Estate Planning Re-Imagined

Opportunities in The Changes

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Mary E. Vandenack, J.D., ACTEC, CAP®, COLPM®, AEP® (Distinguished) owns Vandenack Legal & Consulting and is affiliated as Of Counsel with Erickson Sederstrom P.C., L.L.O. Mary is a highly regarded family legacy practitioner serving the private family wealth client in the areas of tax, trusts and estates, asset protection planning, business exit planning, and philanthropic strategies.

- Nebraska state chair for ACTEC.
- Numerous roles in the American Bar Association Real Property Trust and Estate section and Law Practice Division.
- ABA LTRC Distinguished Women of Legal Tech.
- James Keane award for e-lawyering.
- Serves on ABA Standing Committee on Information and Technology Systems as well as the Standing Committee on Cybersecurity.
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Disclaimer

- This presentation is for informational and educational purposes only and does not constitute legal, tax, or financial advice. The information presented does not create an attorney-client relationship. Attendees should consult qualified legal and tax counsel regarding their individual circumstances before implementing any planning strategy.

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Today's objectives

Understand the moment
The Great Wealth Transfer is underway, and it changes who the client is.

Master the developments
OBBBA, SECURE, basis, state tax, the QTIP trilogy, and trust-and-divorce law.

Apply the strategies
Walk one family through the law as it stands in 2026.

Re-imagine the practice
Use AI to build a relational practice, an 8-hour day, and a fee model that captures the gain.

THE EVOLUTION OF ESTATE PLANNING

Revisit the Business Model

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What Do Estate Planning Professionals Sell?

- **What Does an Estate Planning Professional Sell?**
  - Does a client schedule with an estate planning professional because the client wants a document?

OR

  - Is the client looking to ensure that the client and spouse are provided for and protected during life, and that beneficiaries will be provided for and protected after death of client and spouse?
  - Does a business owner want an operating agreement or an understanding of how to safely build a company and protect what is built?

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Change in the Banking Industry

- Thirty years ago, banking meant going to a bank, standing in line, and engaging in a transaction with a teller or meeting with a banker.
- Today, the customer has an ongoing financial environment: accounts, alerts, automatic payments, fraud detection, credit monitoring, investment information, mobile deposits, personalized recommendations.
- What if banks had responded to technology with: “Great news. Tellers can now process deposit slips ten times faster.”
  - This is where many firms are with AI.

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How This Applies to Estate Planning

- **For estate planning professionals, it is imperative to view AI as creating the opportunity to design and create the practice you never thought possible**.
  - Lawyers in particular should shift from a transactional practice to a relational practice.
  - The lawyer moves UP in the value chain. Time can be spent on strategy instead of looking for two commas.
- The **DANGER** is to think of AI as simply a way to produce a trust agreement more quickly.

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For centuries, lawyers were limited by what one person could read, remember, reach, and understand.

AI removes those limits.

It connects the dots across time, place, language, and disciplines in seconds.

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The Opportunity

- AI creates capacity.
- Better client outcomes and a better professional life depend on how we redesign the work, price the service and allocate the capacity.
- Are we going to build a faster taxi or redesign the legal experience?

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The Barriers That Are Coming Down

- Time – Reviewing every document in a client file.
- Distance – AI can pull together the information from each of the estate planning professionals for a better overall file.
- Language – AI can read Portuguese and can make the complex simple.
- Memory – No one can remember the details of 500 files.
- Silos – Multiple different legal areas affect estate planning.
- Generational planning – AI helps cut across generations.

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The Questions to Consider Constantly

- What can we now do for clients that wasn't economically or technologically possible before?
- In the estate planning arena, specifically consider how professionals can support the client's need for lifelong stewardship of family, wealth, risk and legacy.
- How can I create a practice that is a lot closer to living as I thought I would when I became a part of the estate planning professional world?

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A TRIFECTA OF CHANGES

Taxes, The Transfer of Wealth, AI

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Three forces converging at once

The Great Wealth Transfer

Trillions change hands, and so do the professional relationships around them. The heir is an established adult with existing advisors.

Legal change and trends

A permanent $15 million exemption shifts the work to basis, state tax, retirement assets, asset protection, and legacy.

Artificial intelligence

No longer emerging. Expected by clients, implicated by Rule 1.1, and capable of absorbing the production work.

The Connection From the Trifecta

- The wealth transfer changes who makes decisions and what families need.
- Legal developments require continuing judgment and coordination.
- AI changes the cost and speed of production.
- Practice redesign determines whether those changes improve service and professional life.

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Meetings in 2030

- A successor trustee who never met the drafting attorney sits down with the grantor's children, now in their fifties and opens a file created 20 years earlier.

Why did Mom choose this distribution standard?

Why was this child given control?

Why was it decided that the business would be handled this way?

Why did nobody explain this to us while Dad was alive?

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The Harlan Family

- Dan (72) and Ellen (69), married 44 years, Omaha. Net worth about $42 million.
- 2012 estate plan with a credit-shelter formula clause, drafted when the exemption was $5.12 million.
- Harlan Precision, a closely held manufacturer worth about $18 million; son Michael (45) runs it.
- Daughter Kate (47), a physician in Massachusetts, married; she has never seen her parents' plan.
- Dan's IRA: $3 million. Ellen's mother Ruth (91) is income beneficiary of a $10 million QTIP trust.
- Ellen and her brother want to "simplify" Ruth's trust.

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THE GREAT WEALTH TRANSFER

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The Great Wealth Transfer is already underway

$124T

Cerulli: total transfer through 2048 — $105T to heirs, $18T to charity

$62T

Originates with HNW and UHNW households, about 2% of all households

$36T

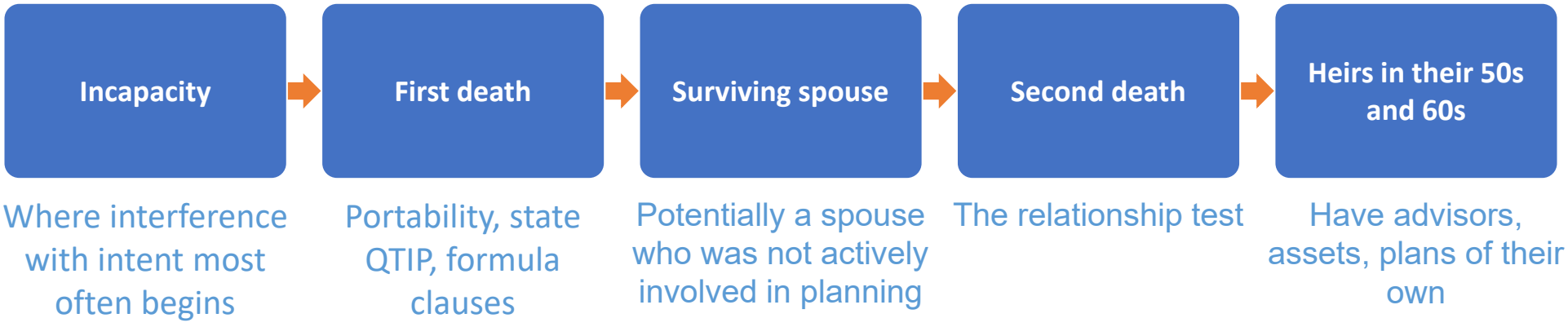
Visa (2026): Boomer wealth expected to reach Gen X and Millennial households, net

Two numbers, two questions

Cerulli measures gross flow. Visa measures what reaches heirs after liabilities, retirement spending, taxes, fees, and charitable gifts. They are not contradictory. Anyone who cites $124 trillion without saying what it measures is selling a headline; anyone who acknowledges the range is describing a market.

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Wealth transfers twice, and sideways first



Harlan file: the first transfer is from Dan to Ellen, or from Ellen to Dan. The first meeting after a death should involve reviewing a well understood plan structure.

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The inheriting beneficiary is an established adult closer to 50 than 30



- Cerulli identifies Gen X as the generation inheriting the most over the next decade.
- She already has a financial advisor and a CPA, children in college, a substantial retirement account, and a second home.
- She does not need to be introduced to wealth. She needs someone who can explain what happens next.
- ***Gen X and Millennial inheritors expect digital-first convenience, rapid response, transparency, and personalization.***

Harlan file: Kate is 47, a physician, in Massachusetts, and has never seen her parents' plan. Who is her lawyer?

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The Great Relationship Transfer

> *Trillions of dollars will change hands, but so will trillions of dollars' worth of professional relationships.*

- **The attorney who knows only the wealth creator is vulnerable. The relationship ends when the client dies.**
- **The attorney who knows the spouse, children, business, advisers, and legacy goals remains relevant across generations.**
- **The firm without a portal, digital paperwork, and fast response is a dinosaur to the inheritors.**

ESTATE PLANNING LEGAL CHANGES AND TRENDS

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OBBBA at a glance (Pub. L. 119-21, July 4, 2025)

$15M

Basic exclusion for estate, gift, and GST for 2026, indexed from 2027; applicable credit $5,945,800

$19,000

2026 annual gift tax exclusion

Permanent

No scheduled sunset; the TCJA cliff never arrived

§1202 QSBS

- Tiered holding period and graduated exclusions.
- Higher per-issuer cap and gross-asset threshold.
- Consider strategies for C corp in the mix.

Opportunity Zones

- Permanent, recurring program.
- July 1, 2026 decennial designation date.
- Annual reporting with per-day penalties.

SALT and international

- SALT cap rules changed.
- GILTI renamed net CFC tested income; §250 deduction and FTC changes.
- Strategic planning merited.

Not less planning: more flexible planning

For the 98%, planning is now driven by legacy objectives rather than tax avoidance. The focus shifts to:

- Income-tax basis and step-up planning.
- State estate and inheritance taxes.
- Retirement assets and beneficiary designations.
- Asset protection and divorce protection.
- Business succession and family governance.
- Incapacity, which may matter more than death.
- NOTE: Estate tax planning still applies for the Harlan family.

The remediation sweep

- Plans drafted around previous exemptions and/or expecttion of cliff may no longer work. .
- Formula clauses, credit-shelter funding, disclaimer provisions.
- Harlan file: Evaluate the impact of the formula used in 2012 to determine how it works currently.
- Find these files. Do not wait for the client to call.

Charitable planning after OBBBA

0.5% floor

Individual itemizers deduct only contributions above 0.5% of the contribution base, applied in a specified ordering.

$1,000 / $2,000

Deduction for non-itemizers, cash gifts to public charities only.

1% floor

Corporations deduct only above 1% of taxable income, still within the 10% ceiling.

- Bunching several years of gifts into a donor-advised fund applies the floor once; the deduction arises on contribution to the fund, not on later grants.
- Philanthropists increasingly want goals achieved more than tax dollars saved; combine structures flexibly.

New §68: does the haircut reach trusts and estates?

What §68 now does

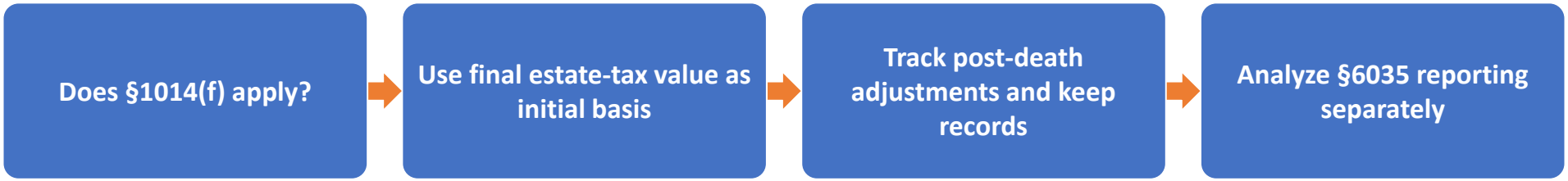
- Reduces otherwise allowable itemized deductions by 2/37 (about 5.41%) of the lesser of total itemized deductions or taxable income above the 37% bracket threshold.
- Caps the benefit of those deductions at roughly 35%.
- OBBBA repealed the former §68(e) exception for trusts and estates.

The open question

- §67(e) treats costs unique to administration as deductions in arriving at AGI, not itemized deductions.
- §67(e) also says the §§651/661 distribution deductions are taken into account in determining AGI.
- The open question is whether §68 now reaches both the §642(c) charitable deduction and the distribution deduction.
- Watch for guidance; model both outcomes for complex trusts.

Basis consistency: one problem, not three

Final regulations (T.D. 9991, Sept. 17, 2024) connect the estate-tax value of inherited property to the recipient's income-tax basis.



§1014(f)

Limits basis for certain property: the recipient's initial basis cannot exceed the final federal estate-tax value.

§6035

Imposes broader information-reporting duties, covering included property even where the consistency cap does not apply.

SECURE Act and the 2024 final regulations

The 10-year rule

- Most non-EDB designated beneficiaries must empty the inherited account by the end of year 10.
- EDBs: surviving spouse, minor child (until 21), disabled or chronically ill, or not more than 10 years younger.

During the 10 years

- Death before RBD: any timing, as long as empty by year 10.
- Death on or after RBD: annual RMDs in years 1–9, then empty by year 10.
- Transition relief for 2021–2024 ended; the rules bite from 2025.

Planning consequences

- See-through, conduit, and accumulation trust design determine payout and tax rate.
- Compressed payouts taxed at trust rates.
- Roth conversions, QCDs, charitable beneficiaries, spousal options.
- Harlan file: Dan's $3 million IRA needs its own analysis.

State transfer taxes now matter more

16 + DC

states and the District of Columbia impose an estate tax or an inheritance tax

- A client can be comfortably below $15 million federally and still have significant state exposure.
- Domicile planning and the estate-tax versus inheritance-tax nexus distinction.
- Real property in another state: situs, entity ownership, apportionment.
- State-only QTIP elections and state-specific bypass trusts.
- Lifetime gifting where the state has no gift tax.
- Portability differences between federal and state regimes.

Harlan file: Nebraska's county inheritance tax reaches lineal heirs; Kate's Massachusetts domicile and Ruth's situs both deserve a look.

Portability still matters

- Filing Form 706 to elect portability preserves DSUE even where no estate tax is expected.
- Future appreciation, remarriage, legislative uncertainty, and unequal ownership make the election valuable optionality.
- Rev. Proc. 2022-32: simplified late election up to the fifth anniversary of death, with the required legend at the top of the return, no PLR or user fee.

Two limits

- If the estate was independently required to file Form 706, the deadline is statutory and §9100 relief is unavailable.
- Miss the five-year window on a nontaxable estate, and a private letter ruling under Treas. Reg. §301.9100-3 remains possible.

The QTIP trilogy: one transaction, three questions

A QTIP trust is commuted. Everything is distributed outright to the surviving spouse. The remainder beneficiaries sign and walk away with nothing.

Anenberg

162 T.C. 199 (May 2024)

Does the spouse make a gift?
No. A §2519 deemed transfer is not a gift where the spouse receives the whole property outright.

McDougall

163 T.C. 112 (Sept. 2024)

Do the children make a gift?
Yes. They surrendered real remainder interests for nothing.

Lewis / McDougall

T.C. Memo. 2026-58 (July 20, 2026)

How much is the gift?

§35,141,321 each, valued under state law, net of avoided §2207A(b) reimbursement.

Estate of Anenberg, 162 T.C. 199 (2024)

Facts

- About $25.45 million in QTIP trusts for Sally, remainder to trusts for Alvin's children
- 2012: with beneficiary consent and court approval, trusts terminated and all assets distributed outright to Sally
- Sally then gifted some stock and sold the rest to descendants' trusts for notes
- IRS: termination was a §2519 disposition producing a taxable gift of the remainder

Holding and significance

- Even assuming a §2519 deemed transfer, §2501 taxes only a transfer by gift, which requires a gratuitous transfer
- Sally received the entire property outright for relinquishing her interests; she gave away nothing
- Once she owned the property outright, §2519 no longer applied to her later sales
- Result would differ if the spouse received only the income interest's value while the remainder passed to others

McDougall v. Commissioner, 163 T.C. 112 (2024)

Facts

- Clotilde's 2011 death funded a QTIP trust for Bruce; children Linda and Peter held the remainders
- By 2016 the assets had more than doubled
- Nonjudicial agreement terminated the trust and distributed everything outright to Bruce
- Bruce then sold substantially all assets to trusts for descendants for promissory notes

Holding and significance

- Following Anenberg, Bruce made no taxable gift
- Linda and Peter actually owned valuable remainder interests under state law; by consenting, they surrendered them for nothing
- They made taxable gifts to Bruce under §§2501 and 2511
- Court rejected the argument that the spouse's deemed transfer and the children's actual transfers were offsetting reciprocal gifts

Lewis v. Commissioner, T.C. Memo. 2026-58

The valuation sequel, filed July 20, 2026. Stipulated trust value at termination: $117,604,143. No reserve for transfer taxes. Bruce held a testamentary power to appoint to descendants and had exercised it by will weeks before the termination.

$156,000

Children's expert valuation of the gifts

~$53M

IRS valuation

$35.1M

Court: taxable gift by each child ($35,141,321)

Powers of appointment ignored

The value is determined without regard to a beneficiary's testamentary limited power of appointment. A theoretical power to redirect assets at death does not reduce current gift value.

State law, not the §7520 tables

State law governs each beneficiary's entitlement on termination; the actuarial tables were not appropriate on these facts.

Net-gift adjustment

The gift is reduced by the children's avoided obligation to reimburse Bruce for gift tax under §2207A(b).

What the trilogy means for every "simplify" request

- Before any commutation, termination, decanting, or nonjudicial settlement, value what each consenting beneficiary gives up under governing state law.
- Do not count on a power of appointment to shrink the number.
- Address transfer-tax allocation and reserves in the agreement itself.
- Model the gift exposure of every signer, not just the spouse.
- Consider alternatives: partial commutation, sale of the remainder for adequate consideration, or leaving the trust alone.
- ***Post-OBBBA, families are actively unwinding trusts. This is judgment work, not document work.***

Harlan file

- Ruth's $10 million QTIP, Ellen and her brother as remainder beneficiaries
- "Simplify the QTIP now" could result in Ellen and her brother each making a gift to mom.
- Lawyer judgment is used to assist with considering alternates and consequences.

Kalikow (2d Cir. 2025): QTIP liabilities and value

- QTIP trust held a 98.5% limited partnership interest stipulated at about $54.5 million.
- Litigation alleged trust income had not been properly distributed to Pearl; settled for about $6.57 million payable to her estate by the QTIP and children's trusts.
- Estate argued the liability reduced §2044 value or was deductible under §2053. Both arguments failed.
- The obligation belonged to the trusts, not the partnership being valued; from the estate's view it was an asset, not an administration expense.

Practice pointers

- Distribute QTIP income properly and on time.
- Identify precisely which entity bears a liability.
- Be careful what you stipulate.
- Summary order without precedential effect, but the reasoning travels.

Divorce courts look past the labels

C.S. v. R.H., 2025 NY Slip Op 51426(U)

- Marital assets moved into irrevocable descendants' trusts (IDGTs, GRATs, discounted entities, below-market residence rentals).
- Husband controlled trustee removal and investments, paid family expenses from trusts, and decanted to Delaware mid-trial.
- Trusts were valid, not shams. Court still counted their value and awarded the wife 50%, payable first from non-trust assets.
- On appeal. Planner identified by name; wife had no independent counsel.

Jones v. Jones, 103 Mass. App. Ct. 223 (2023)

- Mother's irrevocable trust for the wife: independent trustee, discretionary, spendthrift, power to postpone on divorce
- Wife never received an outright distribution
- Held: marital property. She was the sole beneficiary, her share could not be reduced, corpus was ultimately hers, and she held a testamentary general power
- A spendthrift clause and an independent trustee are no longer enough

Descendants' trusts after Jones and C.S.

- **Genuinely discretionary distributions**
- **Multiple or open beneficiary classes**
- **No mandatory distribution at an age or event**
- **Limited beneficiary powers of appointment**
- **Meaningful independent trustee discretion**
- **Independent counsel and real separation of control**

Harlan file: Kate lives in Massachusetts. The trust her parents fund for her should be designed with the intersection of marital and trust law in mind.

Trends shaping the work

Estate planning as an ongoing process, for modest estates too.	**Incapacity planning at least as important as death planning.**	**Income tax planning now outranks estate tax planning.**
Asset protection in every plan, not a separate practice.	**Lifetime gifts, mentoring, and observing how heirs handle money.**	**Family governance and beneficiary preparation.**
Divorce and relationship risk driving trust design.	**Business succession as a legacy plan, not a tax plan.**	**Digital, unique, and reputational assets: crypto, art, NIL rights.**

STRATEGIES IN ACTION

Leave the Transactional Practice in the Past

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The Harlan file: what the first pass surfaced

2012 plan

Formula clause designed for a $5.12M exemption; no state QTIP; Ellen was "the spouse," and not actively involved in planning.

Harlan Precision

$18M, S corporation; Michael runs it; no succession plan; "everything equal".

Dan's IRA

$3M; beneficiary is Dan's old revocable trust with a conduit provision.

Ruth's QTIP

$40M; Ellen and brother want to terminate; no valuation, no tax reserve.

Kate

Massachusetts physician; malpractice exposure; marriage; has never met the firm.

Nebraska

County inheritance tax on lineal heirs; portability not elected if Dan dies first?

Strategy 1: Rebuild the plan for flexibility

- Revisit the structure of the formula and determine what makes sense now. Illustrate different approaches.
- Review opportunities for a second basis step-up on appreciated assets.
- Revisit older irrevocable trusts.
- Consider estate tax exposure and design strategies. Consider generation skipping options.
- Address Nebraska inheritance tax on Michael and Kate; evaluate lifetime gifts and entity planning.
- Develop incapacity architecture for both spouses, with survivor protection and anti-interference provisions.

The relational move

- Encourage both spouses to be involved.
- Provide Written plan with objectives before any document is drafted.
- Plan summary identifies the events that should trigger a call.

Strategy 2: A succession plan, not just a tax plan



- "Equal" and "fair" are not the same word. Ownership may follow responsibility while value is equalized elsewhere.
- Governance first: board, buy-sell, key-person coverage, what happens on Dan's incapacity.
- Evaluate §1202 after OBBBA: would a C-corporation conversion create a QSBS exclusion for a future sale by Michael? Is there any other way to create a QSBS opportunity?
- Lifetime transfer tools that fit the family first: GRATs, IDGT sales, FLP interests, a non-grantor trust for Kate's share.
  - Some families do care most about tax. Others do not.
- Mentor and observe while Dan is alive.

Strategy 3: The $3 million IRA



What the old designation does

The 2012 conduit trust forces every distribution out to the beneficiary, which was fine for a life-expectancy stretch and is a 10-year firehose today, with no creditor or divorce protection for Kate.

What the new design does

Spouse first (EDB), then accumulation trusts with a trust-rate tax model, partial Roth conversions in Dan's lower-bracket years, and the family's charitable intent satisfied with pre-tax dollars.

Strategy 4: Ruth's QTIP

What they want

- Terminate the trust and distribute to Ruth, 91.
- “Why Keep It? We want to simplify.”

What Lewis says

- Ellen and her brother each make a gift of their remainder interests, valued under state law at Ruth's actual life expectancy.
- No reduction for any power of appointment Ruth holds.
- Net of avoided §2207A(b) reimbursement, but still eight figures.

What the estate planning professional does

- Clarify objectives.
- Options: leave it alone; partial commutation; sale of remainders for adequate consideration; use of Ruth's own exemption.
- Gift-tax allocation and reserve in any agreement.
- Document the transaction, the rationale, and how the transaction met objectives.

Strategy 5: Kate's trust must survive Massachusetts

- Open class: Kate and descendants, not Kate alone.
- Fully discretionary distributions by an independent trustee; no mandatory age or event.
- Limited, not general, power of appointment.
- Situs and governing law chosen deliberately; directed trust structure for investments.
- Premarital or postnuptial agreement conversation handled with independent counsel.
- Asset protection against professional liability layered with insurance and entity planning.

The relational move

- Kate meets the firm now, not at the funeral
- She is invited to the family meeting
- Her own plan and advisors are coordinated with her parents' plan

Strategy 6: The family meeting and the "why"



- Dan and Ellen explain their intentions in their own words; the lawyer records the reasoning in a planning memorandum future lawyers can read.
- Michael and Kate learn the roles they may assume and where the documents live.
- Advisors attend: CPA, wealth advisor, insurance, corporate trustee.
- Annual topic rotation: investing, estate planning, the business, philanthropy, the economy.
- Trustee and beneficiary education before anyone has to administer anything.

> *Everyone should understand not merely what the plan says, but why it says it.*

LEAVE THE TRANSACTIONAL PRACTICE BEHIND

Use AI to create capacity, not volume

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From paper maps to intelligent navigation



Paper map

The map was the product. You found yourself, chose the route, noticed the missed turn.



MapQuest (1996)

Digitized the same product. Faster, customized, printed out. Still a map.



Google Maps / Waze

An ongoing experience: knows where you are, watches traffic, reroutes, stays with you for the trip.

Estate planning professionals face the same choice: digitize the document (the AI-efficient law firm) or redesign the experience (the AI-enhanced legal experience).

AI-efficient firm vs. AI-enhanced experience

AI-efficient

- "Now I can prepare twice as many estate plans"
- Same intake, same meetings, faster drafting
- More clients, more matters, same treadmill
- Hourly billing hands the productivity gain to the client as an unnegotiated discount

AI-enhanced

- Arrive at the first meeting with a summary, asset schedule, and preliminary recommendations
- Model scenarios and research live in the room
- Written plan and schematics before any document
- Funding and implementation built in; monitoring agents flag law and life changes per client
- Family meetings, portals, and real availability

What has already changed

Intake synthesis and follow-up questions	**Meeting summaries and agendas**	**First drafts from term sheets and recommendations**
Prior-vs-proposed document comparison	**Cross-document consistency checks**	**Research across statutes and regulations**
Funding checklists and implementation directions	**Plain-English summaries for clients**	**Monitoring of legal developments by client**

Generative drafts; adaptive tools improve with use; agentic systems plan and execute multistep workflows. AI is a starting point, never an endpoint.

Risks to manage and rules that attach

Generative

- Hallucination: verify everything.
- Outdated law after the training cutoff.
- Jurisdiction drift toward general principles.
- Confidentiality: what goes into which deployment (Rule 1.6).

Adaptive and agentic

- Model drift: the tool changes without telling you.
- Inconsistent outputs on identical inputs.
- Supervision gap and compounding errors (Rule 5.3).
- Human checkpoint before anything reaches a client or court; independent verification; document what AI did on each matter.

The professional rules

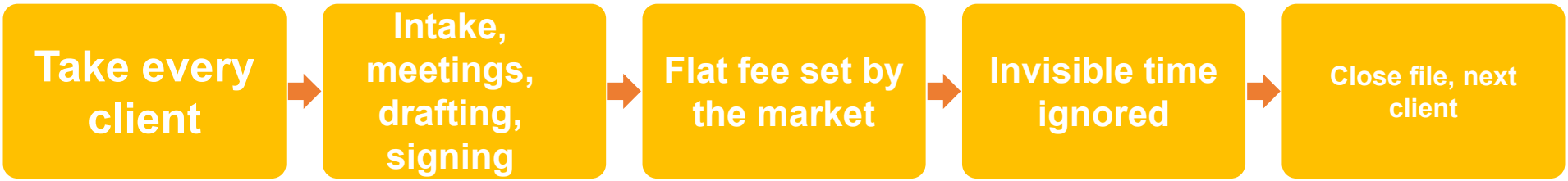
- Rule 1.1 cmt. 8: competence attaches to reasonably available tools.
- ABA Formal Op. 512: competence, confidentiality, communication, supervision, candor, fees.
- Fee defensibility may come to depend on AI use.
- In estate planning the error may not surface until 2044: keep the review record.

Run the Harlan documents through an AI pass



- Upload the 2012 trust, the intake form, financial statement, and the beneficiary designation.
- Prompt: identify what changed, flag issues, draft a meeting agenda.
- Show the output: formula clause flag, conduit trust flag, missing Massachusetts analysis, the QTIP question. Include recommendations and comments regarding business succession.
- Use AI to create some alternates and then use JUDGMENT to discuss which one makes the most sense.

The Transactional Practice Syndrome



- The calendar becomes the production system, so the practice is perpetually behind.
- Existing clients become interruptions because there is no economic model for serving them.
- Follow-up happens when something goes wrong, not because the practice anticipated it.
- Little protected time to read, think, learn, or write, so intellectual capital grows slowly.
- Success is measured in documents completed, matters closed, and hours worked.

The human consequence in legal practice

1,800–2,400

billable hours, with no time for the parts of the work that made the profession worth entering

Too busy, underpaid, and professionally unfulfilled, at the same time.

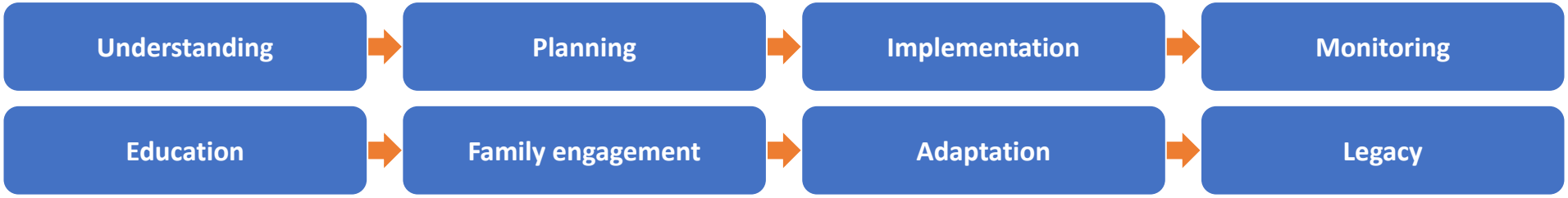
> *Now I can prepare twice as many estate plans.*

If AI is about increasing speed, you have missed the transformation entirely and simply increased the speed of the treadmill.

The Relational Practice for the Lawyer

The lawyer's primary product is not the document but an enduring advisory relationship with a client and a family. AI reduces the cost of routine production so that **capacity** goes to judgment, strategy, education, communication, and relationships.

The economic cycle inverts



Fees compensate the lawyer not merely for drafting but for availability, expertise, judgment, continuity, and stewardship. The initial plan is the beginning of a relationship rather than a transaction.

A day in the relational practice



Learning

Read, attend, write, think. Stay ahead of changes and trends instead of catching up to them.

Relationships and Administrative

Client check-ins, advisor coordination, mentoring, team development. Internal and external, every day.

Management and practice related details.

Client work

Meetings, planning, supervised AI production, implementation. About 1,380 hours a year on a 46-week calendar.

Two calendars

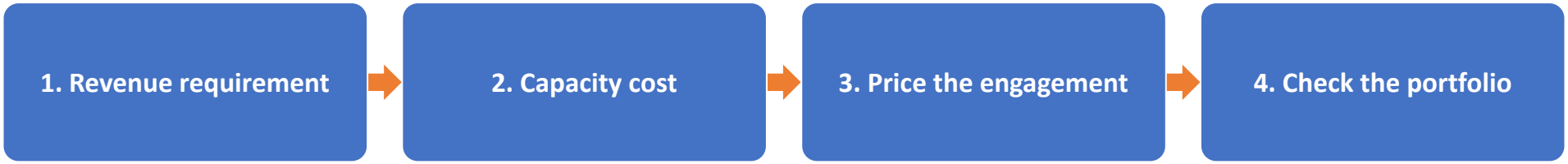
The treadmill

- 1,800–2,400 billable hours
- 2,500 or more hours worked
- Learning happens on weekends, if at all
- Relationships happen when something goes wrong
- Time off is a liability to the production system

The 8-hour day

- About 1,840 hours worked in total
- 230 hours of learning built in
- 230 hours of relationship building built in
- About 1,380 hours of client capacity
- Six weeks away from the practice

Reconsider the process of pricing



Reasonable compensation + overhead + reserve for reinvestment	Requirement ÷ about 1,380 client hours. A floor, never a quoted rate	By phase and complexity: intake, design, documents, implementation, annual stewardship	How many relationships can you steward? Requirement ÷ that number = target revenue per relationship

Price the defined service to support professional development and overhead.
Ethical rules require reasonableness of fees, whether hourly or alternative fees.
Be clear about what you provide and price accordingly.

Illustrative math

$575,000

$350,000 compensation + $175,000 overhead and technology + $50,000 reinvestment reserve

1,380

client-work hours per year at six hours a day, 46 weeks

~$417

capacity cost per hour: a floor for engagement pricing, not a billing rate

Valuing the Gain in Capacity That Creates Higher Level of Service

Whether billing is by alternative fee or hourly, the estate planning professional is functioning differently by using capacity to eliminate time spent proofing and focusing on high level strategy and judgment.

Per relationship

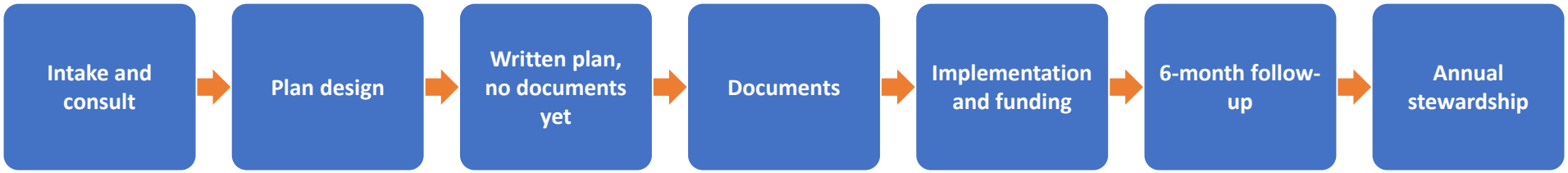
If the practice can steward 60 families, the target is about $9,600 per family per year across planning, implementation, and stewardship. Fewer, deeper relationships; better economics.

The guardrail: reasonableness runs to the client



- Reverse-engineering tells you whether a practice is viable; Rule 1.5(a) tells you whether a particular fee is permissible.
- Every price must stand on its own as reasonable for the value delivered, measured against the Rule 1.5 factors and market data.
- Frame the target as the practice's sustainability requirement, grounded in benchmarks, not as the lawyer's wish list.
- Transparent, phased, written fee agreements; the client understands the plan before the documents.
- Fee defensibility may increasingly depend on using available technology.

Redesign the client journey



- Each phase is priced and earned; the initial fee is earned at the consultation.
- Estate plan summary identifies the events that should trigger contact.
- A database, not a newsletter: client-specific triggers for proactive outreach.
- A useful portal; scheduling and information that do not wait for a returned call.
- Family and beneficiary education built into the standard engagement.

Measure what matters

The old model

- New matters
- Billable hours
- Documents completed
- Matters closed
- Revenue generated

The new model

- Revenue and profitability per relationship
- Client retention across generations
- Frequency of meaningful client contact
- Advisor collaboration
- Developing others
- Client and team satisfaction

Four moves before the quarter closes



Run the remediation sweep

Find plans built on pre-2026 assumptions. Review formula clauses, funding, disclaimers. Do not wait for the client.



Reprice one service line

Move one predictable category from hourly to a defined engagement price. Measure. Then expand.



Bring in the next generation

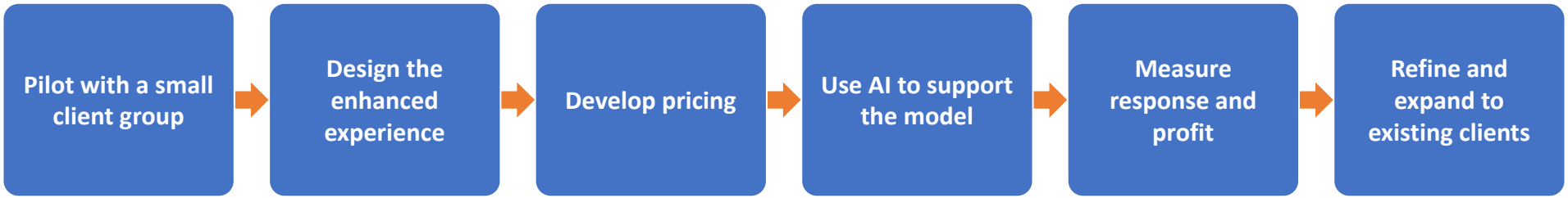
Family meeting, successor introduction, trustee education. Make the future client visible today.



Write the AI policy

Then train people on it. Then review it. A policy nobody understands is just another document.

Make the shift gradually



Gradually reduce dependence on low-value transactional work. Protect thinking time. Redefine the team around highest and best use, and train everyone to recognize client needs and relationship opportunities.

Fewer but higher-quality relationships. Better economics. Intelligent leverage. More humanity.

Back to 2030

The successor trustee opens the file. The children ask why. This time there is a planning memorandum that explains the reasoning, a family that heard it from their parents, a trustee who was trained, and a lawyer who was still in the relationship when it mattered.

The lawyer's greatest value in that moment will not be that the original document was generated quickly. It will be that someone understood the family well enough to create a plan that made sense, and documented the reasoning well enough that another human being could understand it years later.

> *What kind of lawyer, and what kind of person, can I be if I finally have the time?*

The Go Forward Question

The issue is not whether you will have a job but whether you will build and design the practice that will have you achieve things you didn't believe possible and that leave the painful parts of practice to technology.

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THANK YOU

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