INFORMATION ABOUT GRANTOR LETTERS

When you prearranged your funeral and/or burial, the funeral home or cemetery was required to deposit your money into a trust account with a regulated bank. The funeral home or cemetery selected ClearPoint Federal Bank & Trust (“ClearPoint”) to manage your preneed arrangement funds. The Grantor Letter you received is sent out each year to report the earnings on your preneed arrangement trust. You should always consult with your accountant on what to do with any tax information received.

Please read on for answers to any additional questions you may have regarding the Grantor Letter. If you are unable to find the answers you are looking for on this page, please feel free to call or email us for further assistance.

Phone: 800-763-0234
Email: customer.service@clearpointfederal.com

Please consult with the IRS or your tax advisor if you have any questions regarding the reporting requirements.

Q. Who is ClearPoint Federal Bank & Trust (“ClearPoint”)?

A. ClearPoint is a federally chartered bank who partners with funeral homes and cemeteries across America to provide preneed funeral and cemetery trust services.

EXPERIENCE – Founded in 1998, ClearPoint has been serving customers for over 25 years.

NATIONWIDE SERVICE – A federally chartered savings bank providing trust expertise to funeral homes and cemeteries across America.

FOCUSED – While other banks often cater to many different markets, ClearPoint is dedicated entirely to the funeral and cemetery industry.

Q. What is a “Grantor Letter?”

A. At the end of each tax year, ClearPoint is required to report to the grantor/purchaser the income earned on ClearPoint preneed funeral/cemetery trusts. This is done by the use of a “Grantor Letter.” It serves the same purpose as a 1099, K-1 or other tax statement that reports taxable income to you.

Q. Why is this necessary?

A. State laws(s) require that a portion, if not all, of your preneed payments be deposited into a trust. This trust in turn earns income. In 1987 the IRS ruled that preneed funeral trusts are "grantor trusts" (IRS Ruling 87-127) and that the consumer (trust purchaser) is responsible for paying taxes on the earnings of the trust. Even if the trust is irrevocable and the consumer does not have access to the funds, the income must still be reported to the IRS.

Q. Why did I receive this Grantor Letter, and what do I do with the letter?

A. The letter is sent out each year to report the earnings on your preneed arrangement trust.

1. If you do pay taxes, you should include this letter with all the rest of the documents you give to your tax preparer.

2. If you do your own taxes, treat the trust like the rest of your tax statements. Whether you pay taxes or not, the letter also serves as your assurance that your money is on deposit.

Please consult with the IRS or your tax advisor if you have any questions regarding the reporting requirements.

Q. Why did I not receive a Grantor Letter this year?

A. There are several reasons why you may have not received a Grantor Letter this year.

1. We do not mail Grantor Letters for income of less than $10, due to the IRS de minimis rule but you can call us if you would like a copy and we can print a copy for you.
2. Your address has changed, and we need to update our records.

Please contact us to determine the status of your account.

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Q. What if I do not have enough income to owe any taxes?

A. Confirm with your tax advisor that this does not change your non-filing status, and if it does not, you can file it away.

Q. Why did I receive a W-9 Request form with this letter?

A. If you, the tax recipient, did not have a tax ID in our system, you received a W-9, cover letter and return envelope with your grantor letter. Please complete the W-9 and return it in the envelope provided so that we have complete records for our filings with the IRS.