



## Loyal Canine Yacht Club

### Quick Reference Guide To Long-Term Planning For Pets

*Specific written provisions are needed in the form of a “Will” or a “Trust” designed to protect your pet(s) upon your disability and/or death. You must decide and record your wishes for the future, housing, love and care of your pet(s). Plan now before it is too late!*

- Disability Planning:

Merely creating a “Will” does nothing to protect you or your pet(s) in the event of disability. Specific written instructions beyond a Will are needed for the care and maintenance of your pet(s).

- Power of Attorney (POA) Forms:

A POA is a written document which authorizes someone (the agent) to act in a wide range of legal and business matters for yourself. POA forms that should be included in your plans for your pet(s) include:

- (1) Financial POA - It is important to include your pet(s) in your durable financial power of attorney in order to authorize payments for their care
- (2) Veterinary Care POA - You may also want to consider a POA for veterinary care - this POA will name your agent or caregiver and give them authorization to direct the veterinarian for any care needed

- Outright Gift of Pet By Will:

You name a specific person or institution in your Will or other written instructions that you wish to gift your pet to along with specific instructions for care and the amount of funds you want to leave for their care;

- This is the least expensive way to care for your pet;
- There is no protection for your pet and no guarantee of special care;
- Increased likelihood the instructions for the ongoing care of your pet will not be carried out with your wishes and desires;
- Increased chance of any funds left to be misused.

There are certain drawbacks to using a Will alone for planning:

- Wills are only effective at death - any instructions to provide for pets will only take affect after you die
- Wills guarantee probate which may prolong the immediate care needs of your pet
- Wills by themselves are ineffective planning tools - ownership of assets and/or instructions regarding the use of your funds are usually not consistent with the instructions contained in the Will
- A pet cannot be named as the beneficiary of your Will in most states

- Traditional Trust Planning

Trusts are a system of checks & balances to give protection to yourself and your pets for proper care with a named beneficiary and trustee. Your pet(s), however, cannot be named as the beneficiary of a traditional trust. Revocable Living Trusts control your assets while you are alive and well, and include instructions for disability, and then set forth your distribution desires for

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your assets and pet(s) at the end of your life. Note, Even if you have a Living Trust you still need a Will to transfer assets held in individual names to the trust in the probate process.

- “Pet Trusts”

Pet Trusts are now recognized in all 50 states - FL recognizes this trust arrangement under state statute 737.116. Even though pet trusts are recognized by the state, the IRS does not recognize this type of trust so the income from the trust would be taxable and the amount of money given to fund the trust would be included in your taxable estate.

The Trust Agreement would create a separate entity naming your pet(s) as beneficiaries giving others empowerment to care for the pet. The Trust will help you to create of a team of partners who will assist you in making sure your plans are successful. The duration of the trust should not be linked to the life of your pet(s), rather the duration needs to be measured in human years.

Named Trust partners include:

- Trustee - an individual, team of individuals or an institution who will oversee and manage the trust's assets. This Trustee will also oversee the named caregiver to make sure he/she is following your written instructions for the love and care of your pet(s). Your named Trustee should be someone who is familiar with your pet(s) and pet care procedures. It is beneficial to name an individual or institution who specializes in pet care - consider using a “Professional Trustee” of a “Charitable Trustee”. Specific instructions to Trustee(s) should include:
  - Specific instructions for the use of the funds in the Trust bank account
  - Caregiver compensation (if any)
  - Specific instructions for the feeding and care of your pet(s) if not already included in or you do not have “Pet Care Paperwork” filled out
  - Death of your pet(s) - your wishes for disposal of the remains of your pet and how you wish to memorialize your pet(s)
  - Example: I want my pet to be cremated, his/her ashes spread in the ocean and a \$ donation to be given in his/her name to the following charity...
- Remainder beneficiary(s) should be named who would receive all or a portion of the remaining funds in the Trust account after the death of your last pet. We all love our pets so naming a 501©(3) charitable non-profit organization who specializes in rescuing and caring for pets is a lovely way to memorialize your pet.
- An “Animal Care Panel” can be created naming as many individuals and/or organizations as you wish who would all assist in making decisions for the future care of your pet(s). This would be extremely beneficial in the event of multiple types of pets (i.e. dogs, cats, horses, farm animals, etc).

*Note: This reference guide is intended to serve as a reference tool, not as a legal guide. The guide is designed to provide a basic overview of estate planning for your pets. It is not intended to provide legal, tax, investment or other professional advice, and it may not be relied upon for such advice. For assistance in specific cases, obtain the services of a competent attorney specializing in animal care or other professional advisor.*