

THE SILLER & COHEN REPORT



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Making Life Easier for Your Heirs in a Digital World

SILLER & COHEN
Family Wealth Advisors

Making Life Easier for Your Heirs in a Digital World

Over the past decade or so, most of us have been increasing our immersion in the digital world. We have desktops, laptops, iPads, smart phones, and possibly an assortment of other digital devices. Many people use the internet to do their banking, their bill paying, their investing, to manage credit cards and frequent flier miles. They have multiple email accounts. They may have a presence on Facebook, or Linked-In, or Twitter. They may have a PayPal account, and accounts at multiple internet commerce sites such as Amazon.com. etc.

In order to access devices and websites, we create passwords, dozens of them. Managing your passwords while you're alive can be a challenge, but at your death, if you haven't created a plan to give family members or some other trusted person access to your passwords, the results can be devastating.

In the pre-digital era, when someone died, executors and family members would go through the deceased person's home and look for paper records, checkbooks, bills, account statements, tax returns, etc. Even if the deceased kept very poor records, they would wait for the postman to bring the mail. Bills, bank and brokerage account statements, etc. would arrive in due course, and the missing pieces of the deceased person's financial life would be filled in and the probate process would move forward.

However, in the digital era, many of us have gone paperless, or largely so. Bills are delivered by e-mail; many of them are paid via automatically scheduled online payments drawn from a checking account. Many people have scanned their important personal, tax, and business documents to PDF files and now store them on their hard drives, or flash drives, or in the cloud. Without the passwords to access this information, it will be very difficult for the family to know the full extent of the deceased person's financial life.

In addition, many online service providers (e.g. banks, investment firms, etc), even when presented with letters of administration signed by a judge, will refuse to release a deceased person's passwords. The estate may have to bring civil lawsuits against the service providers to obtain the passwords, with no guarantee of success.

A Plan to Manage Your Digital Estate:

Gather the Necessary Information: In order to provide your family with this important information at your death, consider doing the following:

- List all of your digital hardware, including desktops, laptops, smartphones, iPads, USB flash drives, external back-up

hard drives, back-up CDs, etc.

- List any software programs you use that contain important data, e.g. Quicken, TurboTax, etc.
- Provide an outline or diagram of the file organizational structures on your digital devices. Even if your family has access to all of your passwords, it can be difficult locating important files that are scattered across several computers, smart phones, iPads and other digital equipment. Make it easier for your family by creating an outline that directs your family to the important files.
- List any social media sites that you have presence on, such as Facebook, Linked-In, Twitter, and online “cloud” websites where you store documents, photos, or other files.
- List all of your online accounts. Bank accounts, investment accounts, retirement accounts, e-commerce accounts (e.g. Amazon, PayPal, etc.), credit card accounts, insurance accounts (e.g. GEICO, etc.), and any other online site that contains important information.
- List all of your online subscriptions, e.g. NetFlix, Norton Anti-Virus, credit reporting/protection subscriptions, streaming music subscription services, etc.
- List all of your e-mail accounts, both personal and work. If there is important information stored in these accounts, provide a summary of the information and where it can be found within the e-mail account.
- Finally, create a list of the passwords (including usernames/IDs, PINs, etc.) for each digital device, for each online account, and for each online subscription service, and keep the list up to date.

Make this Information Available at Your Death: Once you have assembled all of this information, you will need to choose a method to get it to family members at your death, but also protects it against unauthorized persons. Unfortunately, there are no perfect options here, and only you can decide which method you are most comfortable with, but here are some options to consider:

- Print the information, store it in a secure home safe, and give the combination to a trusted family member, and possibly to your attorney to be stored in his/her law firm’s vault. (Don’t put the information in a safety deposit box at a bank; upon being informed of the death of a depositor, the bank may seal the box pending the court’s confirmation of the executor, which could take a month or more.)
- Store the information electronically, and encrypt the data, which scrambles the data so that it can’t be made sense of without the “master” encryption password. Doing this means you only need to remember the encryption password to access the list, and to update it or add new passwords. The encrypted list can be kept on a computer, a smartphone, a USB flash drive, an external hard drive, or on a website in the cloud. You should give the encryption password to a trusted family member, and possibly to your attorney. Of course, the encryption password should be very strong.
- Use a commercial password management application, such as LastPass, 1Password, and others that keep track of passwords and account information for you, and protect it with encryption and an encryption password.

- Use a web based service such as AfterSteps, EstateLogic, LegacyLocker, etc., which will store for you an electronic list of passwords, online account information, and other digital information. These services will release this information to your family or other designated persons based upon your instructions, for example, at your death or if you become incapacitated.

To sum up, while digital devices have made our lives more convenient in many ways, they also create new estate planning issues. As part of your general estate planning, it is important to develop a plan to store your digital information, and to provide a means for your family and executors to access this information in the event of your death.

As always, if you have any questions, please don't hesitate to contact us.

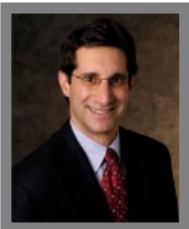
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As always, feel free to contact us with any questions.

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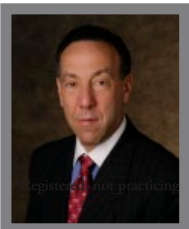
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ABOUT SILLER & COHEN

Siller & Cohen is a boutique family wealth advisory firm providing financial solutions for the past twenty years to institutions and high net worth individuals. We combine the detail and careful attention of a smaller firm with the deep resources of a national organization. Our team includes CPAs¹, Certified Investment Management Analysts, and attorneys.¹

While we offer our clients the full range of planning services, our core areas of expertise include wealth transfer, investments, and business succession planning.

A member of Siller & Cohen has been named by Barron's Magazine as a Top 100 Investment Advisor for 6 Consecutive Years!²

¹ Licensed, not practicing

² The list was compiled by RJ Shook, Financial Industry Consultants.
This is an objective ranking based on assets under management.

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