

“PAY NOW OR PAY LATER”

You may have heard and read about the benefits of a living trust as an estate planning tool. You may think it is the right thing to do -- but you're stopped cold by the price tag. Let's look at the range of offers.

The lowest price I've seen for a living trust is for a “Do it Yourself” kit offered over the Internet. A woman I know sent for one but couldn't make “heads nor tails” of it. She has now hired me to do her living trust.

Self-help legal service clinics frequently advertise trusts and many other legal services. Look closely at their ads. They disclose, as required by law, that they are not lawyers. What they offer is also a form of do it yourself kit.

A cut above the providers of do it yourself kits are the mass marketing firms. You have probably seen their ads in the newspaper offering free lunch or dinner at a local restaurant if you attend one of their estate planning seminars. The ads generally recite that if you sign up at the sales presentation, you will receive a discounted price. In most cases, once you sign up you will receive a questionnaire concerning your personal circumstances. Based on your responses, a cookie-cutter trust will be created for you and, as most ads disclose, the trust will be presented to you by an *insurance company representative*. Usually, the only time you see an attorney is at the initial sales presentation. Unfortunately, the information learned about you from the questionnaire might be used to sell you investment and insurance products. The estate planning seminar is just a marketing tool.

For a custom estate plan prepared for you and tailored to your personal circumstances, you need to see an attorney; preferably one whose practice is focused on estate planning and related issues. Some attorneys charge a flat fee; some charge an hourly fee, and others charge on a sliding scale according to the value of your assets. Still others charge a “blended fee,” which is a flat fee for the basic estate plan and then separate charges for companion work, such as preparing deeds to put your real estate into the trust or preparing a special subtrust to deal with special issues (for example, inheritance problems of a disabled beneficiary). The estate planning field is very complicated and there are many options to choose from. This is the benefit of working with an attorney who focuses on estate planning.

A well-thought-out estate plan prepared by an estate planning attorney usually ranges from \$1,000 to \$3,000. However, this is a bargain when you consider that the cost of probating a home worth \$350,000 can cost your estate nearly \$25,000 in court costs and other fees ! Also, when you don't use an attorney, you run the risk of creating more problems than you solve. The investment in setting up a solid trust now is certainly worth it.