



# Funding Your Funeral in Advance



NonNYFHCons10162024

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[www.CooperativeFuneralFund.com](http://www.CooperativeFuneralFund.com)



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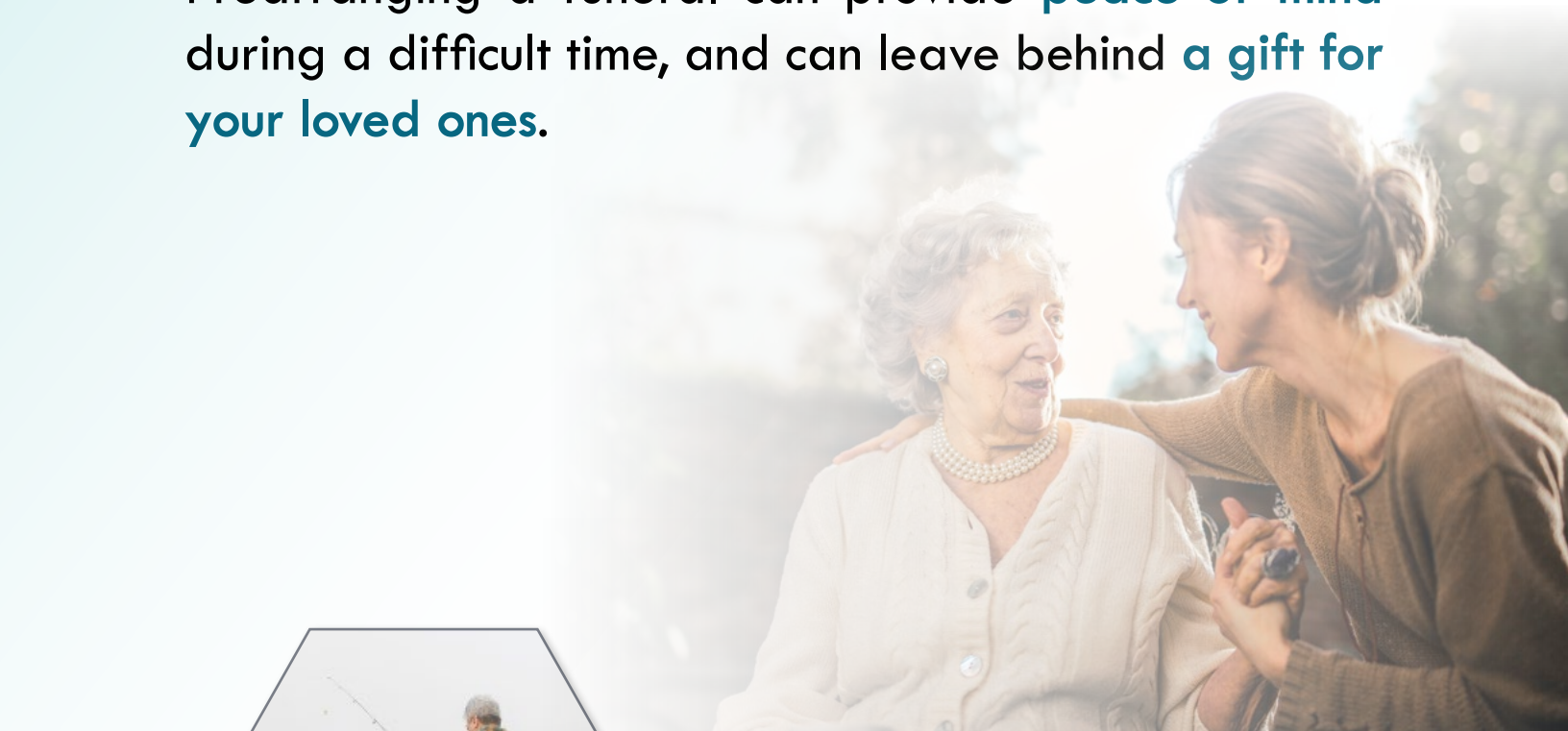
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# Benefits of Planning Ahead

Whether you are planning a funeral for yourself or your beloved, many difficult questions can arise when navigating end of life.

Prearranging a funeral can provide **peace of mind** during a difficult time, and can leave behind **a gift for your loved ones**.



# Benefits of Planning Ahead

## Peace Of Mind



Leave a **written guide** to ensure your final wishes are followed, eliminating stressful guesswork for your loved ones



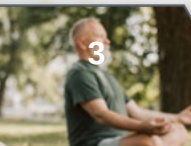
Assures money has been set aside, reducing the **financial burden** on your family at a difficult time



Funds in prepaid funeral trust will not be counted among assets when qualifying for assistance, such as **Medicaid**



Price guarantees may be promised by your chosen funeral director and written into your funeral contract to **lock in current prices** for a future time of need



# Trust Investment

Another potential advantage of planning a funeral in advance, is the possibility of **interest earnings** on the money set aside, depending on how the preneed funds are managed. One method of managing preneed funds, which may earn interest, is with a **preneed funeral trust**.

## What is a Trust?

A trust is a fiduciary arrangement that allows a third party, or trustee, to hold assets on behalf of a beneficiary or beneficiaries.

A **preneed funeral trust** is one in which money can be set aside, invested, and later used to pay funeral expenses on behalf of a named beneficiary, as directed by a corresponding funeral contract, which may or may not specify services to be performed.



# Trust Investment

## Types of Preneed Funeral Trusts

### Irrevocable

An irrevocable funeral trust is a contract which allows the monies set aside for funeral expenses to be exempt from consideration of total assets when qualifying for assistance, such as Medicaid.

### Revocable

A revocable trust is a contract which allows the withdrawal of principal plus interest with no penalty. These contracts are not a good fit for individuals receiving, or applying to receive, Medicaid benefits.

# Trust Investment

## Interest Earnings: Why it Matters

Many funeral directors offer their customers the ability to lock prices on the day a Preneed contract is created. Such a price guarantee can provide a significant benefit to customers, yet can expose the funeral home to the risk of inflation. Additionally, such price guarantees are not typically inclusive of third party vendor invoices at the time of need, such as flowers, clergy and musicians. This is why interest is a key component to a Preneed Trust Account, as it can be a powerful tool in the effort to offset inflation. There are two types of interest, **Simple** and **Compound**.

# Trust Investment

## Interest Earnings: Compound vs. Simple Interest

**Simple Interest** is calculated solely as a percentage of the principal sum. **Compound Interest** differs in that its calculation is not only as a percentage of the initial principal, but also on the accumulated interest. Trust funds in the **Cooperative Funeral Fund** system earn compound interest. This means that your account grows faster than with simple interest. Compound interest may offset the effects of inflation and limit the potential of added funeral expenses at the time of need.



# Trust Investment

## Investments

**Cooperative Funeral Fund (CFF)** typically invests solely in United States Treasury Bonds (“treasuries”) that are held to maturity. CFF does not hold any funds, but directs the investments through the trustee.

U.S. Treasury Bonds are debt obligations issued by the U.S. Department of Treasury on behalf of the federal government. Treasury securities are considered one of the safest investments because they are backed by the full faith and credit of the United States government.\*\*

Conversely, funds invested in a Certificate of Deposit (CD)—another type of investment sometimes used for preneed funds—are insured by the FDIC and are only covered up to \$250,000.

\*\*[www.investor.gov](http://www.investor.gov)

# Who is CFF?

Cooperative Funeral Fund, Inc. (CFF) is a **Registered Investment Advisor** with the United States Securities and Exchange Commission (SEC).\*

With over **35 years** of investment management experience in the death care industry, CFF services **140,000 trust accounts** for 1,200 clients and manages over **672 million dollars** in trust assets.\*\*

CLICK HERE FOR  
[MORE INFO](#)



1200+  
Clients



\$672M+  
Assets Under  
Management\*



98%  
Client  
Retention

\*Registration with the SEC does not imply a certain level of skill or training.

\*\*Assets under management as of 9/01/2023

Additional information about CFF may be found on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) -and- [www.cffinc.com](http://www.cffinc.com)



# Documents

WHAT WILL I  
RECEIVE  
FROM MY  
FUNERAL  
DIRECTOR?

You will receive:

- General Price List
- Preneed Itemization (list of services)
- Copy of the Appointment of Agent to Control Disposition of Remains
- Preneed Agreement Contract that lists the beneficiary, cost of funeral, terms of payment, any guarantees, revocable or irrevocable, and where the trust will be placed.

# Documents

## WHAT WILL I RECEIVE FROM CFF?

### You will receive:

- Receipt letter confirming the name of the person for whom the trust is established, the total of the trust & whether the trust is revocable or irrevocable. Inform your funeral director if this is not received within 30 days.
- Confirmation letter for initial deposit and additional payments over five hundred dollars
- Annual IRS form which reflects the amount of interest your fund earned

**Note:** *If your income status requires you to file a return with the IRS, this interest shall be included in your filing. If you are not required to file taxes with the IRS, this form is solely for your records.*



# Our Trustees



**First State Trust Company and Citibank NA.** serve as co-trustees to funds placed in the Cooperative Funeral Fund system in each state of operation with the exception of Wisconsin, where Regions Bank is our chosen Trustee.

These partnerships enable us to offer solutions to the death care industry, coast to coast.



# Insurance

**Preneed insurance**, also known as burial insurance, is term life insurance specifically designed to cover a named beneficiary's funeral expenses.

Cooperative Funeral Fund is also a Managing General Agent for National Guardian Life Insurance Company (**NGL**).

There are a few key differences between placing funds in a preneed funeral trust and purchasing preneed insurance. Be sure to discuss these differences with your funeral director to discern which solution best fits your needs.

\*Insurance coverage provided by National Guardian Life Insurance Company is not affiliated with The Guardian Life Insurance Company of America, a.k.a. The Guardian or Guardian Life.

\*Financials current as of 12/31/2022





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