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Do You Have a Pet Trust?

by Katherine B. Albrecht

Leona Helmsley, who was the heir to the Helmsley Hotel fortune and often referred to as the “Queen of Mean,” died in 2007. She reportedly had a net worth of \$8 billion. In her will she created what is probably the most famous (or infamous) pet trust. She left a \$12 million trust under her will for the benefit of Trouble, her pet Maltese dog. She designated her brother or one of her grandchildren to take care of Trouble after her death. Neither of them wanted the job. Two of her grandchildren who were intentionally omitted from her will challenged the will in court.

The judge hearing the case appointed the general manager of a Helmsley hotel in Florida as Trouble’s caretaker. The hotel manager was familiar with the dog because Leona and Trouble had spent several winters at the hotel. The judge also reduced the trust to \$2 million based on testimony from the caretaker regarding the dog’s expenses. Those expenses included:

- Full-time security: \$100,000 (Trouble routinely received death threats)
- Grooming: \$8,000 per year
- Food: \$1,200 per year (A Maltese would probably do quite nicely on a cup or less of kibble per day.)
- Caretaker’s fee: \$60,000 per year

There was no mention of an annual amount for veterinary care.

Trouble died in December 2010. The remaining funds in Trouble’s trust were added to the \$4 billion Leona M. and Harry B. Helmsley Charitable Trust which, according to the trust’s website, “aspires to improve lives by supporting exceptional nonprofits and other mission-aligned organizations in the U.S. and around the world in health, selected place-based initiatives, and education and human services.”

You may not have \$12 million to leave anyone, let alone your pets in a pet trust. Most pets do not need \$8,000 of grooming per year, nor do they need security service. You may expect a family member will take care of your pets in the event you are not able to continue to do so, rather than planning to pay a caretaker a handsome annual salary. However, if family members are unwilling or unable to care for your pets due to their own family situation, job requirements, allergies, or living arrangements, what should you do about Fido?

One of the things you can do is provide for Fido by leaving an appropriate sum of money in a trust for Fido’s care, along with written instructions. In determining what those instructions should be, consider the following:

Who should be the Trustee to manage the funds? The Trustee will be in charge of managing and paying out the money set aside for Fido. Select someone

who is honest, is willing to carry out your wishes, works well with the caretaker, and who will be accountable to the caretaker and the beneficiary who will receive what is left over at the end of Fido's life.

Who should be the Caretaker for Fido? The caretaker must be someone who will do right by Fido, having the time, interest, and energy to take on this role. Providing an annual fee to the caretaker may provide incentive to take good care of Fido. However, you may want to include a requirement that the trustee verify with Fido's veterinarian that the vet is seeing Fido at least annually.

How much money is Fido likely to need? The amount you set aside should be determined based on considerations such as Fido's species, age, general health, and care and services needed. You should also consider what your final wishes are for Fido.

What should be done at the end of Fido's life? Leona Helmsley wanted Trouble to be interred in the family mausoleum after his

death, but this was not legal under state law. Provide instructions regarding Fido's burial or cremation and disposition of the ashes.

What should be done with the money left over when Fido is gone? If the caretaker is the one who receives the remaining funds, are you concerned that Fido may not live as long as if the caretaker received an annual fee with the remainder going to a charity or some other beneficiary? Maybe you would prefer to benefit a charitable organization, or have the funds paid to those who received the rest of your assets at your death.

If you decide to create a pet trust, you should compile a list of information that would be important for whoever receives Fido at your death or incapacity, whether a family member or some other caretaker.

- Identify Fido by means of photos, a written description, microchip information or DNA information.

- Provide contact information for Fido's veterinarians, groomer, day care provider, etc.
- Identify Fido's medical conditions, medications, dietary requirements, allergies, etc.
- List the commands Fido responds to.
- List any sensitivities Fido has. For example, if Fido reacts badly to men wearing hats or uniforms, the caretaker should be made aware of that.

Please let us know if you would like to include a provision for your pet in your estate plan. ◇

Katherine B. Albrecht:
kalbrecht@bhlaw.us.com
(248)282-1064



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3001 W. Big Beaver Road, Suite 200

Troy, MI 48084

(248)645-9400

www.bhlaw.us.com

