



TRUST

INVESTMENT PERSPECTIVES

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Pets Welcome

You can't leave money to pets, but you can assure your pets are well cared for after you die.

The American Pet Products Association began keeping statistics on pet ownership in the United States in 1988. In that year, 56% of households owned a pet. The most recent survey conducted by the organization revealed that pet ownership has increased to 65% of American households. As the number of households owning one or more pet increases, so too does spending on those domestic animals. In 2015, it was estimated that total US annual spending on pets reached \$60 billion. Today, while the law continues to see pets as property, to most American pet owners, pets are members of the family.

Odds are good that you, gentle reader, own at least one pet, and that you, like the majority of American pet owners, consider your pet a family member. We all know the importance of estate planning to protect our families and our assets. Why then do attorneys and pet owners fail to consider family pets in the plan?

Maybe it is because we expect to live longer than our pets, and we rationalize that even if something does happen to us, there will be a friend or family member who will step in to care for Fido or Fluffy. Unfortunately, life does not always unfold the way it is supposed to and informal arrangements may not work out as planned. At Trust Company of Oklahoma, we have seen just these situations with pets after the death of a client, and we have struggled with questions about how best to provide for the care and welfare of the pet as our client would have wished.

Communication is Key

If informal arrangements are not always reliable, what steps should an Oklahoma pet owner take to protect the welfare of his or her pets in case of death or incapacity? As with most things, communication is key. Let your estate planning attorney know about your pets and discuss available planning options. Forty-nine states, including Oklahoma, now recognize pet trusts in one form or another. Consider that leaving instructions for the care of your pet in some form of trust may be preferable to leaving provisions for your pet in your will. Trusts have certain advantages over wills in that they take effect immediately at your death and may contain provisions for your pet's care should you become incapacitated. If you already have a revocable trust in place, providing for your

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pet’s care can be as simple as adding additional language to that already established trust. Regardless of the type of document ultimately selected to set out your wishes for your pet’s care and welfare, there are a few important points to be addressed. First, although it may seem obvious, be sure that your plan will protect not only your current pets but also any you may own in the future. Second, identify who will serve as the caretaker for your pet and discuss your decision with the person to be sure that he or she is able and willing to take on that responsibility.

Third, determine whether or not you will leave funds specifically designated for the care of your pet. While there is no right answer or magic amount in making this decision, most agree that making funds available for the care of the pet is recommended. Let factors such as the number and type of pets and level of expected care guide you in decisions as to funding.

If your identified caretaker does not live in your area, leaving funds to cover the cost of getting your pet to its new home is always recommended. And finally, if you decide to use a form of trust, identify the individuals or organizations to receive any remaining funds at the death of all covered pets.

If you would like more information on estate planning options for your pets, or if you have already named us in your documents and would like to discuss how your pets will be cared for at your death or incapacity, we look forward to the opportunity to talk with you. 📞