

Pet lovers like Helmsley plan ahead: In dog we trust

Say this for Leona Helmsley: She loved her dog. Some of her grandchildren? Not so much.

The imperious hotel magnate, who died last month, left \$12 million to her white Maltese, Trouble, ensuring that Trouble will continue to enjoy a lifestyle other dogs can only dream of.

Two of her grandchildren, meanwhile, got nothing. The two others got \$10 million each, though their inheritance will be cut in half if they fail to visit their father's grave once a year.



By Sandra Block

If there's an upside to this dysfunctional saga, it's this: Helmsley's excessive bequest has focused attention on the importance of including your pets in your estate plans.

Thousands of pets end up in shelters every year because their owners died without making arrangements for their care, says Kim Bressant-Kibwe,

trust and estates counsel for the American Society for the Prevention of Cruelty to Animals.

Animal shelters are "already overburdened as it is," she says. "To the extent that people plan ahead, it helps us, too."

One increasingly popular strategy is to set up a pet trust. A pet trust allows you to designate a specific amount of money for your pet's care and name a trustee to carry out your wishes.

Currently, 38 states and the District of Columbia have enacted laws that let residents set up "statutory pet trusts," which are less expensive than traditional legal trusts (see box). In states that allow statutory pet trusts, you can create one by adding a few lines to your will, instead of setting up a separate trust. You can set up a statutory pet trust for as little as \$100, in addition to the cost of your will, says Greg Daugherty, executive editor of *Consumer Reports*.

If you plan to set up a pet trust, talk to an estate-planning attorney. Ideally, look for one who has handled estate planning for pets. Some factors to consider:

► **Who will manage the trust.** Most pet trusts designate both a trustee to manage the money and a caretaker to handle the day-to-day care of the pet. You can name the same person as the caretaker and trustee, but that's usually not preferable, Bressant-Kibwe says. Naming two individuals, she says, creates a system of checks and balances. "The trustee can make sure the caregiver is doing what he's supposed to do."

You should also name a backup caregiver in case the primary caregiver is unable to care for your pet.

► **How you want the money to be spent.** With a



2003 photo by Jennifer Graylock, AP

\$12 million: That's what Helmsley left Trouble.

States that allow simple pet trusts

These states allow statutory pet trusts, which are less expensive than traditional trusts:

State	Year enacted	State	Year enacted
Alabama	2006	New Hampshire	2004
Alaska	1996	New Jersey	2001
Arizona	1995	New Mexico	1995
Arkansas	2005	New York	1996
California	1991	North Carolina	2005
Colorado	1995	North Dakota	2007
District of Columbia	2003	Ohio	2006
Florida	2002	Oregon	2005
Hawaii	2005	Pennsylvania	2006
Idaho	2005	Rhode Island	2005
Illinois	2005	South Carolina	2005
Indiana	2005	South Dakota	2006
Iowa	2000	Tennessee	2004
Kansas	2003	Texas	2005
Maine	2006	Utah	1998
Michigan	2000	Virginia	2006
Missouri	2004	Washington	2001
Montana	1993	Wisconsin	1969
Nebraska	2005	Wyoming	2003
Nevada	2001		

Source: American Society for the Prevention of Cruelty to Animals

trust, you can specify your pet's favorite foods, how often the pet should be taken to the vet, even where your pet should be buried, says Lacie O'Daire, an attorney with Walter & Haverfield in Cleveland who has drawn up pet trusts.

► **What to do with unused funds when the pet dies.** Some trusts direct that leftover money goes to the caretaker, which is a nice way to reward the person who's cared for your pet. But it also gives the caregiver an incentive to skimp on your pet's care in the meantime. You can avoid conflicts by arranging for any unused money to go to charity, Bressant-Kibwe says.

► **How to fund the trust.** If the pet trust is part of your will, you can set aside money from your estate to cover the costs. Another alternative is to buy a life insurance policy and name the trustee as the beneficiary.

O'Daire, who, along with her husband, owns two dogs, three cats and a horse, is using a life insurance policy to fund her pet trust.

Other arrangements

If you can't afford a trust, you can still take steps to make sure your pets are cared for if you die or become incapacitated.

One option: Include a bequest in your will, leaving your pet, and money to cover its care, to a trusted friend or family member. Keep in mind, though, that this doesn't offer the legal protection of a trust.

Alternatively, if a friend or relative has agreed to care for your pet, you could set up a separate bank account to cover expenses and name the caretaker as the beneficiary, Bressant-Kibwe says.

Many pet owners assume that a family member will step in and adopt their pets if they're no longer around. But that's not always the case. Maggie, now one of O'Daire's cats, spent 10 months in a shelter after her owner went into a nursing home. The woman had children, but none of them wanted the cat.

When O'Daire first approached Maggie at the shelter, the cat didn't want to have anything to do with her. "She was so devastated in the shelter," O'Daire says.

"No one wanted to adopt her."

Within hours of leaving the shelter, though, "She was on my lap," O'Daire says. "She's a beautiful, wonderful cat."

Maggie's story ends happily, but her experience points up the importance of estate planning for pets.

"You always know someone will take care of your kids," O'Daire says, "but you don't know that someone will take care of your cats."



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