Bills

How to pay for your funeral

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Your funeral is the fourth most expensive thing you will ever pay for after buying a house, having children and getting married. **The price has rocketed in recent years**, rising 29 times faster than inflation.

So have you given any thought to how you'll pay for yours?

How expensive is a funeral?

Dying will cost you £8,126 on average, according to SunLife's Cost of Dying report. The bill is made up of £3,693 for the funeral – including the cost of the funeral director at £2,204 – cremation or burial fees, the doctor's fee for signing the death certificate, and the minister's fee.

Then there is the send-off. While the basic funeral cost has fallen over the past year, we're spending more on the trappings. The amount spent on a memorial, catering, limos, flowers and the wake has risen by 9.1% to £2,000 over the past year.

Cut I cut the costs?

Yes, there are plenty of ways you can bring down the cost of your final send-off. For a start, consider being cremated rather than buried: it typically costs £1,000 less.

The wake to mark your final departure will be expensive, but it is likely a lot of this spending could be avoided if your family knows exactly what you want.

Dean Lamble, managing director at SunLife, says: "Our research shows that just 1% of us really know what our loved ones' wishes are for their funeral send-off – what flowers, reading, music – in fact, almost a third of people are organising funerals without even knowing whether their loved one wanted a burial or cremation.

When you consider that the overall cost of dying has fallen by £300 and spending on the send-off has increased by almost 10%, many people may be spending this 'extra cash' on the 'wrong' things."

Finally, if you really want to bring the costs down, consider donating your body to medical science. If your body is accepted, the medical school will arrange and pay for a basic funeral when it has finished with it. The only cost you may incur is transporting your body to the medical school. The Human Tissue Authority provides general information on body donation at Hta.gov.uk or phone 020 7269 1900.

The above figures are based on average funeral costs in the UK. Source: SunLife, October 2015.

What if I can't afford my funeral?

If your relatives can't pay for your funeral, your local council will pay for a 'pauper's funeral'. This is a no-frills affair, without flowers or a wake, which used to be fairly rare. But the rising cost of funerals has been mirrored by a rise in the number of public health funerals, to give them their proper name. Over the past four years, they have increased by 30%, costing local councils £1.7 million.

To avoid a pauper's funeral, people on low incomes can apply for help through the Social Fund, which covers the full cost of burial or cremation and up to £700 in funeral directors' fees. The problem is they'll only get the money after the funeral to reimburse their costs, so they'll need to find the money in the first place.

The Work and Pensions Committee published a report in March 2016, which claimed that the support available to bereaved families is 'outdated'.

The committee has raised concerns that while the £700 limit has been fixed since 2003, funeral directors' fees have risen "well above the rate of inflation".

- **Government called to 'urgently' address 'outdated' funeral support.**

Before the report came out, Emma Lewell-Buck MP said: "Losing a loved one is one of the most difficult experiences we face in our lives. As the costs of funerals have risen out of pace with financial support, more and more people are faced with the prospect of funeral poverty."

What if my relatives can't afford to pay for my funeral?

When you die, your assets will be frozen while your estate is sorted out and the wishes in your will are carried out. This means your loved ones may struggle to pay for your funeral unless the money is in a joint account. They may have to pay for your funeral and recoup the money when your estate is handed out.

Alternatively, some life insurance policies will pay out a lump sum quickly in order to pay for your send-off.

Should I take out a pre-paid funeral plan?

Another option that is proving increasingly popular is to pay for your own funeral before you die. Sales of pre-paid funeral plans hit a new record last year of 183,500, up 25% on the previous year.

"Funeral plans are becoming embedded in the public consciousness," says Ronnie Wayte, the chief executive of funeral plan provider Golden Charter. "Families appreciate the reduction in associated stress where a loved one has pre-planned and pre-paid for their own funeral."

With a pre-paid funeral plan, you design the funeral you want and pay for it now. The benefit is you get to lock in a price to avoid future price rises and to choose what your funeral will be like. Just make sure you know exactly what you are paying for. Many plans don't include flowers, cars for mourners or, in some cases, even burial costs.

Why you should steer clear of funeral benefit plans

Many over-50s life insurance policies offer an add- on funeral benefit plan. Don't get one. There are two big problems with these policies. Firstly, while the amount they pay out is fixed, you could be paying premiums for 30 years, so you could pay in far more than you get out.

Secondly, these policies usually offer a fixed payment, which is set when you start the policy. As the cost of funerals is rising rapidly, your family could find that the payout from your policy won't cover your funeral costs.

If you are worried about leaving your friends or relatives to foot the bill for your send-off, set up a savings account they can access or buy a pre-paid plan, but don't be suckered into a poor-value insurance policy.

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