Now For Them

Funeral Directors Association of New Zealand Funeral Plan

TERMS AND CONDITONS

1. What is the Now For Them Funeral Directors Association of New Zealand Funeral Plan (Now For Them Plan)?

(i) *Now For Them* is a funeral prepayment plan. It is not a savings or investment product – no interest or return on contributions is paid.

2. Structure/those involved

(i) **Funeral Directors Association of New Zealand** (the Association). An incorporated society that represents its member funeral homes. The Association has established The Charitable Funeral Trust and appoints and removes the trustees of the Trust.

(ii) **The Charitable Funeral Trust** (the Trust). A registered charitable trust and charity. In summary, its charitable purposes are to provide relief against poverty, to promote education and to benefit the community. For example, supporting families who can't afford a funeral, or are relying on grief support organisations and charities.

(iii) **Funeral Trust Services Limited** (the Company). A charitable company, established by the Trust, that sets up and administers *Now For Them* accounts. The Trust appoints and removes the directors of the Company. The Company is registered as a charity with the Trust.

(iv) **Member Funeral Home** or **Member Firm** or **Member Funeral Director** means a funeral home that is a member of the Association

(v) **Non-Member Funeral Home** or **Non-member Firm** or **Non-Member Funeral Director** means a funeral home that is not a member of the Association.

(vi) **Nominated Member Funeral Home** A Member firm who will help you set up an account with Now For Them and be your local point of service as needed. Your account will always have a Nominated Member Funeral Home linked to the account (but you can change which Member Firm you are linked with over time). Neither you nor your Estate needs to use your Nominated Member Funeral Home, but if they use a firm that is not a Member Firm, you and your Estate will need to deal directly with the Company in connection with your *Now For Them* account.

(vii) **Account Holder (or 'you' or 'your')** This is you, the person whose funeral will be fully or part funded by the money being held in your *Now For Them* account.

(viii) **Primary Contact Person** This is either you, your Authorised Signatory or another person you nominate to receive correspondence or be a contact point for the Company. This person can change over time if you or your Authorised Signatory authorises this.

(ix) **Authorised Signatory** This is a person or persons who will make decisions on your behalf if you are no longer able to. The Company will ask for evidence of their authority to act for you when you apply or at the time that any important decision is required.

(x) **Estate** This is the person or people (generally referred to as executors or administrators) who will represent you when you die.

3. Treatment of monies held

(i) The Company opens a *Now For Them* account in your name recording the funds you pay to the Company as a prepayment toward the cost of your funeral. The Company holds those funds on trust and invests them for the following purposes:

a. To pay all of the funds you have paid the Company towards the cost of your funeral;
b. To meet operating costs (including actuarial provision for future expenses) of the Company;
c. Where earnings allow, to make discretionary Funeral Assistance Payments

for the funerals of qualifying Account Holders (see section 10 below)

d. After payment of any applicable Funeral Assistance Payments, to pay any profit to the Trust for charitable grants consistent with the charitable purposes of the Trust.

(ii) Notwithstanding investment of funds received by the Company, *Now For Them* is not a savings or investment product, and no interest or return is paid on contributions made by you.

(iii) The Company has no responsibility for any capital growth or maintenance of the real value of funds set aside for your funeral.

4. Establishing an account with Now For Them

(i) *Now For Them* accounts are set up through a Member Funeral Home. They become your Nominated Member Funeral Home.

(ii) Your Nominated Member Funeral Home will help you determine how much money to set aside, based on the type of funeral you want. They may record your specific prearrangement wishes but these do not form part of *Now For Them.*

(iii) The Company itself does not provide funerals. As such the prices and arrangements discussed with your Nominated Member Funeral Home for provision of your funeral are between you and your Nominated Member Funeral Home. They are not guaranteed or underwritten by the Company.

(iv) *Now For Them* is recognised by the Ministry of Social Development as a funeral prepayment plan that qualifies for asset testing exemptions. This means the first $10,000 you put aside for your funeral is excluded from an asset assessment when determining eligibility for rest home subsidies. You can contribute any amount you wish, whether it be more or less than the asset assessment of $10,000.

(v) Accounts can only be established for individuals. Where a couple sets up accounts at the same time, two individual accounts will be created.

(vi) You will be required to provide identification. If you are no longer able to make decisions on your own behalf, we will need identification for your Authorised Signatory as well. They will also need to provide proof of their authority to act on your behalf (for example an Enduring Power of Attorney for Property or a Court Order).

(vii) You can nominate another person to receive communications on your behalf if you prefer. This person does not need to be an Authorised Signatory (formal authority holder). However, only an Authorised Signatory can make decisions on your behalf (for example, applying for significant financial hardship or a permanent emigration withdrawal), or advise us of any material changes to your situation, for example change of Primary Contact Person or Authorised Signatory.

5. How the Now For Them Plan operates

(i) Once you are advised the account is open, you can make one-off or regular contributions (see section 7).

(ii) The privacy statement you acknowledge on joining gives us permission to provide balance information to the people named on your account. Your Primary Contact will also receive an annual update.

(iii) If you are unsure whether the balance you have set aside in your account will be enough to cover your anticipated funeral arrangements you can discuss this with your Nominated Member Funeral Home at any time.

(iv) If you wish to change from your Nominated Member Funeral Home for your arrangements you can do that by letting us know.

(v) If a Member Firm leaves the Association, we will link your account with another Member firm in the area so you have someone who can help you with information about, or changes to your account. However, your Estate can still use your original funeral home if you or they prefer.

(vi) You don't have to stay with a Member Funeral Home but if your chosen firm is not a member, it will not be able to help you with your *Now For Them* plan and you will need to contact the *Now For Them* team for information.

(vii) The Company in its sole discretion may terminate an Account Holder's account on giving reasonable notice. The account balance will be paid on termination subject to legal (e.g. Anti-Money Laundering) compliance requirements applicable at the time.

6. Your obligations

(i) You are obliged:
  a. To tell us if your Primary Contact address, email or other contact details change; or
  b. To tell us if your preferred Funeral Home changes; and
  c. To ensure those likely to be representing your Estate know you hold an account with the *Now For Them* Plan so they can notify the Company, via the Funeral Director promptly on your death.

(ii) While the Company will regularly remind you of this obligation, the Company is not liable for any loss, cost, harm or other negative consequences (including your funds not being paid toward your funeral costs) arising from you not meeting your obligations to keep the Company and your Estate informed.

7. Contributions

(i) There are no minimum or maximum requirements.

(ii) Single, regular or ad hoc contributions are all permitted.

(iii) Cash payments, and payments via a Funeral Home are not permitted. All payments must be credited directly to the Company via a New Zealand bank.

(iv) All contributions made to the account, whether by you, an Authorised Signatory or any other party are held on trust to be used for the payment of your funeral costs and the other purposes set out in section 3 above.

(v) Every time a contribution is made, confirmation of the amount will be provided to you and your Primary Contact by the Company.

(vi) Payments are subject to any additional information requirements advised by the Company from time to time.

(vii) Accounts held with the *Now For Them* Plan are not bank, savings or investment accounts. As set out in Section 3, no interest or return on contributions made by you will be paid.

8. Fees and charges

(i) Currently the Company does not charge Account Holder's fees. Operating costs are paid from earnings on all funds received and invested by the Company (see Section 3).

(ii) This may change in the future, for example if the actuarial assessment obtained by the Company determines the return from funds invested is unlikely to cover the ongoing costs of the *Now For Them* Plan. You will be advised of any such change.

9. No withdrawals

(i) Withdrawals prior to death are not permitted except in the case of permanent emigration or significant financial hardship (each to KiwiSaver standards - sections 11 and 14 of Schedule 1 of the KiwiSaver Act 2006). Any withdrawals are at the Company's discretion and there is no eligibility for Funeral Assistance Payment (see section 10).

(ii) Withdrawals are subject to the provision of all required information.

10. Payment of funds on death

(i) When you die, your Estate can choose to use your Nominated Member Funeral Home, another Member Firm, or a Non-member Firm.

Payment of funds when using a Member Firm

(ii) If your Estate uses a Member Firm, that Member Firm will liaise with the Company to arrange payment of the amount held in your account directly towards the funeral invoice.

(iii) If the cost of the funeral is less than the funds you have set aside, excess funds are paid to the Member Firm who will refund your Estate. Your account with the Company will then be closed. You are not permitted to leave money in the account for a future headstone, unveiling or other future use. That will need to be managed by your Estate.

(iv) If the cost of the funeral is more than the funds you have set aside, the Company will consider whether to make a Funeral Assistance Payment to help meet the additional cost. You will only be eligible for a Funeral Assistance Payment (in a situation where the cost of the funeral is more than the funds you have set aside) when the invoice has not been paid. Any remaining shortfall required to be met by the Estate or your family.

(v) The Funeral Assistance Payment is calculated based on a variety of relevant considerations that can change over time including actuarial advice received by the Company, the funds contributed, how long you've held your account, Company operating costs, and changes in funeral costs among other discretionary factors.

(vi) The Company has the absolute discretion to make a Funeral Assistance Payment so no Funeral Assistance Payment is ever guaranteed. It is calculated after advice from the Member Firm of the funeral cost and is only payable directly to the Member Firm.

(vii) The total payment will not exceed the final invoice cost.

(viii) If there is a shortfall between the cost of the funeral and the funds in your *Now For Them* account and any Funeral Assistance Payment that might have been agreed by the Company, the Member Firm will make arrangements with the Estate/your family for payment.

Payment of funds if using a Non-member Firm

(ix) If your Estate uses a Non-member Firm, your Estate will need to contact the Company directly to arrange for payment. You will only be eligible for a Funeral Assistance Payment (in a situation where the cost of the funeral is more than the funds you have set aside) when the invoice has not been paid. This is because a Funeral Assistance Payment can only be made direct to a Funeral Home in satisfaction of their invoice.

(x) The Funeral Assistance Payment is calculated based on a variety of relevant considerations that can change over time including actuarial advice received by the Company, the funds contributed, how long you've held your account, Company operating costs, and changes in funeral costs among other discretionary factors.

(xi) The Company has the absolute discretion to make a Funeral Assistance Payment so no Funeral Assistance Payment is ever guaranteed.

(xii) Where no Funeral Assistance Payment applies, payment of all funds held will be made to the Estate.

(xiii) The Company can do this via your lawyer, the Public Trust or a trustee company incorporated under the Trustee Companies Act 1967, or, where your Estate is not represented, directly to your Estate on receipt of evidence the person representing the Estate has the authority to do so and on receipt of customer due diligence information on the payee (the person owning the bank account that will receive the money) that complies with the Anti Money Laundering and Countering Financing of Terrorism Act 2009.

No involvement in inter-personal disputes about funeral wishes

(xiv) The Trust, Company and the Association will not get involved in any inter-personal dispute as to funeral wishes.

11. Charitable grants

(i) The charitable purposes of the Trust are to provide relief against poverty, promote education and benefit the community.

(ii) The Company pays surplus earnings on all funds received and invested after costs (including actuarial provision for operating expenses, any applicable Funeral Assistance Payments and sustainability) to the Trust to be allocated for these charitable purposes.

(iii) If your Estate is in need of additional help (even after a Funeral Assistance Payment is made), your Estate may be able to apply to the Trust or through one of the charitable agencies it supports (set out on our website) for a charitable grant. Contact the Company or your Funeral Home on how to apply.

(iv) Charitable grants are administered by the Trust, independently of the Association, Member Funeral Homes and the Company.

12. Charitable structure

(i) The structure of the Trust and Company can be altered by the trustees appointed by the Association. No amendment can be made that allows the Trust and Company to operate for private profit, or other than for exclusively charitable purposes in New Zealand.

(ii) The Funeral Trust Services Limited is registered as a financial service provider in New Zealand. The Funeral Trust Services Limited is not licensed by a New Zealand regulator to provide the *Now For Them* plan. This registration does not mean that The Funeral Trust Services Limited is subject to active regulation or oversight by a New Zealand regulator. For more information about the scope of our registration, please visit the Financial Service Providers Register.

13. Winding up

(i) The trustees of the Trust or the directors of the Company can decide to wind up. In that event you will receive the funds you have paid subject to compliance with applicable law including Anti-Money Laundering requirements applicable at the time.

14. Complaints

(i) The Company publishes it's complaints process on the *Now For Them* pages of the Funeral Directors Association website. Typically this involves contacting the Nominated Member Funeral Home in the first instance, or calling the *Now For Them* administration team.

(ii) Where you are not satisfied with the outcome of a complaint raised, you have the right to raise your concerns with our free independent dispute resolution service, Financial Services Complaints Limited, PO Box 5967, Wellington 6140.

By email: complaints@fscl.org.nz

By phone: 0800 347 257 or +64 4 472 3725

Contact us

Now. While you can.
For them. Because it matters

Funeral Directors Association of New Zealand

| 0800 332 693 | info@nowforthem.co.nz

Speak to your local Association member funeral home to get started.