

COMMITTEE BILL ANALYSIS

Bill: Senate Bill 429

Printer's No.: 376

Sponsor: Senator Costa

Prepared by: Gregg Warner

Synopsis: This bill amends section 3101 of the Probate, Estates and Fiduciaries Code, Title 20 of the Pennsylvania Consolidated Statutes, to provide for the payment of burial expenses.

Summary:

Bank accounts

A financial institution may pay the amount on deposit, when the total amount to the credit of the decedent in the institution does not exceed \$3,500, to a relative of the decedent provided that the relative provides a receipted funeral bill. The legislation increases the amount from \$3,500 to \$10,000.

Patient care accounts

When the decedent was a qualified recipient of medical assistance from the Department of Public Welfare, the facility in which he was a patient may make a payment of funds from the patient's care account for the decedent's burial expenses to a licensed funeral director in an amount not exceeding \$3,500. The legislation increases the amount from \$3,500 to \$10,000.

After the payment of a decedent's burial expenses, the facility may pay the balance of the decedent's patient care account, as long as the payments, including the payment for burial expenses, do not exceed \$4,000, to a relative of the decedent. The bill increases the amount from \$4,000 to \$10,000.

Effective date

This act takes effect in 60 days.

Background: This legislation authorizes payments from small accounts for burial expenses without the formal administration of an estate. The amounts are increased because funeral expenses have increased significantly since the amounts in section 3101 were set.

According to the sponsor, "Pennsylvania law has authorized banks to close out a small account without estate administration for the purposes of releasing the money for funeral expenses without the necessity of formal estate administration. However, the last time the maximum amount was raised for this purpose was in 1975 when the maximum amount increased from \$2,000 to \$3,500. As you can imagine, funeral costs now exceed this modest amount."