

Funerals: A Consumer Guide

When a loved one dies, grieving family members and friends often are confronted with dozens of decisions about the funeral - all of which must be made quickly and often under great emotional duress. What kind of funeral should it be? What funeral provider should you use? Should you bury or cremate the body, or donate it to science? What are you legally required to buy? What other arrangements should you plan? And, as callous as it may sound, how much is it all going to cost?

Each year, Americans grapple with these and many other questions as they spend billions of dollars arranging more than 2 million funerals for family members and friends. The increasing trend toward pre-need planning - when people make funeral arrangements in advance - suggests that many consumers want to compare prices and services so that ultimately, the funeral reflects a wise and well-informed purchasing decision, as well as a meaningful one.

A Consumer Product

Funerals rank among the most expensive purchases many consumers will ever make. A traditional funeral, including a casket and vault, costs about \$6,000, although "extras" like flowers, obituary notices, acknowledgment cards or limousines can add thousands of dollars to the bottom line. Many funerals run well over \$10,000.

Yet even if you're the kind of person who might haggle with a dozen dealers to get the best price on a new car, you're likely to feel uncomfortable comparing prices or negotiating over the details and cost of a funeral, pre-need or at need. Compounding this discomfort is the fact that some people "overspend" on a funeral or burial because they think of it as a reflection of their feelings for the deceased.

Pre-Need

To help relieve their families of some of these decisions, an increasing number of people are planning their own funerals, designating their funeral preferences, and sometimes even paying for them in advance. They see funeral planning as an extension of will and estate planning.

Planning

Thinking ahead can help you make informed and thoughtful decisions about funeral arrangements. It allows you to choose the specific items you want and need and compare the prices offered by several funeral providers. It also spares your survivors the stress of making these decisions under the pressure of time and strong emotions.

You can make arrangements directly with a funeral establishment or through a funeral planning or memorial society - a nonprofit organization that provides information about funerals and disposition but doesn't offer funeral services. If you choose to contact such a group, recognize that while some funeral homes may include the word "society" in their names, they are not nonprofit organizations.

One other important consideration when planning a funeral pre-need is where the remains will be buried, entombed or scattered. In the short time between the death and burial of a loved one, many family members find themselves rushing to buy a cemetery plot or grave - often without careful thought or a personal visit to the site. That's why it's in the family's best interest to buy cemetery plots before you need them.

You may wish to make decisions about your arrangements in advance, but not pay for them in advance. Keep in mind that over time, prices may go up and businesses may close or change ownership. However, in some areas with increased competition, prices may go down over time. It's a good idea to review and revise your decisions every few years, and to make sure your family is aware of your wishes.

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Put your preferences in writing, give copies to family members and your attorney, and keep a copy in a handy place. Don't designate your preferences in your will, because a will often is not found or read until after the funeral. And avoid putting the only copy of your preferences in a safe deposit box. That's because your family may have to make arrangements on a weekend or holiday, before the box can be opened.

Prepaying

Millions of Americans have entered into contracts to prearrange their funerals and prepay some or all of the expenses involved. Laws of individual states govern the prepayment of funeral goods and services; various states have laws to help ensure that these advance payments are available to pay for the funeral products and services when they're needed. But protections vary widely from state to state, and some state laws offer little or no effective protection. Some state laws require the funeral home or cemetery to place a percentage of the prepayment in a state-regulated trust or to purchase a life insurance policy with the death benefits assigned to the funeral home or cemetery.

If you're thinking about prepaying for funeral goods and services, it's important to consider these issues before putting down any money:

What are you are paying for? Are you buying only merchandise, like a casket and vault, or are you purchasing funeral services as well?

What happens to the money you've prepaid? States have different requirements for handling funds paid for prearranged funeral services.

What happens to the interest income on money that is prepaid and put into a trust account?

Are you protected if the firm you dealt with goes out of business?

Can you cancel the contract and get a full refund if you change your mind?

What happens if you move to a different area or die while away from home? Some prepaid funeral plans can be transferred, but often at an added cost.

Be sure to tell your family about the plans you've made; let them know where the documents are filed. If your family isn't aware that you've made plans, your wishes may not be carried out. And if family members don't know that you've prepaid the funeral costs, they could end up paying for the same arrangements. You may wish to consult an attorney on the best way to ensure that your wishes are followed.

The Funeral Rule

Most funeral providers are professionals who strive to serve their clients' needs and best interests. But some aren't. They may take advantage of their clients through inflated prices, overcharges, double charges or unnecessary services. Fortunately, there's a federal law that makes it easier for you to choose only those

goods and services you want or need and to pay only for those you select, whether you are making arrangements pre-need or at need.

The Funeral Rule, enforced by the Federal Trade Commission, requires funeral directors to give you itemized prices in person and, if you ask, over the phone. The Rule also requires funeral directors to give you other information about their goods and services. For example, if you ask about funeral arrangements in person, the funeral home must give you a written price list to keep that shows the goods and services the home offers. If you want to buy a casket or outer burial container, the funeral provider must show you descriptions of the available selections and the prices before actually showing you the caskets. Many funeral providers offer various "packages" of commonly selected goods and services that make up a funeral. But when you arrange for a funeral, you have the right to buy individual goods and services. That is, you do not have to accept a package that may include items you do not want.

According to the Funeral Rule:

you have the right to choose the funeral goods and services you want (with some exceptions).

the funeral provider must state this right in writing on the general price list.

if state or local law requires you to buy any particular item, the funeral provider must disclose it on the price list, with a reference to the specific law.

the funeral provider may not refuse, or charge a fee, to handle a casket you bought elsewhere.

a funeral provider that offers cremations must make alternative containers available.

What Kind of Funeral Do You Want?

Every family is different, and not everyone wants the same type of funeral. Funeral practices are influenced by religious and cultural traditions, costs and personal preferences. These factors help determine whether the funeral will be elaborate or simple, public or private, religious or secular, and where it will be held. They also influence whether the body will be present at the funeral, if there will be a viewing or visitation, and if so, whether the casket will be open or closed, and whether the remains will be buried or cremated.

Among the choices you'll need to make are whether you want one of these basic types of funerals, or something in between.

"Traditional," full-service funeral

This type of funeral, often referred to by funeral providers as a "traditional" funeral, usually includes a viewing or visitation and formal funeral service, use of a hearse to transport the body to the funeral site and cemetery, and burial, entombment or cremation of the remains.

It is generally the most expensive type of funeral. In addition to the funeral home's basic services fee, costs often include embalming and dressing the body; rental of the funeral home for the viewing or service; and use of vehicles to transport the family if they don't use their own. The costs of a casket, cemetery plot or crypt and other funeral goods and services also must be factored in.

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Direct burial

The body is buried shortly after death, usually in a simple container. No viewing or visitation is involved, so no embalming is necessary. A memorial service may be held at the graveside or later. Direct burial usually costs less than the "traditional," full-service funeral. Costs include the funeral home's basic services fee, as well as transportation and care of the body, the purchase of a casket or burial container and a cemetery plot or crypt. If the family chooses to be at the cemetery for the burial, the funeral home often charges an additional fee for a graveside service.

Direct cremation

The body is cremated shortly after death, without embalming. The cremated remains are placed in an urn or other container. No viewing or visitation is involved, although a memorial service may be held, with or without the cremated remains present. The remains can be kept in the home, buried or placed in a crypt or niche in a cemetery, or buried or scattered in a favorite spot. Direct cremation usually costs less than the "traditional," full-service funeral. Costs include the funeral home's basic services fee, as well as transportation and care of the body. A crematory fee may be included or, if the funeral home does not own the crematory, the fee may be added on. There also will be a charge for an urn or other container. The cost of a cemetery plot or crypt is included only if the remains are buried or entombed.

Funeral providers who offer direct cremations also must offer to provide an alternative container that can be used in place of a casket.

Choosing a Funeral Provider

Many people don't realize that they are not legally required to use a funeral home to plan and conduct a funeral. However, because they have little experience with the many details and legal requirements involved and may be emotionally distraught when it's time to make the plans, many people find the services of a professional funeral home to be a comfort.

Consumers often select a funeral home or cemetery because it's close to home, has served the family in the past, or has been recommended by someone they trust. But people who limit their search to just one funeral home may risk paying more than necessary for the funeral or narrowing their choice of goods and services.

Comparison shopping need not be difficult, especially if it's done before the need for a funeral arises. If you visit a funeral home in person, the funeral provider is required by law to give you a general price list itemizing the cost of the items and services the home offers. If the general price list does not include specific prices of caskets or outer burial containers, the law requires the funeral director to show you the price lists for those items before showing you the items.

Sometimes it's more convenient and less stressful to "price shop" funeral homes by telephone. The Funeral Rule requires funeral directors to provide price information over the phone to any caller who asks for it. In addition, many funeral homes are happy to mail you their price lists, although that is not required by law.

When comparing prices, be sure to consider the total cost of all the items together, in addition to the costs of single items. Every funeral home should have price lists that include all the items essential for the different types of arrangements it offers. Many funeral homes offer package funerals that may cost less than purchasing individual items or services. Offering package funerals is permitted by law, as long as an itemized price list also is provided. But only by using the price lists can you accurately compare total costs.

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In addition, there's a growing trend toward consolidation in the funeral home industry, and many neighborhood funeral homes are thought to be locally owned when in fact, they're owned by a national corporation. If this issue is important to you, you may want to ask if the funeral home is locally owned.

Funeral Costs

Funeral costs include:

1. Basic services fee for the funeral director and staff

The Funeral Rule allows funeral providers to charge a basic services fee that customers cannot decline to pay. The basic services fee includes services that are common to all funerals, regardless of the specific arrangement. These include funeral planning, securing the necessary permits and copies of death certificates, preparing the notices, sheltering the remains, and coordinating the arrangements with the cemetery, crematory or other third parties. The fee does not include charges for optional services or merchandise.

2. Charges for other services and merchandise

These are costs for optional goods and services such as transporting the remains; embalming and other preparation; use of the funeral home for the viewing, ceremony or memorial service; use of equipment and staff for a graveside service; use of a hearse or limousine; a casket, outer burial container or alternate container; and cremation or interment.

3. Cash advances

These are fees charged by the funeral home for goods and services it buys from outside vendors on your behalf, including flowers, obituary notices, pallbearers, officiating clergy, and organists and soloists. Some funeral providers charge you their cost for the items they buy on your behalf. Others add a service fee to their cost. The Funeral Rule requires those who charge an extra fee to disclose that fact in writing, although it doesn't require them to specify the amount of their markup. The Rule also requires funeral providers to tell you if there are refunds, discounts or rebates from the supplier on any cash advance item.

Calculating the Actual Cost

The funeral provider must give you an itemized statement of the total cost of the funeral goods and services you have selected when you are making the arrangements. If the funeral provider doesn't know the cost of the cash advance items at the time, he or she is required to give you a written "good faith estimate." This statement also must disclose any legal, cemetery or crematory requirements that you purchase any specific funeral goods or services.

The Funeral Rule does not require any specific format for this information. Funeral providers may include it in any document they give you at the end of your discussion about funeral arrangements.

Services and Products

Embalming

Many funeral homes require embalming if you're planning a viewing or visitation. But embalming generally is not necessary or legally required if the body is buried or cremated shortly after death. Eliminating this service can save you hundreds of dollars. Under the Funeral Rule, a funeral provider:

may not provide embalming services without permission.

may not falsely state that embalming is required by law.

must disclose in writing that embalming is not required by law, except in certain special cases.

may not charge a fee for unauthorized embalming unless embalming is required by state law.

must disclose in writing that you usually have the right to choose a disposition, such as direct cremation or immediate burial, that does not require embalming if you do not want this service.

must disclose in writing that some funeral arrangements, such as a funeral with viewing, may make embalming a practical necessity and, if so, a required purchase.

Caskets

For a *"traditional," full-service funeral*:

A casket often is the single most expensive item you'll buy if you plan a "traditional," full-service funeral. Caskets vary widely in style and price and are sold primarily for their visual appeal. Typically, they're constructed of metal, wood, fiberboard, fiberglass or plastic. Although an average casket costs slightly more than \$2,000, some mahogany, bronze or copper caskets sell for as much as \$10,000.

When you visit a funeral home or showroom to shop for a casket, the Funeral Rule requires the funeral director to show you a list of caskets the company sells, with descriptions and prices, before showing you the caskets. Industry studies show that the average casket shopper buys one of the first three models shown, generally the middle-priced of the three.

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So it's in the seller's best interest to start out by showing you higher-end models. If you haven't seen some of the lower-priced models on the price list, ask to see them - but don't be surprised if they're not prominently displayed, or not on display at all.

Traditionally, caskets have been sold only by funeral homes. But with increasing frequency, showrooms and websites operated by "third-party" dealers are selling caskets. You can buy a casket from one of these dealers and have it shipped directly to the funeral home. The Funeral Rule requires funeral homes to agree to use a casket you bought elsewhere, and doesn't allow them to charge you a fee for using it.

No matter where or when you're buying a casket, it's important to remember that its purpose is to provide a dignified way to move the body before burial or cremation. No casket, regardless of its qualities or cost, will preserve a body forever. Metal caskets frequently are described as "gasketed," "protective" or "sealer" caskets. These terms mean that the casket has a rubber gasket or some other feature that is designed to delay the penetration of water into the casket and prevent rust. The Funeral Rule forbids claims that these features help preserve the remains indefinitely because they don't. They just add to the cost of the casket.

Most metal caskets are made from rolled steel of varying gauges - the lower the gauge, the thicker the steel. Some metal caskets come with a warranty for longevity. Wooden caskets generally are not gasketed and don't have a warranty for longevity. They can be hardwood like mahogany, walnut, cherry or oak, or

softwood like pine. Pine caskets are a less expensive option, but funeral homes rarely display them. Manufacturers of both wooden and metal caskets usually warrant workmanship and materials.

For cremation:

Many families that opt to have their loved ones cremated rent a casket from the funeral home for the visitation and funeral, eliminating the cost of buying a casket. If you opt for visitation and cremation, ask about the rental option. For those who choose a direct cremation without a viewing or other ceremony where the body is present, the funeral provider must offer an inexpensive unfinished wood box or alternative container, a non-metal enclosure - pressboard, cardboard or canvas - that is cremated with the body.

Under the Funeral Rule, funeral directors who offer direct cremations:

may not tell you that state or local law requires a casket for direct cremations, because none do;

must disclose in writing your right to buy an unfinished wood box or an alternative container for a direct cremation; and

must make an unfinished wood box or other alternative container available for direct cremations.

Burial Vaults or Grave Liners

Burial vaults or grave liners, also known as burial containers, are commonly used in "traditional," full-service funerals. The vault or liner is placed in the ground before burial, and the casket is lowered into it at burial. The purpose is to prevent the ground from caving in as the casket deteriorates over time. A grave liner is made of reinforced concrete and will satisfy any cemetery requirement. Grave liners cover only the top and sides of the casket. A burial vault is more substantial and expensive than a grave liner. It surrounds the casket in concrete or another material and may be sold with a warranty of protective strength.

State laws do not require a vault or liner, and funeral providers may not tell you otherwise. However, keep in mind that many cemeteries require some type of outer burial container to prevent the grave from sinking in the future. Neither grave liners nor burial vaults are designed to prevent the eventual decomposition of human remains. It is illegal for funeral providers to claim that a vault will keep water, dirt or other debris from penetrating into the casket if that's not true.

Before showing you any outer burial containers, a funeral provider is required to give you a list of prices and descriptions. It may be less expensive to buy an outer burial container from a third-party dealer than from a funeral home or cemetery. Compare prices from several sources before you select a model.

Preservative Processes and Products

As far back as the ancient Egyptians, people have used oils, herbs and special body preparations to help preserve the bodies of their dead. Yet, no process or products have been devised to preserve a body in the grave indefinitely. The Funeral Rule prohibits funeral providers from telling you that it can be done. For example, funeral providers may not claim that either embalming or a particular type of casket will preserve the body of the deceased for an unlimited time.

Cemetery Sites

When you are purchasing a cemetery plot, consider the location of the cemetery and whether it meets the requirements of your family's religion. Other considerations include what, if any, restrictions the cemetery places on burial vaults purchased elsewhere, the type of monuments or memorials it allows, and whether flowers or other remembrances may be placed on graves.

Cost is another consideration. Cemetery plots can be expensive, especially in metropolitan areas. Most, but not all, cemeteries require you to purchase a grave liner, which will cost several hundred dollars. Note that there are charges - usually hundreds of dollars - to open a grave for interment and additional charges to fill it in. Perpetual care on a cemetery plot sometimes is included in the purchase price, but it's important to clarify that point before you buy the site or service. If it's not included, look for a separate endowment care fee for maintenance and groundskeeping.

If you plan to bury your loved one's cremated remains in a mausoleum or columbarium, you can expect to purchase a crypt and pay opening and closing fees, as well as charges for endowment care and other services. The FTC's Funeral Rule does not cover cemeteries and mausoleums unless they sell both funeral goods and funeral services, so be cautious in making your purchase to ensure that you receive all pertinent price and other information, and that you're being dealt with fairly.

Veterans Cemeteries

All veterans are entitled to a free burial in a national cemetery and a grave marker. This eligibility also extends to some civilians who have provided military-related service and some Public Health Service personnel. Spouses and dependent children also are entitled to a lot and marker when buried in a national cemetery. There are no charges for opening or closing the grave, for a vault or liner, or for setting the marker in a national cemetery. The family generally is responsible for other expenses, including transportation to the cemetery. For more information, visit the Department of Veterans Affairs' website at www.cem.va.gov. To reach the regional Veterans office in your area, call 1-800-827-1000.

In addition, many states have established state veterans cemeteries. Eligibility requirements and other details vary. Contact your state for more information.

Beware of commercial cemeteries that advertise so-called "veterans' specials." These cemeteries sometimes offer a free plot for the veteran, but charge exorbitant rates for an adjoining plot for the spouse, as well as high fees for opening and closing each grave. Evaluate the bottom-line cost to be sure the special is as special as you may be led to believe.

*******Your rights- says the FTC**

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