



Robinson

THE ROBINSON LAW FIRM

ONLINE AND DO-IT-YOURSELF (DIY)
ESTATE PLANNING

DAHLIA ROBINSON-OCKEN

With the number of online and do-it-yourself (DIY) legal providers continuing to grow, some of individuals may be wondering if they could do their estate planning themselves. The advertising is seductive: attorneys use similar forms, the cost is significantly less than hiring an attorney, and many of these websites and kits are created by attorneys. In addition, most people think their estates are not complicated, and many think they are just as smart as (or smarter than) professionals.

Most professionals know that DIY estate planning can be very dangerous. While completing the forms may seem easy and straightforward, a single mistake or omission can have far reaching complications that only come to light after the person has died. With that person not here to explain his or her intentions, the heirs could end up disappointed and confused, and could end up paying much more in legal help to try to sort things out after the fact than it would have cost in the first place.

Those contemplating the DIY route should consider the following:

- **Legal Expertise:** Experienced estate planning attorneys have the technical expertise to draft documents correctly. Yes, they may use pre-drafted forms to start from, but they know what to change and how to change it to make your plan work the way you want. They also understand the technical terms and legal requirements in your state. Laws vary greatly from state to state, and a DIY program or kit may not tell you everything you need to know to prevent your plan from being thrown out by the court.

- **Counseling:** Attorneys are called “counselors at law” for a reason. Most estate planning attorneys have counseled many families and they have seen the results of proper and improper planning. An experienced attorney can guide you with delicate decisions, including who should be the guardian of your minor children; how to provide for a child or elderly parent who has special needs without interrupting valuable government benefits; how to provide for your children fairly (which may not be equally); and how you can protect an inheritance from creditors and irresponsible spending.

- **Explanation of Intentions:** If there is any confusion as to what your intentions were after you are gone, the attorney who counseled you will be able to explain them. This unbiased interpretation from someone who does not stand to benefit from your plan can help to avoid costly litigation by your beneficiaries and even maintain the validity of your documents.

- **Coordination of Assets:** A will only controls assets that are titled in your name. You probably have other assets that are controlled by a contract, joint ownership and/or beneficiary designations; these include IRAs, 401(k)s, joint bank accounts, real estate and life insurance. A will does not control these assets. An experienced estate planning attorney will know how to coordinate these so that your assets are distributed the way you want to those you want to have them.

- **Tax Planning:** The federal estate tax exemption has been a moving target in recent years. The current \$5 million exemption is set to expire at the end of 2012 and, if Congress does nothing, it will reduce to \$1 million in 2013. Also, many states have their own death or inheritance tax, often at much lower exemptions than the federal tax. • **Become educated consumers.** The more we learn and understand about estate planning, the less time an attorney will need to spend educating us as to the process.

- **Prepare a list of assets and liabilities; gather relevant documents (deeds, titles, beneficiary designations, etc.); consider beneficiaries and any special needs they may have.**

- **Shop around a bit.** Ask friends and acquaintances for referrals. If costs are a concern, let the attorney know up front that you are concerned about costs; he/she may be willing to work with you to keep them as low as possible.

- **Consider what you think you want, but be open to the attorney’s suggestions.**

Careful professional planning is a must in order to avoid paying too much federal and/or state tax.

- **Same Sex and Other Relationships:** Because laws are frequently changing and vary greatly from state to state, it is vital to have updated advice from a competent professional. Without proper planning, many rights may be limited for unmarried cohabitants. Providing for your pets may also be very important to you.

- **Complexity and Cost:** Most people think their estate planning will be simple. But the reality is, most of us discover we do need some personalized planning...and you may not know that without the guidance and counseling of an experienced attorney. It is far better to spend a little more now and make sure your plan is created correctly than to try to save a few dollars and have things turn out badly later. You won’t be around then to straighten things out. Don’t you think you owe it to those you love to do this the right way?

Here are some things all of us can do to help keep costs down:

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