

Saving for a funeral

What you need to know

The cost of a funeral can have a considerable impact on families, particularly if it comes unexpectedly. So it's important to financially prepare and save towards your funeral. But it can be difficult to know where to start, and to save for a funeral alongside other life expenses. Here are some options.

Standard savings account

One of the easiest ways to pay for a funeral is to simply to save for it. Setting up a savings account for your funeral or the funeral of a family member means you only save as much as you need.

Funeral savings plans

There are financial products in the market that allow you to deposit a lump sum or sign up to a deposit plan. It's important to consider your options and seek advice to make sure you choose the product that is right for you based on your circumstances.

Other ways to pay for a funeral

- If you have **superannuation**, when you die your super fund will pay out your super balance and any life insurance to your dependents or your estate. This money can be used to pay for a funeral but it can take some time to be paid out. Your family may need to pay for your funeral and then be reimbursed once probate is granted. Talk to your super fund to see what approach it takes.
- **Funeral insurance** is a commonly known product but insurance policies vary in their conditions and coverage. If you are considering funeral insurance it's strongly advised that you shop around and compare quotes before you sign up. In many cases, premiums can increase over time and you may end up paying far more than you get back.
- Some funeral services provide **pre-paid funerals**. If you are considering a pre-paid funeral it's advised that you check if your money is protected by a registered fund, review all payment conditions and explore exit options if you choose to withdraw that money at any stage.

If you are experiencing or at risk of financial hardship you may want to speak with a financial counsellor. For more information or to connect with a financial counsellor visit the National Debt Hotline: <https://ndh.org.au>

