



3 Estate Planning New Year's Resolutions

Anna R. Valkovich, Esq.

It's that time of year again – the time when we all collectively resolve to spend a little more at the gym, enjoy a lot more time with our families, read that book, take that vacation, and get our financial houses in order. In the midst of committing to getting healthy or saving for retirement, it can be easy to overlook some of the most important resolutions of all: writing your Will, choosing guardians for your children, or just planning ahead as you get a little older. Here are three estate planning New Year's Resolutions everyone should add to his or her list:

1. *Review your beneficiary designations.* While the terms of your Will control the distribution of your probate property, beneficiary designations determine who will inherit your non-probate assets. Non-probate assets include brokerage or bank accounts with TOD (“Transfer on Death”) or POD (“Payable on Death”) beneficiaries, life insurance proceeds, assets held in a living trust, property held in joint tenancy with a right of survivorship, etc. The beneficiary designations on these assets are just as important to your estate plan as the naming of beneficiaries in your Will because these beneficiaries will also inherit from your estate.

To conduct your review, identify your non-probate assets and the beneficiaries you have designated for each asset. If you have married, divorced, had children, or experienced any other significant change in family circumstances, you may wish to alter certain designations. If your current designations leave property outright to a minor or an individual with special needs, talk to your estate planning attorney about having the assets held in a Trust for that person's benefit.

2. *Plan for the disposition of your digital assets.* Sure, you know who will inherit your house and your IRA after you are gone, but what will happen to your emails? The tax records stored on your hard drive? Your Facebook page? The family photos in your Flickr galleries? If your estate plan fails to address these and other digital assets, your loved ones may have trouble accessing financial accounts or lose precious family memories. Furthermore, failing to close online financial accounts may even expose your estate to the risk of identity theft.

Start by making an inventory of your digital assets. These include your personal assets (e.g. Flickr, Dropbox, Google Drive, and other data storage accounts; digital music, photos, and records; and email accounts); social media accounts, financial accounts, and, if appropriate, certain business assets. Write down the passwords associated with each asset and where the asset is located. Give your loved ones or executor instructions regarding what you would like to happen to each asset. For example, are any of your bills on auto-pay? Should your Facebook page be taken down?

Finally, treat your digital asset inventory the same way you would your other estate planning documents. Keep your inventory in a safe location, and share that location with your loved ones and your executor. Periodically update the inventory to reflect new or deleted accounts and changes in your passwords.



3. *Contact your estate planning attorney to schedule a review of your estate plan.* Generally speaking, it is a good idea to review your estate plan every few years. This is particularly important if you have recently experienced a significant change in circumstances, such as a birth or death in the family, a marriage or divorce, or a change in financial circumstances. Schedule a time to visit with your estate planning attorney to review the distribution of your assets laid out in your Will; your fiduciary appointments in your Will, Powers of Attorney, and Trusts; and the individuals you have designated as guardians for your children or yourself. If you don't have a Will, make an appointment with an estate planning attorney in your area and start the New Year off on the right foot.

Happy New Year, and best wishes for 2013!