



We have received numerous questions about the investment value of bitcoin and other cryptocurrencies; for many, whether it fits into a prudent portfolio is only part of the question. Most people do not consider the unique challenges that come with owning this type of investment. If you want to make a cryptocurrency part of your long-term portfolio, consider how your heirs will manage it if you pass away unexpectedly. To accomplish this, you need a strong estate plan that addresses your digital assets.

On September 13, 2017 New Jersey legislation for the Uniform Fiduciary Access to Digital Act. Due to this recent change, if you live in New Jersey, we strongly encourage you to have your estate plan reviewed. Also, at AEPG, we recommend that clients have their estate plans reviewed at a minimum, every five years due to changes in the law such as this and changes in personal circumstances.

What are Digital Assets?

Digital assets are any sort of electronic records in which a person has a right or interest. These can include things like photography, word documents, and other audiovisual media that is stored electronically, but also includes social media profiles, email accounts and cryptocurrencies. These assets are typically held by a “custodian”, or the company who holds this data on their servers (i.e. Facebook, Google, YouTube etc.).

To address the increase of digital assets including cryptocurrencies, 17 states have enacted the Uniform Law Commission’s “Uniform Fiduciary Access to Digital Assets Act” (see: [Who is Your Digital Fiduciary?](#)) and another 8 states have introduced the act in 2017 alone. All but 6 states (MA, DE, KY, LA, OK, and CA) as well as Puerto Rico and the U.S. Virgin Islands have enacted or introduced the bill.

While in the past we have focused on digital assets that have mainly sentimental value, Cryptocurrencies represent digital assets that have very real financial value. Bitcoin’s value, for example has increased from \$703/coin on November 8, 2016 to \$7,506 on November 8, 2017. For many investors, this dramatic increase has turned a relatively small initial investment into a much more significant part of their financial portfolio.

Estate Planning for Digital Assets

The primary goal of the ULC’s “Uniform Fiduciary Access to Digital Assets Act” or UFADAA is to allow an owner to grant access to their digital assets to a fiduciary (such as the Executor/Executrix of their estate). Access to these assets has traditionally been governed by the custodian’s “Terms of Service Agreement”, which often limit access, ownership, and transferability, adding additional burden to manage and dispose of these assets in the case of the owner’s death.

The act lays out a three-tiered system to determine the fiduciary for digital assets. In order of priority these tiers are:

1. An online tool provided by the custodian separate from the general Terms of Service Agreement, allowing the owner to name other individuals that have the right to manage or delete the owner’s digital assets
2. A legal directive either included in a Will, Trust, Power of Attorney or another written record

Can My Heirs Sell My Bitcoin and Other Digital Assets?

By: [Alex Vaccarella, CFP®](#) & [Peter Høglund, CFP®](#)

- Fiduciary access language included in the custodian's terms of service agreement

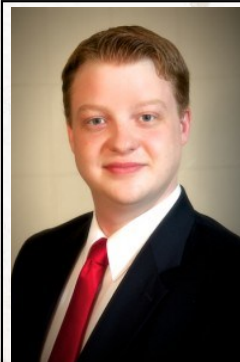
The bottom line is if you do not designate a fiduciary for your digital assets either through an online tool provided by the custodian or through your own legal documents, your fiduciary and heirs may not have full legal access.

Practical Considerations

When developing an estate plan, there are both legal and practical considerations. In the case of many digital assets, even though you may have granted fiduciary access, your fiduciary may not know where your assets reside.

At AEPG, we always encourage our clients to prepare a private letter to the individuals that will be handling their estate, to lay out some of the practical considerations not typically included in the legal estate documents. Included in this letter should be where, how to access, and how to handle your digital assets.

To begin the estate planning process, or to review your existing estate plan, please do not hesitate to contact your [AEPG® Financial Life Planner](#)



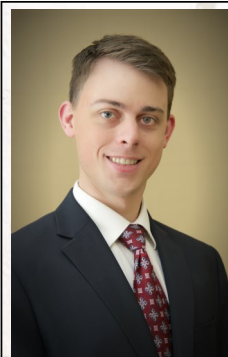
[Alex Vaccarella, CFP®](#)

Financial Planner

AEPG® Wealth Strategies
25 Independence Blvd, STE 102
Warren, NJ 07059

E-mail: AVaccarella@aepg.com

Direct: 908-821-9795



[Peter Høglund, CFP®](#)

Vice President, Financial Life Planning

AEPG® Wealth Strategies
25 Independence Blvd, STE 102
Warren, NJ 07059

E-mail: PHoglund@aepg.com

Direct: 908-821-9760

Important Disclosure

Please remember that different types of investments involve varying degrees of risk, including the loss of money invested. This material may contain certain forward-looking statements. These forward looking statements are not guarantees of future performance, condition or results and involve a number of risks and uncertainties. Past performance may not be indicative of future results. Therefore, it should not be assumed that future performance of any specific investment or investment strategy, including the investments or investment strategies recommended or undertaken by American Economic Planning Group, Inc. ("AEPG") will be profitable. Definitions of any indices listed herein are available upon request. Please remember to contact AEPG if there are any changes in your personal or financial situation or investment objectives so that we can review our previous recommendations and services, or if you wish to impose, add or modify any reasonable restrictions to our investment management services. This article is not a substitute for personalized advice from AEPG and nothing contained in this presentation is intended to constitute legal, tax, accounting, securities or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. Investment decisions should always be made based on the investors specific financial needs, objectives, goals, time horizon and risk tolerance. This information is current only as of the date on which it was sent. The statements and opinions expressed are, however, subject to change without notice based on market and other conditions and may differ from opinions expressed in other businesses and activities of AEPG. Descriptions of AEPG's process and strategies are based on general practice and we may make exceptions in specific cases. A copy of our current written disclosure statement discussing our advisory services and fees is available for your review upon request.