

## BEREAVEMENT SUPPORT PAYMENTS HAVE CHANGED

On 6 April 2017, the government changed the way bereavement benefits are paid – this only applies to those making a claim from this date.

### WHY SHOULD THIS MATTER TO ME?

If you have children, the financial impact of losing your spouse or civil partner could be significant. On top of the initial expense of the funeral, you might need to consider how you would cope with only one income.

State benefits are only intended to cover the immediate costs and the recent changes mean that bereaved spouses and civil partners with dependent children could now receive dramatically less in bereavement benefits. Would this be enough to support you when your world has been turned upside down?

### WHAT ARE THE CHANGES?

Instead of receiving help up to the point where your youngest child reaches 20, and remains in full time education, the government will now only offer support for a maximum of 18 months. Under the old system, an individual could have received a maximum of £121,315.60 if the youngest child was just one month old at the time of claim. Under the new system, the same individual would receive just £9,800.

### HOW THIS COULD AFFECT YOU IF YOU HAVE CHILDREN

In the example below, we've assumed the youngest child is 11 months old at the time of their parent's death. Supposing they stay in full-time education until the age of 20, this means the surviving parent could have claimed Widowed Parents Allowance for 19 years and one month under the old benefits system.

If the spouse or civil partner died **before 6 April 2017** the maximum bereavement benefits would have looked like this:

#### With children

Benefit	Amount paid
<b>Bereavement payment</b> (one-off payment)	£2,000
<b>Widowed Parents Allowance</b> (payable up to the youngest child reaching 20 years old if in full-time education)	(£117.10 x 52) x 19 years, plus (£117.10 x 4) x 1 month = £116,163.20
<b>TOTAL</b>	<b>£118,163.20</b>



Each of the benefits had different eligibility requirements including age of the person claiming and the National Insurance record of the person who died.

If the spouse or civil partner died **after 6 April 2017** the maximum bereavement benefits might look like this:

### With children

Benefit	Amount paid
One-off payment	£3,500
Monthly payment up to 18 months	£350 x 18 months = £6,300
<b>TOTAL</b>	<b>£9,800</b>



With the average cost of a funeral in 2017 sitting at £3,784<sup>1</sup>, the one-off bereavement payment received from the state wouldn't even cover this. The current benefit system also doesn't take into account other costs associated with dying, and is unlikely to be enough to support you financially as you try to cope with only one income.

And if you're not married or in a civil partnership, you aren't eligible for bereavement support payments at all.

### HOW LIFE COVER COULD HELP

No amount of life cover will ever ease the grief of losing a loved one. However, it could take away some of the financial burden of coping afterwards. A small amount of life cover could help cover the initial funeral costs, and provide a regular income to help you manage your ongoing costs.

Speak to your financial adviser about tailoring a plan to suit your individual needs.

Source 1 – Signs of Life, The Royal London National Funeral Cost Index Report 2017.

All other figures quoted from [www.gov.uk](http://www.gov.uk), August 2018.



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