

Putting your pet in your will

By Jay MacDonald • Bankrate.com

Highlights

- In 2011, Americans spent a record \$50.8 billion on our pets.
- While we may consider our pets family members, our legal system considers them property.
- Most pet owners would prefer to have a close friend or family member take in their pet.

Who made out like bandits during the Great Recession?

Fido and Fluffy, that's who.

In 2011, Americans spent a record \$50.8 billion on pets, according to the American Pet Products Association. We share our homes with an estimated 86 million cats, 78 million dogs, 16 million birds and 160 million fish, and let's face it -- we love to spoil them.

"People think of their pets as children," says Barry Seltzer, a Toronto-based estate planner and co-author of "Fat Cats & Lucky Dogs: How to Leave Some of Your Estate to Your Pet."

"There are pet hotels, pet psychologists, pet white-water rafting excursions, even pet dialysis clinics. People will gladly spend money to help their pet, sometimes even more than themselves."

In fact, about the only thing American pets lack today is a secure future should they outlive us.

While we may consider our pets family members, our legal system considers them property. And because estate law prohibits us from leaving property (money, real estate, etc.) to property, we must instead provide for our pets through human intermediaries who possess tools such as bank accounts, opposable thumbs and discretion when it comes to treats.

High-profile pet trusts, such as the \$12 million whopper established by billionaire

hotel owner Leona Helmsley for her Maltese terrier, Trouble, serve to raise awareness of the importance of including our pets in our estate planning.

"The Humane Society said recently that 3 (million) to 4 million cats and dogs are euthanized every year because their owners fail to provide for them," says Seltzer. "If you want an animal taken care of, you have to make a plan because very often, an animal will not be taken care of."

Fortunately, you don't need a fortune or a formal trust to provide for your pets. You simply need to identify a caregiver, arrange funding to help your pet live a happy, healthy life, and plan for their comfort and safety in the days after your passing. Here are the steps.

Identify a caregiver

Most pet owners would probably prefer to have a close friend or family member take in their beloved pet. But certified estate planner Jean Dorrell, president of Senior Financial Security in Summerfield, Fla., cautions against assuming that the other party is willing.

"Give a lot of thought to the person you would trust, and have an open conversation to make sure that they're willing and able to do it," she says.

Mary Randolph, editor in chief of the legal site Nolo.com and author of "Dog Law," agrees. "The biggest mistake is hoping that someone will take care of Fluffy because everyone loves Fluffy. Well, maybe Fluffy is not as lovable as



you think. We're all a little blind about our kids and our dogs," she says.

If you have a trusted caregiver, Randolph says to include them in your will. "Just say, 'I leave Fluffy to my niece, and if she isn't available to take the animal, I designate X.' The most important thing is, you don't want it to be a surprise," she says.

Can't identify a caregiver? Kim Bressant-Kibwe, trusts and estate counsel for the American Society for the Prevention of Cruelty to Animals, says there are plenty of alternatives, from breed-specific and general animal rescue organizations to local no-kill shelters. Relatives, friends, veterinarians and pet sitters can help with leads.

"There are also charitable organizations set up for the sole purpose of taking in the pet at the owner's demise, usually in exchange for a monetary contribution," she says. A few examples include Texas A&M's Stevenson Companion Animal Life-Care Center, Purdue University's Peace of Mind Program and the San Francisco SPCA's Sido Program.



"Don't wait until you're on your death bed to start planning," Bressant-Kibwe says. "Reach out while you're alive and well to do your due diligence and find out what their capabilities are."

Arrange funding

How do you leave money to your pet? The easy, free way is simply to include the caregiver in your will: "If my cat Fluffy is alive at my death, I leave \$3,000 for her care to Mary Johnson." If Fluffy predeceases you, the money stays in the estate.

The costlier route is to establish a trust for your pet. Seltzer says the good news is that pet trusts are now allowed in 46 states and the District of Columbia. The bad news, he says, is they're usually limited to 21 years, which could pose a problem for some long-lived pets.

However, Seltzer cautions against being excessively generous to Fluffy.

"When people leave excessive funds, they are pretty much guaranteed that someone is going to challenge it. Does a dog need \$12 million? Probably not. But does anybody?"

Ease their transition

A key component often overlooked in the after-planning for a pet is to create a dossier. It's the one vital missing piece caregivers will need in the event of an emergency.

"Put together a dossier for each of your pets while you're watching TV," says Bressant-Kibwe. "Include general information: what they eat, drink, habits, idiosyncrasies, best friends, dog sitters. Do they like children? Other pets? Put it on your refrigerator. Any agency coming in will need to have dog or cat information with which to begin the search for a new home."

Bressant-Kibwe says a little planning could be the best gift you'll ever give your pets.

"During life, they're there for you; make sure they have an after-care in the event something happens to you," she says. "Coming up with a plan for the ease of your pet is the final act of kindness."

