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Modern Estate Planning Tips for Handling Digital Assets

Are you aware of exactly what digital assets are? Digital assets refer to any form of content or information that exists in a digital format and holds value to individuals or businesses. These assets encompass a wide range of items, including online accounts, social media profiles, cryptocurrencies, digital photos and videos, intellectual property, and more. Do you have digital assets? Are they included in your Wisconsin estate plan? In fact, in this digital age, Wisconsin estate planning has become more complex due to the increasing presence of digital assets that need to be planned for.

You need to be aware that the value of digital assets can be both financial and sentimental. As you work with your experienced Wisconsin estate planning attorney you can include provisions for the management, distribution, or preservation of these assets in your Wisconsin estate plan to ensure that your digital legacy is properly created. Because of their unique nature, digital assets may require more strategic planning which your experienced Wisconsin estate planning attorney may assist you with.

As digital assets continue to become both more complex and more prevalent, we want to provide some modern estate planning tips for managing digital assets that we give many of our clients.

1. Have a detailed inventory. You need to create an inventory of all your digital assets. This includes listing the platforms, accounts, and any associated login credentials. Keep this inventory updated and stored securely.

2. Be sure to review the terms of service for each asset. Be aware that this is a constantly evolving area and can be subject to change at any time, typically at the sole discretion of the company that created the digital asset. Familiarize yourself with the terms of service and user agreements of the platforms where your digital assets reside. Some platforms have specific provisions regarding the transfer or management of accounts upon the user's death or incapacity although this is not the norm.

3. Give authority to your agent, your personal representative, and your trustee. Be sure each of these three individuals, or one individual depending on the nature of your Wisconsin estate plan, has the specific written authority to manage and dispose of your digital assets.

4. You need to create a central password manager for digital assets that are in your Wisconsin estate plan. You could use password manager applications to securely store and manage your login credentials. Under the guidance of your Wisconsin estate planning attorney you may want to go a step further and provide your future decision maker with the necessary access credentials to this central password manager account. While this will include usernames and passwords, it may also include two-factor authentication methods.

5. Be sure to specify digital asset distribution. We recommend that you work with your experienced Wisconsin estate planning attorney to clearly outline your wishes for the distribution or disposal of specific digital assets in your estate plan. This may include transferring ownership, deleting accounts, or preserving certain assets for sentimental or historical purposes.

6. We highly recommend that you regularly review, update, and manage these accounts. Digital assets and online platforms evolve rapidly as opposed to the ownership and access to more traditional assets such as real property. Regularly review and update your Wisconsin estate plan to reflect any changes in your digital asset inventory, platforms, or preferences.

By incorporating these evolving Wisconsin estate planning tips, you can better manage and protect your digital assets, ensuring that your digital legacy is handled according to your wishes. Remember, working with your experienced Wisconsin estate planning attorney in this area is critical to remain up-to-date with changing laws and technologies that could impact your goals for your digital assets.

We know this article may raise more questions than it answers. We want to help you protect your aging relatives. We encourage you to contact us and schedule a meeting with attorney Alan Hougum today.



The Limitations of Relying Solely on a Will for Business Protection

Entrepreneurs and business owners invest substantial time, effort, and resources into building their businesses. Naturally they want to ensure that their hard work and legacy continue, even after they are no longer around. While a Wisconsin last will and testament is an essential estate planning tool, it may not be enough to fully safeguard your business interests. Let us provide insight into the limitations of relying solely on a will to protect your business and discuss alternative strategies to secure its future.

One of the primary reasons why a will may fall short in protecting your business is its inability to address the complexities of business succession. Unlike personal assets, a business is an ongoing entity with intricate dynamics that extend beyond the distribution of tangible property. There are multiple factors that contribute to the limitations of using a will for business succession including, but not limited to, the following:

Probate Delays. Similar to personal assets, a business held solely in a will may be subject to probate, resulting in time-consuming delays and potentially hampering its operations and continuity.

Business Valuation. Determining the value of your business is crucial for equitable distribution among heirs. However, this process can be complex and contentious, potentially leading to disputes among beneficiaries.

Ensuring Competent Management. If your business relies heavily on your expertise and vision, a will alone may not guarantee that competent management will take over and maintain the company's success.

To overcome the limitations of a last will and testament in business succession, business owners often turn to buy-sell agreements. A buy-sell agreement is a legally binding contract that outlines what happens to a business in the event of specific triggers, such as the owner's death or incapacitation. Some key advantages of buy-sell agreements include:

Continuity. A buy-sell agreement ensures a smooth transition of ownership and management, preventing any disruptions to the operation of the business.

Fair Valuation. The agreement can pre-establish the value of the business, eliminating valuation disputes and providing a fair and accurate assessment of its worth.

Funding Mechanisms. Buy-sell agreements can include funding mechanisms, such as life insurance policies or installment payments, to ensure that the surviving family members or partners receive fair compensation for their interest in the business.

In addition to buy-sell agreements, business owners can utilize trusts specifically designed to protect business assets. For example, irrevocable trusts can shield the business from creditors and potential legal claims, providing added security and preserving its assets for the intended beneficiaries. This is just one of the strategies your experienced Wisconsin estate planning attorney will discuss with you to ensure the comprehensive protection of your business. Remember, proactive planning and careful consideration of all available options are essential to secure your business's legacy and the prosperity of your loved ones.

We know this blog may raise more questions than it answers. We encourage you to contact us and schedule a meeting with attorney Alan Hougum today.



Attorney Alan Hougum and his compassionate team will help you protect yourself and the people you love with strategic planning strategies, such as wills, asset protection and trusts, powers of attorney, estate trusts, elder law planning, Medicaid crisis planning, Medicaid eligibility and application, probate and estate administration, avoiding probate, charitable planning and giving, special needs, and estate tax planning. Hougum Law Firm, LLC, serves the entire Wausau, Wisconsin area.

Our office is located in Wausau at 305 S. 18th Avenue, Suite 200, Wausau, Wisconsin 54401. Do you have questions you need answered before or after your appointment? Just let us know! Contact us by email at info@hougumlaw.com or call us at 715-843-5001.