

The “Daily Plan-It™”

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But Why Can't I Just Use the Internet?

As advisors you may occasionally have clients approach you about using online “Will kits” or software to produce estate planning documents. These kits are popular because they're cheap. However, your client risks subjecting his survivors to a bundle in legal fees to fix what often turn out to be useless documents.

Nothing Compares to Legal Experience

These programs cannot perform a detailed legal analysis of a user's true estate planning needs. They also don't address crucial planning issues such as if a child has problems with debt, is anticipating a divorce or has special needs.

Estate planning attorneys generally have detailed discussions with clients about their financial situation, goals and family relationships. Most reputable ones do not sell “cookie-cutter” planning documents. They customize estate plans to meet each client's unique goals and needs.

Here's a short list of “why nots” to help you educate clients on the risks associated with Will and Trust kits:

1. State Probate Laws Vary

Most estate planning kits don't address variations in state law. Since there is no national probate code, a computer program or website cannot hope to replicate the knowledge of a qualified estate planning attorney who knows the intricacies of state law. What might be allowed in one state might not be allowed in others.

2. Undesired Results

Using a do-it-yourself Will or other estate planning kits may have undesired consequences. Defective forms or violations of state law are not apparent to most people when their documents are signed. It might be only after a death when such problems are discovered, which is too late to revise documents. Survivors may find that a Will devised from a kit does not accomplish what the deceased wanted and the local courts won't allow changes.

3. Blended Families Bring Complexities

Many clients have been married more than once, or they've had more than one relationship that produced children or brought with it step-children. When parents draft do-it-yourself documents leaving an estate to their “children,” legal chaos can ensue. It often takes a court to sort out what a parent actually wanted to accomplish. Did he want to leave his property to his entire extended family (stepchildren included), or merely to his biological

children?

4. Special Rules for Special Needs Children

An entire category of Trusts is designed to work within the complex rules and restrictions of government-managed disability benefits. Once again, do-it-yourself estate planning plans don't account for these special rules. An improper distribution from a parent's do-it-yourself estate plan could result in his child losing disability benefits, health insurance, educational benefits or an assisted living arrangement. It can also mean the disappearance of the child's inheritance due to mismanagement or someone taking advantage of the child.

Avoid the Trap

An estate planning attorney can save your client from the trap of a do-it-yourself estate plan. Will and Trust kits can seem like a great bargain, but the eventual cost for your client's family could be quite high. The old adage really is true — you get what you pay for.

Once again, I hope this article has helped you and your clients. If you have a specific case or concern, please contact our office.



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