



## Who pays funeral expenses in NSW?

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When a loved one dies, one of the first practical steps is arranging the funeral. This blog explains how funeral expenses are dealt with and what executors should know about managing those costs.

### The general rule: funeral expenses are paid from the estate

In New South Wales, the general rule is that funeral expenses are a first charge on the estate. This means that before any debts are repaid or beneficiaries receive their inheritance, the estate must first pay for the reasonable costs of the deceased's funeral.

These costs are not the personal responsibility of the executor. If the executor has the capacity to pay, executors can make the initial payments and then later claim reimbursement from estate funds once they are available.

If the deceased left sufficient money in a bank account, most banks will release funds for the funeral on production of an invoice and death certificate, even before a [Grant of Probate](#) is issued. However, each bank varies regarding its own policies, and you should rely on your own enquiries in this regard.

If you are paying for the funeral in the first instance, it is important to keep records and receipts of all payments for reimbursement from the estate in the future.

### What are “reasonable” funeral expenses?

Only “reasonable” funeral expenses can be paid from the estate. What is “reasonable” depends on the deceased's social and financial circumstances, their known wishes, and the size of the estate.

Funeral expenses should be proportionate to the estate's value and the deceased's lifestyle. A modest estate may not justify elaborate arrangements, while a more substantial estate may reasonably bear higher costs.

Reasonable funeral expenses may include the following:

- Funeral director's fees;
- Cremation or burial costs.;
- Coffin or urn;
- Flowers or notices;
- Clergy or celebrant fees;
- Wake or memorial costs.

Luxury items, large donations, or extravagant travel costs for mourners are less likely to be recoverable.

## When the executor pays the funeral bill

Often, the executor, or another family member, will pay the funeral bill upfront to ensure that the funeral arrangements proceed without delay.

In that case, the person who paid for the funeral is entitled to reimbursement from the estate once the funds are available. The reimbursement should occur before any distribution to beneficiaries occurs, and it should reflect only the "reasonable" portion of the costs.

Executors should retain the following:

- A copy of the funeral invoice and corresponding receipt;
- The death certificate;
- Evidence of payment.

These documents should be kept with the estate accounts for the purposes of future accounting and potential review by beneficiaries or the Court.

## Disputes about funeral costs

Sometimes disagreements arise about:

- who should arrange the funeral;
- where the deceased should be buried or cremated;

- how much money should be spent.

In the event that the deceased did not leave any funeral wishes document, then it may be left to family members or the executor to organise what they think the deceased would have wanted regarding the funeral and burial.

## Where there is a valid Will

If there is an executor (where the deceased left a valid Will), they would ordinarily be expected to consult with other stakeholders, but they are not legally bound to do so. If a person has named an executor in their Will and that person is ready, willing and able to arrange a burial, then the executor has the right to do so.

The Courts are reluctant to be involved in disputes regarding burial rights where family members may disagree with the executor. It would be in the best interests of all involved parties to try to come to a mutual agreement regarding funeral arrangements and burial of the deceased.

## If there was no Will

If there is no Will, then there is no executor. It will then be left to the deceased's family to make the necessary funeral and burial arrangements.

## What to do if there is no money in the estate to cover funeral expenses

If the deceased was destitute when they died, then the government may pay for a destitute funeral. Social workers and the local area health service will arrange a basic funeral and burial or cremation and advise the next of kin of the arrangements being made.

If the estate has insufficient funds to pay for a funeral but a relative or friend is able to pay for the funeral, then they can do so and claim what is possible to be claimed from the estate. The person who has organised and paid for the funeral may not be fully reimbursed. However, this debt is a preferred claim, meaning it is paid before other debts of the estate are paid, where possible.

## When to seek legal advice

If you are an executor managing funeral costs and other estate expenses, it is important to obtain advice early. Issues such as asset accessibility, disputes among family members, or questions of reasonableness can complicate the process.

At E&A Lawyers, we assist executors in navigating their responsibilities from initial funeral arrangements to final distribution, ensuring that every step is handled lawfully and with care for the deceased's wishes and the beneficiaries' interests.

## Contacting E&A Lawyers

For more information or to arrange a consultation with a lawyer, you can call or email us.

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## Further reading

- [Key considerations before accepting the role of executor in NSW](#)
- [Does an executor of a Will get paid?](#)
- [Executor duties when dealing with property of a deceased estate](#)

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*This article is of a general nature and should not be relied upon as legal advice. If you require further information, advice or assistance for your specific circumstances, please contact E&A Lawyers.*