

## Why DIY Estate Planning is a Bad Idea

“But that’s not what Dad wanted!” Over the years I have heard the story many times. In fact, it seems like the conversation comes up every few months. It starts with a family who is trying to put the pieces together after losing a loved one. I look over the documents that the family-



member prepared without the help of a lawyer, only to find they are not going to work in the way they were intended. There are a lot of reasons they fail. Sometimes, they are of no value at all. Other times, they lead to absurd results. Often, they work a bit, but come with a cost.

Estate planning is an essential part of every person's life, as it ensures that your assets are distributed according to your wishes after you pass away. Many people are tempted to take the do-it-yourself (DIY) approach to estate planning, as it seems like an easy and affordable way to get the job done. However, in Texas, DIY estate planning can have serious and costly consequences. In this article, I will explain why.

### 1. You don’t know what you don’t know.

Estate planning is a complex legal process that requires a thorough understanding of Texas laws and regulations. Without the proper knowledge, it's easy to make mistakes that could result in your wishes not being carried out, or your estate being subject to unnecessary taxes or probate costs. Often, I find that people fail to identify very important issues that need to be handled for the plan to work correctly.

For instance, Mr. Smith decided to create his own plan. After a quick internet search, he landed on some DIY software with an attractive price. He listed all of

his assets and beneficiaries, and thought he covered all of his bases. However, Mr. Smith did not realize that his 401k would be distributed in the will, resulting in higher taxes for his beneficiaries. To make matters worse, he left assets to his children – who were minors. His family was shocked when they learned that we would have to institute a costly guardianship for his children’s property (which was less than it had to be due to the unfavorable tax implications) and that the children would have unfettered access to the funds when they turned 18. If one of his children had been disabled, the inheritance could have had drastic consequences on the child’s medical benefits. When it comes to a complex matter like estate planning your situation is often more complicated than you think.

## 2. You use inadequate documents.

Many DIY estate planning tools offer generic templates that may not be appropriate for your specific situation. For example, if you have a blended family, your estate plan may need to address stepchildren or ex-spouses in a particular way. Likewise, if you have specific charitable giving goals, or unique assets, your estate plan may need to be customized to meet your needs. The online forms for estate planning can be outdated or non-state-specific. For instance, if a power of attorney is not correctly prepared, a very expensive guardianship might be the result. Estate planning laws and regulations are constantly changing, and what worked in the past may not be effective in the present or future. Many times, the forms do not account for the unique laws and requirements in Texas.

## 3. The documents become outdated.

Estate planning is not a one-time event. As your life changes, your estate plan may need to be updated to reflect those changes. For example, if you get divorced, remarry, have children, or acquire new assets, you may need to revise your estate plan to ensure that your wishes are still being carried out. As your family changes over time your plan needs to be updated to reflect your situation. At my office, we invite clients for a comprehensive review of their plan every 4 years, and alert them to potential situations that require a review. In these reviews, it is not unusual to identify major obstacles to the client’s goals. These problems need to be corrected ensure that your estate plan remains current and effective.

#### 4. The plan creates conflict leading to court challenges.

If your DIY estate plan contains errors or is not executed correctly, it could be challenged in court. Family members or other beneficiaries may dispute your wishes, leading to costly legal battles that could drain your estate's assets. These problems need to be corrected ensure that your estate plan remains current and effective. At my firm we focus on identifying potential conflicts ahead of time so that you do not leave your loved ones fighting in front of a judge.

## How We Can Help You

DIY estate planning is a risky proposition under Texas law. At the Pinney Law Firm, we offer a comprehensive planning session to help you identify the type of plan that works best for your family. Regardless of whether you hire us or not, you will walk out of the session more educated and organized than ever. And, if you hire us, we can prepare a comprehensive plan that ensures that your plans are carried out without a hitch. We offer this session for a reduced fee. And, if you decide to do planning with our firm, the fee is waived altogether. Call us now at 281-425-1300 to schedule your planning session today.

—By Marc Pinney