

Employee Stock Ownership Plans (ESOP)

Employee Stock Ownership Plans (ESOP) have long been a key part of Groom's qualified plan practice. For over 20 years, we have worked with clients in the design, operation and termination of ESOPs as a technique of corporate finance and a valued employee benefit. The many projects we have accomplished for clients include:

- Refinancing ESOP loans that are releasing "excess" shares.
- Structuring company stock accounts to qualify for the ESOP dividend deduction and other tax benefits.
- Advice on special ESOP compliance rules.
- Compliance with Pension Protection Act company stock diversification rules.
- Effective ways to structure ESOP voting, including compliance with Employee Retirement Income Security Act (ERISA) fiduciary rules and "section 404(c)."
- Maximizing the tax benefits of net unrealized appreciation (NUA) on company stock, and interaction of NUA with minimum distribution and other plan requirements.
- Maximizing cash flow by contributing company stock to plans and associated fiduciary requirements.
- Company stock buy-back and distribution arrangements.