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Digital assets and estate planning

Do you order items online from an account you have set up? Do you have an email account, participate in social media, or keep track of health records online? Many people bank online or at least keep electronic records of bank statements and brokerage accounts. Others have web pages or blogs, own domain names or video game characters. The common denominator among these types of online accounts is that they require a username and password, and data is stored electronically and hopefully securely. The list of such "digital assets" can be long, and protecting them is necessary. But what happens if no one is able to access these accounts due to your death or disability? A recent issue of *Estate Planning Research and Development*, sent courtesy of National Penn Investors Trust Company, gives some guidelines to consider when estate planning for digital assets.

Someone who has done proper planning has executed a Will for disposition of property after death and Powers of Attorney to allow someone to manage financial and healthcare decision making during life in the event of incapacity. However, we often do not think about the plethora of digital assets we may own. For instance, someone who manages all of his or her finances online may leave their Agent or Executor without the ability to access any financial accounts at a critical juncture. It may be difficult to even to know what financial accounts exist with no paper trail or electronic access. On the other hand, it is important not to allow access to those not authorized to do so. This article suggests some additional planning to help avoid a crisis later.

Digital assets can be valuable and it is necessary to protect them from access without proper authorization. It is suggested that an inventory be created which would include all devices on which your digital assets can be accessed. This might include a personal computer, tablet and smart phone. Then each asset should be identified as to whether it has financial or sentimental value. Many photos are stored digitally now, and important family and personal memories can be lost without allowing the proper persons access; however, they would have nothing to do with paying bills. Then access information should be listed, including usernames, passwords and account numbers. Do not include this information in any documents that can be publically accessed.

An important next step is properly securing access information. It can be written down but then properly stored, such as in a safe or safe deposit box, or stored electronically, encrypting it and then having a master password. There are commercial services available to assist in this. In case of incapacity or death, there needs to be a provision to grant access to a third party, preferably a trusted person identified in the Power of Attorney and/or Will.

State law is slowly moving to address the issue of access to digital assets. However, as they become more pervasive, it is up to each of us to consider this aspect of our lives and provide for protection of and access to such assets. Failure to plan will make the task of assisting you during lifetime but after incapacity, or in managing your estate much more difficult and time consuming. Consider discussing this as part of your estate planning.