

The Problem with Do-It-Yourself Estate Planning

Written by Lucky
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As the number of Internet websites and software packages have quickly multiplied, along with the many books and stationery store kits that have always been available, do-it-yourself (DIY) estate planning is on the rise. The one-size-fits-all fill-in-the-blank forms that these sources provide may be attractive to some individuals because they cost a fraction of what attorneys typically charge. But saving a few dollars exposes you to the serious risks!

Proponents of DIY estate planning typically have two arguments:

1. It's cheap and easy.
2. It's better than nothing.

These arguments may seem reasonable, but the chances that DIY estate planning will effectively accomplish exactly what you intend is slim. Here's why:

It's Too Easy to Make Mistakes

DIY sources typically only handle simple estates, and can't deal with even the most common complexities such as children from a prior marriage, children with special needs, property that has appreciated in value resulting in capital gains, or estates that are large enough to be subject to estate taxes. And, DIY sources generally fail altogether to take advantage of sophisticated estate planning strategies because they typically can't account for an individual's unique circumstances.

Further, you may make an error by failing to understand the instructions or by following the instructions incorrectly.

The result is that the documents you create could be invalid, ineffective, or contain legal language having consequences you never intended. You might not know if that is the case during your lifetime, but at your death your loved ones will find out and may suffer the lasting consequences of your mistakes.

You're Not Getting Legal Advice

DIY sources provide forms but not legal advice. In fact, these sources clearly state that they are

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not a substitute for an attorney, and that they are prohibited from providing any kind of legal advice.

Estate planning involves a lot more than producing documents. It's impossible to know, without a legal education and years of experience, what the right legal solution is to your particular situation and what planning opportunities are available. The actual documents produced are simply tools to put into effect a plan that should be specifically tailored to your circumstances and goals.

Estate Planning Laws Change

Laws are not static. They constantly change because of new case law and legislation, especially when it comes to estate taxes. Attorneys keep up with these changes. DIY websites, makers of software, and other sources may not do as good a job at keeping current and up-to-date.

Fixing Mistakes can be Costly

As previously stated, estate planning documents can be obtained from a lawyer for \$500 to \$3,000 or more, depending on the complexity of your estate. But these costs are minor in comparison to the costs that your loved ones may incur if there are serious errors in your DIY estate planning. *Many more thousands of dollars may have to be spent by your loved ones to undo what was done wrong!!!*

Bottom Line

There are obvious savings in legal fees by using form wills and trusts, but there are also risks involved. One of them is that problems such as defective forms, violations of state law, or improper witnessing will not be apparent to you when the documents are signed. It may be only after death occurs many years later when the problems are discovered, and at that point it may be very costly, or even worse, too late to revise the documents.

If you'd like help with your estate plan, call your local Redding and Red Bluff attorney, Mr. Jesrani, for a free consultation at 530-241-3350.