

Plan for your death while you're alive

With the understanding that no one gets out of this existence alive, those who want to prepare for the inevitable can plan their funeral and prepay for most of it, too.

"Some people like to do this for peace of mind, so that these important decisions are made in advance," said Michael J. Ruck Sr., president of Ruck Funeral Homes. "Some people go a step further and prepay for these services."

Though most of the clients who prearrange their funerals and burials are in their mid 60s to early 70s, anyone can get a head start on planning for his or her death, said Mr. Ruck, a parishioner of the Basilica of the National Shrine of the Assumption of the Blessed Virgin Mary, Baltimore.

"Some know they have a terminal illness and want to make their arrangements in advance," he said. "It's a way of ensuring your final wishes are kept. It's also a way of keeping the financial burden from becoming your loved ones' responsibility after you are gone."

About 15 percent of the funeral services performed by the company are prearranged and prepaid, a trend that has been growing over the years, Mr. Ruck said.

There are different ways of taking care of these services in advance, including money trusting and insurance policy funding, he said.

With money trusting, 100 percent of the funds deposited are placed into an escrow account, Mr. Ruck said. "The only way these funds can be withdrawn from the account is when we provide services and show the bank a death certificate for the person. That way, you can't have an illegal withdrawal."

The only other way to withdraw the funds is if the family cancels the arrangements with a notarized statement, he said. "And then they are given the principal and the interest in the account. This protects them."

Prearrangements can be made revocable, which gives the family the right to cancel with a 100-percent return and interest, or irrevocable, meaning they can never request the return of the principal or interest, but could transfer the funds to another funeral home if they wish, Mr. Ruck said.

“Irrevocable is a benefit to some families because the money set aside then can’t be considered an asset for Medicaid purposes,” he said.

The insurance policy funding method allows clients who qualify for insurance to guarantee the funeral home provides its services for the amount of the plan, Mr. Ruck said.

Clients who have been diagnosed with a terminal disease don’t usually qualify for the insurance policy funding method.

“Oftentimes families will prepay cash advance items, expenses that are over and above those at the funeral home,” he said. “These items include expenses for the Mass or clergy offering, charges for newspaper notices, health department charges for certified copies of the death certificate, cemetery charges for grave opening and closing. Because we have no control of how quickly these items may increase, they are not guaranteed like the funeral home charges are. In the case of the money trust, family members may owe the funeral home the difference on those charges.”

The average cost for funeral arrangements including burial is about \$6,500, Mr. Ruck said. “If the family opts for cremation, those charges can be significantly less, if they don’t choose to have a burial plot for the ashes.”

Young adults in their 20s and 30s probably don’t have to worry about making these kinds of arrangements in advance, as long as they have life insurance that will pay for the expenses and have discussed with a loved one what kind of service they would like, he said.

However, those of retirement age may want to consider making these kinds of arrangements in advance, Mr. Ruck said.