June 2018

**Funeral Expense Assistance Regulations**

**Scottish Parliament: Social Security Scotland**

We welcome the opportunity to comment on the Scottish Government’s proposals and draft regulations for the newly devolved Funeral Expense Assistance (FEA). We see the proposals as a significant improvement on the current system, which has been in desperate need of reform.

We believe the draft regulations will help to meet the intention of reducing the burden of debt people on low incomes may face when paying for a funeral. In particular we welcome:

* Increasing the payment with inflation.
* Widening eligibility.
* Removing intrusive questions from the FEA application form.
* Commitment to speed up application processing times.

However, we believe the draft regulations could go further, and we set out our recommendations below.

**Flat rate payment**

We believe that the Scottish Government has missed a vital opportunity to raise the FEA flat rate payment. Whilst the commitment to increase payments with inflation is welcome, the current maximum assistance payable is £700 which, as the consultation document notes, has been frozen since 2003.

It is evident that £700 is not enough to meet the cost of a basic funeral as highlighted by research from Citizen Advice Scotland which found that the average total cost for a basic funeral for a cremation is £2,610 and £3,240 for a burial.[[1]](#footnote-1) There is also a massive disparity in funeral costs for burials and cremations across the country, with some people facing financial hardship on the basis of where they live. The average cost for a funeral in East Dunbartonshire, for example, costs four times more than holding a funeral in East Renfrewshire.

Our Freephone helpline, which provides advice, information and friendship to people over 50, receives calls asking for advice in relation to the cost of funerals. In one situation, one of our callers had been informed by their funeral director that they were confident the Funeral Payment would cover the cost of the funeral being arranged. Unfortunately the caller, who accepted this guidance, was left with a substantial bill as the Funeral Payment turned out to be less than had been expected, and the funeral had already taken place by the time the benefit was received. Instances such as this can leave the applicant with substantial levels of debt and difficulty in accessing affordable finance which cause further challenges to loved ones at an already distressing time.

We, therefore, not only recommend the Scottish Government review the flat rate payment in light of the real costs of a funeral, but also ensure there is better communication with local authorities, as well as funeral directors, so it is clear how much money claimants will receive, and avoid substantial bills based on misinformation.

**Eligibility**

Whilst the list of qualifying benefits are clear there are, however, specific issues for older people in relation to FEA’s qualifying benefits. We would like to see the list of qualifying benefits reviewed.

The new Single Tier State pension is set at £164.35 a week, and Pension Credit for a single person is £163. Despite the mere £1.35 difference in weekly income, an older person receiving Single Tier State pension will not be entitled to FEA.

Age Scotland is aware of the issues for people receiving Council Tax Support, which is no longer a qualifying benefit after replacing Council Tax Benefit. This is despite the fact that for older people it is based on the same criteria and provides the same level of support as the previous system. This means a homeowner with an income of £5 more per week than the Pension Credit threshold, cannot claim a funeral payment, whereas a tenant receiving Housing Benefit who has the same level of income could receive FEA.

We are also concerned that the **mixed age couple** rules concerning Universal Credit and Pension Credit will prevent some older people from receiving qualified benefits for FEA. This scenario relates to a couple where one is of working age and the other is of pensionable age. Under the mixed age couple rules, due to be introduced in autumn 2018, a couple will not be able to claim Pension Credit until the youngest reaches their State Pension age. Instead the younger member of the couple will need to claim Universal Credit, and satisfy the Universal Credit rules, which may require signing on at the jobcentre and seeking work, or qualifying as a carer, or proving they are not well enough to work.

It is also important to note that it is likely there will be occasions where the spouse of the deceased person is **living in a care home**, and has a low income, is supported mainly by public funds, but has no entitlement to a qualifying benefits. This is a situation which must be considered seriously by the Scottish Government in regards to FEA.

The issue of having an income which is marginally too high for entitlement, or not being in receipt a qualifying benefit, is addressed by the **Scottish Welfare Fund guidance**, which we believe should be applied to FEA regulations. This could also help to mitigate against the confusion caused by changes to Support for Mortgage Interest (SMI), as for some older people SMI changes will mean they are no longer entitled to Pension Credit. It is unjust that only those in receipt of SMI would qualify for FEA, rather including those who would be entitled but who choose to cut back on their spending instead of taking the secured loan. The discretion about low income, is therefore a useful tool in identifying those who should benefit from FEA.

Whilst this may be an issue for guidance as opposed to regulations, it is important to note that for FEA to be truly accessibly it must take into account potential barriers older people may face in making claims, such as those **living with dementia** – and have cognitive impairment, **or those with disabilities** which may have difficulty completing forms or understanding the process and associated jargon. Furthermore, the method of application should be made readily available and not restricted to online application.

It is essential that people who are appointees, or who have **Power of Attorney** should be recognised as having the authority to act on behalf of the claimant, in an efficient manner. We expect the delivery of social security at a local level will help in these situations, and information regarding claiming FEA to be provided in an accessible and variety of different languages and formats, including BSL, audio, braille, and easy read versions. Social Security Scotland’s FEA Advisors also have an invaluable opportunity to act as a point for further support, and should able to signpost people to services such as bereavement charities, and information and advice services such as Age Scotland’s Freephone helpline.

**Conclusion**

Whilst we see the proposed regulations for the newly devolved FEA to be largely positive, we believe the Scottish Government could go further to see the policy intentions effectively met. We recommend the Scottish Government:

* Consider raising the flat rate payment element from £700 to meet the real costs of funerals in Scotland today.
* Ensure there is clear communication between Social Security Scotland, Local Authorities and Funeral Directors to help prevent people falling into debt as a result of paying for a funeral.
* The qualifying benefits should be looked at carefully in order to not exclude older people who are on low income, but not receiving means tested help, such as mixed age couples and people who live in care homes.
* Ensure FEA is a truly accessible benefit by providing information in a variety of different formats and that people with power of attorney are given authority to act on behalf of claimants where necessary.

We note that the Scottish Government has worked with a variety of stakeholders including SOPA, the Scottish Pensioners Forum and CAS in consultation, and to encourage benefit take-up. Age Scotland would welcome the opportunity to increase this reach by including involvement of our member groups, as well as drawing on the experience of our helpline, and information and policy teams.

**Want to find out more?**

As Scotland’s national charity supporting people over the age of 50, Age Scotland works to improve older people’s lives and promote their rights and interests. We aim to help people love later life, whatever their circumstances. We want Scotland to be the best place in the world to grow older.

Our Policy, Communications and Campaigns team research, analyse and comment on a wide range of public policy issues affecting older people in Scotland.

Our work is guided by the views and needs of older people themselves.

**Further information**

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1. Citizens Advice, The Real Deal: Funeral Costs, <https://www.cas.org.uk/publications/real-deal-funeral-costs> [↑](#footnote-ref-1)