

## MANAGING DIGITAL ASSETS IN YOUR ESTATE PLAN

For more articles and White papers, visit  
our website [www.mamportfolios.com](http://www.mamportfolios.com)



**STEVE McCARTHY**  
CPA®, CFP®  
Owner and Principal  
650 610-9540 x 303  
[steve@mamportfolios.com](mailto:steve@mamportfolios.com)

*"It is time to start thinking about digital estate planning. Without proper planning, your digital property could be lost, inaccessible to heirs, or even subject to identity theft after your passing."*

McCarthy Asset Management, Inc. is an independent, fee-only investment advisory firm that has been helping people invest wisely for over fifteen years. Our mission is to help you better understand and improve your financial situation. We specialize in Retirement Planning, Portfolio Management and Tax Planning.



(Originally Published in February 2025 Monthly Commentary)

In today's digital age, digital assets have become an integral part of our personal and financial lives. These range from online financial accounts to social media profiles. Besides the need to back up digital devices and keep passwords secure, we must also consider what happens to all this information if we die or become incapacitated.



If you have not considered digital estate planning, you are not alone. Data tells us that approximately 76% of adults lack a proper estate plan, and less than 3% have a digital estate plan. Without proper planning, your digital property could be lost, inaccessible to heirs, or even subject to identity theft after your passing.

**Identifying Digital Assets:** Digital assets encompass a wide range of electronic records, including email accounts, social media profiles, digital photos and videos, online storage accounts, and financial accounts like PayPal, Venmo, or cryptocurrency wallets. As our reliance on digital platforms grows, so does the value, both sentimental and financial, of our digital assets.

Decide how you would like these assets to be handled. Here are possible decisions to make:

- Who should have access?
- Do you want your Facebook or Instagram page memorialized or shut down?
- Do you want your family to have access to all the online photos you have stored?
- Who will have access to the monthly bills you pay online?

Here are the steps to address digital assets in your estate plan:

- **Create an Inventory of Digital Assets:** Start by cataloging all digital assets. This inventory should include:
  - Account names and websites.
  - Usernames and passwords. A password manager can be very useful here.
  - Instructions on how to access, manage, or close each account.

A helpful template from Everplans is attached to this Monthly Commentary. This will assist you in gathering an inventory of your digital assets in one place. You can use it or create something like it.

- **Designate a Digital Executor:** Appoint a trusted individual as a digital executor responsible for managing and distributing digital assets according to your wishes. In some states, such as California, the **Revised Uniform Fiduciary Access to Digital Assets Act (RUFADAA)** allows executors or trustees to manage digital assets with explicit permission.
- **Include Digital Asset Provisions in your Will or Trust:** Work with an estate planning attorney to update your Will, Powers of Attorney, and any Revocable Living Trusts to clearly state your wishes for how digital assets should be handled. Our understanding is that without proper language in your estate documents, agents under Powers of Attorney executors under Wills, and successor trustees of Trusts could be forced to go to court to be able to access and manage all or many of the incapacitated or deceased person's digital assets.
- **Store Your Plan Safely:** Keep your digital estate plan in a secure location, such as in an encrypted digital vault. Ensure your digital executor knows how to access it.
- **Regularly Update Your Plan:** Your digital life evolves over time, and so should your digital estate plan. Regularly review and update it to reflect new accounts or changes to your wishes.

## Our Services

### Investment Management Services:

- MAM creates and manages customized investment portfolios based on each client's investment objectives, timeframe and risk tolerance.

### Financial Planning Services:

- The Net Worth Analysis (NWA) tracks the accumulation of Invested Assets for pre-retirees and the retention of Invested Assets for retirees. Updated annually.
- "Retirement Analysis" a comprehensive analysis of your retirement goals, which produces easy-to-read, interactive working plan, stored in the cloud. Updated as needed for life events.

### Tax Services:

- Clients have the option of utilizing the income tax services provided through the firm Stephen P. McCarthy, CPA. These services are offered at an hourly rate and may include:
  - Tax Return Preparation
  - Income Tax Projections
  - Tax Minimization Ideas
  - Tax Authority Representation

### Other Services:

- MAM has retained several outside experts, whose services are available at no cost to our clients:
  - Medicare Planning— Eileen Hamm of Superior LTC Planning Services, Inc.
  - Long Term Care Planning— Allen Hamm of Superior LTC Planning Services, Inc.

Note that some digital asset companies have procedures that clients can follow with the companies directly to designate successors. For example:

- Apple: <https://support.apple.com/en-us/102631>
- Facebook: [https://www.facebook.com/help/1568013990080948?locale2=en\\_US&\\_rdr](https://www.facebook.com/help/1568013990080948?locale2=en_US&_rdr)

**MAM Comments:** Digital assets have become an integral part of modern life, yet they are often overlooked in estate planning. By taking proactive steps to inventory your digital assets, appoint a digital executor, and provide clear instructions in your estate planning documents, you can ensure that your digital legacy is protected and that your loved ones are able to manage your digital property after your passing. We recommend you work with an experienced estate attorney who can guide you through this process.