

PRE-PLANNING YOUR FUNERAL WITH THE OFDA MASTER TRUST: THE WHO, WHAT, WHEN AND WHY



Why pre-plan?

- Provides time to plan a ceremony that is meaningful to survivors and reflects their wishes
- Reduces likelihood of emotional overspending and/or family conflict
- Relieve spouse or other family members of emotional and financial burden

Why pre-pay?

- Advanced payment serves as a hedge against inflation by paying for tomorrow's funeral at today's prices
- Protects financial assets in the event of the need to apply for SSI/Medicaid for long-term health care
- Important aspect of a comprehensive estate plan
- Provides peace of mind

Who should pre-plan?



- Those who recognize the inevitability of death and are willing to consider it in their planning
- People who feel pre-planning would be a valuable sharing experience with their family
- Those who want to provide guidelines for survivors
- People who want to have services in a place they no longer reside

When to pre-plan?



- After any significant transition or lifestyle change and/or before health begins to decline
- When considering estate planning options
- When considering senior living options

**so
what's
next?**

- Make an appointment with your funeral professional
- Record important personal information at funeral home
- Select and plan for numerous elements of a meaningful and personalized funeral
- Choose the appropriate memorialization items
- Decide on a prepayment option, if desired, to secure prices and assure survivors are not faced with unexpected costs at the time of death

What is a Trust and why am I paying a Preneed Recovery Fund Fee?

And other good questions!



I'm familiar with life insurance policies...exactly what is a trust product and who is the OFDA Master Trust?

The Ohio Funeral Directors Association (OFDA) was established in 1881. Today, OFDA is happy to serve approximately 85% of licensed funeral homes in Ohio. As a member-only service, the OFDA Master Trust was formed over 30 years ago and has proven to be a secure and safe preneed program.

In Ohio, each preneed contract constitutes a trust under tax law. The OFDA Master Trust is the "house" the preneed contracts live in to achieve economy of scale. Unlike life insurance policies, the Master Trust is able to provide participating funeral homes with better protection against inflation because we do not pay commissions. Unfortunately, insurance companies can collapse as quickly as they form, leaving funeral homes and the families they serve in difficult situations. Funeral homes find great peace of mind knowing that monies paid by their families will remain secure in the OFDA Master Trust.

Why must the check for my preneed be made payable to the OFDA Master Trust and not the funeral home?

Under new law changes, effective September 29, 2017, it is required that payments from a preneed contract purchaser be paid directly to the funding entity that will hold the funds for the preneed contract. Monies may not be paid directly to the funeral home, with the exception of sales tax, preneed recovery fund fee and for payments made toward a contract written prior to September 29, 2017.

Where does my money go?

When the funeral home deposits your check, it is received and deposited with the OFDA Master Trust Trustee, RBC of Delaware. Essentially, RBC of Delaware is the "Bank" for all funds received. The account is managed by UBS 770 Financial Group in Atlanta, GA.

How do I know my payment was received?

When a preneed contract is written and payment submitted, Ohio law requires the Trustee to send the purchaser acknowledgment that their payment has been received.

Why doesn't the payment made match the amount stated in the letter I received?

Don't panic! A discrepancy between the amount paid by check or credit card and the amount listed in your acknowledgment letter can be due credit card processing fees, initial service fees retained by the funeral home or the \$10 preneed recovery fund fee. It is always best to check with the funeral home if you have questions or concerns.

What is the Preneed Recovery Fund fee? I don't recall paying this before.

Beginning September 29, 2017, the fee is required by law and regulated by the State Board of Embalmers and Funeral Directors for the benefit of consumers. Contracts written prior to September 29, 2017 do not fall under this rule. Every funeral home is required to collect the fee and has no access to the money. Each time a funeral home sells a preneed contract other than one funded by the assignment of an existing insurance policy, a \$10 fee shall be collected. The funeral home will remit this fee to the state to fund the preneed recovery fund.

With the creation of this fund, Ohio is now considered to be one of the top states in consumer protection. Funeral directors care about the families they serve and want to ensure their security.