



The Forgotten Part of Proper Estate Planning: Who Takes Care of the Pets You Leave Behind?

Estate planning for pets: How to leave money to your pet when you die... Pet Trusts



My wife and I have two dogs. If we die, most likely by their paws, I want to make sure they're taken care of. This is an easy enough sentiment to express, but it's not the easiest thing to actually ensure.

Take, for example, my sister's dog, Ponce de Leon. Ponce de Leon is named that because it's the name of the road where my sister and her husband found him, wandering aimlessly without a collar. The woman at the pound told them that she suspected he was abandoned there after his elderly owner died. That owner's children, not wanting to deal with the dog, picked a random suburban street and let him go.

Cue: "[In The Arms of an Angel](#)" by Sarah McLachlan.

I have no idea if the old person had told her children to take care of the dog, or if this story is actually true. But if it is, Ponce de Leon is one of the lucky dogs who survive the experience. According to the Humane Society, [100,000 to 500,000 pets get sent to shelters every year](#) because their owner passed away. Statistics from the ASPCA currently estimate that [31% of shelter dogs are euthanized](#).

That number is even worse for cats: 41% of shelter cats don't find another home and are put down by the shelter.

Luckily for pet owners everywhere, it's a lot easier than you may think to avoid this fate for your cat or dog. Keep reading to learn how to integrate your pet into your estate plan.

Pet trusts: The best way to leave money to your cat or dog

Let's tackle the best way to leave money to your cat or dog first. They're called "pet trusts," and they're a relatively new addition to the estate planning canon, becoming legal in many states in the '90s.

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A [trust](#) allows you to create specific rules for how a sum of money should be spent after you die. A lot of different kinds of trusts exist, and they can serve a lot of different purposes. While that may sound vague, this is purposeful: trusts are flexible, and with the right planning, you can set them up to do almost anything. (See, for example, the recent flick *Manchester By The Sea*, in which a man sets up a very specific trust for his teenage son's care.) Our [Specific Trust Directives](#) have been uniquely prepared to handle any and all situations for the clients wishes

Pet trusts allow you to set up both a "[trustee](#)" – the person who controls the money – and a caregiver – the person actually taking care of your animal. This creates a sort of check and balance system. If your caregiver isn't taking care of your animal in the way you specified, your [trustee](#) can withhold the money.

You can set up a trust using our [eStatePlan™](#) and have all the fears, worries, and concerns of making sure that Fido or Patches has everything they will need should you leave them behind. Our proprietary process and platform has been developed and refined to get it all done in less than 90 minutes. Our team of network professionals put all your affairs in order in the most efficient and cost effective way ever designed.

Wills: The worst way to leave money to your cat or dog

You can also leave money to your pets in your will – in fact, according to the Humane Society, [27% of wills feature some language about a pet](#). Unfortunately, most people don't put that much thought into it – they'll say that the cats go to Uncle Thomas, for example, but don't leave aside any money or instruction for caregiving. Once the cats are delivered to Uncle Thomas, there's no legal way to ensure the cats are taken care of according to your wishes.

And unlike popular portrayal, wills aren't exactly hard and fast rules. Wills have to go through probate, a legal process that can take up to a year to complete. During the process, your executor needs to figure out how they're going to pay your estate taxes and any debts you leave behind. So even if you do have the prudence to put aside a sum of money for your pets, the executor of your will could decide to use that money to pay off a debt instead of taking money away from your children's inheritance.

How to fund your pet trust

Your pet trust is worthless unless you have a pot of money to give to your trustee. First step: decide how much money you actually need to put aside for your pet.

Let's use my dogs as an example. My wife and I spend around \$200-\$250 per month on food and other day-to-day items. Assuming they have another [10 years to live](#), we'd need to put \$30,000 aside in a trust to cover their living expenses. That doesn't leave any wiggle room for a potential medical emergency down the line, which we'd probably also want to budget a fund for, but let's stick with \$36,000 for now.

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\$36,000 is not chump change. My wife and I can't just put that aside in a safety deposit box and hand the keys to a trust, and I would guess that most families are the same.

Here's a better way: set up your [life insurance policy](#) to pay out to your pet trust as a beneficiary. Why is this so much better? For starters, no existing assets will be tied up in your trust. Instead, your trust is only funded in the event that you die prematurely. Plus, you already need a life insurance policy – using it to fund your pet trust is an efficient use of your estate planning time, energy, and cash.

Most life insurance policies allow you to set [multiple beneficiaries](#), specifying exactly how much you want to go to each. If you already have a life insurance policy, you can ask your insurer to change the beneficiary of your policy to your trust or add the trust as one of multiple beneficiaries.

If you don't want to split up your existing life insurance policy, you could also buy a new policy. While most life insurance companies won't let you take out a policy for a sum as low as \$36,000, some will. You could also decide to leave more money for the care of your pet, or specify a certain amount to go the caregiver as "income" for the job.

Many [term life insurance agents](#) are also experts in estate planning, and may be able to help you decide exactly which strategy to pick. You can also talk to [your lawyer](#) when [setting up the trust](#) for their advice.

What's your backup plan?

How are you going to ensure your pet is well taken care of in the event that you die prematurely? We want to know how you're setting up your estate plan for your pet. [Give us a shout](#) and contact us today to learn more on how we assist animal lovers everywhere.



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