

WHY SHOULD YOU CARE ABOUT DIGITAL ASSET PLANNING?

It wasn't very long ago that paper was the only medium for keeping our financial and tax records. We could simply point to a file cabinet or drawer and tell someone, "Everything is in there." Our family photos and other memorabilia were stored in albums, boxes, or the bedside table. But now we have computers, smart phones, and the internet, and so much in our lives is stored electronically.

WHAT IS A DIGITAL ASSET?

"Digital assets" means anything you own (or have rights to) which is held in electronic format. This can include music, photographs, videos, original writings, domain names, e-book libraries, and social media accounts, as well as bank and investment accounts, PayPal, credit cards, and even Bitcoin. Cumulatively, a digital estate is often worth thousands of dollars.

WHAT ARE THE CONCERNS?

In today's environment, if we don't include digital assets in our estate planning, our personal representatives may not be able to access critical documents and information if we become incapacitated or die. This can result in loss of assets, lengthy delays or court involvement, all of which could have been avoided. Another big concern: identity theft. According to the IRS, thieves steal the identities of nearly 2.5 million deceased Americans every year.

Consider that if you scan documents or receive financial statements electronically, someone else may not even know these exist. If you use programs like QuickBooks, Mint, or tax preparation software, those records are digital. Access to these assets is important in managing and protecting your estate. Things like Facebook accounts, blogs, music, and photos may be stored in the cloud or on your computer, or both. Many of these items would have special meaning to your loved ones.

Much of this information is password protected. And most of us don't even realize how many digital accounts and assets we have because we create them over a long period of time and we get accustomed to our own stuff. Unless we make arrangements in advance, digital assets could be lost forever.

WHAT CAN YOU DO?

Estate planning for digital assets is similar to estate planning for other assets. You need to make a list of what you have and where it is located (e.g. a computer, iPad, smart phone, etc.). You can name a "digital assets agent" (a friend or family member with computer and social media know-how) to step in for you. Make the list secure, but provide your agent with access to it and some direction for what you want to happen to these assets. Your digital assets agent may be the same person you name as your trustee or executor, but it doesn't have to be.

Companies like Google and Facebook are now offering "legacy" options so you can choose what happens to your content if you become incapacitated or die. Ensuring someone has authority to

close accounts that are no longer needed will help to protect your family from identity theft after you are gone.

Yes, digital asset planning will take some time and thought. But, just like other estate planning, the more you do now to put your affairs in order, the more peace of mind you will have and the easier it will be for your family later.

For more information on digital asset planning, consult a qualified estate planning attorney.

The content herein is for general information only and should not be construed as legal advice or legal opinion. You are urged to consult with your own attorney on any specific legal questions you may have. *Rev. 12/2016*