

Ontario Disability Support Program - Income Support Directives

4.9 - Pre-paid Funerals

Summary of Legislation

A pre-paid funeral is not included in the determination of assets of an applicant/recipient and his/her benefit unit.

Legislative Authority

[Sections 28 \(1\) 13 and, 43 \(1\) 6 of the ODSP Regulation](#)

Summary of Directive

- A pre-paid funeral for any member of a benefit unit is not included as an asset in determining eligibility for income support.
- There is no maximum limit for a pre-paid funeral.

Intent of Policy

- To ensure that a pre-paid funeral for any member of a benefit unit is exempt as an asset.

Application of Policy

Pre-paid funerals increase in value over time because of accruing interest. As long as the funds invested in a pre-paid funeral remain untouched by the member of the benefit unit until it is used to pay for the funeral, it is an exempt asset.

If the funds invested in a pre-paid funeral are cashed out and used for another purpose, the proceeds received will be treated as income in the month received and an asset thereafter, unless applied toward the purchase of a principal residence; the purchase of an asset necessary for the health and welfare of a member of the benefit unit; the purchase of or conversion to an exempt asset; or the purchase of or conversion to an asset within prescribed limits. Only the amount that exceeds the prescribed asset limit, when combined with all other non-exempt assets is considered as income or an asset.

Hyperlinks Associated with this Policy Directive

Related Directives:

[4.1 Definition and Treatment of Assets](#)