



Pitfalls of DIY Estate Planning

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No Guarantee

LegalZoom's own disclaimer explains that it is a site with forms, which may have errors:

"...the legal information on this site is not legal advice and is not guaranteed to be correct, complete, or up-to-date."

Basically, buyer should beware. If you prepare your own taxes and they are filed incorrectly, you can work things out with the Internal Revenue Service. If you decide to do your own estate planning, you may never be affected by the results of your work; however, your loved ones will.

Glorified Version of Software That Has Been Around for Decades

Do-it-yourself sites provide forms only, not legal advice. There is nothing innovative about these sites. They are simply an online version of the software people have been able to buy at Office Depot for decades. Our process includes an in-person meeting where we can make sure your goals are being achieved and the documents are fully explained.

While attorneys use legal forms too, they only use them as starting point, not as the final document. Attorneys merge multiple forms and revise language, ensuring each document meets the individual client's needs. We do more than draft a document; we advise each client on the best way to protect their family and preserve and distribute their assets according to their wishes.

Doing a DIY will may save money in the short term, but it often ends up costing your estate and/or heirs money later if the will is contested or found to be invalid. State laws vary greatly, which, without the proper knowledge, can lead to an improperly executed will, costing your loved ones greatly.

A Laundry List of Issues

After reviewing a sample will from LegalZoom (and others), these problems quickly became apparent:

- **Does not waive inventory or accounting**
 - The executor would be required to keep inventory and accounting records for the estate, which requires hiring an attorney, making it burdensome and expensive.
- **No asset protection planning for beneficiaries**
 - Without proper advice, many people would miss out on asset protection.
- **Outright distributions to minor kids possible**
 - Money could potentially be given outright to minor kids and cause your estate to incur substantial legal fees for a legal guardianship.
- **No power of appointment for beneficiaries**
 - Beneficiaries are unable to direct in their own will where the funds from the trust go.
- **Unable to combine trusts**
 - It is much more convenient for your beneficiaries to be able to combine trusts if something were to happen to both you and your spouse.
- **Trustee cannot accept additional contributions**
 - The trustee doesn't have the ability to add additional funds, such as those from life insurance, to the trust.
- **Unable to remove trustee**
 - Without the right to remove the trustee, your spouse or beneficiaries are unable to do anything if they are unhappy with the trustee's performance.
- **Unable to Stretch RMDs**
 - Most attorneys will include a "conduit trust" to allow beneficiaries of a retirement fund to stretch RMDs rather than pay the tax all at once (saving your beneficiary potential substantial taxes).
- **No designation of beneficiaries**
 - Our financial spreadsheet tells you how to title accounts and designate beneficiaries in order to work with the estate plan. Self-help options ignore this crucial part of the plan.

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