary to help people through the grieving process. This was evident to us all during Covid lockdowns and at this point, coming up three years, we are now seeing the telling effects on people, where the option for acknowledging their loved ones life was taken away from them. This inadequate and unrealistic grant, does exactly the same.”

The low grant amount removes choices and reduces dignity in death

Funeral directors say they try to keep things to a minimum when they know that money is a problem. Families facing hardship may miss out on components they would ideally like to have. Unless there is a family cemetery or urupā, burials, in many cases, will be off the table.

“Many families are choosing to have little or no ceremony following a death due to financial constraints.”

“Families should not be denied the opportunity to give their loved one a simple farewell just because they are in tight financial circumstances-it is un-dignified and unfair.”

Families are stressed and worried

Funerals are stressful times anyway. Funeral directors would prefer if financial burdens weren't added to this stress.

“We have families whose loved one (deceased) was eligible for the grant, yet still take years to pay off the remainder of the funeral cost. The stress and worry about not having the money takes its toll on families.”

4. Funeral director impacts

Bad debt and financial losses

The funeral director's invoice includes external supplier costs. These must be paid, often leaving the funeral director out of pocket while they are waiting for a grant to be paid out. Where a family can't afford to pay the balance, the funeral director either incurs a bad debt, or collects the payment over a long time-period.

"Our business takes on significant financial liability in every one of these cases as there are multiple external suppliers to pay even before we cover our own overheads."

"Families can't afford to pay the difference and end up paying off \$5 a week or never pay at all and the funeral director is out of pocket."

Feel like they are doing the Government's 'social work'

Funeral directors passionately believe all people should have a dignified end to their time on earth. Multiple respondents noted they often end up covering or waiving costs to ensure a dignified farewell. However, they question why they are being asked to do this and the ongoing affordability of taking on this role.

"It's up to us, as the business owner to ensure these people have a dignified end to their time on this earth, at a direct cost to ourselves. This is why we do what we do, we care for people, but in the current climate of rising costs, it's getting harder and harder to cover these costs ourselves."

"There are times when I have clients with no next of kin (NOK), and I have to apply directly. The payments come through, but they are woefully insufficient to cover the cost. When there is no NOK, I often take the financial loss on the burial (as without NOK to fill out the cremation request paperwork, they must be buried.) Even with NOK, the current WINZ amount does not cover the cost of a cremation in my region. I have a great amount of empathy for those that die without family, but my funeral home cannot continue to do the social work of the community/government as it means my business will be unsustainable."

The application process is onerous and outdated

WINZ Funeral Grant forms must be completed on a hard-copy form and delivered in person or by mail to a WINZ office – ideally the branch the deceased person was a client of. If information is missing, WINZ will post families a letter asking for the additional information.

“Not being able to email the completed application form to WINZ, only able to post. Post is slow and unreliable.”

“WINZ have the power to request details from the bank, why not just do this instead they wait for a response from the family after they have sent a Letter in the mail which takes weeks to arrive, this delays the grant so they miss out on Funeral home discounts if they are relying on the grant to pay the balance.”

There are requirements that are difficult for some families to gather

Applicants need to supply evidence of the bank account balance at the date of death. They must also supply verification of death (a death certificate is preferred but this isn't an item covered by the grant), and verification of the costs of the funeral.

“Hardest form to obtain in small towns is bank statements where there are no banks so families have to travel out of town”

“WINZ funeral grant policy is to not pay for death certificates. This is a crucial requirement, is required by WINZ to pay the grant, yet the funeral grant will not cover these.”

5. WINZ administration issues

There is inconsistency in both the approach and approvals

Grant applications are made to the local WINZ branch who reviews and approves before payment is made centrally. Funeral directors will often help families by helping them fill out or drop off the forms but in some areas this is now allowed.

“Every case manager has a different requirement or process of how it is lodged or how the funeral account is presented eg: some require a complete breakdown of every expense, where some don't require it. No consistency.”

“Not being paid the full amount with no explanation. Our WINZ department not accepting applications from the funeral director.”

Poor communication during the process and on payments

WINZ must maintain the privacy of their clients and their bank account details but this leads to issues for funeral directors who need to follow-up on when a payment may be made.

“Terrible to get payment from, sometimes lose in system, don't help when asked, payment is only a portion of account, time it takes to get payment.”

“It would be helpful to have a contact person/people or a phone number to contact if we are following up on a grant. Very difficult for us to contact WINZ as we do not have a client number.”

Appendix – funeral director verbatim comments grouped by theme

Costs

- WINZ funeral grant is not enough to cover a standard funeral let alone a direct cremation.
- Threshold to qualify for a WINZ grant is unreasonable. We have had families on 1 income arranging a funeral for their child and they still do not qualify.
- Not sufficient to accommodate low income families.
- Does not cover the basics for a funeral. Funeral Directors try and keep things to a minimum when they know that hardship and money is a problem, but the basics of council fees for a cremation or a burial alone are not covered by the funeral grant, therefore not allowing for any other basic requirements eg: casket, embalming, transportation.
- The families that qualify for the grant do not have the funds to fully pay for the funeral that they wish for. Some of these families continue part-paying for years to finalise the account. The ACC amount would adequately cover a dignified funeral for these families.
- Matching the WINZ funeral grant with the ACC funeral grant would benefit many families.

Impact on families/whānau

- Families missing out on important components of a proper funeral
- Families often have to scale down their loved one's funeral AND end up having to pay off over a number of months.
- Many families are choosing to have little or no ceremony following a death due to financial constraints.
- Families should not be denied the opportunity to give their loved one a simple farewell just because they are in tight financial circumstances-it is un-dignified and unfair.
- The amount granted is extremely inadequate. If a family needs to use this grant, they generally don't have extra funds to make up the short fall.
- We have families whose loved one (deceased) was eligible for the grant, yet still take years to pay off the remainder of the funeral cost. The stress and worry about not having the money takes its toll on families.
- The stress and worry about not having the money takes its toll on families. It is also a financial burden on us, as due to their circumstances, we allow families to pay off the funeral as they can - some are paying as little as \$10/week as that is all they can afford.
- Not having a funeral has a long-term impact on grieving (mental health) and can leave families with a feeling of guilt and inadequacy (not being able to have a "proper" meaningful funeral) for their loved one.
- Families are stressed with having to make numerous decisions within a short space of time; financial burden concerns should not be one of these.
- It's a well-known fact that a farewell of sorts is hugely necessary to help people through the grieving process. This was evident to us all during Covid lockdowns and at this point, coming up three years, we are now seeing the telling effects on people, where the option for acknowledging their loved ones life was taken away from them. This inadequate and unrealistic grant, does exactly the same.

Impact on funeral director

- Our business takes on significant financial liability in every one of these cases as there are multiple external suppliers to pay even before we cover our own overheads.
- Families can't afford to pay the difference and end up paying off \$5 a week or never pay at all and the funeral director is out of pocket.
- We have had many cases where we as a business are looking after a deceased person for only the WINZ grant amount, when in reality the cost to us is more than this. Meaning we lose out, as the government won't look after these people. It's up to us, as the business owner to ensure these people have a dignified end to their time on this earth, at a direct cost to ourselves. This is why we do what we do, we care for people, but in the current climate of rising costs, it's getting harder and harder to cover these costs ourselves.
- We are often left with the bad debt of families that simply cannot pay the remaining funeral cost after WINZ has paid out the grant
- There are times when I have clients with no next of kin (NOK), and I have to apply directly. The payments come through, but they are woefully insufficient to cover the cost. When there is no NOK, I often take the financial loss on the burial (as without NOK to fill out the cremation request paperwork, they must be buried.) Even with NOK, the current WINZ amount does not cover the cost of a cremation in my region. I have a great amount of empathy for those that die without family, but my funeral home cannot continue to do the social work of the community/government as it means my business will be unsustainable.
- Current grant amount of \$2,280.72 is not even covering disbursement costs for a direct cremation with no service at all and this is in our smaller geographical area, so I would imagine in the bigger centres, it would cover even less. This of course means that funeral homes themselves are sucking up that cost.

WINZ admin

- Delays in the grant being processed.
- No main point of contact at WINZ to deal with for all our grants. It would make the process so much easier for us and our families to have a dedicated person to deal with for all our grants.
- Terrible to get payment from, sometimes lose in system, don't help when asked, payment is only a portion of account, time it takes to get payment.
- Hardest form to obtain in small towns is bank statements where there are no banks so families have to travel out of town.
- Every case manager has a different requirement or process of how it is lodged or how the funeral account is presented eg: some require a complete breakdown of every expense, where some don't require it. No consistency.
- Families are unaware when it is paid to the funeral home, or there is no follow up with the case manager and the family.
- WINZ Communication - if they are waiting on more information they may chase family once but sometimes not at all. Funeral Director has to chase family who then contact WINZ.
- Not being paid the full amount with no explanation. Our WINZ department not accepting applications from the funeral director
- Often the family struggle to find financial statements of the bank account. WINZ have the power to request details from the bank, why not just do this, instead they wait for a response from the family after they have sent a letter in the mail which takes weeks to arrive, this delays the grant, so they miss out on Funeral home discounts if they are relying on the grant to pay the balance.
- There can be a long delay in processing the application. Applicants will need to supply;
 - bank account balances @ date of death
 - verification of death (death certificate was preferred)
 - verification of costs of funeral.Without this information, the processing of the application is delayed.
- Not being able to email the completed application form to WINZ, only able to post. Post is slow and unreliable.
- Not having an option to communicate with WINZ directly. Ie when families are struggling to get information or get hold of WINZ, or we cannot make contact with families for an update. I understand about privacy laws, but perhaps this could be part of the form (eg. "your nominated funeral director is able to enquire about the status of this claim with WINZ").
- It would be helpful to have a contact person/people or a phone number to contact if we are following up on a grant. Very difficult for us to contact WINZ as we do not have a client number.
- WINZ funeral grant policy is to not paying for death certificates. This is a crucial requirement, is required by WINZ to pay the grant, yet the funeral grant will not cover these.