



Friendly Societies of Australia

MEDIA RELEASE

30 June 2016

Age and Service Pension Funeral Bond exemption limit is now \$12,500

The Friendly Societies of Australia (FSA) welcomes the determination that the funeral bond allowable limit will increase to \$12,500 from \$12,250. The new limit applies from 1 July 2016.

"The increased limit means people can put more money away to help meet the cost of their planned funeral expenses, potentially increasing any entitlement to the Age Pension, Veteran's Service Pension or any other means-tested Government benefit" said FSA President Matt Walsh.

"Current funeral bond holders can also top up their bonds to the new limit, which applies only to contributions and excludes bond earnings or bonuses" Walsh said.

Funeral bonds allow people to set funds aside for their future funeral expenses. They give bond holders the peace of mind knowing their needs will be met while saving family members the burden of arranging and paying for their funeral. An added benefit is that friendly society funeral bonds are designed to be exempted from means-tested Government benefits – under *both* the assets and income tests.

Mr Walsh added "At a time of reductions and caps across a number of Government benefits, it is pleasing to see continued indexation of the 'exempt funeral investment' limit keeping up with increasing cost of living pressures, especially for older Australians".

FSA members that provide funeral bond products are Australian Friendly Society, Centuria, Foresters, Funeral Plan Management (via Lifeplan, part of the Australian Unity Group), KeyInvest and Sureplan.

To be eligible for means-tested Government income support payments, including the Age Pension and Veteran's Service Pension, both the assets test and income test must be satisfied. Funeral bonds up to the funeral bond allowable limit are exempt from these tests and do not affect eligibility (subject to the social security definition of an 'exempt funeral investment'). Funeral bonds above this limit must be included in these tests to determine eligibility for these payments.

For more information please contact:

Alex Thrift, Policy Adviser, Customer Owned Banking Association
(02) 8035 8447 or 0434 474 278, athrift@coba.asn.au

For more on the FSA please [visit our website](#).