



A MOMENT OF CLARITY

Estate Planning in the Digital Age

BY ERIC THOMPSON

You are likely familiar with traditional estate planning that utilizes documents like wills and trusts to dictate how your assets such as your bank and investment accounts, home, and personal belongings are distributed after your passing. But have you also planned for what happens to your digital assets after you pass away?

What is digital estate planning?

A digital estate plan is the management, organization and coordination of what happens to digital assets upon an individual's death. This new area of estate planning addresses a wide range of digital property ranging from:

- Photos, videos, and documents stored on the cloud
- E-mail and digital messaging accounts
- Digital currency (e.g. Bitcoin, Ethereum, Litecoin and other cryptocurrencies)
- Internet enabled or application-based wallets (PayPal, Venmo)
- Social media accounts (Facebook, Twitter, Instagram)

Each of these exemplifies digital property that has passwords, codes, or authorizations that require specific instructions to be included in one's estate plan. From a bitcoin wallet code to a social media login, these can be stored in low-tech ways like the classic legal pad to high-tech and exceptionally secure password management systems. In all cases, these authorizations should be thoughtfully included in one's estate plan.

Why is it important to include digital assets in my estate plan?

In accordance with the Revised Uniform Fiduciary Access to Digital Assets Act (RUFADAA) of 2015, there is a specific way your digital estate is distributed upon death. These guidelines may offer logins and authorizations to individuals you never wanted to manage your accounts. Just as you plan to distribute a notable keepsake to a family member, you may want to direct specific people to handle your accounts and online presence that lives on forever. Without proper planning, the courts may distribute this access to people you never intended.

Additionally, the unauthorized accessing of digital assets is a criminal offense and involves countless privacy issues. Properly documenting authorizations and distributing them appropriately ensures your financial accounts or digital memories aren't lost to the internet or don't end up putting your loved ones in a legal battle.

What steps can I take to help properly plan my digital estate?

There are a variety of ways to help plan your digital estate. One method is to see if your online accounts offer an inactivity feature. This authorization states that if a user does not access their account for a specified period of time (say 6 months or 1 year), they allow their credentials to be sent to the party of their choosing.

Another option is by tracking your passwords in a password management system such as LastPass, Dashlane or 1Password. From here you can create a master level password that provides authorization for specific accounts. This method allows an individual to separate account types (financial vs. social media vs. revenue generating) and build in all-encompassing passwords to their estate plan. Instead of needing 100 passwords to each of your separate accounts, you can have one master password and simplify the process.

As the world goes digital and more of our lives are spent online, digital estate planning is an ever-growing topic of importance. We recommend you work with your Round Table Advisor to ensure that your digital assets are adequately incorporated in your estate plan.



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