

Designing an ESOP That Works for You

Newport retirement services makes the complicated simple. And when it comes to implementing complex employee stock ownership plans (ESOPs), our team has the right combination of tools, technology, and experience to help you launch and manage your program.

Know Your Options

Newport consultants have extensive experience helping companies determine whether an ESOP is right for their organization. We conduct feasibility studies that break down the complexities of an ESOP, and show how it would fit within your organization's benefits program.

Understand the Benefits

ESOPs are often used as a way to reward employees who have helped you build your business. These plans can be added as a supplement to your company 401(k) or other retirement plan. An ESOP offers a number of potential benefits for an organization. Selling to an ESOP can diversify the wealth accumulated by existing owners, while creating the potential for significant wealth accumulation for employees.

Design a Transaction Tailored to Your Needs

Transitioning your organization to employee ownership is a complex decision. That is why it is essential to work with a provider who understands the requirements and costs of employee ownership.

Newport's cash flow model can help you better understand how an ESOP would work at your company by illustrating its operation in dollars over a period of 10 or more years. Our model can help you to design the terms of the ESOP transaction (e.g., how much the ESOP will buy, loan terms, etc.) and the terms of the plan document (e.g., when and in what form should payments to former participants be made?). **The result: A plan and transaction design tailored for your needs.**

The growing cash obligation to pay out former participants—the emerging repurchase obligation—should be planned at the implementation of the ESOP. Our cash flow model serves as a preliminary repurchase obligation study. We can help forecast the timing and value of participant balances to be paid out based on different assumptions.

Newport can also help you understand how an ESOP would impact your company's financials and tax position. We can provide the facts you will need to move forward on an ESOP for your company.

A Knowledgeable Partner

Our professionals have in-depth knowledge of ESOPs required to successfully design, implement and manage this type of benefit program.

FIND OUT MORE

To learn more contact your Newport representative.



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