

Wealth Planning **Update**

Why pets belong in your estate plan



Three steps to prepare for the possibility that your pet may outlive you.

If you're a pet owner, you may view your pet as a best friend or member of the family. But have you considered what will become of your companion if it outlives you? Without proper planning, if your pet survives you, it may have an uncertain fate.

At best, a friend or family member may be willing to care for your animal companion. If not, your pet may be abandoned, sent to a shelter or even euthanized. The Humane Society estimates that 100,000-500,000 pets end up in shelters each year after their owners die or become incapacitated.¹

Just as you would arrange for the care of your children, there are several reasons to consider the fate of your pet:

- **Legally, pets are classified as personal property.** Unless you plan otherwise, upon your death, your pet will be given to whoever receives your cars, furniture, jewelry and other personal items. This person may not want the responsibility of caring for an animal.
- **Informal arrangements can fall short.** A friend or family member may say they'll take your pet if necessary but those types of arrangements can fail for a number of reasons, including allergies, conflicts with other pets, incompatibility with children, relocation or a lack of adequate finances.
- **Disagreements can get in the way.** Friends and family members may disagree about who should adopt your pet. As disputes are worked out, your former companion may not get the care and attention it deserves.

The only way to ensure that your pet is given to someone who is both willing and able to care for it is to make specific provisions in your estate plan. These three steps can help you get started.

① Select one or more caregivers

Who will be willing and able to take care of your pet in your absence—both for short-term emergency situations and as a permanent replacement?

Stress and confusion are common in the event of an unexpected illness, accident or death. In these times, a pet can be inadvertently overlooked, perhaps for days. A temporary emergency care plan for your pet will help ensure your pet gets daily care and attention. Take these basic precautions:

- **Name one or more responsible family members or friends as temporary emergency caregivers.** Make sure they have access to your home and provide them with care and feeding instructions, the name of your veterinarian, and the details of permanent placement provisions you have made.
- **Make sure a close family member, friend or neighbor knows what pets you have** and has the contact information for your emergency caregivers.
- **Carry a wallet "alert card"** that lists the names and phone numbers for your emergency pet caregivers.

Next, select a committed permanent caregiver for your pet as well as an alternate caregiver in case your first choice is unable to act for some reason. Here are some considerations:

- The caregiver you select will have full discretion over your pet's care, including veterinarian treatment and end-of-life decisions. Choose someone who will be able to provide a stable home for your pet and who you trust will always do what is in your pet's best interest. Also, consider whether your pet will be able to comfortably co-exist with family members or other pets the caregiver may have.
- Have a candid conversation with your intended caregiver beforehand to be sure he or she is willing to take on the responsibility of caring for your pet.
- Discuss any special care needs your pet may have so the caregiver fully understands the commitments involved.
- Make suitable financial arrangements for the care of your pet, as this may make the caregiver more comfortable about taking on this responsibility.
- If you have multiple pets who were raised together or have otherwise bonded, consider if you want them to stay together. This may be an important factor in the choice of their caregiver.
- If you adopted a pet from an organization, be sure to check your adoption agreement for clauses requiring your pet to be returned to their care.²

If you do not have a person who is willing and able to take on the role of caregiver, consider naming a sanctuary, rescue organization or no-kill shelter in your estate plan. These facilities can often find a trustworthy caregiver, although some may impose a fee that you'll need to factor into your financial planning (see step 3).

② Document your intentions

After you've selected a caregiver, formally document your intentions in your estate plan.

The simplest and most straightforward approach is to simply make an outright gift of your pet to your designated caregiver. You can also include a gift of money to the caregiver with instructions that the funds be used for the care of your pet. With this type of informal arrangement, you are trusting that the designated caregiver will remain healthy and capable of caring for your pet for the remainder of its lifetime and that the caregiver will be financially responsible in using the gifted funds for the benefit of your pet.

A more formal and readily available option is to establish a pet trust under your estate plan. These trusts provide for additional protection, safeguards and oversight by creating a legally binding arrangement for the ongoing care of your pet. Pet trusts are now legally authorized in all 50 states and the District of Columbia.

With a pet trust, you name a caregiver for your pet and a trustee (as well as alternates). The trustee has a fiduciary responsibility to manage and distribute the funds held for the benefit of your pet.

The caregiver you select will have full discretion over your pet's care, including veterinarian treatment and end-of-life decisions.

Choose someone who will be able to provide a stable home for your pet and who you trust will always do what is in your pet's best interest.





The trustee and caregiver can be the same person, but naming different people for each role makes each accountable to the other, which can further protect your pet. The trustee can:

- Help ensure that the caregiver follows the instructions you left, including end-of-life decisions.
- Regularly inspect and confirm your pet's health and living conditions.
- Follow instructions for the distribution of any funds remaining after your pet's death, which could go to one or more animal charities, other charitable organizations or family members.

③ Arrange funding for the costs of care

Include financial arrangements for the care of your pets so that your caregiver does not have to personally shoulder that burden.

The costs of caring for a pet span a wide range, and vary with the pet's age and breed, as well as its lifestyle and your personal preferences. Funding considerations include:

- Costs for transporting the pet to the caregiver.
- Estimated annual care expenses (food, grooming, training, veterinarian bills, medications, boarding costs, etc.).
- Special health needs requiring expensive medical treatments.
- Compensation to be paid to the caregiver, if any.

Keep in mind, if you leave an unusually large amount of money for the benefit of a pet, legal disputes could erupt between other beneficiaries. A court may ultimately reduce the amount to what it considers reasonable for the pet's care.

As difficult as it can be to think of leaving a beloved pet behind, taking some thoughtful steps in your estate plan can provide you with the peace of mind of knowing that your pet's future will be secure. Ask your financial professional for help making provisions for your pet as part of your estate plan.



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¹ June 20, 2013. "Estate planning experts urge pet owners to prepare for the possibility that their animal companions may outlive them." <https://www.google.com/url?q=http://www.humanesociety.org/news/magazines/2013/07-08/backup-plan-planning-for-pets-after-owner-death.html>

² "Estate Planning with Dogs and Cats." Best Friends Animal Society. <https://bestfriends.org/resources/general-pet-care/estate-planning-dogs-and-cats>.

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