



UNDERSTANDING
WEALTH®

BUSINESS PLANNING GROUP
PRESENTS
ACCUMULATING AND PROTECTING
WEALTH

ASSISTING ORGANIZATIONS AND CLIENTS
IN UNDERSTANDING AND IMPLEMENTING: QUALIFIED
PLANS, EXECUTIVE AND EMPLOYEE BENEFIT PLANS,
ENTERPRISE RISK MANAGEMENT, AND ESTATE AND
LEGACY PLANNING STRATEGIES

WELCOME

Business Planning Group assists organizations and clients in understanding and implementing qualified plans, executive and employee benefit plans, enterprise risk management, and estate and legacy planning strategies. We help clients build personal wealth, attract and retain successful teams, and create a powerful impact into the future.

Business Planning Group personally works with all relevant parties to help them understand the potential rewards that are available when they take a proactive approach to their financial planning. Our services provide IRS compliant options that minimize tax impact while protecting and enhancing lifetime earnings.



MISSION AND CORE VALUES

Mission

To serve client organizations, their owners, executives and key employees by supporting them in planning for their financial futures. To provide clients with superior financial products and services, clear guidance, advice and support in the implementation of financial strategies. Assist our clients in avoiding risk, mitigating taxes, protecting their families, accumulating assets and planning for their estates and legacy.

Core Values

We pride ourselves in the way we conduct our business and we follow core values to assist us in working with our clients to create their financial prosperity and peace of mind.

- **Be Trustworthy:** We are committed to upholding the highest standards of integrity in what we say and do.
- **Be Customer Focused:** We listen to our clients and work with them to create high quality solutions to meet the financial needs of the organization and individual.
- **Be Respectful:** We respect our clients, their beneficiaries, their advisors, and our suppliers.

QUALIFIED PLANS

Qualified plans provide essential retirement benefits for employers and employees and can also provide death and disability benefits. Qualified plans can give employers a critical edge in attracting and retaining highly qualified employees. Additionally, qualified plans provide tax advantages to employees, key executives and business owners.

Qualified Plans include:

- IRA plans
- Defined contribution plans
- 401(k) plans
- Defined benefit plans



Utilizing pre-tax contributions rather than after-tax dollars, Business Planning Group will assist you and your company in the establishment and management of your qualified plan.

QUALIFIED PLANS

Qualified plans must satisfy the Internal Revenue Code in both form and operation. This means that the provisions in your plan document must satisfy the requirements of the IRS code and those plan provisions must be followed.

Plans that meet certain Internal Revenue Code requirements are “qualified” for special tax advantages, including income tax deductibility of contributions. Qualifying contributions are also not immediately taxable to employees (except for Roth IRA and Roth 401k Plans). Funds within plans accumulate on a tax-deferred basis. These plans help employers and employees leverage their retirement savings.

Employers with qualified plans need to establish practices and procedures to ensure the plan is operated in accordance with the plan document so that participants and beneficiaries receive their proper retirement benefits. This can be challenging as retirement plan law, regulations, contribution limits, and matching rules change frequently. Our responsibility is to coordinate with employers to maintain compliant participation.

Business Planning Group looks forward to discussing qualified plan options for your organization.

EXECUTIVE BENEFIT PLANS

You've spent years building your successful team. In today's ultra competitive market, losing a key team member could be devastating to your plans. Your top performers look to you to understand and recognize their value to the organization. Rewarding your joint successes with a lucrative executive benefit is your way of saying, "you're on my team!"



Most non-qualified executive benefit plans help companies and business owners reward key employees without concern for discrimination compliance. While qualified plans have contribution limitations that make it difficult to ensure an adequate retirement income, non-qualified plans can remedy this condition for owners, executives, and your most valued employees. Business Planning Group will help you develop a plan that meets the needs of the company and that select group of executives and key employees needed for success.

EXECUTIVE BENEFIT PLANS

Executive benefit plans are an arrangement between an employer and their employee, where the employer agrees to pay the employee a specified benefit at a time, often at retirement. Also referred to as “non-qualified plans”, these plans are generally exempt from discriminatory and top-heavy testing to which qualified plans are subject. Executive benefit plans include:

- Executive leveraged premium plans
- Section 162 executive bonus plan
- Section 162 double bonus plan
- Split dollar plans
- Buy-sell purchase agreement plans
- Key person insurance
- Deferred compensation plans / SERP

Some non-qualified plan contributions may be currently tax deductible for the employer and can be partially or fully taxable to the employee. These plans often allow employees to defer taxes until retirement, when they can hopefully withdraw the funds at lower tax rate or even tax-free.

MANAGING RISKS

Buy-sell Agreements

If you are a co-owner or partner of a business, buy-sell agreements should be a part of your ownership agreement. This agreement covers what will occur if one (or more) owners should unexpectedly die or become disabled and unable to work. Buy-sell agreements are typically funded with life insurance and individual disability insurance. If the covered owner dies, the company or co-owners receive the policy death benefit which is then used to buy the deceased partners' shares from his/her family members.

Key Person Insurance

Key person life insurance covers the life or lives of people that are critical to the success of the business. In the event of the death of a key person, the company will have the resources needed to immediately recruit and hire a replacement key employee.

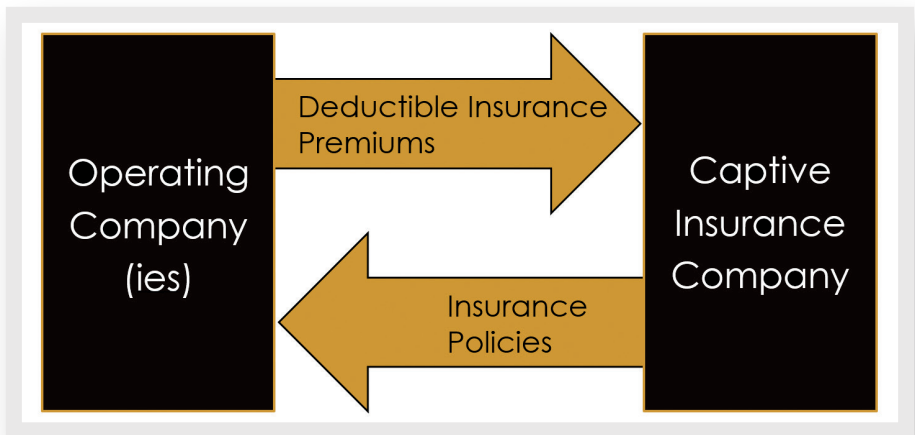
Key Person Disability

Far more likely than death, the disability of a partner or key employee can create unwanted chaos in a business. This risk can be covered by key person disability, a policy that pays the business in the event of a temporary loss of a key employee. Many companies insure against this risk with key person disability insurance.

MANAGING RISKS

Captive Insurance Companies

A captive insurance company is one that insures the enterprise risks of its' parent company(ies). Captives are essentially a form of self-insurance where the insurer (the captive) is owned wholly by the business owner(s) or others. Covered under IRS code 831(b) since 1986, and known as "Micro-captives", captives are typically established to meet risk management needs and are formed to cover a wide range of enterprise risks, especially those risks not easily insured by commercial carriers.



Micro-captive plans receive annual premiums by insuring the enterprise risks. Once the captive is established it is subject to state regulatory requirements including reporting, capital and reserve requirements.

LEVERAGED PREMIUM PLANS

Leveraged premium plans enable clients with a life insurance need to leverage liquid assets to fund a life insurance policy. With a leveraged premium arrangement, the client (or the clients' trust or corporation) takes out a loan from a lender in order to pay the premiums on a life insurance policy. Here are a few benefits of leveraged premium plans:

- Leveraged premium plans reduce liquidity needs. This is helpful if your assets are not readily convertible to cash or, are committed to other expenses.
- Your current assets may be employed into investments with returns that are higher than the cost of borrowing.
- Leveraged premium plans can be used to support:
 - Retirement income planning
 - Prefunding of a corporate buyout
 - Philanthropic planning
 - Estate liquidity
 - Estate maximization
 - Corporate liquidation value replacement
 - Corporate benefit planning
 - Estate tax replacement

LEVERAGED PREMIUM PLANS

Typically, the insured will utilize a leveraged premium plan from a lending institution in order to leverage available dollars to purchase a policy on the life of the insured. With a leveraged premium plan, the lender pays the annual premium(s) on the life insurance policy and the policy owner (or a trust) will only pay annual interest on the financed premium.



Because the insured owns the policy, the insured will be responsible for the payment of the borrowed amount and interest until the loan principal is repaid to the lender, usually through a cash value withdrawal. The insurance policy cash values and other assets are used for collateral against the loan until it is retired.

ESTATE PLANNING

Estate planning is organization of your affairs in order to effectively deal with the prospects of lost capacity and death. Estate plans will typically include a few documents.

Some of the key documents in most plans:

- **Health care power of attorney** – will provide direction and legal approval for whomever will make decisions for you with doctors or other healthcare providers should you be unable to represent yourself. This is managed through a health care power of attorney.
- **Living Will (or healthcare directive)** – provides instructions for medical staff, in the event that you go on life support or require life-saving efforts to stay alive.
- **Revocable living trusts** – are drafted in addition to wills for more complicated estate-planning requirements. In these trusts, assets can be protected from taxes and probate. Instead of going through probate court, a trustee is appointed to manage the trust and makes decisions about trust assets. Trusts not only avoid probate but also the expense of requiring a probate attorney, paying court costs and having assets appraised.

ESTATE PLANNING

- **Financial power of attorney** – appoints someone of your choosing to handle your financial affairs.
- **Will** - your Last Will and Testament, "will" is a simple but detailed list of instructions as to how and to whom you wish to leave your property after you die.



In addition to these basic estate planning tools, plans often require making special provisions for the ongoing management of estate assets for:

- Financial support of children with special needs.
- Distribution options to heirs.
- Estate asset equalization.

LEGACY PLANNING

When you think about all the things you have done in your life, the impact you have had on people and organizations, you are thinking about your legacy. How will those you love as well as the organizations you care about remember you for your lifetime of commitment?

If you have reached that place in your life where you are able to understand and appreciate the fragility of the human form, then you may be ready to consider options for creating a lasting significance for your life, one that will create an enduring legacy for you or your family.



Legacy planning is different from estate planning, which focuses on financial and tax efficiency. Legacy planning, instead, focuses on how to leave a lasting impression of your values into the future.

LEGACY PLANNING

Is legacy planning for you? - For some people, working hard and retiring well is simply not enough. If you have lived a life that can be defined by your personal values, then you may want to continue to support those cherished values with actions and financial support after you are no longer here. Legacy planning is not just charitable giving. When a legacy plan is well constructed, you define and control the assets and distribution of the assets after you are gone. Your legacy plan will make your money really matter by creating assets that will continue to support interests values into the future, even in perpetuity.



Business Planning Group looks forward to supporting your legacy planning needs. We'll work with your tax advisors, attorney and charity(ies) of choice to assure that you have a legacy plan that creates the kind of lasting impression envisioned by you and your family.



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