When it comes to estate planning, people take a wide range of approaches. Some do nothing to prepare. That approach is a choice that carries predetermined consequences. Other people coordinate intricate plans with estate planning attorneys, financial advisors, and tax professionals to create comprehensive plans that they revise and update frequently.

Most of us fall somewhere in between these extremes, and that is perfectly fine. Not everyone wants or needs complex legal entities such as a qualified personal residence trust. There are other ways to manage real estate and other property so that it is protected during your lifetime and can pass to loved ones without unnecessary delays and fees.

But even if you don't need to take the most elaborate approach to estate planning, you do need an approach that is safe. If you schedule a free consultation with The Nordhaus Firm, we can review tailored options for your specific situation and answer your questions. We can't provide customized advice in a blog like this, but we can review some options that work for many people and explain why some choices often prove disastrous.

Beneficiary Clauses

One of the easiest and safest shortcuts you can use as part of your estate plan is to take advantage of beneficiary clauses. Investment accounts, life insurance policies, and many other types of accounts offer you the opportunity to name one or more beneficiaries. Whoever you name as your beneficiary will receive the proceeds in that account when you pass away. There is no need for legal action—the contents of the account become theirs at the time of your death.

You can change the details at any time as long as you remain legally competent. So if you initially decide that you want your son to have everything in the account, but a year or two later you decide you want the proceeds to be split between two grandchildren instead, you can make that change easily by contacting the company that holds the account.

Bank accounts and other accounts that don't offer beneficiary clauses will often

have the option of creating a payable-on-death clause that operates essentially the same way.

It is a good idea to check all of your accounts to see whether they offer this option and whether you have a beneficiary clause or a payable-on-death clause on file for you. Funds designated to pass this way will not go into a trust or pass according to the terms of your will. So, if you have updated your will but not your beneficiary clauses, your property could go to someone that you no longer intend to have it. If you have named a beneficiary who is no longer living at the time of your death and you haven't named alternate beneficiaries, then the funds in the account will become part of your estate.

Retitling Assets

Another "shortcut" to estate planning is to take steps to change property ownership. This could be adding another co-owner or changing ownership entirely. For instance, a parent might transfer ownership of a home or vacation property to a son or add a daughter as a co-owner. Changing ownership of a particular piece of property can keep it from becoming part of an estate, so it does not need to go through probate. But the change must be undertaken properly.

If the property is real estate, a new deed must be created in the name (or names) to reflect the new ownership. You cannot simply add someone to a deed—you need to work with an attorney who can draw up a new deed and ensure it is properly recorded.

If the property is a vehicle with a title, you need to obtain a new title with the name of the new owner. And if there is more than one owner, you need to ensure that the ownership includes a right of survivorship if you want the ownership to pass directly to one co-owner when the other co-owner passes away. If the ownership does not include a right of survivorship, then when one co-owner dies, their share of the property needs to go through probate.

Retitling assets can have tax consequences and affect eligibility for Medicaid long-term care benefits, so it is important to understand the full range of consequences

before proceeding.

Adding Someone to a Bank Account

This is a shortcut that technically fits in the category above. When you add someone's name to a bank account, you change the ownership of the account. You don't just give that person access to the funds in the account —you give them full ownership rights to those funds.

People often do this to enable a loved one to help them pay bills and manage their financial business. A father with failing eyesight might add a daughter's name to the checking account, for instance. The father recognizes that he needs to be able to trust the daughter because she could spend the entire account balance if she chose to. And the father is willing to take that risk.

But what he may not realize is that by giving joint ownership to his daughter, he has made all the funds in the account accessible to all of his daughter's creditors. If she gets sued, has a business failure, incurs major medical bills, or goes into debt for any reason, her creditors are legally entitled to claim his money to satisfy her debts.

Instead of giving the daughter an ownership interest in the account, it would be much safer to have a lawyer draw up a power of attorney granting her access to the accounts he wants her to help with. This would enable her to manage the money, but she would not be the owner of that money, so her creditors could not put a claim on it.

DIY Documents

Let's be honest—no one wants to pay legal fees. And estate planning documents like wills and powers of attorney seem pretty standard. So when offered the chance to create their own legal documents by copying models or answering questions on a "simple" online form, many people cannot resist the opportunity to save some money by creating their own estate planning documents.

There are a few problems with this approach, however. To begin with, estate

planning documents may include standard language, but the terms they affect are not standard at all. Estate planning attorneys tailor the terms to the client's needs and goals. So if you use a standard form or program, you may end up with a legally binding document that accomplishes the goals of the person who created it in 1996, but that doesn't fit your needs at all.

Even worse, you might end up with a document that does absolutely nothing because it is not accepted as legally valid by the court, the bank, or anyone else who wants to honor the document. And by the time someone discovers the problem, it is usually too late to fix it. If the probate court rejects a will presented for the estate of a person who has already passed away, there is no opportunity to create a new will. The estate will be handled according to the laws of intestate succession, or the court will use an older version of the will. If an agent presents a power of attorney to a bank to help manage the financial affairs of a parent with dementia, and the bank refuses to accept it, it is probably too late to draft a new one, because the parent no longer has the legal capacity to create such a document.

Mistakes with estate planning documents can be extremely costly, in terms of money, frustration, and time. It makes sense to invest in working with an experienced attorney to ensure that your documents are designed to accomplish your specific goals and that they will do the job when the time comes.

Schedule a Free Consultation With The Nordhaus Firm to Learn More About Economical Solutions to Achieve Your Estate Planning Objectives

It can be difficult to determine which options will best meet your needs when you're planning for the future. That is why The Nordhaus Firm offers free consultations to discuss your goals and learn about the approach that will serve you well without unnecessary complexity or expense.

To schedule a free consultation with April Nordhaus, call us today at 214-726-1450 or contact us online. With the future of your loved ones at stake, it makes sense to

learn what you need to do to protect them, and a free conversation with an estate planning attorney is the perfect place to start.