



Trustees Executors

TRUSTEES EXECUTORS FUNERAL TRUST

PEACE OF MIND FOR YOU
AND YOUR FAMILY

THE TRUSTEES EXECUTORS FUNERAL TRUST APPLICATION FORM

This application form contains information about payment options and confirmation of your identity.

Please complete this form and together with any relevant documents, post it to:

Freepost Trustees Executors Limited
PO BOX 760
Dunedin 9054

(No stamp required)



PEACE OF MIND FOR YOU AND YOUR FAMILY

The importance of being prepared. Nobody really wants to contemplate their own death, but with a little forethought and planning you have the opportunity to relieve some of the burden from those closest to you.

A bereavement and the funeral that goes with it will affect loved ones - both emotionally and financially. An overwhelming number of decisions need to be made quickly and often under a high level of stress. Even more difficult, is the added financial impact of having to pay for funeral arrangements - often at short notice.

Funeral expenses can range from around \$5,000 to over \$15,000; depending on the nature of the funeral you choose to have. They are often a family's third largest expense after paying for a house or car.

By establishing a Trustees Executors Funeral Trust, you will save your family and loved ones some of the cost of paying for your funeral. This is due to the fact that the bringing in and realisation of the assets forming your estate takes time and may not happen quickly enough to enable the person administering your estate to pay the funeral expenses until after they fall due.

What is a Funeral Trust?

A Funeral Trust is designed to cover, or contribute toward, the cost of your funeral expenses.

Money that is deposited into a Funeral Trust by you cannot be withdrawn until after you pass away (unless you permanently migrate overseas). So, you can be assured that the money you have put aside will only be used to contribute toward the payment of your funeral expenses.

Funds are then available to be paid out to either the funeral director or the person who produces evidence that your funeral expenses have been paid by them.

Any balance remaining that is not required to meet your funeral expenses will be forwarded to the person administering your estate for distribution in accordance with your will.

Please see the summary of the provisions of the Trust Deed establishing the Trustees Executors Funeral Trusts included in this brochure. A full copy of the Trust Deed is available on request.

Asset testing exemption

If you wish to receive the residential-care subsidy, you are required to have a financial means assessment. This assessment includes an assets and income test. Currently up to \$10,000 of any pre-paid funeral of a person or their spouse is exempt from the assets test and any interest generated from the pre-paid funeral amount is exempt from the income test. Therefore, you can set aside up to \$10,000 for your funeral and still qualify for the residential care subsidy.

How are the funds invested?

As a Funeral Trust may exist for a number of years before payout, it is important that funds grow to cover any increases over time in funeral expenses.

The Trustee of the Trustees Executors Funeral Trust has the power to invest in accordance with the deed governing these Funeral Trusts.

As such, the Trustee is entitled to invest either directly or through a pooled investment. The Trustee may also, at any time, effect a change in the investments held with a view to providing safety, stability and a level of return.

Income earned on your Funeral Trust is taxed as Trustee's income, therefore you do not have to declare any earnings in your personal tax return.

What will it cost?

The minimum initial contribution to establish your Funeral Trust is \$2,000 and an establishment fee of \$150 is applied.

There is no maximum amount that you can hold in your Funeral Trust, although asset testing may apply to amounts over \$10,000. You can continue to add to your Funeral Trust with minimum deposits of \$1,000 at a time; or alternatively you can set up a direct debit authority for making smaller contributions more regularly.

How do you set up your Funeral Trust?

Anyone can set up a Trustees Executors Funeral Trust.

Simply complete and detach the application form from this brochure and together with; a copy of your identification and your cheque (made payable to Trustees Executors Limited), forward to us by FreePost.

We will contact you within 5 working days of receipt.

Alternatively, if you wish to make your payment by direct credit, please tick the relevant box on your application form and make your payment using the following account details:

Trustees Executors
ANZ Bank Account Number
06-0901-0005212-00

Remember to enter your name together with the reference "Funeral Trust" in the fields available.



If you would like any further information about how we can help you establish a Funeral Trust, talk to your Trustees Executors Trust Manager or contact us on **0800 Trustees (0800 878 783)**, email enquiries@trustees.co.nz or visit our website www.trustees.co.nz.

The attached application form contains information about payment options and identification documentation.

Please complete this form and together with any relevant documents, post it to:

Freepost Trustees Executors Limited
PO BOX 760
Dunedin 9054

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TRUSTEES EXECUTORS FUNERAL TRUST APPLICATION

Are you an existing Trustees Executors client? Yes ☐ No ☐

Do you have a Will with Trustees Executors? Yes ☐ No ☐

If not, where is your Will held? _____

Settlement Details

I, (full name) _____

of (address) _____

phone _____ date of birth ____/____/____

email _____

Apply to set up a Funeral Trust for the purpose of paying, or contributing toward the payment of, my Funeral Account in the event of my death ("*my Funeral Trust*") by paying to Trustees Executors Limited ("*TEL*") as Trustee,

the amount of \$ _____ Plus \$150 (*establishment fee*) total \$ _____

and establish with effect from _____ (*the "Commencement Date"*).

Are you a US citizen or a tax resident in a jurisdiction/country other than New Zealand?

Yes ☐ No ☐

If Yes, please list:

Countries/jurisdictions of tax residency _____

Overseas tax identification number(s) _____

As an initial payment to set up my Funeral Trust:

☐ I have transferred payment by direct credit, or ☐ I enclose a cheque.

☐ I enclose a copy of each document provided to verify my identity for your records.

Signature _____ Date ____/____/____

For Trustees Executors Limited

This application is accepted by the Trustee.

Signed by _____

on behalf of the Trustee.

Date ____/____/____

I acknowledge and confirm that:

1. The terms and conditions of my Funeral Trust are set out in the trust deed establishing the Trustees Executors Funeral Trust dated 14 May 2009 (and any amendments thereto) ("*Deed*") and this Application Form.
2. I have read the said terms and conditions of my Funeral Trust as outlined in the summary set out in the brochure attached to this Application Form and understand that I can request a full copy of the Deed at any time.
3. My Funeral Trust shall not be settled and established unless and until the Trustee accepts this application together with my cheque or direct credit transfer in payment of the Payment and identification documentation required pursuant to this application and in accordance with the Deed.
4. My Funeral Trust shall be invested in accordance with the Deed and I have noted from the summary of the provisions of the Deed set out in the brochure the type of investment in which the monies forming the Funeral Trusts can be invested by the Trustee, noting that the manner of investment may change from time to time at the discretion of the Trustee.
5. I am completing this Application Form to enable the establishment of my Funeral Trust.
6. This Application form is not a securities or regulated offer nor does it constitute financial or investment advice.
7. I understand that the Privacy Act 1993 allows me to access and/or correct any personal information supplied by me and that this information may be used by Trustees Executors Limited to introduce me to other products and services which may be of interest to me.
8. The information supplied by me may be released by Trustees Executors Limited should circumstances arise under which Trustees Executors Limited is required or obligated to supply it for law enforcement purposes.
9. The Payment (being the amount comprised of the establishment fee and the initial sum to settle on my Funeral Trust) has been made by way of a cheque or a direct credit from my personal bank account, and/or funds.
10. I declare that all statements I have made in this declaration are, to the best of my knowledge and belief, correct and complete. I undertake to advise Trustees Executors Limited of any change to my tax residency status within 90 days of this occurring.



SUMMARY OF THE PROVISIONS OF THE TRUST DEED ESTABLISHING THE TRUSTEES EXECUTORS FUNERAL TRUST

The deed of trust was executed by Trustees Executors Limited on 14 May 2009 ("Trust Deed") and established the Trustees Executors Funeral Trust. The Trust Deed governs the Trustees Executors Funeral Trusts.

The concept is that pursuant to the Trust Deed, when you sign an application form and pay the initial amount to be settled, you create an individual Funeral Trust. The Trust Deed provides for monies so held to be invested in an investment which Trustees Executors will choose.

A full copy of the Trust Deed is available on request. Trustees Executors is the Trustee of the Trust and acknowledges that it will hold each Funeral Trust as a separate trust fund pursuant to the terms of the Trust Deed.

The Trust works so that:

- The Trustee receives a payment from an applicant;
- it then holds that money on trust until the death of the applicant;
- each applicant, by signing an application form and making the initial payment, sets up a separate and distinct trust fund; and
- the applicant may, with the Trustee's approval, make additional deposits of \$1,000 or more from time to time.

A Separate application form must be signed for each individual Funeral Trust.

The Trust Deed provides for the Trustee to receive the initial and any subsequent payments, pay any expenses incurred, receive any net gains or losses arising from investing the monies over time and finally, to arrange payment on the death of the applicant.

Each individual Funeral Trust shall incur and be liable for its own costs, expenses and liabilities. No costs relative to any one Funeral Trust can be charged to any other Funeral Trust.

The Trust Deed sets out the Trustee's requirements to enable the funeral account to be paid on the death of the applicant. These include:

- a certified copy of the death certificate
- a certified copy of the funeral account;
- in the event the funeral account has already been paid, confirmation from the personal representative of the estate that it is appropriate to reimburse the person who has paid the account; and
- such other information as the Trustee may reasonably require.

The Trustee shall accumulate the whole of the net annual income and continue to reinvest it until the applicant dies and the monies are to be paid out. The Trust Deed gives the Trustee the power to effectively manage and administer the Funeral Trusts.

The Trust Deed imposes certain duties on the Trustee, such as:

- keeping proper financial records for each Funeral Trust;
- receiving payments for each Funeral Trust and depositing them into a separate account for that Funeral Trust;;
- providing statements at least annually to you in respect of each Funeral Trust; and
- preparing and filing any taxation returns that are necessary with the Inland Revenue Department and paying any tax due (at the Trustees' rate, presently 33%).

The Trust Deed provides that the Funeral Trusts may be invested directly or in any pooled investment approved by the Trustee. This includes but is not limited to any unit trust, managed fund or group investment fund. Further, the Trustee may, at any time, approve and effect a change in the investments held or the manner of investment.

The liability of the Trustee is limited. The Trustee shall also not be liable for the balance of any applicants funeral account (if any) that exceeds the balance of the applicant's Funeral Trust and may remain unpaid.

The Trust Deed provides that the Trustee may be paid an entry fee, an annual fee and be reimbursed for fees, costs, disbursements, expenses and liabilities properly and reasonably incurred as Trustee. There is provision for the fee arrangements to be reviewed annually.

There is scope to amend the Trust Deed if it becomes necessary for the proper administration of the Funeral Trusts.

The Trust Deed also provides that a Funeral Trust will be:

- fully wound up and dissolved when the applicant dies and the Funeral Trust monies are distributed in payment of funeral expenses, with any balance paid to the estate; or
- either partially wound up or fully wound up and dissolved by resolution of the Trustee. (This latter provision may be required if there was a change in government policy, which meant that it was more desirable from the applicant's perspective if the Trust was modified).

Finally, the Trust Deed contains an earlier version of the application form which has since been amended by the Trustee.



Trustees Executors

PO Box 10-519, Wellington 6143, New Zealand

Tel 0800 Trustees (0800 878 783)

Email enquiries@trustees.co.nz

Web www.trustees.co.nz