

Bitcoin Estate Readiness Checklist

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Not professionally reviewed. This checklist is general information, not legal, tax or investment advice, and it has not been reviewed by an attorney or CPA. Estate, probate and tax rules vary by state and country. Have your own licensed estate attorney and CPA review it before you rely on it. Listings, not endorsements.

Never write your seed phrase, passwords or private keys on this page. Keep this finished page away from your seed backups: a seed and an explanation of what it is should not sit together.

1. Make an inventory

- ☐ List every wallet, hardware device and exchange account you use.
- ☐ Note whether each one is on an exchange, a hot wallet or a cold wallet, and what setup it uses (single key, multisig such as 2-of-3, or a collaborative custody service).
- ☐ Keep purchase dates and prices for each account, so cost basis can be worked out later.
- ☐ Check whether your exchange offers a legacy or beneficiary tool.
- ☐ Check that this page holds no seed words, passwords or keys.

Wallet / account	Type and setup	Where the device or backup is kept (not the seed itself)	Who knows it exists	Where the purchase records are

2. Make sure someone knows it exists

- ☐ Decide who needs to know you own Bitcoin. Cryptocurrency rarely leaves a paper trail, so heirs who are never told may never find it.
- ☐ Tell your executor or trusted person where your letter of instruction is kept.

3. Write a letter of instruction

- ☐ Keep it separate from your will. Ask your attorney how to keep a will from pointing to it by name, since a document a will identifies can end up in the public file.
- ☐ Write it for someone who knows nothing about Bitcoin, with steps from opening the wallet to turning coins into cash.

- ☐ Explain what you have and where the backups are.
- ☐ Decide with your attorney whether the letter holds the seed itself. Sources differ on this, so do not guess.
- ☐ Store seed backups and the instructions in different places.
- ☐ If you use multisig, make sure every key holder also has the wallet descriptor (a configuration file). Seeds alone won't restore a multisig wallet.
- ☐ Warn your heirs in writing that "recovery services" promising to restore Bitcoin without the seed are scams.

4. Choose how your heirs will get in

- ☐ **Single key with instructions:** simplest, no change to your setup, but it relies on one person and one location, and anyone who finds the backup can take the coins.
- ☐ **Multisig with keys held by different people:** no one person can move the coins alone and one lost key does not lock you out, but it is more complex. If an attorney or other professional would hold a key, ask about licensing and conflict issues in your state.
- ☐ **Collaborative custody service:** a company holds one key and helps with recovery. Costs include fees, company-failure risk and less privacy.
- ☐ Match the choice to your heirs' skills. A plan they can't carry out is worse than a simpler one they can.

5. Things not to do

- ☐ Don't put the seed phrase in your will. A will usually becomes part of the public court record when it goes through probate.
- ☐ Don't leave Bitcoin out of your estate plan. Ask your attorney about naming it in your will or trust, without keys or passwords.
- ☐ Don't keep the seed and the explanation together.
- ☐ Don't split a seed by just dividing the words between people. If you split a backup, use a scheme your wallet supports.

6. Test the recovery

- ☐ Follow your own instructions on a fresh device, or have your heir do it, ideally with a small amount of Bitcoin.
- ☐ Fix whatever confuses them, then update the letter.

7. Review it every year

- ☐ Can you still reach every key? Are contacts current? Do the backups still work?
- ☐ Update the plan after a marriage, divorce, birth, death, move, or change of executor.

Last reviewed: _____

Next review: _____

8. Talk to the right professionals

An attorney handles the legal documents and authority. A CPA handles records, cost basis and tax. Many don't know Bitcoin yet, so ask directly. Consider a professional if losing your coins would seriously hurt your family, you want a trust, you have a blended family or heirs in several states or countries, you are setting up multisig, or you are unsure how heirs would be taxed.

5 questions for an estate attorney

1. Have you handled an estate with self-custodied Bitcoin before?
2. How will my will or trust cover my Bitcoin and give my executor authority over digital assets, with no seed or password in it?
3. Where should my letter be kept, and could my will pull it into the public record?
4. Would you hold a key for me? Are there licensing or conflict issues in my state?
5. How often should we review this plan?

5 questions for a CPA

1. How many clients with self-custodied Bitcoin do you work with?
2. What records should I keep now so heirs can work out cost basis?
3. How would my heirs likely be taxed on inherited Bitcoin in my situation?
4. If my executor sells coins, what reporting will they need?
5. Can you work with my estate attorney and executor?

Find professionals who say publicly that they work with Bitcoin holders at **bitcoinprofinder.com**. We list them from their own pages. We don't vouch for them or check licenses.

Sources

- Fidelity: Fitting cryptocurrency into your estate plan (fidelity.com/learning-center/wealth-management-insights/crypto-and-estate-planning)
- Nolo: How to Leave Cryptocurrency in Your Will (nolo.com/legal-encyclopedia/leaving-cryptocurrency-in-a-will.html)
- American Bar Association: Bequeathing Bitcoin: Storing and Transferring Cryptocurrency upon Death (americanbar.org, Nov/Dec 2024)
- Self Custody Labs: Bitcoin Inheritance Planning (selfcustodylabs.com/docs/advanced/inheritance-planning/)

Listings, not endorsements.

BitcoinProFinder is not a law firm, accounting firm or financial advisor.

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