

Digital Estate Planning

When you think of your estate plan and what's important for you to protect after your death, it's likely that your immediate worries center on your assets with the highest financial or sentimental value—your bank, investment and retirement accounts, home, precious jewelry, family heirlooms and expensive cars or boats. It's important to protect these things, as they can provide significant financial assistance to your family or to charitable organizations. However, in today's digital age, focusing only on your largest valuables may cause you to overlook things that you likely use every day, yet never think of in terms of estate planning—your digital assets. Personal assets like your social media accounts or iTunes library can add up to a surprisingly large value, yet 63 percent of those surveyed in 2012 by Rocket Lawyer didn't know what would happen to their digital assets when they die.

Overlooking a digital estate plan can mean setting your family members and executor up for a long and arduous process of tracking down your account information and arguing with legal departments over gaining access to these assets. Unfortunately, this puts both your digital assets and your digital reputation at risk. By setting up a solid digital estate plan, you can ensure that you both maximize the financial benefit to your heirs and protect your own postmortem reputation.

What is your digital estate worth?

Keep in mind that it can be hard to see the value of your digital assets if you think only in terms of those assets that have a fixed financial value; however, when you think of your accounts in terms of what the files stored there might mean to you or a family member, their worth can skyrocket. By asking respondents to assign a financial price to things such as personal records or memories or entertainment files, a 2011 survey conducted for McAfee, a global computer security company, found that Americans value their digital assets at more than \$54,000 on average—so your digital estate might be larger than you think.

Digital estate planning has gained importance in today's increasingly digital world, as people may not leave as clear of a paper trail for executors once they die. For example, if someone was in the practice of paying bills online, accessing his or her bank

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statements online and e-filing their tax returns, it can be more difficult for an executor to locate these records if he or she is left without access to online logins. For business owners with largely online businesses, this can be a much larger issue. For example, if you're a writer who publishes almost exclusively online, you may need someone to take care of your copyright and licensing issues after you die, as the majority of your estate will be related to this income. Creating and updating a digital estate plan does more than help protect your assets; it creates a clear path to help your executor or family members manage and distribute those assets in the way you would want them distributed.

Tracking your digital assets

The first step toward creating a digital estate plan is making a list of all your digital assets. Consider the following when creating your digital inventory:

- Social media accounts (Facebook, Twitter, LinkedIn)
- Blogs or websites that you own
- Email accounts
- Online retail accounts
- Mobile apps that link to a digital wallet, such as Starbucks
- Music files
- Frequent flier miles or other points/rewards systems
- PayPal or eBay accounts
- eBooks

While not all of these accounts may be tied to a financial asset (e.g. social media accounts), you will likely still want some action taken on them upon your death. Once you have a list of all of your digital accounts, it's important to write down each of your usernames and passwords in a secure location. The average Internet user has approximately 26 different accounts and 10 unique passwords, so if you don't keep a resource with all of this information, tracking it down may be impossible for your executor. Using an online storage resource such as SecureSafe can be a good option, as it stores all your passwords and logins in one secure location. These services are typically free to store up to a certain number of passwords—beyond that number, you will be charged a fee. You can also store this information on an encrypted flash drive or CD, or keep a list in a safe deposit box. No matter how you choose to store this information, make sure you don't store it in your will, as it will become public if it goes through probate, allowing anyone access to all of your accounts. Try to update your username and password list at least once a year, or at least when you make a change to an account, or add or get rid of one.

Keep in mind that legal issues may prevent just anyone from accessing these accounts; some terms-of-service agreements limit access to authorized users, no matter what. Some may have exceptions if an executor is logging in "in the best interests of your estate," or may release certain contents of the account, such as photographs or posts, to the executor, but not the actual account information. These restrictions will also vary according to state law.

Writing your digital estate plan

Once you've catalogued all of your digital assets, you then have to decide what you want done with them. For your social media accounts, do you want them memorialized, deleted or left as is? Do you want each family member to gain a certain digital asset or receive a percentage of each? Non-financial assets can be especially tricky to allocate. Do you want your digital photos printed out and sent to a family member? Do you want your email

accounts destroyed, or are you comfortable with your family going through them? If you own a website domain name, your executor may be able to sell the domain, especially if it is an in-demand one. Whom should the proceeds of this sale go to? You'll have to ask yourself these kinds of questions before writing your digital estate plan.

Depending on the state you live in, you may be able to formalize this document into a legally binding one; however, legislation is still ongoing in many states regarding digital estate planning. As of September 2013, five states had laws that relate to digital assets, but two of those were limited only to email accounts. Twelve additional states had legislation currently under proposal, according to The Digital Beyond. Whether legally binding or not, you should tell a trusted advisor, family member or executor where this document lives, and ideally you should keep it in the same place as your password and login list. If you wish to name someone other than your executor as the authorized user on all of your accounts, you should detail this in this document as well—but remember that according to legal terms of service and your state's laws, he or she may not gain full access.

Other considerations for digital estate planning

Regardless of your personal preferences for your accounts, some terms of service state that accounts are completely nontransferable and will terminate upon your death. In this case, you'll want to specify that you want the account's content simply deleted upon your death. Yahoo, for example, will delete account content if mailed a copy of the death certificate. For these accounts, you should not include your username or password on your login list (although you should still state that the account exists).

Be aware that some digital companies offer estate management tools built in to their services; Google, for example, allows you to opt into its "Inactive Account Manager," which will contact a representative of your choice if your account goes inactive for a specified period of time. This tool will attempt to contact you before notifying your representative/account beneficiary and providing him or her with links to download your photographs, videos, documents or other data left to him or her. While many of the legal aspects of digital estate planning are still in flux, it's important to be conscious of the digital assets that you own and the way that not only your assets but your digital identity will be managed after your death.

