



Estate planning in a digital world

More and more of our daily activities are moving online. All aspects of our lives—whether financial, social, work or leisure — increasingly have a presence on our computers or the Internet. Smart estate planning, therefore, includes addressing how to handle digital assets.

Historically, estate planning consisted primarily of physical assets, including items like real estate, jewelry, cars, furniture, coin collections, cash, and marketable securities. Today, you also need to consider your digital assets.

A few examples of digital assets to include in your estate plan:

- Email accounts
- iTunes libraries
- Kindle book collections
- Blogs or websites
- Facebook and Twitter accounts
- Digital photographs and videos
- Online shopping accounts
- Memberships or subscriptions with credit card information, as well as online bank and investment accounts and medical information.

Determining how to access and manage all of these different types of assets can quickly become overwhelming for your survivors if there isn't a clear plan in place.

Estate planning basics

Estate planning is a process designed to help you:

- Manage and preserve your assets while alive
- Conserve and control their distribution after your death according to your goals and objectives.

What estate planning means to you specifically depends on your unique circumstances: Your age, health, wealth, lifestyle, financial goals, and many other factors determine your particular estate planning needs.

Once an initial estate plan is in place, you should review it periodically to ensure that any changes in your wishes or situation are reflected.

Estate planning considerations for digital assets

While estate planning for digital assets follows the same basic process as planning for physical assets, it comes with some unique challenges:

- The media in which a digital asset resides may be owned by the deceased or by another entity.
- Digital assets are transitory in nature and subject to constant change.
- Legal considerations such as intellectual property and privacy laws further complicate the area of digital inheritance.

A digital estate consists of the digital media rights that can be inherited. Along with your online presence, your digital estate includes data stored on personal devices like tablets, computers, and smartphones. Two principal issues can arise over a person's digital estate: first, the

Key Takeaways



As more of our personal and financial data moves online, it's critical to ensure your estate plan addresses how to handle your digital assets.



Since online policies around digital assets continue to evolve, planning for the administration of digital assets poses some unique challenges.



Incorporating digital assets into your estate plan and setting up a regular process for updating this information is a smart way to ensure your survivors can easily manage these assets and your wishes in this area are fulfilled.

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data or copyrights that belong to the deceased and can be inherited; and second, access to the deceased person's digital estate by an executor charged with dealing with it.

Many online services have yet to establish clear and concise policies for how digital assets and liabilities should be managed once their owner has passed on. In some cases, it may be enough to make sure the person you named as executor or power of attorney has access to your passwords. However, some companies may consider another person accessing an account a violation of their terms of use and may freeze or close the account. That's why careful planning and research is necessary when adding digital assets to your estate plan.

Planning tips for digital assets

The good news is that individual states have introduced standard governance guidelines for estate planning and digital assets. Adopted in many states and being considered in several others, the revised Uniform Fiduciary Access to Digital Assets Act provides clear rules pertaining to how an executor can manage digital assets following the death of the owner.

As you look to add digital assets to your estate, the following are some tips to get you started. You may also want to consult with your financial advisor and attorney to ensure your plan is incorporated into your regular estate plan and updated on a regular basis.

- 1. Take an inventory of your digital assets.** Start by making a list of all of your digital assets. Make sure you include any hardware — such as computers, tablets or smartphones, important computer files or documents, and all online accounts.
- 2. Identify someone who will handle your digital assets.** The person you have identified to handle financial matters when you are gone may not be the appropriate person to handle your digital assets. You also want to make sure you have the right team of advisors in place to help your survivors deal with these issues.

- 3. Document passwords to allow access to your accounts.** While you are often cautioned to not write down this information, it can be helpful to your heirs and advisors to have easy access to this information in the event of your death. Given that this information will also change over time, you should plan to regularly update this document. You can keep this list in a safe deposit box or somewhere secure at home, letting your attorney or other trusted person know the location of the list.

- 4. Provide detailed instructions.** Make sure that your wishes are known for your digital assets after your death. Do you want your family to post funeral information on your Facebook or Twitter feed? Are there sites that you want closed down or left open? Are you earning income from a personal blog or YouTube video channel where your beneficiaries might benefit from an ongoing revenue stream? The more detailed the instructions you leave, the easier it will be for your survivors to know what to do and to ensure your final wishes are fulfilled.

- 5. Give appropriate authority.** Along with assigning management of your digital assets to one of your heirs and the appropriate advisors, you may also want to see if you can assign someone to act on your behalf for your online accounts to make it easier for them to be managed when you are gone.

Start planning today

Our digital presence continues to grow as new technologies are introduced and as we adapt to these solutions more and more. Including information on how to access and manage your digital assets in your estate planning documents is a critical step to ensuring that your heirs can more easily manage your affairs when you are gone.

For more information, please contact your Key Private Bank Advisor.

Key Private Bank



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