

SUNDAY BUSINESS

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SPECIAL REPORT

Tough times can mean there's more need than money. As the holiday giving season gets into full swing, Shelly Banjo shows you don't have to cut back on your charitable giving, just be smarter how you do it.

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Legal trusts care for pets after owner's death



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Nancy King, 67, set up a way to care for dachshunds Buzz, pictured, and Hilda with food, shelter and veterinarian treatment.

Buzz and Hilda love to ramble around their Elk Grove home, taking naps or chasing after their chew toys by day, curling up in the family room recliner at night.

Nancy King, their devoted owner, doesn't want that routine to change much once she's gone. So King, a librarian for the California Energy Commission, set up a pet trust, which spells out exactly how and where her dachshund duo will be cared for, if they outlive her.

King, 67, wanted to ensure that her pets have "as

Personal Finance CLAUDIA BUCK



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little disruption as possible" once she can no longer care for them.

With an estimated 71.4 million U.S. households home to at least one bird, fish, reptile, cat, dog or

bunny, pets are definitely our beloved companions in life. But what happens to them after we're gone?

Some wind up in animal shelters, some are put to sleep. Others are farmed out to willing family or friends.

But to ensure there's no uncertainty, it appears more Americans are specifying exactly what happens to Fido and Fluffy when they're gone. That arrangement can be as casual as a friendly agreement with a grown child, a sibling or friend, or as concrete as a legally drafted trust.

"It's definitely a trend and it's caught on because people understandably value their animals and want to make sure their pets are looked after," said Mary Randolph, publisher of Berkeley-based Nolo publishing and author of "Every Dog's Legal Guide: A Must-Have Book for Your Owner."

In California, pet trusts - which are part of estate planning documents and typically drafted by an attorney - were made legally enforceable by legislation signed by Gov. Arnold

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Buck: Organizations can ensure pet care

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Schwarzenegger in 2008. Some 43 states and the District of Columbia now have statutory pet trust laws on their books, according to attorney Dan Meeks, who runs a Florida website, www.pettrustlawblog.com.

He said there's been increased interest in pet trusts over the last couple of years, partly due to several "outlandish" pet-care cases, such as the \$12 million trust fund left by real estate mogul Leona Helmsley to care for her Maltese poodle (later reduced to \$2 million in court). Or Florida heiress Gail Posner, who died in March, leaving her \$8.3 million Miami mansion and more than \$3 million for the care of Conchita, her pampered Chihuahua, and two other dogs.

In Elk Grove, librarian King doesn't have anything quite so posh in mind for her beloved pooches. At her death, Buzz, a 15-year-old "senior citizen" and Hilda, an 8-year-old "doodle-wawa" (a dachshund-Chihuahua mix), will be adopted by a volunteer chosen by the Sacramento Society for the Prevention of Cruelty to Animals (SPCA). Her pet trust specifies organic food and regular teeth cleaning every eight weeks for both dogs. King, who is setting aside about \$150 a month to cover the dogs' food and vet bills, also gave the SPCA her recipe for home-cooked organic pet food.

How to prepare for your pets' lives after you're gone? Here are some choices:

The easy route

The simplest and least costly way is an informal arrangement, asking a trusted friend, neighbor or family member to assume care of your pet should something happen to you.

"Make sure the person is willing and able to take your animal, both financially and (life) circumstances," said Nolo's Randolph.

And since the average dog or cat costs an estimated \$1,000 a year in food and vet bills, it's a good idea to provide some financial help, ideally in either a will or a trust. (For more of Randolph's tips, look under "Pet Law" at nolo.com.)

For those who don't have

ONE PETS: BY THE NUMBERS

From lizards to labradors, pets prevail in American homes. Here are some recent stats:

- 82% U.S. households that own a pet (71.4 million homes)
- 33% Households with at least one dog
- 33% Households with at least one cat

TYPES OF U.S. PETS

- Dogs: 15 million
- Cats: 13.6 million
- Birds: 7.6 million
- Exotics: 12.2 million
- Fish: 12.1 million
- Reptiles: 13.6 million
- Small mammals: 16 million

AVG. ANNUAL COSTS OF DOGS/CATS

- Dogs: \$229/\$203
- Cats: \$173/\$155
- Exotics: \$225/\$200
- Reptiles: \$175
- Birds: \$66/\$22
- Fish: \$64/\$37
- Furys: \$40/\$19

Source: American Pet Products Association; 2009-10 survey of U.S. pet owners

a specific person in mind as their pet caretaker, many animal shelters and organizations like SPCA have "guardian care" programs.

"Some people simply ask that we find a good, permanent adoptive home for their animal after they're gone," said Steve Potter, development director for the Sacramento SPCA. "Some are more specific, like Fluffy doesn't go to a home with children or to a home with other pets."

Pet trusts

If you want more assurance and supervision over Fluffy's long-term care, consider a pet trust, which names a trustee to ensure your wishes are carried out.

Sacramento estate planning attorney Mark Drobny has done more than 100 pet trusts of all kinds for clients over the years, including:

The Wilton couple with no kids and seven mules, whose trust names a caretaker to live on their ranch

for the mules' natural lives, which can be 40 years or more. Or the reptile lover, who arrived for an attorney visit with a snake draped around her neck and two more in a carrying case. (Her pet trust places a caretaker in her home until the reptiles' demise; the remaining estate will be donated toward an SPCA adoption center for turtles, iguanas and other reptiles.)

A pet trust can cost from \$750 to \$2,500, depending on whether it's part of a new living trust or added to an existing estate plan.

Other options

More elaborate choices are available. The TLC for Pets Program at the University of California, Davis, School of Veterinary Medicine, for instance, allows dog and cat owners to provide for their pet's lifetime care, including an adoptive home and veterinary care, including surgeries.

That TLC is not cheap. For dogs, the tax-deductible UCD gift is \$50,000; for cats, it's \$30,000. There's also a \$1,500 enrollment fee that covers an initial in-home visit to meet the pet, assess its health and home environment. (The program, launched in 2006, originally included horses, but equines were dropped due to cost issues.)

Celeste Borelli, TLC coordinator, said the price sounds steep but noted that surgical bills and cancer treatments can be costly for aging pets. At the end of the pet's life, any unused funds remain in the TLC program, part of UCD's Center for Companion Animal Health.

Borelli said 12 families with 28 animals are currently enrolled.

Regardless of what route you take, having a pet-care plan eliminates any lingering worries about what will happen once you're gone.

"After I signed the paperwork, I just had so much peace of mind, knowing my guys will be well cared for," said Elk Grove's King, while her short-legged companions jostled for room on her lap. Or as she joked, "If Leona Helmsley could do it, why not me, too?"

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