



## Sources of Retirement/Obstacles

# Pre-Need

### What is it?

A pre-need plan is a dedicated funeral fund used to pay the predetermined expenses of a funeral, cremation or burial. Many people have chosen to make funeral or cremation arrangements prior to their death due to costs. These arrangements are commonly referred to as funeral preplanning, prearranging, pre-need, or a dedicated funeral fund.

Funeral preplanning can offer peace of mind - knowing that your wishes will be respected and that the family has fewer burdens during a time of grief.

Others find that by pre-funding their funeral and burial expenses, any additional life insurance they already have purchased may be used for its original purpose and not for funeral expenses.

### Why should I get it or think about getting it?

No one likes to think about death, let alone plan for it. In many families, discussing one's mortality is an extremely uncomfortable topic. But it is a topic that should be discussed and planned for well in advance of your death.

By pre-planning your funeral, you relieve your family of having to make important financial decisions during a period of great stress and grief-a time when people aren't thinking very clearly and may not know what to do because you never made your wishes known.

It's easy to say, "Don't make a fuss. I don't want a ceremony. Just bury me and be done with it." But it is important to realize that the ritual of a funeral and/or memorial service isn't for the deceased but for the living. It is a time when friends and family can gather together to grieve openly and to provide support for one another.

Pre-planning your funeral can be very informal, and as simple as following a pre-planning checklist (Which [52 Weeks to Prosperous Living](#) will provide you in the weeks to follow) and sharing your wishes with a family member. More Formal arrangements in the form of a preneed contract can be set up with a funeral director and pre-funded through life insurance, bank trust agreement, or another method.

Pre-planning, when done properly, can give you peace of mind because you know that your arrangements are ready and pre-funded.

By pre-planning your funeral, you can:

- make all the arrangements during a time of peace and not leave them to your family during their time of grief;
- make your wishes known;
- control the cost of your funeral and protect from inflation;
- protect your insurance so that it provides for your survivors and not for funeral expenses; and
- provide protection in case the need arises before it is expected;

### Payment Options:

Usually Pre-Need companies have flexible payment options to meet their customers' needs. The death benefit of a pre-need plan grows over time to help offset incidental expenses. The pre-need plan allows policyholders to pre-fund funeral plans by making one single payment or spreading payments out over a one, three, five, or ten-year period. If you relocate to a new area, your pre-need plan can transfer with you.

### Tax-Exempt and Creditor Protected:

Pre-need plan funds are tax-exempt and creditor protected by law.

