

# *Advanced Planning Programs Opportunities Any Business Owner Needs to Be Aware of...*

*At the KeyArx Group,  
we understand the  
importance of education in  
Advanced Planning Concepts.  
Our team of experienced  
professionals design, develop,  
deliver and manage a range  
of integrated products and  
services whose singular goal  
is to promote your personal  
and professional security,  
wealth and well-being  
...now and in the future.*



## **Buy-Sell Review**

Your business is most likely a major asset and source of income to you and your family. However, it is probably not properly protected from life events of the co-owners. Most business owners would be shocked to discover what happens to their business when “life happens” to one of the business co-owners. Many businesses have failed and many business owners have lost their business because the failure to have a comprehensive and updated Contingency Plan.

Our **Buy Sell Review** focuses on five critical areas:

1. 12 Trigger Events causing the purchase of a business owner’s interest
2. 32 Points which should be covered in the Buy-Sell Agreement
3. Appropriate structure of the purchase of a business owner’s interest
4. Evaluation of the purchase price used in the Buy-Sell Agreement as to the Fair Market Value of the company
5. Audit of any insurance used to fund the Buy-Sell Agreement as to cost and amount.

## **Life Review**

Your life insurance policy is one of the most valuable assets you own. When you purchased it, you probably made certain assumptions about future needs, interest rates, planned premiums and other considerations. While the original reason may still exist, your needs may have changed, requiring more or less coverage.

Due to advances in medicine, life expectancies have been increasing and, as a result, expenses have come down and typical results are greater cash values 30% or more and more coverage for the same outlay. In addition, there has been an evolution of new life products which allow the insured to access the death benefit for long term care needs. This double duty design can potentially save the individual thousands of dollars in retirement expenses.

## **Business Cost Reduction**

We have developed a problem-solving process which typically saves 30% or more on benefit spend items and improves bottom-line earnings and overall performance of businesses. Typical items we review; short & long-term disability, life, key person and buy/sell coverage, dental, stop-loss, and qualified plans.

Our savings are derived from a number of exclusive agreements, national discount programs, general agent contracts and access to trust distribution. We are only paid when cost savings are implemented with our programs, methodologies and strategies. Most times we redeploy the savings to the executive to get richer benefits.

## Deferred Compensation

In the wake of President Trump's signature tax reform, non-qualified deferred compensation (NQDC) plans, which have long provided businesses a competitive advantage in attracting and retaining high-level performers, look even more attractive for many businesses. Savvy business leaders are increasingly taking advantage of the new tax landscape and making NQDC plans a part of their total rewards strategy. When an employee defers compensation into an NQDC plan, the lower corporate tax rate means that employers forgo a deduction at a 21 percent tax rate in the current year (down from 35 percent), while employees get to defer income recognition at a tax rate of up to 37 percent, creating more overall value in the deferral.

## Personal Goodwill

The concept that personal goodwill can be a separate, salable asset, distinct from the goodwill of the business, is not new. In 1991, the Florida Supreme Court distinguished between personal goodwill and professional goodwill. The court indicated that personal goodwill was the value that resulted from the continued presence of a certain person, and only that person can transfer it. In 1998, the United States Tax Court ruled that intangible assets embodied in the shareholder's personal relationships with key suppliers and customers were not assets of the shareholder's corporation and any personal goodwill of the shareholders was not an asset belonging to the corporation. When properly planned, personal goodwill can result in substantial asset protection, divorce protection and tax savings opportunities.

## Exit Planning

Exit Planning is a comprehensive strategy that allows business owners to leave their businesses when they want, for the money they need, and to whomever they choose. For business owners, there are two seismic events that are guaranteed

to happen solely because they're business owners. The first is founding the business. When founding their businesses, nearly all successful business owners have some sort of business plan in place. The plan evolves over time and circumstances, but rarely do businesses succeed without one. The second seismic event is exiting the business. Every single business owner leaves the business someday, whether they choose to leave, or leave due to death or permanent incapacitation. Even though most business owners have a plan to found and run a business, only 17% of surveyed business owners have a written Exit Plan.

## Business Valuation

Knowing the true value of your business is critical to proper business planning and achieving personal goals. Through our valuation process, we can help answer the questions that will lead you to make informed decisions for your future. We've invested in technology to help ensure our business owner clients have the facts needed to make sound planning decisions. Our innovative technology harnesses the power of big data to deliver accurate and efficient business valuations. The tool backed by a sophisticated engine that has been trusted by millions of business owners worldwide.

## Asset Protection

These days, lawsuits can happen to anyone, at any time. In the United States alone, roughly 15 million civil cases are filed each year. For those who work in fields where lawsuits are common—doctors, lawyers, architects, business owners—getting sued seems inevitable. A study published in the New England Journal of Medicine found that 99 percent of physicians in high-risk specialties will deal with at least one malpractice suit before retirement age. Fortunately, asset protection tools can be used to shield your property and possessions—your financial accounts as well as your home and business—from future litigation and would-be creditors.



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