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| Business succession request for proposal  Help secure your transition from the business |

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| With a little information, we can help you design an appropriate business succession plan that meets  your needs.  There are many succession strategies to consider. Start with a simple question to narrow down your options. |



**Who will you transfer the business to when you exit?**

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| --- |
| Gift to family |
| Bequest to family |
| Sell to family |
| Sell to co-owner or business |
| Sell to an employee stock ownership plan (ESOP) |
| Sell to employee or third party |

**Business profile**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Business name: | |  | | | | | | | | |
| Headquarters – City, State: | | | | |  | | | | | |
| Issue state: |  | | | Nature of business (manufacturing, financial services, etc.): | | | | | |  |
| Business structure: | | | Corporation | | | | | LLC | Partnership | |
|  | | | Taxed as:  C corporation  S corporation | | | | | Taxed as:  Partnership  C corporation  S corporation | Sole proprietorship | |
| Business tax bracket (Federal & State): | | | | | | 21%  25%  30%  35%  40%  45% | | | | |
|  | | | | | | Other: |  | | | |

**Required information**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Estimated value of the business: |  | | | | Annual growth rate: | | |  | | |
| Number of years before you start the transfer or sale of business: | | | | | |  | Number of employees: | |  | |
| Number of children in the business: | |  |  | Number of children outside the business: | | | | | |  |

**Owner/key employee census**(If more than 3 people, attach spreadsheet or send electronically.)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Name | Ownership % | Date of birth | Gender | Smoking status | Risk class | Tax rate |
| 1. |  | % |  |  |  |  | % |
| 2. |  | % |  |  |  |  | % |
| 3. |  | % |  |  |  |  | % |

**Plan design**(If more than 3 people, attach spreadsheet or send electronically.)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Employer contribution amount | Employee contribution amount | Face amount | Insured’s age at buy-out | Years to complete buy-out | Buy-out payment | Funding | |
| Product | Interest\*\* |
| 1. | $ | $ | $ |  |  | $ |  | % |
| 2. | $ | $ | $ |  |  | $ |  | % |
| 3. | $ | $ | $ |  |  | $ |  | % |
| Net\*\*  Gross\*\* | | | | | | | | |

**Terms of sale**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1. Desired future sales price: | | | | |  |  |  |
| 1. Down payment: | |  | | | |  |  |
| 1. Seller’s basis: |  | | | | |  |  |
| 1. Installment note details: | | |  | | |  |  |
| a.  Installment note  Interest-only note | | | | | | |  |
| b. Note terms:  5 year  10 year | | | | | | |  |
| c. Interest rate: | | % | | (We’ll assume Applicable Federal Rate (AFR) unless another rate is provided.) | | | |

**Select buy-out design type**If you’re considering a Select buy-out plan, please complete this section.

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| --- |
| **Bonus design** |
| Choose one of the options below: |
| Single bonus |
| Double bonus |
| Simulated salary deferral |
| Restrictions:  Agreement to limit access to successor plan values |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Select reward design** | | | | | | | |
| Years to  complete buy-out | |  | Or to age  at buy-out | | | |  |
| At fulfillment, lump sum down payment to | | | | | | | |
| successor: |  | | | | | | |
| Tax at fulfillment: Pay tax via withdrawal from | | | | | | | |
| policy cash value?  Yes  Other | | | | | |  | |
| Endorse death benefit prior to buyout?  Yes  No | | | | | | | |
| **Option A:** Executive  receives level amount of | | | | $ | | | |
| **Option B:** Company gets greater of premiums\* or cash value, balance to | | | | | | | |
| executive:  Yes  Other | | | | |  | | |
| **Economic benefit cost:** Pay tax on economic benefit via out-of-pocket cash?  Yes  No | | | | | | | |
|  | | | | | | | |
| \* Premium is determined by the amount of the lump sum down payment. Face amount is defaulted to minimum. | | | | | | | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| *Proposals will NOT be provided without an indication of a valid Principal agency, or Brokerage General Agency (BGA) office # and/or bank/wire relationship.*  **Required: Financial professional and proposal delivery information** | | | | | | | |
| Name and designations: | |  |  | Phone: | |  | |
| Bank/wire relationship: | |  |  | Email: |  | | |
| Principal agency/BGA office name and number: | | |  | *Should anyone else (Financial professional or BGA) receive this proposal?* | | | |
|  | | |  |
| Principal wholesaler: |  | |  | Name: |  | | |
|  | | |  | Email address: | | |  |
| From receipt of completed RFP and all necessary documents, please allow 5 business days for proposals.  **Questions** can be sent to **newrfps@exchange.principal.com** or call the Business and Advanced Solutions hotline at **833-803-8345.** | | | | | | | |