

How to Protect Your Digital Life After You're Gone

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Just as with our physical lives, our digital lives will also require proactive estate planning.

Most people know to maintain a list of login information for their banking, investments, and other financial accounts for the executors of their estate. Doing so allows the executor to access accounts to get a complete idea of the deceased or incapacitated person's financial picture and also perform transactions as needed and permitted. This is especially important as more and more people opt for electronic bills and statements; no longer can an executor review a paper file to collect all bank and brokerage assets that become the decedent's estate.

What is less obvious, however, is maintaining a complete list of all of the other non-financial digital accounts one utilizes over the course of a lifetime. At first glance it may seem like there is little value in our social media accounts such as Facebook and Twitter. The services are free and known for fleeting conversation.

What many people fail to realize is how much important data is stored on those sites. Instead of boxes of letters from loved ones, people now have digital chats. Photo albums are now stored on hard drives, the cloud and the internet instead of in three-ring binders. Money can be saved on sites like Paypal and other virtual wallets, and complete libraries of books and music can exist on a single hard drive. Most people also have a number of online sites that are linked to credit cards and bank accounts.

With so much personal information stored online, it is crucial that families organize a coordinated and consistent strategy to ensure that their legacy and assets are preserved and handled as intended.

Some websites actually have plans for how digital profiles exist after the user's death. Of course, the terms are often buried deep in the terms and conditions section that is usually overlooked at initial login.

Facebook, for example, has a "memorialize" feature in which designated family members can convert a deceased person's account into a tribute page. Twitter allows family members to deactivate the account of the deceased.

Without prior planning, these social media companies will not permit a loved one to access a deceased user's account. It may be possible for an authorized executor or power-of-attorney holder to obtain access, but it is a much simpler process if steps are taken in advance of death.

Meanwhile, people with large online music and media collections may be dismayed to learn that in most cases, the person does not actually own the music but instead owns the license to the music. Even though there may not be any content to share with family members, these accounts within the iTunes or Kindle platforms, for example, are often linked to a banking institution, making it vital to delink any associations.

To ensure the safety of online profiles after death, it is necessary to create a detailed list of all online accounts. Depending on the situation, it may make sense to use a password manager such as RoboForm or LastPass to store all login information so executors aren't burdened trying to remember all of the important codes. If using a password manager, executors must ensure that the master password is securely written down and accessible to family members when they need it. Finally, people should also designate in their estate planning documents the levels of power an executor can have with online accounts — such as whether the intent is to access and close the account or to access and perform transactions.

Navigating the loss of a loved one is challenging enough without roadblocks to accessing their digital accounts. To discuss best practices for your specific situation, contact your Anchin relationship partner.