



Providing For Pets

This summer, the entertainment world lost one of its most prominent and popular figures: Joan Rivers. When her estate planning documents were unveiled, it became clear that she was a careful planner of her legacy--and also a devoted pet owner. One of the most interesting details of her estate plan was the careful provisions Rivers made for her pets.

Rivers left the bulk of her estate to her daughter Melissa and her grandson Cooper--an estimated \$150 million in total value. The two rescue dogs who shared her New York residence, and two other dogs who lived at her home in California, were beneficiaries of pet trusts, which included an undisclosed amount of money set aside for their ongoing care, and carefully written provisions that described the standard of living that Rivers expected them to receive for the remainder of their lives.

Traditional pet trusts are honored in most U.S. states, as are statutory pet trusts, which are simpler. In a traditional trust, the owner lists the duties and responsibilities of the designated new owner of the pets, while the statutory trusts incorporate basic default provisions that give caregivers broad discretion to use their judgment to care for the animals. Typical provisions include the type of food the animal enjoys, taking the dog for daily walks, plus regular veterinary visits and care if the pet becomes ill or injured. The most important provision in your pet trust, according to the American Society for the Prevention of Cruelty to Animals, is to select a person who loves animals and, ideally, loves your pets.

The trust document will often name a trustee who will oversee the level of care, and a different person will be named as the actual caregiver. In all cases, the trusts terminate upon the death of the last surviving animal beneficiary, and the owner should choose who will receive those residual assets.

Some states have different laws that require different arrangements. Idaho allows for the creation of a purpose trust, and Wisconsin's statute provides for an "honorary trust" arrangement. There are no pet trust provisions on the legal books in Kentucky, Louisiana, Minnesota and Mississippi, but pet owners living there can create a living trust for their pets or put a provision in their will which specifies the care for pets. A popular (and relatively simple) alternative is to set aside an amount of money in the will to go to the selected caregiver, with a request that the money be used on behalf of the pet's ongoing care.

It should be noted that a pet trust is not designed to pass on great amounts of wealth into the total net worth of the animal kingdom. The poster child of an extravagant settlement is Leona Helmsley's bequest of \$12 million to her White Maltese, instantly putting the dog, named "trouble," into the ranks of America's one-percenters. Rather than confer a financial legacy on an animal, the goal should be to ease any financial burdens the successor owner might incur when caring properly for your loved animals for the remainder of their lives, including food and veterinary bills.

How long should you plan for the funding to last? Cats and dogs typically live 10-14 years, but some cats have lived to age 30, and some dogs can survive to see their 24th birthday. Interestingly, estate planners are starting to see some pet trusts extend out for rather lengthy periods of time, as owners buy pets that have longer lifespans. For example, if an elderly person has a Macaw parrot as a companion, the animal could easily outlive several successor owners, with a lifespan of 80-100 years. Horse owners should plan for a life expectancy of 25-30 years, and, since horses tend to be expensive to care for, the trust will almost certainly require greater levels of funding. On the extreme end, if you know anyone who happens to have a cuddly

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Galapagos giant tortoise contentedly roaming their backyard, let them know that their pet trust would need to be set up for an average 190-year lifespan.