



Cherished Ones

Expert's Corner: Volume 3, "Including Beloved Pets in the Estate Planning Process"

Interviewer: Remy Bibaud

Expert: Peggy Hoyt

REMY: Good morning. This is Remy Bibaud of Cherished Ones, makers of Pet Perennials, having a conversation with Peggy Hoyt of The Law Offices of Hoyt and Bryan. I met Peggy in New Orleans at the Pet Loss Professionals Association conference. And we're here today to talk about estate planning and including our precious pets in that process. So without further ado I would like to get started and let Peggy talk about what she does. Can you tell me, Peggy, how long you have been practicing law?

PEGGY: Hi Remy! Thanks for having me today. I have been practicing law now for about 20 years and I have always been a huge pet fan and pet advocate. And pet parent- I have 13 pets of my own: 3 horses, 7 dogs, and 2 cats. And so- in the field of estate planning, it occurred to me that there were probably people out there who, much like myself, had only pets as children. But then again, people who love their pets as much as they love their children. So- it would be important to plan for their pets much like they would plan for another loved family member.

REMY: Absolutely Peggy, and I'm one of them. And I have experienced, unfortunately, the loss of my own pet, but these are things that I want to keep in mind as I move forward in adding other pets into my life. So then, do you have a practice that focuses specifically on estate planning for pets or is that part of your planning with regular planning for estates?

PEGGY: It is part of the overall planning process for me, so sometimes when I'm asked "how many of your clients do planning for their pets", my answer is 100% because if you have a pet, we are including those pets in part of your plan. Now some of my clients will do things as simple as just making sure that we say who is to be responsible for the pet if something were to happen to them. But some of my clients are also going to want to do what we call a pet trust. That would be a trust created for the lifetime care of your pet. Now this would make sense if you had a young pet, if you had a number of pets, or if you had particularly long living pets. Now like myself, with horses, or- I met with some friends over the weekend and they have tortoises. The tortoises are 60 and 70 years old and that is still considered young in the life of a tortoise.

REMY: I would think that estate planning is something that people who are more elderly would be into, but I think there is a lot of estate planning done for people even in my age range that do have children

or do have pets. Now is there ever a time that is considered too soon or when it is recommended that people engage with somebody like you?

PEGGY: I don't think it's ever too soon to do planning. The reason is that we never know when we are going to become disabled or die. So- if we love our pets like we love our children, then we have a responsibility to make sure that if something happens to us, there is a plan for what will happen to them. The solution is not to assume that somebody's going to take on your pet responsibilities. Or- worse possible case- you don't want what happened to one of my clients where her children just simply let the dogs out the back door. That was their solution. I have to imagine she would have been devastated by that result.

REMY: Absolutely. And you can never quite be sure what somebody is going to do once you're not here to see that.

PEGGY: Absolutely. And even people who tell you they're going to take care of your pets may not even be able or willing to carry out that promise. So I think it makes a lot of sense to not only have a first choice which might be a family member or spouse, but then to have some back up choices. And- if you are going to rely on those back up choices, making sure there's a source of funds to be able to provide for the lifetime care of that pet.

REMY: Ok. So when you say back up choices, is that be another family member? What have you seen? So for those of us that love pets and maybe have people close to use that don't want to inherit our pets, what other options do we have?

PEGGY: Could be a family member. Could be a friend. Could be a perpetual care type organization. And more and more of these are becoming popular because people are doing a better job of planning for their pets. Here in Orlando where I live, I have worked with the local humane society, The Pet Alliance of Greater Orlando, to create a program called The Positive Care Program to make sure that pets are taken care of for the rest of their lifetime.

REMY: Perpetual care. I think that is probably something, as you said, that is a newer concept, but is certainly a growing concept. A much needed concept. As more and more people treat their pets like their children. In the planning process, if somebody were to just start to think about plans for their pets, what are some of the documents that might be needed or that one would include in their estate planning or would they visit with someone like you to assist them?

PEGGY: Planning for your pets can come in a lot of varieties. It can be something as simple as planning what would happen in the event of a natural disaster, what might happen in the event of your mental disability. This is where either a living trust or a financial, durable power of attorney with pet planning provisions are included. Then ultimately, planning for what would happen if you were to predecease your pet, so either a will or trust would be appropriate in that regard. So any kind of a comprehensive estate planning process is going to look at all of those particular possibilities.

REMY: Right. And with someone like you- an attorney who does estate planning- you get it all done in one place, right? You are preparing for your physical estate, your financial estate, as well as your pet all in one place. So it is nice and convenient.

PEGGY: Well- unfortunately Remy, pets are still considered, under the law, to be property- tangible property. So if we don't make a plan for the pet, the laws really are not well written and really don't take into consideration the love and care that we have provided for our pets. It really is important, if we do care about our pets, to make sure that we put those plans in place.

REMY: Right. And you would think- ok well there are humane societies and shelters and things, but that is sort of a last resort of where you would want to find your pet if who you thought was going to care for your pet is not going to provide that. There is plenty of overcrowding now in our shelters. And even more reason to think ahead.

PEGGY: Definitely. We don't want our pets living in a shelter environment, so it is important that the shelters that do have these programs, have programs where the pets are actually placed in loving homes. Some people say to me, "well- you know I'm probably going to outlive my pet". And the reality is- that's probably true. But if you are a true pet lover like I am, you're probably going to get another pet. And so there is a high probability if you are a real pet lover that you might have a pet at the end of your lifetime. So I think it only makes sense to have a plan in place. Know what is going to happen so that you don't have that uncertainty. We still euthanize in this country, somewhere between 3 to 4 million pets annually and a huge number of those are because people didn't take the time to make sure that their pets were planned for.

REMY: Yes- I personally know a handful of friends that have inherited, not by virtue of family inheritance of pets, but who knew someone who passed and there was a dog or cat, and it just so happened that these friends liked animals and offered to take it. But- that's not always going to happen, and it's not ideal. Now somebody who may think "oh gosh, it's another thing to have as an expense" or whatever, what are some of the things that one needs to think about or calculate in terms of funds to have available for the future if something like this needs to occur.

PEGGY: So it is really important that we give some serious consideration to- what does it cost to care for my pet? How much should we leave? I usually counsel people to creating a formula that would overfund the amount we might need for pets. So look into our retirement plans, our life insurance as a way of funding the long term care of our pets. I think that's an important thing to do. And also- in terms of who might get the remaining resources after the pets have passed away, charities are always a good choice for that purpose.

REMY: You took the words right out of my mouth. I was going to ask that question. What if there's excess funds? You know you can name what you want to be done with those excess funds.

PEGGY: Absolutely. And you don't want to set up the situation where you might have a family member who might wish your pet ill will because they are the remainder beneficiary. It is better to have that

feeling that maybe those funds are going to care for future generations of pets or help out a shelter type organization.

REMY: Right. That sounds like a really great idea. And I think earlier, we were talking about the estate planning that you do for your clients normally, and that a large percentage of them- maybe 100% you said- actually do estate planning for their pets too if they are pet owners.

PEGGY: Absolutely. And sometimes, people are like “why did you ask me this question about my pets?” And the reality is- well that’s our family too, so we have to make sure that we have a plan.

REMY: Great! Is there anything else that you would like our listening audience, our clients, to understand about estate planning or anything related to our beloved little pets?

PEGGY: Well- if you have more questions, you can visit my website legacyforyourpet.com, or I have a book called *All My Children Wear Fur Coats: How to Leave a Legacy for Your Pet*. It’s available through my website or through Amazon.

REMY: Alright. Well thank you so much Peggy for your time! I got to do this right here in sunny Orlando after a long cold winter in Pittsburgh, so even better to do it in person! And I am so grateful. We’ll have you here in our spring edition of the Expert’s Corner. Until the next time- thank you and have a great day!