

Business Estate Planning

This playbook provides a strategic approach for business owners to plan their estate, ensuring appropriate succession and management of the business after they pass away. It covers the essential considerations and procedural steps necessary to effectively secure the future of the business and provide clarity for heirs and associates.

Step 1: **Assessment**

Conduct a thorough assessment of your personal and business assets. Document all tangible and intangible business assets, including property, intellectual property, stock, and ownership interests.

Step 2: **Valuation**

Determine the valuation of the business. Engage a professional business appraiser if necessary to get an accurate and up-to-date valuation.

Step 3: **Succession Plan**

Create a detailed succession plan. Decide who will take over the business or if it will be sold. This should include who will manage the business day-to-day and any changes in ownership structure.

Step 4: **Legal Structure**

Consult with an estate planner or attorney to understand the impact of various legal structures on your estate plan. Determine the best

structure for your situation, such as a trust, to manage your business assets.

Step 5: Estate Plan Document

Draft a comprehensive estate plan document. It should articulate your business transition strategy, including your will, any trusts, and power of attorney assignments.

Step 6: Tax Planning

Plan for potential estate taxes. Work with a financial advisor to understand tax implications and strategies to minimize estate taxes, such as gifting shares or creating a family limited partnership.

Step 7: Review Beneficiaries

Ensure all your business-related insurance policies and retirement accounts have updated beneficiaries in line with your estate plan.

Step 8: Communicate Plan

Discuss your estate plan with family members, beneficiaries, and key business associates. Make sure they understand their roles and the reasons for your decisions.

Step 9: Regular Updates

Review and update your estate plan regularly or when significant changes occur in your business or personal life, such as a change in marital status, business growth, or new tax laws.

General Notes

Professional Advice

Seeking professional advice from estate planners, attorneys, and financial advisors is crucial for effective estate planning, particularly for complex business arrangements.

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