

## **Public Utilities Board**

Cemetery and Prearranged Funerals Fees and Charges

### **DISCOUNT POLICY**

**SUBJECT:** Discounting Policy

**POLICY #:** CA/PFSA - 1

**EFFECTIVE DATE:** Immediately

**REPLACES POLICY #:** New

**MINUTE DATE:** June 30, 2009

**MINUTE #:** 3.1.1

#### **A. PURPOSE:**

The Public Utilities Board's (Board) approval is required for the establishment of fees, changes to fees, and temporary and/or permanent discounts of fees for all products subject to the Board's oversight by legislation or regulation.

The purpose of this policy is to provide owners of cemeteries, columbaria or mausoleums and funeral directors who provide prearranged funeral plans a mechanism for obtaining approval or acknowledgement to offer discounted rates in a timely manner.

#### **B. BACKGROUND:**

Legislation requires that all changes in fees and the setting of new fees receive the Board's approval or acknowledgment before implementation. Heretofore, all such applications were dealt with at Board meetings.

Industry expressed concern that they often are required to revise/discount fees to meet competition or to introduce new products to meet market conditions, and that the current approval/acknowledgement process does not allow them to respond quickly enough. Industry sought authority to vary fees without the need to make application to the Board.

#### **C. BOARD DECISION:**

Applications for new, changed or discounted fees will continue to be required for cemetery goods and services and for prearranged funeral plans. In order to best ensure that the Board discharges its responsibilities

in a timely way, an expedited approval process under prescribed conditions is hereby established.

**D. POLICY STATEMENT:**

Approval may be granted for applications related to the discounting of a fee meeting the following criteria and if the criteria are met staff can so advise the applicant soonest after receipt of the application:

- a. If a lot, plot, niche, compartment, or other space is provided free of charge for compassionate reasons (the party receiving the benefit shall not be related to any employee of the company), the company shall deposit in the perpetual care trust fund an amount equal to that which would be otherwise collected for a sale based on the current market price of the space prior to discounting.
- b. Supporting rationale for discounting fees, as provided by the regulated entity, is deemed sufficient, and does not raise doubt as to reasonability.
- c. The applicant, if a cemetery, asserts that, if a discount is provided for a particular bona fide reason, the discount will not jeopardize the viability of the cemetery operation.
- d. The application shall include the amount of the discount proposed, to the period the discount(s) is/are to remain in place, and as to the specific circumstances in which the discount(s) will be provided.
- e. No proposed discount shall exceed 15% of the previously approved price nor shall the period the discount is to be offered exceed a 30 day period.
- f. An application for discount may only be submitted for approval through this process no more than three times per year.

**E. LEGISLATION**

Manitoba Regulation 382/87R to *The Cemeteries Act*:

“No change in fees

14 No owner of a cemetery, columbarium, or mausoleum shall alter or vary any fee or charge charged for the sale of a lot, plot, compartment, or other space therein, or for any other service rendered or object sold by him or her, without obtaining approval therefor from the board.”

Manitoba Regulation 388/87R to *The Prearranged Funeral Services Act*:

“Information required

- 2 Before making an application for a licence to provide funeral services under a prearranged funeral plan, a funeral director shall submit to the board
  - (b) a schedule of the respective costs to the purchaser of various prearranged funeral plans, and a description of the type of casket and services provided under each such prearranged funeral plan;

Application for licence

- 3(1) An application for a licence to provide funeral services under a prearranged funeral plan shall be in writing, .....and shall be accompanied by a declaration or affirmation of the applicant, or if the applicant is a corporation, of the chief officer of the corporation, stating that no alteration or variation has been made ... in the costs or the type of casket or services provided under prearranged funeral plans as set out in the schedule submitted under section 2; without the approval of the board, since those forms and that schedule were submitted.”

## **F. POLICY PROCESS**

Process:

1. Staff to review all applications and will determine if the criteria provided in D. has been met.
  - a. If all criteria are met, staff shall advise the applicant as per 2. below.
  - b. If all criteria are not met, staff shall inform the applicant that the request is beyond this policy and the application will be forwarded to the Board for a decision at the next meeting of the Panel.
2. Staff will notify the applicant of approval as per this policy, within the timeframes suggested by the application, to the extent possible.
3. A summary of all applications received and processed will be submitted to the Board at the next meeting of the Panel.

Any change in this Policy requires the Board’s approval.

“GRAHAM F.J. LANE”  
Chairman

July 7, 2009  
Date

“GERRY GAUDREAU”  
Secretary

July 7, 2009  
Date