



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Division of
Marketing Practices

Mary S. Feinstein
Attorney

Direct Dial:
(202) 326-3064

December 14, 1995

K. Wayne Bishop
President
Chapel Hill Funeral Home
542 West 52nd Street
Anniston, AL 36206

Re: Charges for the Basic Services of Funeral Director and Staff

Dear Mr. Bishop:

This letter is in response to your letter of December 13, 1995. In that letter, you seek staff's opinion regarding whether the fee for the basic services of the funeral director and staff may be charged to every person who arranges a funeral at your funeral home. The answer to this question depends upon whether your general price list ("GPL") delineates a fee for the basic services of the funeral director and staff.

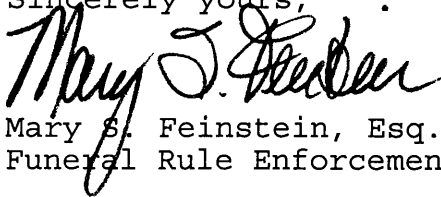
The Funeral Rule requires that a funeral provider itemize prices for 16 funeral goods and services, if a funeral provider offers those goods and services to customers. See Complying with the Funeral Rule, June 1994, at 13. The prices on the GPL must be accurate and up-to-date, and they should reflect the prices that you actually charge customers. Id. Among those 16 items is the fee for the basic services of the funeral director and staff. 16 C.F.R. § 453.2(b)(4)(iii)(C). If your funeral home's GPL has a fee for the basic services of funeral director and staff, then you may charge such a fee to all customers. The only exception to this Rule provision is when a customer selects any of four "minimal services," i.e., forwarding of remains, receiving remains, direct cremation, or an immediate burial. The prices for these four minimal services must include any fee for the basic services of funeral director and staff. Id. at 14. The fee for basic services of funeral director and staff is the only nondeclinable fee allowed under the Funeral Rule.

Of course, you may offer discounts under special circumstances, such as arrangements for friends, relatives, or to families who cannot otherwise afford your services. However, you should not inflate the prices on your price lists in order to

offer all or most of your customers a discount. In that case, the discounted price would be the accurate price and should be reflected on the GPL. To reiterate, absent special circumstances warranting a discount, you should charge the same nondeclinable basic services fee to all customers, unless they choose a "minimal service" for which the basic service fee is already included.

I hope that this information is helpful to you. Please be advised that the views expressed here are those of FTC staff. They have not been reviewed, approved or adopted by the Commission, and they are not binding upon the Commission. However, they do reflect the opinion of those staff charged with enforcement of the Funeral Rule.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mary S. Feinstein". The signature is written in a cursive style with a large initial "M".

Mary S. Feinstein, Esq.
Funeral Rule Enforcement Staff