

## Creating a Digital Estate Plan

If you have an estate plan, or even just a simple will, you have already decided who will control your financial assets when you pass away. Perhaps you have made a separate list of valuable or sentimental objects – jewelry, dishes, artwork – and who you would like to receive those items; but what about your digital assets? Who will be able to access your social media accounts, your cloud storage, and your digital financial records? Will someone be able to access your phone, your laptop or tablet? How about your home security system?

As more and more of our life is stored and managed digitally, it has become important to have a plan for handling that content if we die or become incapacitated.

### Five steps to creating a digital estate plan

#### Step One

Make a list of all digital assets and how to access each one – username, password, PIN. Password management software like LastPass or 1Password may be useful for this because they can store multiple passwords but need only one to access. Digital assets may include the following:

- Social media accounts
- Subscription services
- Email accounts
- Credit Card Accounts
- Smartphone, computer, tablet or cloud data

#### Step Two

Decide how each asset should be handled. Should they be erased or transferred to someone else? Do they have monetary value? What about your email account(s)? If you receive bills or other notifications via email, someone will need to respond to those.

#### Step Three

Name someone to carry out your wishes for digital assets. Most states don't recognize this as a legal position, but the person you designate can still carry out your wishes with direction from your executor.

#### Step Four

Store this information in a secure but accessible location – with an attorney, in a locked file cabinet or safe, or with an online storage service like Everplans. A warning – do not include your passwords or other digital asset access information in your will. When you die, your will becomes a public document and that sensitive information becomes available to anyone.

#### Step Five

Make it legal if possible. You may be able to formalize your digital estate plan in a will or as a codicil to your will.

According to Findlaw.com, without a grant of access to your digital assets through a custodial tool or digital will, your family may have few options for accessing your digital accounts. Even if your state has adopted the Revised Uniform Fiduciary Access to Digital Assets Act, your executor or personal representative would have to invoke the Act and win a legal battle to gain access to your online accounts. Rather than risking the loss of your digital property, make a plan today. Contact an attorney in your area for assistance if needed.

*A digital asset checklist provided by US Bank is available at:*



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## ***Should You Donate Now – or Through your Estate?***

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Planned giving generally allows you to have control of your assets now, and make a more significant donation to your favorite charity after your death. But is that the best plan for you?

According to UJA Federation of New York, gifts made at the end of life rarely generate estate-tax savings, since only about 1% of estates are subject to federal estate taxes. On the other hand, gifts made during life might generate tax savings. And there is another bonus to giving during your lifetime – you get to see the results of your generosity.

Careful planning can minimize the impact of a significant lifetime gift on your current lifestyle. For instance, funding a gift with an asset that generates no current income – such as undeveloped land or stock that does not pay dividends – would not reduce current cash flow.

Your professional estate planner can help you decide the best way to maximize both your legacy and your tax savings. If you do not have an estate planner, you might wish to contact one of the members of our Planned Giving Advisory Council.

**A full list of members can be found at**

*[northeast.edu/giving/planned-giving/advisory-council](http://northeast.edu/giving/planned-giving/advisory-council)*

