



SCHNEIDER DOWNS

Big Thinking. Personal Focus.

BIG PROBLEM:

LARGE TAX BURDEN IN THE SUCCESSION PLANS OF A FAMILY BUSINESS

BIG THINKING:

CREATING A GRANTOR TRUST TO SAVE \$1.5 MILLION



Succession Planning Case Study

Greg Allison is responsible for estate and succession planning for business owners, executives and high-net-worth individuals. He also prepares annual income tax returns for estates and trusts in addition to gift tax returns, federal estate tax returns and state inheritance tax returns.

One of Greg's clients was a father wanting to retire and give his son 100% ownership of their company. Giving his 80% share in the company would result in a \$1.5 million tax due on redemption. Greg's team was able to avoid the \$1.5 million tax and introduce asset protection by having the father creator a grantor trust instead.

"By creating a grantor trust, the father was able to sell his shares under the same terms as redemption but save money since no gain is recognized on the sale," said Greg. "We were also able to integrate asset protection into the structure and procure the recurring tax and attest services."

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To learn more about Schneider Downs visit www.schneiderdowns.com.

About Schneider Downs

Schneider Downs provides Big Thinking and Personal Focus in delivering a variety of services for large and small businesses, both publicly and privately held, as well as nonprofit organizations, government entities and more. Through our commitment to thought leadership and knowledge management, we deliver the solutions our clients need with a personal commitment to service.