



THE WOODWARD BUILDING
1927 FIRST AVENUE NORTH, SUITE 101
BIRMINGHAM, AL 35203

Jackson M. Payne
DIRECT DIAL: 205-986-5037
DIRECT FAX: 205-986-5057
EMAIL: jpayne@lsppc.com

TO: OUR CLIENTS AND FRIENDS

FROM: JACKSON M. PAYNE

DATE: AUGUST 15, 2021

RE: FINANCIAL STRATEGIES FOR YOUR LIVES AND BUSINESSES

PLANNING FOR THE CARE OF YOUR PETS

Many people have never thought about what would happen to their pet if they died or became unable to care for themselves and, in turn, their pet. They often assume one of their adult children will take responsibility for the pet, which can be unexpected news to many of those children when the need arises. People who have thought about the issue often believe addressing it in their last will and testament will solve the problem.

Both approaches leave your beloved pet at the mercy of family members who may be struggling to find appropriate care for you or grieving your loss, and those family members may look at caring for your pet as an added burden. Your family members may also be unable to care for your pet due to cost, inadequate living arrangements, a lack of stability, or simply distance.

Picking a Caregiver

The first step in ensuring your pet is cared for is to develop a written plan and pick an appropriate caregiver. That person should be able and willing to take your pet if you are unable to provide care.

When choosing a pet caregiver, consider the kind of pet you have and its needs. Assuming that your adult child or neighbor will care for your pets can lead to unhappy pets and even disasters. For example, border collies need space to run and a caregiver who can play with them every day. An adult child in a small apartment often would be able to meet those needs without major effort.

Finding a forever home for your beloved pet can be difficult. If you are unable to find someone willing and able to care for your pet, you may have to look to your veterinarian or rescues for certain types of pets. Often, dog rescues can help place specific breeds.

Write it Down

Once you have found an appropriate and willing caregiver, put that designation in writing. This is a separate writing kept with your estate planning documents. It should include the following:

- ◆ The name and contact information of the caregiver and alternate caregiver;
- ◆ The name and type of pet going to the caregiver; and
- ◆ Because pets are treated like property, explicit permission for the caregiver to take possession of the pet, even if you are alive.

Rescues, zoos, and sanctuaries often require specific paperwork or language in your caregiver designations. Be sure to include this language and to keep all the necessary paperwork with your estate planning documents. You should also include a provision in your durable power of attorney allowing your agent to give your pet to the pet caregiver during your lifetime if you become unable to do so yourself.

Next determine how much it will cost to provide care for your pet once it has gone to live with the caregiver you have chosen. Calculate the cost of yearly veterinary services; food, including any special dietary needs; and housing. Multiply this by your pet's life expectancy. Add the costs of transportation, if needed, and final disposition of your pet, such as euthanization and cremation.

If you need help determining these costs, the American Pet Products Association has national averages for typical pets available on its website. For example, in 2019-2020, the average cost of a typical dog in the United States was about \$1,400 a year or \$14,000 for a dog with a 10-year life expectancy.

You will probably need to do more research to calculate the cost of an exotic or specialized pet. Rescue organizations, zoos, and sanctuaries may have a set or minimum fee you will need to set aside as part of their caregiving arrangements. The organization will provide you with the amount required as part of your planning process.

A Pet Trust?

Finally, you will need to create financial arrangements to support your pet, which are typically based on the caregiving arrangements you make. If you are using a rescue organization, zoo, or sanctuary, you may be required to provide a donation in a specific amount directly to the organization. If, on the other hand, your adult daughter is willing to take your dog, you may choose to give her a lump sum equal to the cost of caring for your pooch.

However, using a pet trust will ensure that the money you set aside for your pet is actually used for your pet's care.

A pet trust is a legal arrangement set up in a will or a separate trust document. It allocates certain assets to be used to provide care for your pets for their lifetime. A trustee administers the trust based on the requirements you have put in the trust.

While pet trust laws used to require that the trust beneficiary be a human, all states now allow a pet to be the beneficiary. Adding a provision in your durable power of attorney to allow your agent to create and fund a pet trust in the event you are unable to do so creates additional protection for your pet.

Finally, once you have written your pet caregiving arrangements, be sure to tell your family, close friends, and veterinarian about your plan. No matter how good that plan is, if no one knows about it, no one can execute it.

Provide a copy of your pet caregiver designation to the caregiver and your veterinarian. Give your family the contact information for your pet caregiver and any instructions on how to get your pet to the caregiver in an emergency. And send your family and pet caregiver instructions on how to care for your pet and, if it's not already covered in the documents you have provided, information on who will be in charge of the funds to support your pet.

PLEASE VISIT OUR WEBSITE AT LSPPC.COM
The Alabama State Bar requires the following disclosure:
No representation is made that the quality of legal services
to be performed is greater than the quality of
legal services performed by other lawyers.

IRS Circular 230 Disclosure: To the extent this message contains tax advice, the U.S. Treasury Department requires me to inform you that any such advice, whether in the body of the message or in any attachment, is not intended or written by my firm to be used, and cannot be used by any taxpayer, for the purpose of avoiding any penalties that may be imposed under the Internal Revenue Code. Advice from my firm relating to tax matters may not be used in promoting, marketing or recommending any entity, investment plan or arrangement to any taxpayer.