

Publications

The Mature ESOP

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Many leveraged employee stock ownership plans or “ESOPs” were created in the 1980s and early 1990s. These ESOPs borrowed funds to purchase significant amounts of stock which have been released and allocated to participants’ accounts over the intervening years as the acquisition loans have been paid down. As times have changed and these ESOPs “mature,” many of these loans are coming to the end of their term, confronting employers with new issues and the consequences of a host of changes in the law. This article focuses in particular on the issues of interest to large employers, many of which are public companies. However, we note that the concerns which are addressed in this article are of interest to private company ESOPs as well.

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