

The cost of a funeral may increase or decrease depending on the merchandise and service selected.

MEDICAID

Whether Medicaid pays for funerals depends on the state in which you reside. Some states do and some states don't. Medicaid does have rules which allow you to set aside money for your own funeral and burial without having that money count as part of your assets when determining your eligibility.⁸ You may also have a prepaid funeral plan without the value of the plan being counted regarding Medicaid eligibility.

1. CNN/Money, Melanie Hicken, October 22, 2014.
2. Social Security Administration Official Website, ssa.gov/retirement/1943
3. How Work Affects Your Benefits, Social Security Administration Official Website, <http://www.ssa.gov/retire2/whileworking.htm>
4. Social Security Administration Official Website, ssa.gov/planners/maxtax
5. Bureau of the Fiscal Service U.S. Department of the Treasury, <http://www.fms.treas.gov/godirect/about-faq/>
6. Social Security Administration Official Website, ssa.gov/survivorplan
7. National Funeral Directors Association, General Price List Survey, 2012.
8. Longtermcare.gov, U.S. Dept of Health and Human Services, Administration on Aging

New Government Changes and Benefits for Seniors



NEW GOVERNMENT CHANGES AND BENEFITS FOR SENIORS

Social Security has cost-of-living increases based on increases in the Consumer Price Index.

If you receive monthly Social Security payments, there is a 1.7% cost-of-living adjustment for 2015.¹ Full retirement is age 66 for people born in 1943 through 1954.²

The earnings limit for people turning 66 in 2015 will be \$41,880. \$1 in benefits is deducted for each \$3 earned over the limit. There is no limit on earnings for workers who are at full retirement age for the entire year.

The earnings limit for workers younger than full retirement age is \$15,720.³ \$1 in benefits is deducted for each \$2 earned over the earnings limit.

Based on the increase in average wages, the maximum amount of earnings subject to Social Security tax increased to \$118,500 (from \$117,000).⁴

ELECTRONIC PAYMENTS

Starting March 1, 2013, the Department of the Treasury phased out mailing federal benefit payments for anyone currently receiving paper checks.⁵

Anyone currently applying for Social Security will receive payments electronically.

If you collect Social Security, a portion of it may be taxable, depending on your total income and marital status. As your income increases, so does the portion of your Social Security that is subject to tax.

LUMP SUM DEATH BENEFIT⁶

After one's death, family members may be eligible to receive a one-time lump-sum death benefit payment of \$255 from Social Security.

The one-time lump-sum death payment of \$255 is payable to:

- A surviving spouse if he or she was living with the deceased; or, if living apart, was receiving certain Social Security on the deceased person's record; or
- If there is no surviving spouse, a child who is eligible for benefits on the deceased person's record in the month of death.

If no spouse or child meeting these requirements exists, the lump-sum death payment will not be paid. The lump-sum death payment cannot be paid to funeral homes or estates for funeral expenses.

Many teachers, firefighters and police officers who contribute to a state retirement fund are prohibited from receiving the death benefit from Social Security.

The administrators of Social Security should be notified as soon as possible when a person dies. In most cases, the funeral director will report the person's death to the government. You will need to furnish the funeral director with the deceased's Social Security number so he or she can make the report.

You must file the application for the lump-sum death payment within the two-year period ending with the second anniversary of the person's death. To file for the benefit, call 1-800-772-1213 or contact your local Social Security's office.

FUNERAL COSTS

The average cost of a traditional funeral today is approximately over \$7,000.⁷ This includes professional services of funeral director and staff, embalming, use of facilities and/or equipment for calling hours and funeral ceremony, transfer from place of death to funeral home, necessary vehicles, and average-priced casket and concrete vault.

This cost does not include such cash disbursements as purchase of cemetery lots, grave opening/closing, clergy/church honoraria, musicians, obituary notices, certified death certificates and monument expenses.

