

# Does Your Estate Plan Cover Your Digital Assets?

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If checking Facebook or logging into your online bank account is part of your daily routine, you're not alone. Between 2005 and 2016, the percentage of women who frequented at least one social media site jumped from four percent to 72 percent, according to data from Pew Research Center<sup>3</sup>. Data from the Federal Reserve<sup>4</sup> shows that 43 percent of mobile phone owners are using their devices to bank on the go.

Going online to manage your money, check emails, plan your calendar or stay connected with friends and family eliminates paper trails, but it creates something else: digital assets. While digital assets may not have a physical presence, like a home or collectibles, you still need to make room for them in your estate plan.

## What Are Digital Assets?

Digital assets fall into two broad categories: those that have some kind of financial value and those that don't. On the financial side are things like online bank accounts, investment accounts, virtual currency like Bitcoin and income-generating online properties, such as a website you own, an online storefront or digital media that you hold the copyright to. Digital assets on the non-financial side might include email accounts, social media accounts or cloud storage accounts.

## **Why Digital Assets Belong in Your Estate Plan**

Incorporating digital assets into your estate plan serves two purposes. First, it can make your executor's job easier if they're responsible for managing or closing down your online accounts after you pass away.

Accounting for digital assets in your estate plan could also make it easier for your heirs to access bank accounts or investment accounts, close down your social media profiles, or make back-up copies of documents, photos, videos or other files you've stored on your computer or uploaded to the cloud.

This ties into the second reason why having an estate plan for digital assets is so important: security. Deceased persons can be just as susceptible to identity theft as the living, and perhaps even more so—your various dormant accounts could potentially become a prime target for hackers.

## **Adding Digital Assets to Your Estate Plan**

Expanding your estate plan to include digital assets isn't complicated. It begins with taking a full inventory of the various digital assets you own. From there, make a detailed list of your login information for each of your online accounts.

Next, you'll need to name a digital executor, which you can do in your will. Not all states, however, recognize digital executors. If that's the case in your state, you may be able to appoint a co-executor to your will to handle only your digital assets.

You'll have to decide which assets the executor will oversee and what's to be done with them. For example, you may want to share certain accounts with your executor but not all of them. Last, outline your wishes in your will, a codicil or a trust document, to ensure that your digital assets don't fall through the cracks.

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