



# ESOP

## services

### Maximize the benefits of your ESOP — while more easily meeting its requirements

Business succession, tax strategies, employee retention, retirement benefits .... Employee stock ownership plans (ESOPs) have quite a few advantages to offer you and your employees.

But ESOPs also require your organization to meet certain regulations. You need ongoing plan administration, an annual valuation and audit (if your plan has more than 100 eligible participants), and stock buy-back (repurchase obligations) forecasting. Then there are ESOP benefits you might not be taking advantage of, like tax planning.

With our full range of ESOP specialists, we can help.

Wipfli's accredited appraisers understand ESOP regulations and how to provide a fair market valuation of your ESOP. Our CPAs understand the tax implications and strategies unique to your ESOP, as well as how your organization's history and dynamics come into play. And our employee benefits services team specializes in the unique rules and regulations that apply to ESOP plans. You can rely on them to provide effective ESOP plan administration and more.

Our team can create a flexible ESOP plan designed to meet your specific goals as the business's owner, as well as the objectives of your business and the retirement goals of your employees. When employees own shares in a company, they become that much more invested in its success. When you have a strong management team, ESOPs can provide a successful succession strategy for you at retirement, and can help you attract and retain top employees and help provide continuity for your customers.

**WIPFLI**

# Holistic services for your employee stock ownership plan

Wipfli provides a full range of ESOP services:



## Business valuation

The Employee Retirement Income Security Act (ERISA) requires your organization to perform an annual, independent valuation of the stock held by the ESOP. Wipfli's appraisers have decades of experience performing ESOP valuations. We understand the factors that are unique to ESOPs and can provide you with an accurate valuation.



## ESOP plan audit

Wipfli also has deep experience performing ESOP audits – and our experience with the complexities of ESOP administration only enhances our audit abilities. The Wipfli team audits a range of areas, from the valuation completed by an independent third party, to employee eligibility, to the ESOP's contribution allocations and distributions.



## ESOP plan administration

As your ESOP plan administrator, Wipfli performs a range of services. These include annually determining employee eligibility and calculating how much they are eligible to receive in contributions; applying the ESOP's vesting schedule, including calculating vesting amounts and how much employees are entitled to receive upon termination; calculating the shares allocated based on loan repayments; and preparing tax forms such as Form 5500.



## Tax planning

Let Wipfli analyze and take you through the tax benefits specific to your organization's ESOP. ESOPs can deliver great tax benefits. For example, if you, upon your retirement, sell your shares and reinvest the proceeds in U.S. stocks and bonds, you can perform a tax-free Section 1042 rollover and defer taxes on the gains. ESOPs also allow your business to deduct principal and interest on loan repayments to fund the ESOP. Plus, contributions to the ESOP are deductible. Our tax specialists can make sure you're leveraging these benefits.



## Forecasting

With an ESOP, the business needs to buy out the shares of any retiring employee and pay them the amount in cash. As employees age, it's a very good idea to begin planning for these buy-backs. Wipfli helps you forecast out 5-10 years to predict what that cash outflow may look like so your business can adequately prepare.

## Let's get started

Contact us to learn more about our ESOP services.

[wipfli.com/ESOP](https://wipfli.com/ESOP)