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### YOUR MONEY MATTERS Personal Property

## **Good Boy**

Worried about what will happen to your pets after you're gone? Estate lawyers have it all figured out.

By RACHEL EMMA SILVERMAN December 17, 2007; Page R6

Irene Wright, of Oviedo, Fla., set up a detailed trust to care for her loved ones when she becomes unable to care for them.

Her estate plan isn't for her children. It's for her two Papillion dogs and her seven cats.

"I just wanted to make sure that they would be cared for and they wouldn't be orphans," says Ms. Wright, a retired accountant. Her plan, which she set up with her lawyer, Peggy Hoyt, also of Oviedo, includes a panel of family members and friends who have oversight over the animals' care, and a dedicated caretaker who will handle the day-to-day care. "You know how most parents plan for their children?," says Ms. Wright. "Well, I did the same thing, only they have four legs."

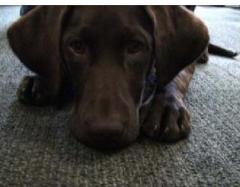
Estate planning has gone to the dogs. Lawyers say they are increasingly creating pet plans for their clients, as more pet owners want to make sure their animals are cared for after the owners are no longer able to do so themselves. Real-estate developer Leona Helmsley's \$12 million provision for her Maltese's care may have generated recent headlines, but plenty of less-wellheeled individuals are creating detailed estate plans for their animals. "I don't have a single estate-planning client that I don't at least raise the issue of pet planning with," says Ms. Hoyt.

#### **Lots of Pet Owners**

The interest has been spurred by the growing number of pet owners in the U.S., many of whom spend lavishly on their animals. Some 63% of U.S. households own a pet. which translates to 71.1 million homes, according to the American Pet Products Manufacturers Association. That's up from 56% of U.S. households in 1988, the first year the trade group conducted the survey. Americans spend more than \$40 billion annually on their animals, estimates the Greenwich, Conn.-based group.

The following is a look at several ways to plan for your pet's care.

Some owners put a provision in their wills that leaves the pet -and typically some money -- to a relative or friend who can care for it. The problem, lawyers say, is that such arrangements may not be enforceable. If heirs decide they don't want to take responsibility for the pet, or get sick or die, the pet may not be cared for. "Once the animal is given to the caregiver under the will, there's no supervision after that," says Kim Bressant-Kibwe, trusts and estates counsel for the American Society for the Prevention of Cruelty to Animals, or ASPCA, in New York.



San Francisco-based Advent Software allows employees to bring dogs to work and offers pet insurance. We toured the company offices for a look at how it works, and who is in charge— the people or the pets? Stacey Delo reports.

A pet trust, meanwhile, has more teeth. It allows you to set out specific funds for your pet's care, name a caregiver who handles the pet's care and a trustee who manages the funds and makes sure the pet is taken care of. (Naming different people as caregiver and trustee allows for checks and balances.) Provisions in a trust are generally enforceable by a court. When the pet dies, money in the trust goes to end beneficiaries, typically a family member, friend or charity. Make sure to name alternate caregivers and trustees in case your first choices can't, or won't, serve in the role.

A growing number of states and jurisdictions -- currently 39 -- are recognizing the importance of pet estate planning by passing legislation allowing for trusts that directly benefit a pet, rather than a human, says Gerry W. Beyer, a professor of law at the Texas Tech University School of Law, Lubbock, Texas. Prof. Beyer has written extensively about estate planning for pets. "Traditionally, the law was you could not leave property to an animal because an animal is not a human being," he says.

State statutes vary, and some have set term limits for trusts, which may not work if you have a pet, such as a parrot, that typically has a long lifespan. Even if your state doesn't have a pet-trust statute, you can always leave money in trust for a person, with detailed provisions that he or she use the money to care for the pet.

Costs for pet planning vary, depending on how detailed or complex the provisions are. A standalone pet trust can cost at least \$1,500, and often more, depending on how detailed it is. **Rachel Hirschfeld**, a New York lawyer who bills herself as a "pet trust lawyer," sells basic petprotection agreements that she says can be completed without a lawyer for \$49.95 on her Web site, **mypetprotection.com.** 

#### **How Much to Leave**

How much to leave for your pet depends on the type, age, health and lifestyle of the animal. Lawyers recommend calculating how much you typically spend on your pet and multiplying that by the estimated life expectancy of the animal. The Web site estateplanningforpets.org, created by Phoenix, Ariz., estate lawyer Steven Baker, has a pet-care cost calculator. Courts may be able to reduce the amount you leave for your pet in trust if a judge deems it excessive. A trust can specify that in such a case, the excess goes to the beneficiaries who

would be entitled to the remainder, according to Prof.
Beyer. If the trust lacks such a provision, he adds, the excess returns to the creator of the trust, or, if that person has died, to their heirs or beneficiaries.

If there are no individuals to whom you would entrust your pet, you can leave the animal in the care of a pet sanctuary or retirement home, which will watch over it until it dies, usually in exchange for a sizable donation. These kinds of arrangements are typically sponsored by university veterinary schools or nonprofit animal-welfare groups. Check with your local humane society or vet schools in your area to see if they offer such programs, and be sure to make arrangements with the program before putting it in your estate plan.

Leaving a pet to a university veterinary school pet-care program can get very pricey. Some programs suggest minimum contributions of \$10,000 or \$25,000 per pet, with even heftier costs for larger animals, such as horses, or pets with special needs. The minimums are set high because in some cases it is the income earned by the contribution that is used for the animal's care, not the contribution itself, Prof. Beyer says. Upon the animal's death, the contribution becomes property of the school.

Anne-Marie Schiro, of New York, created a trust for the care of her four cats because she was concerned that they would outlive her. The trust, which was drafted by her lawyer, **Ms. Hirschfeld,** outlines that the North Shore Animal League, an animal sanctuary in Port Washington, N.Y., care for the pets. Ms.

Schiro, 72 years old, met with the animal sanctuary before drafting the trust, and in exchange for a \$12,500 contribution, they agreed to care for the cats after her death or incapacity. Her cousin and **Ms. Hirschfeld** serve as trustees "to make sure that the cats get there," says Ms. Schiro.

#### **Odds & Ends**

Advisers suggest leaving instructions in your estate plan that are as detailed as possible, to help ensure your pet will be cared for as you wish. "People need to leave really good or complete instructions, like baby-sitter instructions -- their pets' likes, their dislikes, idiosyncrasies," says Ms. Hoyt, the Oviedo, Fla., lawyer. Also, don't forget to leave burial or cremation instructions.

Lawyers also recommend setting up power-of-attorney documents that specifically allow your appointed agent to make financial decisions regarding your pet if you become incapacitated. Many animal-welfare groups also provide wallet-cards or stickers letting others know, in the case of an emergency, that you have a pet that needs care.

Ms. Bressant-Kibwe, of the ASPCA, adds that you should make sure your pets have detailed identification, such as a microchip, to prevent an unscrupulous caregiver from replacing the animal after it is deceased -- and pocketing money meant for your pet's care.