

# SPECIAL REPORT

## Providing for Your Pets

### CASE STUDY 1: Dog owners want to ensure pets' security and care

Doug and Janice Robertson are married and have grown children who live on their own. Since retiring, Doug and Janice have traveled as much as possible. They bring along their constant companions, Duncan and Rosie, two prize-winning Scottish Terriers. The Robertsons know that, if something happens to them, their children won't be able to care for the dogs. They are very concerned about the Scotties' security and want to ensure that they will be properly placed and receive high-quality care.

### CASE STUDY 2: Cat lover wants to include pets in estate plan

Marie Ingraham has always had cats. She currently has three: Crissy, age two, Walter, age five, and Bella, age 14. While Marie knows she'll most likely live longer than these pets, she worries that any cats she takes on in the future may well outlive her. Marie does not have children and considers her cats "family." She wants to make arrangements through her estate plan to ensure their future care. She wants the remainder of her estate to go to her much loved nieces and nephews.

## IS IT POSSIBLE TO PROVIDE FOR YOUR PETS?

Many people want to include their pets in estate plans to ensure they will always be secure and receive quality care. While this type of planning is common, it can be fraught with emotion. After all, while you know your pets' likes and dislikes, finicky eating habits and medical history, it's difficult to imagine someone else paying such close attention to these details. It's important to find someone you trust to serve as caregiver. It's also important to determine how much that caregiver will need to provide adequately for your pets. Whatever plans you make, you'll need to ensure that they will be upheld and carried out as you intended.

## WHAT ARE THE OPTIONS?

There are several estate-planning options available to pet owners. Because the law has traditionally treated pets (and all animals) as property, the most simple solution may be identifying an individual or organization that will receive your pets after your death. This option may not suffice, however, if you want to ensure that your pets will be properly placed and cared for, and that the new caregivers will have the resources necessary to meet the pets' needs. In this case, you can choose from several alternatives.

### BEQUESTS TO CAREGIVERS

A common estate-planning choice for pet owners is to make bequests to caregivers. This involves leaving your pets to a specific individual or organization, along with a fixed dollar amount to help compensate the caregiver for the pets' expenses. For example, your will might state: "I hereby leave any pets I have at the time of my death to my good friend Susan Smith, along with the sum of \$10,000 to permit her to care for my pets for the rest of their lives."

There are a few organizations that specialize in the long-term care of pets whose owners have died. These "pet retirement homes" or sanctuaries may agree to find your pets new homes or take care of them for the rest of their lives. Alternatively, several university veterinary medicine schools have perpetual pet-care programs that will take care of your pets until suitable homes can be located. Typically, with this option, you pay for your pets' care through an endowment.

Another option is to have your will stipulate that a sum of money will go to a caregiver, conditioned on his or her willingness to assume responsibility for your pets' care. The amount of the bequest can vary depending on the number of pets you have at the time of your death or the age and health of the pets. Such a bequest also may take the form of property. For example, if you want your pets to remain in a well-known environment, you might leave your home to the potential caregiver on the condition that he or she will move in and care for your pets at that residence.

### DIRECTION TO EXECUTOR

A pet owner concerned with the proper placement of pets also can leave directions for the estate Executor to make appropriate arrangements. For example, if you want the breeder from which you acquired your pets to be involved in the placement decision, you might stipulate in your will that the Executor or Personal Representative will consult with that breeder. To cover the costs associated with transferring the pets, your will can permit the Executor to expend a reasonable sum from the estate for such expenses as veterinary check-ups and treatment, transportation and initial costs associated with the pets' care.

Similarly, if you want a well-regarded shelter used for placement purposes, you might direct the Executor to contact that organization. In this case, it would be prudent to have the Executor use estate funds for a small donation to the shelter, for the purpose of making the placement more comfortable.

### GIFTS TO SHELTERS OR ORGANIZATIONS

Some pet owners want to make gifts to animal protection groups, regardless of the status of their pets. For example, a will might read: "I hereby bequest \$1,000 to the Fern Hill No-Kill Cat Shelter, with the hope that the shelter will take responsibility for the care and placement of any pets I may own at the time of my death." This type of arrangement is appropriate when making such a gift is at least as important to you as providing for your pets' future. Even if you no longer own pets at the time of your death, the chosen shelter or organization will receive the designated token from your estate.

## PET TRUSTS

Historically, under American and English common law, a trust could not be established for the benefit of a pet. While some may recall the 1951 movie, *Rhubarb*, about a cat who inherits a baseball team, it was only fairly recently that most states began allowing some form of trust for the benefit of pets. Today, an individual who resides in a state that permits pet trusts and wants to make legally binding arrangements for the future care of a pet can do so by establishing a trust for the pet's benefit. The terms of the trust can vary according to the wishes of the owner and state law. For example, if there is more than one pet, the trust might continue until the death of the last pet, with any remaining balance then distributed to family members, caregivers or an animal rights charity.

Some states only permit "honorary" trusts, which do not include provisions that allow someone to enforce the terms of the trust. But many states have adopted the Uniform Trust Code's provisions for pet trusts. Under the Uniform Trust Code, a pet trust may include provisions for someone to go to the court to enforce the terms of the trust. This is important because it provides a system of checks and balances and allows the owner to feel more secure that his or her wishes will be followed. A pet trust should include provisions for the appointment of an initial and successor trustee and an initial and successor caretaker, and separate provisions for a trust enforcer, if necessary under state law.

## HOW MUCH SHOULD YOU LEAVE TO PROVIDE FOR YOUR PETS' CARE?

Regardless of the estate-planning strategy you choose to provide for your pets, you will need to ensure that sufficient funds are available to cover the expense of life-long care. To arrive at a reasonable estimate of what should be left to the caregiver, you'll need to consider the following:

- ◆ Life expectancy. What do you estimate to be the life expectancy of each pet?
- ◆ Annual care costs. It can be helpful to create an annual budget covering the costs of providing your pets' care. For each pet, assign a dollar value to such categories as:

- Food.
- Dietary supplements.
- Equipment and toys.
- Transportation.
- Veterinary care.
- Inoculations and medication.
- Surgery and other expensive treatment.
- Boarding charges.
- Pet sitters.
- Pet walkers.
- Obedience classes.
- Other training classes.
- Entry fees for competitions.
- Show handlers.
- Professional grooming.
- Dental care.

## HOW CAN YOU PROTECT YOUR PETS IN THE EVENT THAT SOMETHING UNEXPECTED HAPPENS TO YOU?

In addition to including your pets in your estate plan, it is important to consider what will happen to them if you suffer a serious injury or become ill or disabled. Pets can easily be overlooked in these circumstances. Some simple precautions include the following:

- ◆ Find at least two responsible friends or relatives who will agree to serve as temporary caregivers. Provide them with keys to your home, feeding and care instructions, the name of your veterinarian and information about the permanent provisions you have made for your pets. If you use a professional pet-sitting service to take care of your pets when you are away from home, ask your temporary caregivers if they will agree to assume that role.
- ◆ Make sure that your friends, neighbors and relatives know the number and types of pets you have as well as the names and phone numbers of your emergency caregivers.
- ◆ Carry a wallet alert card that lists the names and telephone numbers of your emergency caregivers and your veterinarian.
- ◆ Post "in case of emergency" notices on your windows or doors, listing the number and types of

pets you have. This will alert emergency personnel that you have pets in your home. Make sure that the notices are removable, and take them down when you move.

- ◆ Include provisions in your general durable power of attorney for your pets' care. You can authorize your attorney-in-fact to spend funds for your pets' care, take care of your pets and place them with permanent caregivers, if necessary.

### **WHAT PLANS SHOULD YOU MAKE FOR YOUR PETS' PASSING?**

Many people also want to make plans for the eventual death of their pets. Considerations should include:

- ◆ Euthanasia. Are there any circumstances under which euthanasia should be permitted?
- ◆ Funeral arrangements. Do you want your pets cremated or buried?
- ◆ Memorial services. Do you want memorial services for your pets?
- ◆ Distribution of assets at the death of a pet. How do you want the assets remaining in your pet's trust to be distributed at his or her death?
- ◆ Charitable intentions. Do you want to leave assets to a charity? This could be done through your will or by leaving the balance in the pet trust to a charity.

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