

Do-It-Yourself Estate Plans

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It is quite tempting to turn to one of the easily available do-it-yourself wills to save yourself a few dollars. Sure, it seems like a great deal now, but will this kind of short term savings really pay off in the end?

The fill-in-the-blank, do-it-yourself (DIY) estate plans come with a whole host of potential problems. Just like anything, for some, a DIY plan works very well. For others, however, a DIY plan will cause more problems than ever thought possible. Here are a few problems that a DIY plan may cause.

False Sense of Security. After drafting the documents yourself, you feel at ease that all of your issues are taken care of, but perhaps you have caused more problems than you fixed. Answering one question incorrectly or overlooking to answer a question can lead to major problems down the road. For example, if you forget to name a guardian for your minor child, the major purpose of your will has not been achieved. Some mistakes can even render the entire document ineffective. For example, if you have your will notarized instead of witnessed, the entire will is ineffective. And to make things even more complicated, each state has their own requirements for documents. That means that something which would make a document effective in California would make it completely ineffective in another state.

Not considering Contingencies. Those drafting their own documents may not consider all of the possibilities that may occur. What happens if one of the beneficiaries predeceases you? What happens in the case of a divorce? What if the item you are intending to leave to someone is no longer in your estate? Not considering some of these contingencies would have the same effect as not having an estate plan, or sometimes even a worse effect.

Unsuccessfully planning for estate taxes. The estate tax situation is currently so complicated that even many attorneys don't know how to successfully minimize estate taxes, let alone people with no professional help. Those with a larger estate may very much benefit from the expertise of a professional in drafting an estate plan. While a lack of estate tax considerations would not necessarily invalidate a plan, it could dramatically decrease the amount of inheritance your beneficiaries would be receiving. Imagine your beneficiaries losing out on hundreds of thousands (even millions) of dollars because you drafted your own documents and did not consider the estate tax issues correctly.

While the cost of an estate planning attorney may seem great at first, it is definitely worth the investment. Attorneys who focus in this area of the law know the questions to ask and what to do with the answers. They have gone through extensive training to be able to ensure your estate plan is the best it could be. After all, if you have a medical condition, would you diagnose and treat yourself based on your internet findings or would you seek out a doctor that has been properly trained? Your estate plan should be give the same sort of treatment.