

## HOME SWEET HOME, FOREVER: IS AN ANIMAL CARE PANEL THE BEST LIFETIME CARE OPTION FOR YOUR PETS?

"After I die—and that could happen tomorrow or 20 years from now—I want my animals cared for all together and in my home. Is it possible?"

This was the question posed by a client of the Law Offices of Hoyt & Bryan, LLC in Oviedo, Florida. The pet owner was a single woman in her late 50's. She owned her own home and had no children (aside from five dogs and ten cats).

As it turned out, the answer was yes. Peggy Hoyt, an advisory board member for 2nd Chance 4 Pets, a principal at Hoyt & Bryan, LLC, author of *All My Children Wear Fur Coats—How to Leave a Legacy for Your Pet* and a pet lover herself, worked closely with the client to create the necessary legal documents and draft careful instructions for the as-yet-unnamed caregiver. Together, they assembled an Animal Care Panel™ consisting of the pet owner's veterinarian and a few close friends. This panel would be responsible for selecting the live-in caregiver once the need arose. They would also be accountable for ensuring that the pets receive regular veterinary care.

Responsible pet owners across the country are eager for information on how best to ensure quality care for their companion animals when they die or become disabled. 2nd Chance 4 Pets asked Peggy Hoyt to provide additional details on the special arrangement she crafted for her client.

### **Q: How is a live-in caregiver selected?**

A: The Animal Care Panel identifies candidates through advertising in the newspaper, word of mouth, veterinarian recommendations or other means. The panel interviews these candidates and selects a person to live in the home and care for the client's pets. If the caregiver does not work out, the panel will remove that person and hire someone else.



Peggy Hoyt and Leiden

### **Q: What safeguards are in place to ensure quality of care?**

A: The legal document requires periodic reporting to the Animal Care Panel. Additionally, the panel has the right to inspect the home to ensure that the animals are properly cared for. In the event of an emergency, the Animal Care Panel could also be consulted to make extraordinary care or euthanasia decisions.

### **Q: Does the mortgage on the home have to be fully paid off for this plan to work?**

A: The home does not need to be paid off, but sufficient resources must be available when the pet owner dies to continue the mortgage installments or pay off the balance. Generally, these assets will be managed by a trustee to ensure that they are invested prudently and that all bills are paid in a timely manner.

The following are a few considerations to discuss with your attorney when making these arrangements: (1) should the pet owner provide compensation for the live-in caregiver (the value of rent is less than the value of the care services) or will they pay for the privilege of living in the home (the value of rent is greater than the value of the care services); (2) what, if any, expenses relating

to the pets are the responsibility of the caregiver; and (3) what amount of assets is realistic to provide ongoing care for the remainder of the pets' lives.

### **Q: What else should people consider in setting up a plan like this?**

A: In addition to the Animal Care Panel, the pet owner may wish to separate the functions of animal care from asset care by designating a trustee other than the person(s) who oversees the care of or actually cares for the pets. Separating these functions helps avoid any potential conflict of interest. In general, the individual who will provide the care for the pets may not be a person known to the pet owner and would therefore not be a proper choice to manage the assets. The pet owner should select a trustee that is a friend, family member, professional (such as a certified public accountant or attorney) or corporate trustee.

### **Q: Does the trust maker need to leave money to cover the trustee's costs as well?**

A: Yes. If people don't have independent resources, the best way for them to create that wealth is through the purchase of a life insurance policy that names the trust as the primary beneficiary. Life insurance is an inexpensive way to create an estate for the benefit of the pet owner's pets. Of course, this option may not be an option if an individual waits too long or is uninsurable.

### **Q: How often should the estate plan be reviewed?**

A: Any estate plan, especially one that is designed to provide for pets, should be revisited on a regular basis (annually is a good idea). On average, people in this country update their estate plans every 19.6 years, but a person's whole composition of pets will almost certainly change in that time period. The most important aspect of reviewing an estate plan regularly is to ensure that it is relevant at the time it is needed. An out-of-date plan won't serve the best interests of the pets.

**Q: How may people obtain more information on this method for ensuring lifetime care for their companion animals?**

A: Because laws differ from state to state, we recommend that pet owners discuss pet trusts—and the processes involved in setting up an Animal Care Panel—with an attorney licensed in their state. This is essential to ensure that the plan is legal, and that it includes necessary safeguards for trustees, beneficiaries, and caregivers. Pet owners can locate an attorney in their area by visiting [www.nnepa.com](http://www.nnepa.com), [www.wealthcounsel.com](http://www.wealthcounsel.com), or they can contact Peggy Hoyt at [peggy@HoytBryan.com](mailto:peggy@HoytBryan.com). Pet owners that have designated caregivers and trustees may want to consider the comprehensive Pet Guardian Pet Trust Program ([www.petguardian.com](http://www.petguardian.com), toll free 1-888-843-4040).

**Q: What other safeguards do you recommend?**

A: Another technique that we use in our planning is a concept known as a "trust protector." This is an independent third party (often the attorney who drafted the trust) who has special fiduciary power. For example, the trust protector may remove a bad trustee or change the withdrawal rates of beneficiaries. This person may also amend the trust after the trust maker has passed away, in case the law or certain circumstances change.

**Q: Do you have a final recommendation for pet owners?**

A: Keep your estate plan maintained and updated. There are four things that can change with regard to your estate plan: (1) your life, including your personal and financial circumstances; (2) the law – both state and federal; (3) your lawyer's experience; and (4) your legacy, in terms of how you want to leave your assets. By reviewing your estate plan frequently, you can be sure that your wishes will be carried out, and your companion animals will receive the quality of lifetime care that you want them to have.

To contact the Law Offices of Hoyt & Bryan, please call (407) 977-8080, write to Peggy Hoyt at [peggy@hoytbryan.com](mailto:peggy@hoytbryan.com), or visit their website at [www.hoytbryan.com](http://www.hoytbryan.com).

Note from the editor: we included this information in response to the numerous contacts we received from pet owners who care for multiple pets in their homes. These pet owners are looking for a lifetime care solution which will allow them to keep their pets together and allow for the pets to continue to be cared for in their home should the pet owner die or become too ill to care for them.



### ETERNAL FRIENDSHIP

A man and his dog were walking along a road. The man was enjoying the scenery when it suddenly occurred to him that he was dead. He remembered dying, and that the dog walking beside him had been dead for years. He wondered where the road was leading them.

After a while, they came to a high, white stone wall along one side of the road. It looked like fine marble. At the top of a long hill it was broken by a tall arch that glowed in the sunlight. When he was standing before it, he saw a magnificent gate in the arch that looked like Mother of Pearl and the street that led to the gate looked like pure gold. He and the dog walked toward the gate and, as he got closer, he saw a man at a desk to one side.

When he was close enough, he called out, "Excuse me, where are we?" "This is Heaven, sir," the man answered. "Wow! Would you happen to have some water?" the man asked. "Of course, sir. Come right in and I'll have some ice water brought right up." The man gestured and the gate began to open. Gesturing toward his dog, the traveler asked, "Can my friend come in, too?" "I'm sorry, sir, but we don't accept pets." The man thought a moment and then turned back toward the road and continued the way he had been going with his dog.



After another long walk and at the top of another long hill, he came to a dirt road that led through a farm gate that looked as if it had never been closed; there was no fence. As he approached the gate, he saw a man inside, leaning against a tree and reading a book.

"Excuse me!" he called to the reader. "Do you have any water?" "Yeah, sure. There's a pump over there." The man pointed to a place that couldn't be seen from outside the gate. "Come on in." "How about my friend here?" The traveler gestured to the dog. "There should be a bowl by the pump."

They went through the gate and, sure enough, there was an old fashioned hand pump with a bowl beside it. The traveler filled the bowl and took a long drink himself, then gave some to the dog. When they were full, he and the dog walked back toward the man who was standing by the tree waiting for them.

"What do you call this place?" the traveler asked. "This is Heaven," he answered.

"Well, that's confusing," the traveler said. "The man down the road said that was Heaven, too." "Oh, you mean the place with the gold street and pearly gates? Nope. That's Hell." "Doesn't it make you mad for them to use your name like that?" "No. I can see how you might think so, but we're just happy they screen out the folks who'll leave their best friends behind."