

Paul Bartlett  
888 215 1144  
[paul@alternativelegacy.com](mailto:paul@alternativelegacy.com)  
[www.alternativelegacyplanning.com](http://www.alternativelegacyplanning.com)



*Thinking Ahead*

# Simply **Speaking**

cremation

## Dear Reader

*If you're reading this guide, you may be considering cremation as an alternative to traditional burial for your final disposition.*

Cremation is becoming an increasingly common choice among Americans. We understand that this is not an easy topic to think about and discuss with your family.

The reasons for choosing cremation are varied and personal. You may choose cremation based on environmental considerations, philosophical or religious reasons, or even because you feel it is simpler or less complicated.

You may also choose cremation because it can be less expensive than traditional burial, although cremations vary widely in price based on your personal selections.

Regardless of the reason, cremation is only half of the story. Your plans for a viewing, visitation, funeral, or memorial service don't have to change if you choose cremation.

Just as with traditional burial, a funeral director or preneed specialist can help you to plan your services, whether they happen before or after cremation.

There are a variety of options available, some of these include:


- Cremation following a funeral service and visitation
- Memorial service with or without the cremated remains present
- Religious service
- Direct cremation with no service


Planning and setting aside funds for your final arrangements can provide you with the peace of mind that comes with knowing your expenses are covered, and that you will be memorialized in a way that is meaningful to you and your family.


**Simply Speaking: Cremation** is designed to help you better understand cremation, your options for a memorial, and the resources available to help you figure it all out.





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**you may be wondering...**

What are my service options  
if I choose cremation?

## Simply **Speaking**

Cremation, the same as burial, is simply a preference for your final disposition. Regardless of whether you choose burial or cremation, your service options are the same. Planning your funeral or memorial service can provide additional comfort to your family and friends by allowing them to begin the healing process.

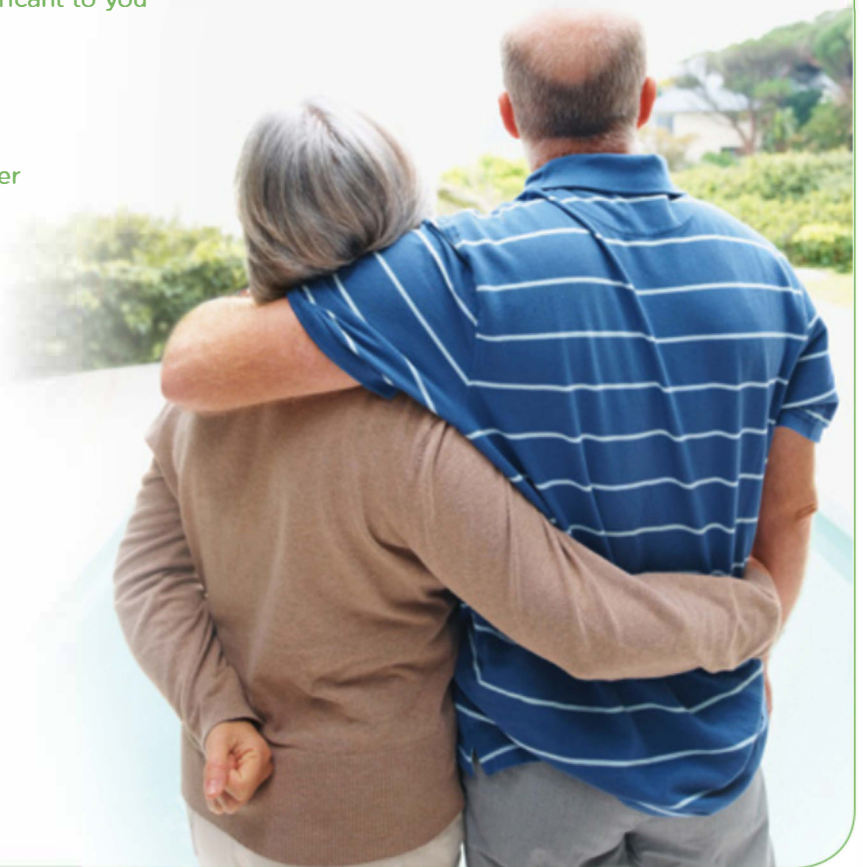
## What you need to know:

Gathering together for a service allows your loved ones to share stories, give eulogies and otherwise reaffirm the value that you had in their lives. Most importantly, a service allows the immediate family to begin the healing process. Services or ceremonies can precede or follow the actual cremation. Prior to cremation, there may be a gathering or viewing, which can be either public or private, with an open or closed casket, similar to a traditional funeral service.

A memorial service typically occurs after cremation is complete, with or without the cremated remains present. It is a remembrance of the deceased, sometimes called a life celebration. Since it is intended to be a celebration of your life, it can take on any form you want. It can be religious, nondenominational, spiritual, or none of the above. If the cremated remains are present, an urn may take a place of prominence. Some of the things you might ask your family and friends to do include:

- Read a poem or passage that is significant to you
- Play your favorite music
- Serve your favorite food
- Display your favorite photos
- Share stories about your time together

You may choose to have your service at a funeral home, a place of worship, or even another place that is significant to you such as a park, beach, family home or restaurant. If you choose not to have any type of service a “direct cremation” can take place. This simply means the body is taken from the morgue and cremated after obtaining the death certificate, necessary permits and authorizations, and the cremated remains are returned to the family. You can learn more about all of the service options available from your preneed specialist or funeral director. They can help you create a personalized plan for your arrangements that ensures you will be remembered in a way that is meaningful to you and those you love.



**you may be wondering...**

Is a casket or urn required  
and what are my options?

## Simply **Speaking**

The use of a casket will depend upon your service selections and is not required if you do not include a viewing. However, at a minimum, even if you are selecting a direct cremation, you will need to make well-informed decisions regarding a cremation container and urn. Cremation containers and urns are available in a wide variety of styles and prices.

## ***What you need to know:***

If you decide you'd like to have a visitation, viewing or gathering before cremation takes place, you may need to be embalmed and will need to select a casket. Depending on the type of service, you may prefer the design and ornamentation of a traditional casket, which often can be rented for the viewing, or the simplicity of a cremation casket built with less detail and made from different materials.

If you choose not to have a visitation or viewing with a cremation casket, a cremation container will need to be used. These containers are combustible and often made of pressed board and cardboard.

You have countless options when it comes to urns, and although typically less expensive than caskets, they can be as much or more depending on the quality of the materials used and any desired customization. Urns often serve as the focal point at a memorial service and come in all shapes and sizes. They vary based upon the intended use, whether for scattering, interment in a cemetery plot or displayed in a home. Urns can be customized to represent a favorite sports team, hobby, religion, or military service. You may even choose to include smaller keepsake urns or jewelry for your loved ones that are designed to hold a small portion of the cremated remains, a lock of hair or flowers from the service.

### **Urn can be made out of almost anything, including\*:**

- Wood, such as oak, mahogany, cherry, maple, or pine
- Metal, such as bronze, pewter, copper or brass
- Biodegradable material
- Glass
- Marble
- Ceramic

The selection of an urn is important as it provides both a protective and dignified receptacle for the cremated remains. Your local funeral home or preneed specialist can provide you with more information on the options available.

\*Suitable materials vary by state. Not all materials identified will be acceptable in all states.

**you may be wondering...**

What are my options for  
final disposition of the  
cremated remains?

## Simply **Speaking**

There are many options available for final disposition of your cremated remains. It is important you think about what will happen after cremation takes place and have a specific place in mind for the remains so your family and loved ones are not left wondering what you would want them to do.



## ***What you need to know:***

The most common options for final disposition of your cremated remains include:

- Placing the cremated remains in a decorative urn to be displayed in a loved one's home, niche or columbarium
- Burying the cremated remains in a preferred cemetery
- Scattering the cremated remains

If you decide to have your cremated remains scattered, communicate your preferences about where you'd like this done, so that your family can make the appropriate arrangements when the time comes. This may include obtaining permission from a property owner, local government, park ranger or ship captain, for example.

Other options include adding cremated remains to jewelry, sculptures, memorial benches or stones for permanent placement in a garden, park or along trails. Smaller keepsake urns are also available to divide them among family members.

You can learn more about the options available in your area from your preneed specialist or funeral director. The Cremation Association of North America also provides information for consumers on their website ([cremationassociation.org](http://cremationassociation.org)).



***you may be wondering...***

Can I prefund my cremation?

## Simply **Speaking**

Yes, just as you can plan and prefund a traditional burial and funeral service, you may do so if you choose to be cremated. It may spare your family the financial burden of paying for your final arrangements. Decisions about who is responsible for paying and where the money will come from are not left to your children, friends or other family members.

## **What you need to know:**

### **Your funding options**

When you pay for funeral goods and services in advance with a funeral home directly, the funeral home is responsible for placing your money into a trust or escrow account in accordance with applicable state law. You may also elect to purchase a whole life insurance policy to fund your preneed contract. On occasion, an annuity may be used. These annuity products are guaranteed-issue, meaning everyone can qualify without the medical underwriting typical of traditional life insurance products.

#### **Preneed Insurance Policy**

A preneed insurance policy is a simple life insurance policy intended to cover the funeral or cremation expenses listed in your preneed contract. This can include goods and services, and the benefit from the policy is payable directly to the funeral home upon your death. Since the funeral home is paid directly, you may prefer this type of policy in order to minimize the obligation for your family to pay for your funeral up front and make the process easier on them at the time of your death.

#### **Funeral Trust**

A funeral trust is established by a funeral home with a qualified financial institution and a portion or all of the money you pay to the funeral home under your preneed contract must be held in the trust account until the goods and services are delivered.

#### **Life Insurance Policy**

A traditional life insurance policy can be used to pay for funeral expenses. Upon your death, your beneficiary would be responsible for using the available funds from your life insurance to pay for your funeral. Keep in mind that a death certificate will be required before the insurance company will release death benefit proceeds. This can take weeks, while your family members may be required to pay for your funeral services at the time they are rendered. In addition, a life insurance policy does not allow you to guarantee today's costs for the goods and services you buy. A guaranteed cost is only available with a preneed insurance policy that is used to fund a preneed contract.

**you may be wondering...**

Can I be cremated if  
I am a U.S. veteran?

## Simply **Speaking**

Yes. The federal government does not require that you have a traditional burial if you are a veteran and would like to take advantage of the burial benefits available through the US Department of Veterans Affairs. You may be cremated and then interred at a national cemetery with available space. The United States Navy also offers burial at sea for retirees and veterans of the uniformed services who were honorably discharged.

## What you need to know:

The federal government offers several burial and memorial benefits for US veterans, but there are still certain things you must pay for separately. This includes the actual cremation service, an urn or rental casket (if a viewing is desired), and a personal memorial service. The government provides the following:<sup>1</sup>

### If you choose to be buried in a national cemetery:<sup>2</sup>

- Gravesite in any of the 131 national cemeteries (*subject to available space*)
- Grave liner/vault
- Opening and closing of grave
- Perpetual care as part of a national shrine
- Government headstone or marker
- Burial flag
- Presidential Memorial Certificate
- Military funeral honors

There are several options for placing your cremated remains at a national cemetery. Subject to availability at your chosen cemetery, they can be:<sup>2</sup>

- Interred in an in-ground gravesite
- Placed in a garden niche
- Placed in a columbarium
- Scattered in Cremation Gardens, designated garden-type areas for the scattering of cremated remains

The funeral home can assist your family with making arrangements for burial in a national cemetery, as gravesites cannot be reserved in advance.

### If you choose to be buried in a private cemetery:

- Government headstone or marker
- Burial flag
- Presidential Memorial Certificate
- Burial allowances for funeral expenses and a plot or interment<sup>3</sup>

You must make funeral or cremation arrangements with a funeral home or crematorium, as the government does not pay for a casket, urn, or other merchandise you may purchase from these places. You can discuss your specific needs with the funeral director and weigh your options for setting aside funds for those goods and services just as you would if you were not a veteran.

*Make sure your family can locate your discharge papers to prove your eligibility for government benefits.*

<sup>1</sup> [http://www.cem.va.gov/burial\\_benefits/index.asp](http://www.cem.va.gov/burial_benefits/index.asp)

<sup>2</sup> [http://www.cem.va.gov/CEM/pdf/IS1\\_Jan\\_2011.pdf](http://www.cem.va.gov/CEM/pdf/IS1_Jan_2011.pdf)

<sup>3</sup> Consult the Department of Veterans Affairs website for specific eligibility requirements. Individuals must not have been dishonorably discharged in order to qualify.

**you may be wondering...**

How does my funding choice affect my Medicaid/SSI eligibility?

### Simply **Speaking**

Paying for your funeral in advance can have a major effect on your Medicaid eligibility. In most states, an individual living in a nursing home can have only about \$2,000 in "countable" assets in order to qualify for Medicaid benefits.<sup>1</sup> For example, if you have \$10,000 set aside to pay for your funeral but have not actually prepaid or set it aside in an irrevocable trust you will not be eligible to receive Medicaid benefits. Prepaying for your funeral may be an effective way to reduce, or "spend down," your assets to qualify for benefits. Just remember that Medicaid limits vary by state.

## What you need to know:

### WHAT IS MEDICAID?\*

Medicaid is a health insurance program for certain groups of low-income families or individuals, including children and their parents, pregnant women, people 65 or older and people with disabilities.

If you decide to prepay for your funeral, the funds you have set aside for your funeral must be placed into an irrevocable contract with a funeral home.<sup>2</sup> This is an acceptable way to keep your money from being counted as an asset by Medicaid.

Importantly, there is no “look back” period for this type of transfer. This means that it is not subject to the five-year asset transfer rule imposed by the federal government for Medicaid qualification. Normally, the government will include any asset you transfer at any time during the five years prior to filing your Medicaid application. This does not apply to irrevocable funeral contracts and trusts, because the law prohibits any withdrawals or changes to this type of contract. It can only be used to pay for funeral expenses.

If you choose to use a traditional life insurance policy with an initial face amount of more than \$1,500 to pay for your funeral expenses, be aware that the policy cash value is considered an asset and will count against you when it comes to qualifying for Medicaid.

<sup>1</sup> “Medicaid’s Asset Transfer Rules,” Elder Law Answers, <http://www.elderlawanswers.com/medicaids-asset-transfer-rules-12015>, as of September 13, 2013.

\*Medicaid is known as Medi-Cal in California.

<sup>2</sup> “Medicaid planning basics,” AICPA, <http://www.360financialliteracy.org/Topics/Retirement-Planning/Medicare-and-Medicaid/Medicaid-planning-basics>, as of 2014.



**you may be wondering...**

Will Social Security  
provide any benefits to my  
family when I die?

## Simply **Speaking**

Survivor benefits can vary widely and may not provide the level of financial resources you think. If you pass away, the amount of benefits your spouse can receive depends on a number of factors, such as whether your spouse has reached full retirement age and whether you were collecting a full or reduced benefit. The amount of any benefit will likely not be enough to cover funeral expenses.



## What you need to know:

Social Security benefits paid to your spouse or, if there is no surviving spouse, an eligible child, after you die can be used to cover some funeral expenses. But the one-time death benefit payment of \$255<sup>1</sup> is generally only enough to pay a small percentage of overall costs.

In order for the death benefit to be paid, the Social Security Administration must be notified as soon as possible when you die. The funeral director can report your death, but your family must know and provide your Social Security number, which is another reason why it is vital to document all of your personal information.

## Here is a quick snapshot of survivor benefits for spouses:

- A one-time death benefit payment of \$255 can be paid to you if you were living with the deceased.
- You may be eligible to collect 100% of your spouse's monthly benefit at your full retirement age, or a reduced benefit as early as age 60; or, you will continue to receive your benefit, if higher, provided you are of age to collect benefits.
- No survivor benefits are paid if you remarry before age 60 and are still married. If you remarried before age 60 but that marriage has now ended, you may collect survivor benefits from a deceased ex-spouse.

<sup>1</sup> Social Security Administration, <http://www.ssa.gov/pubs/EN-05-10084.pdf>, as of July 2013.



### ***For your consideration:***

Although we may not always think of it this way, a funeral is a major purchase — and one that we can actually make for ourselves before we die. For many people, sensitivity surrounding this subject coupled with a lack of information about where to start can be overwhelming, but it doesn't have to be.

There are many resources available on the Internet and from local funeral directors and preneed specialists. Many companies offer preneed planning worksheets, where you can easily document everything discussed in this guide.

### **Other resources include:**

Cremation Association of North America [www.cremationassociation.org](http://www.cremationassociation.org)

International Cemetery, Cremation and Funeral Association [www.iccfa.com](http://www.iccfa.com)

National Funeral Directors Association [www.nfda.org](http://www.nfda.org)

Social Security Administration [www.ssa.gov](http://www.ssa.gov)

The Funeral and Memorial Information Council [www.talkofalifetime.org](http://www.talkofalifetime.org)

U.S. Department of Veterans Affairs [www.va.gov](http://www.va.gov)

*To learn more about planning and paying  
for your funeral today, contact your local funeral home.*

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**Paul Bartlett**

**888 215 1144**

**[paul@alternativelegacy.com](mailto:paul@alternativelegacy.com)**

**[www.alternativelegacyplanning.com](http://www.alternativelegacyplanning.com)**



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