Estate Planning and Your Pet
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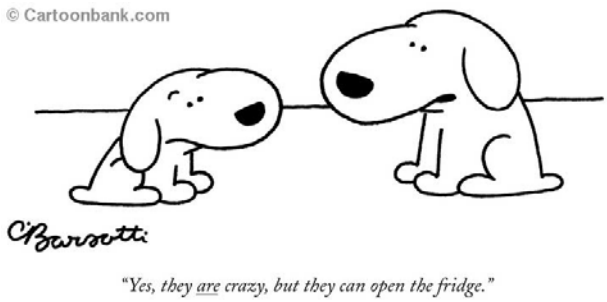

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Considering that Americans spent $35 billion on their pets last year, it seems that many of us, myself included, consider our pets to be part of the family. This goes as far as to the extent of an owner actually including a pet in his estate planning to secure a safe home for it in the event of death or disability. It may sound unusual, but numerous studies have been done on this topic, and it is estimated that between 12 and 27 percent of pet owners include their non-human companions in their wills. If you have been concerned about the care of your animals in the event you are no longer able to care for them yourself, here are some things to consider.

Choose a replacement caretaker

Choose a trustworthy adult who is familiar with your animal and is an experienced pet owner. The two of you should discuss the responsibilities and expectations of caring for your pet ahead of time. These should be updated if the designated caretaker's personal situations change. It is also important that you clearly identify the chosen caretaker in your will. If something should happen to this caretaker, the administrator of your estate can place your animal with another responsible person. Wills can even specify that a new pet caretaker, also referred to as the animal's trustee, can be elected and approved by a majority of the estate beneficiaries.

Provide sufficient monetary support for your pet

You already know there are various costs associated with keeping a pet, including veterinary expenses, food, grooming, housing and other unforeseen expenditures that you may want to provide monetary support for in case of your absence. Costs may run anywhere from $500 annually to into the thousands, so it is important to set aside enough funds to cover such expenses for the duration of your pet's life. Use the annual total of your pet-related expenses

Then, you need to decide if you will provide funds beyond these support costs for the benefit of your caretaker. In other words, will you need to reimburse the caretaker for the inconvenience of taking on the care of your pet? Some owners may feel that bequeathing funds to your pet's new caretaker contingent on continuous appropriate care may persuade them to continue to take exemplary care of your pet.

Do you want to establish a trust for your pet?

Many pet owners are actually establishing legal trust funds for their animals, which according to the American Society of Prevention and Cruelty to Animals, is "a legally sanctioned arrangement providing for the care and maintenance of one or more companion animals in the event of a grantor's disability and/or death." An appointed trustee is given the duty of monitoring the designated caretaker, thereby ensuring that the animal is receiving proper attention as instructed by the previous owner.

Pet owners who set up trusts for their animals do not receive federal tax code benefits because beneficiary designations are limited to a person, trust, estate, partnership, or company. However, more and more states are adopting laws that allow pets to be named as beneficiaries of trusts.

When setting up your trust here are some important things to remember:

- Provide the name and address of a caretaker and trustee (as well as successors for both) for each of your pets. These can be individuals or corporations.
- Determine the funds needed to adequately cover your pet's expenses for the duration of the animal's life. This amount should reflect the type of care you want the pet to receive, but should not reasonably exceed the expected standard of living since some courts have cited over-funding as a reason to overturn a pet trust fund.
- Describe in detail the directions for your pet's care and require that the trustee perform regular inspections on the pet to ensure the desired level of attention is being upheld.

- Determine the amount of property needed to sufficiently cover the costs of administering the pet trust.
- Designate a beneficiary in the event the pet trust funds are not exhausted.

Because trusts are legally enforceable and can contain specific instructions on the type of care you want for your animals, pet owners can rest assured their loyal companions will still be well cared for even after they are gone.

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