

Wealth Planning *Perspectives*

Personal Wealth Planning Essentials Before Selling Your Business

Early planning can make all the difference when it comes to the wealth you'll keep or pass along to beneficiaries.

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Here, we highlight issues important to business owners — but also offer advice to help lessen financial pain for all taxpayers and anyone going through a divorce.

Our Enduring Commitment to Family Business Owners

Family enterprises are an integral part of our nation's economy. Indeed, studies over the years have estimated their contribution to the U.S. GDP and share of the workforce to be more than 50%.*

At Bessemer, we understand — and are dedicated to serving — private business owners. After all, our founder, Henry Phipps, was a remarkably successful entrepreneur. And through the years, many of you, our clients, have made your fortunes with a family business.

Our mission is to provide you with expert wealth planning advice that is tailored to your unique needs.

In this issue of Wealth Planning Perspectives, we celebrate this commitment by focusing on issues important to business owners.

If you are thinking of selling your company, we invite you to explore two articles that could be very useful: The first provides important personal wealth planning advice (starting on page 3). The second (starting on page 7) outlines key tax considerations in a sale, offering insights into the differences between a stock versus an asset sale.

If, on the other hand, you are looking to fund growth and strategic objectives without relinquishing control of your business, Bryant W. Seaman III, head of Private Asset Advisory at Bessemer, discusses the many potential benefits of minority capital investments (see page 6).

In our Helpful Information and Resources section (pages 10-11), we provide two brief articles with advice that could help lessen potential financial pain — and not just for business owners. One looks at key tax breaks that may vanish soon. The other discusses the financial and legal hurdles of divorce.

I hope you find all these articles as valuable as I do. If you have any questions or would like to discuss any of these topics further, please don't hesitate to contact me.

* Conway Center for Family Business, Family Business Alliance, PwC Family Business Survey.

Personal Wealth Planning Essentials Before Selling Your Business

Kerri G. Nipp, Fiduciary Counsel

Tax-minimizing wealth transfer strategies are available, but they are often much more effective the earlier they are employed.

For many business owners, selling their company represents an ultimate reward for a career of hard work. A sizable payday not only validates a dream pursued against the odds, but it may also guarantee personal financial freedom and the ability to create a legacy for generations of family members.

- Yet amid the pressures of running a business and preparing it for sale, owners often put off personal wealth planning as items that can wait until after the sale. By then, it may be too late for measures that could have meant considerably more value going to family or charity rather than to taxes.
- Here, we examine some of the risks of delayed planning and explore some of the approaches that can help avoid those risks.

If you're planning to sell your business, starting the personal wealth planning process months or (preferably) years in advance of the sale, carefully considering goals, and using tools and resources designed to transfer wealth efficiently can help ensure that more wealth goes to your intended beneficiaries.

As you consider the price a buyer might pay for your business, it can be helpful to remember that even if an eye-catching number seems possible, taxes could take a big chunk out of what you keep or pass along to your heirs.

First, the proceeds could be subject to a 20% capital gains tax and 3.8% net investment income tax. And if transferred to family during life or as part of your estate, an additional 40% tax could apply to any amount that exceeds your lifetime gift and estate tax exemption.

Thankfully, a variety of strategies can help minimize those taxes. But

they are often much more effective the earlier they are employed, as you would be making transfers using current financial information for the company rather than a future “premium” offered price and you may be able to take a valuation discount. Valuation discounts allow you to squeeze down the value of the interest gifted and transfer more underlying value outside of your taxable estate, using less lifetime gift tax exemption.

Another timing factor involving discounts is whether you should gift interests in your business during life or at death. Making transfers to family members during your lifetime can shift significantly more value to those family members than if you wait to make transfers at your death.

And yet another reason to start planning now: The currently high gift and estate tax exemption (\$13.61 million per person for 2024)

is scheduled to drop in half starting January 1, 2026.

Finally, depending on the planning techniques you employ, there may be several steps involved, each of which needs to be thoughtfully considered and timed appropriately. Thus, even if you think a sale is years away, the time to speak with your advisors is now.

Consider the Strategies

There are many effective strategies for transferring the proceeds from a business sale to family members. Yet because each strategy is designed to fit specific situations and achieve distinct purposes, the planning process should begin with careful consideration of

your goals — for income and wealth transfer, charitable giving, your desire for simplicity, your needs for flexibility and control, and much more.

Once you've defined your goals, you can work with your advisors to identify the strategy or strategies that can best help you achieve them. Here are a few of the most popular:

Direct gifting. If your goal is to transfer wealth to family members as simply as possible, the annual federal gift tax exclusion (\$18,000 per recipient in 2024) plus the currently high lifetime gift tax exemption offer powerful tools to transfer interests in a business prior to a sale. Direct gifting removes the business interest gifted plus all future appreciation from

your taxable estate. In addition, if you gift a non-controlling or non-marketable interest in your business, you may be able to take discounts on the valuation.

That said, while direct gifts are a great way to shift value outside of your taxable estate, you may cause your beneficiaries to have a taxable estate of their own, meaning that they too will need to do similar planning. In addition, since they will likely receive the interest in the business at a comparatively low basis, they may face sizable capital gains taxes when the business is sold.

Gifts to intentional grantor trusts (IGTs). If you're comfortable with more extensive planning, gifting to an IGT may allow you to transfer more wealth from the business free from taxes than would be possible through direct gifts, and the IGT can also prevent the value from being subject to estate tax in your beneficiaries' estates. Moreover, the trust structure enables you, as grantor, greater control over how and when the money reaches beneficiaries.

While an irrevocable gift to an IGT counts against the grantor's lifetime gift tax exemption, the grantor pays all income taxes owed on the income generated by the assets in the IGT. This allows the assets to continue to grow, free from any income tax, while further reducing the grantor's taxable estate each

The Potential Cost of Delay

Consider two entrepreneurs, Sarah and Tom, each of whom plans one day to sell a business and divide \$30 million among three children. Planning in advance of the sale, Sarah gifts one-third of the shares to each of her children. Because each child receives a non-controlling minority interest in the business, an appraiser determines each child's share is worth \$7 million, reflecting a 30% discount for gift tax purposes, meaning Sarah makes a taxable transfer of \$21 million.

Tom delays planning, deciding that he can focus on making gifts after the sale of the business. His business sells for \$30 million, and Tom gifts \$10 million in liquid assets to each of his children, which would not be entitled to a valuation discount. Tom's total taxable transfer is \$30 million.

What if Tom instead decides not to do lifetime gifting or sell his business at all, leaving the business to his children as part of his estate? Because Tom still owns a controlling majority interest in the business at the time of his death, his estate cannot claim a valuation discount for estate tax purposes. Tom's total taxable transfer is \$30 million.

Either way, Tom is subjecting an additional \$9 million (30% of \$30 million) to a 40% transfer tax, or \$3.6 million. Tom's delay in planning means \$1.2 million less for each child.

Even if a sale seems like it is in the distant future, it is never too early to start a conversation.

time an income tax payment is made.

Another advantage of IGTs: They can be structured to benefit multiple generations.

Sales to intentional grantor trusts. Owners who believe their business is likely to increase significantly in value and who wish to transfer more future appreciation to beneficiaries can take the IGT planning one step further with a sale. You (as grantor) would sell an interest in your business to the IGT for a promissory note. The IGT would make annual interest payments to you based on an IRS-determined rate, and at the end of the note's term, the principal would be repaid to you. To the extent the assets appreciate at a rate higher than the IRS rate, additional value is shifted to the IGT. No gain is recognized when the shares are sold to the IGT, and the interest payments are not taxable income to the grantor. When the business is sold, the grantor pays the associated income tax, allowing the IGT to receive the proceeds without any capital gains tax burden.

Grantor retained annuity trusts (GRATs). The mechanics of a GRAT operate much like a sale to an IGT, but with some key differences. A business owner can contribute an interest in the business to a GRAT and retain the right to be paid an annuity for a term (typically two or three years). Assets remaining in the GRAT at the end of the term may be transferred to individuals or a trust for selected beneficiaries. When the initial transfer is made, the present value of the remainder interest is a taxable gift, the amount of which can be zeroed out. To the extent the assets grow in excess of the 7520 rate,¹ the business owner makes an additional tax-free gift to beneficiaries.

GRATs can be especially successful when the original transfer involves discounted stock and the company subsequently sells at a premium. Since you can zero out the value of the gift to a GRAT, GRATs can be used by taxpayers who have already used their lifetime exemption and still want to do additional planning.

One disadvantage: GRATs do not permit you to leverage your GST (generation-skipping transfer) tax exemption efficiently, so they are typically not used to move assets down more than one generation.

Charitable remainder trusts (CRTs). A CRT can be a useful tool for business owners looking to combine income tax planning

with philanthropy. The owner establishes the CRT and contributes highly appreciated company stock to it. During the term of the CRT, an annual payout is made to the business owner. No tax is triggered when the business is sold because the CRT is tax-exempt, and the trustee of the CRT can reinvest the assets. Some of the income is carried out to the business owner each year when the annual payout is made, effectively deferring income tax from the sale over the life of the CRT. At the end of the term, the remaining assets pass to charity. The owner is entitled to an income tax deduction for the actuarial value of the charity's remainder interest (calculated using the 7520 rate).

Early Planning Is Always Better

These are just a few of the options available to business owners seeking to efficiently transfer proceeds from the sale of a business to their intended beneficiaries. Even if a sale seems like it is in the distant future, it is never too early to start a conversation. Working with your trusted advisors, you can help ensure that a lifetime spent building a business generates the rewards you envision.

For more on this topic, read the full version of this article at bessemer.com.

¹ Named for the section of the Internal Revenue Code in which it appears, the 7520 rate is 120% of the mid-term AFR (applicable federal rate), compounded annually, and determined monthly. That rate is then rounded to the nearest two-tenths of 1%.

Should You Consider a Minority Capital Investment for Your Family Business?



Bryant W. Seaman III
Head of Private Asset Advisory

Mr. Seaman is Managing Director and Head of Private Asset Advisory. In this role, he is responsible for Family Company Advisory, Real Estate Advisory, and Mineral and Energy Resource Management. He also manages the oversight of family businesses held in trust.

Prior to joining Bessemer, Bryant was Head of International and a member of the Management Committee at the New York Stock Exchange. Before that, he was Co-head of Global Corporate Finance at CSFB. He started his career practicing corporate law at Sullivan & Cromwell.

Previously, he served as a member of the NASD International Advisory Committee and the National Committee for US-China Relations. Bryant also served on the Board of Directors of GeoResources, Inc. (NASDAQ: "GEOI"), an oil and gas company.

Bryant earned a J.D. and an M.B.A. from Columbia University, where he was a Harlan Fiske Stone Scholar, and an A.B. in political science, with distinction, from Stanford University.

For privately owned family businesses, funding growth and strategic objectives can be tough, especially when attempting to balance company goals with the liquidity needs of shareholders. Head of Private Asset Advisory Bryant W. Seaman III discusses a possible solution.

Q: Is there a way for a family business owner to finance strategic initiatives and necessary capital expenditures without over-leveraging the balance sheet or relinquishing control?

A: Absolutely — these company and family objectives are not mutually exclusive. The middle ground to achieve faster growth and diversify concentrated wealth can be a minority capital partner. Let's say the owner has identified an acquisition, but there is also family pressure for increasing dividends to fund next gen objectives or to set aside a nest egg for peace of mind. Satisfying all capital needs can cause family friction and even result in pressure to sell the company. A minority capital investment can help.

Q: Can you tell me about the benefits of minority capital investments?

A: Although owning 100% of the equity may be desirable, the top priority for family business owners is usually maintaining control. A minority investor can provide strategic growth capital and the liquidity to meet distribution needs. The additional equity capital can also strengthen the balance sheet by limiting debt while enabling capital expenditures, thereby improving financial stability. The right minority capital partner can also provide industry expertise and expand the Board's capabilities. It can even be a first step in a sale process, if it's ever contemplated.

Q: This sounds great for owners. Why would investors consider it?

A: Sophisticated investors have been increasingly attracted to minority capital investments. Along with the reduced risk profile and lower cost of the minority ownership stake, it can be highly customized. The terms tend to balance the interests of both parties — including, for investors, a discounted valuation and special minority rights and protections.

Q: It seems like a win-win for family and investor. Are there any downsides?

A: It is important that the family and minority partner share a common vision for the business. They should also be aligned with respect to the anticipated investment horizon and resolution of the minority investment. When the issues are addressed properly, a minority capital investment can generate significant benefits for both the family and the investor.

For more on this topic, please read "The Minority Capital Solution for Family Businesses" at bessemer.com.

Tax Considerations When Selling Your Business

Janice T. Angell, Senior Tax Advisor
Stephen A. Baxley, Head of Tax and Financial Planning

There are no simple off-the-shelf ways to sell a private business. But real rewards are possible if you take time to plan your sale, and assemble the right experts to help.

When a buyer approaches, business owners should look beyond the sales price to consider the tax implications of selling the company's assets or stock.

- While sellers generally prefer a stock sale over an asset sale, each type of sale has advantages and disadvantages. Understanding the specific opportunities and risks may make a big difference in the amount you take away from the transaction.
- Working with a team of transaction specialists is essential. These ideas are presented to help start the conversation.

For owners who have poured everything into growing their businesses, a sale may offer a sizable reward and the opportunity to create a post-sale family legacy and pursue life's next adventures.

A major tax consideration when you sell your business is whether you should sell the assets of the business or your stock in the company.

Both options have advantages and disadvantages. Generally, sellers prefer to sell their stock, and buyers want to buy assets. Because of this dynamic, we advise you consult with your attorneys and tax advisors.

Even if the sale of your business is years away, thinking about these issues now can help you take the necessary steps for a successful sale later.

Stock vs. Asset Sale of a Company

Sellers and buyers have strong and opposing reasons for preferring one over the other. Sellers often

prefer a stock sale because their gain is likely to be taxed as long-term capital gains, which may be subject to preferential tax rates of 20% (plus the 3.8% net investment income tax).

With an asset sale, some of the gain sellers recognize may be taxed at the top ordinary income rate, now 37% but set to increase to 39.6% on January 1, 2026.

Of course, buyers may be willing to offer a higher price as an incentive for the seller to engage in an asset sale, which they generally prefer as it allows them to generate immediate tax deductions for depreciation. As there is no depreciation deduction available for sales of stock, buyers generally cannot recuperate the cost of purchasing stock until they sell or liquidate the business.

In addition, asset-purchase buyers may be able to acquire only those portions of the business they want. A stock purchase is more holistic: A buyer acquires all the company's assets and liabilities, current and future.

Planning for a Stock Sale

If you are selling your company's stock, the gain will generally be taxed at preferential capital gains tax rates.

Additional considerations that may impact your overall tax picture include the following:

Qualified small business stock (QSBS). To encourage taxpayers to start and invest in small businesses, the QSBS rules allow qualified taxpayers to exclude up to 100% of their gain from the sale of stock.

In general, to qualify as QSBS, the stock must be issued by a domestic C corporation with no more than \$50 million of gross assets at any time between August 10, 1993 (or when the qualified small business started), and the time the stock was issued or acquired by the taxpayer in an original issuance. In addition, the stock must be held for at least five years.

Tax-free reorganization. The Internal Revenue Code outlines several scenarios for tax-free business reorganizations, including a stock-for-stock exchange, known as a "B" exchange. If an owner selling a business receives stock of the acquiring company with an equivalent cost basis, he or she may defer capital gains taxes. This has potential advantages for buyers

as well, especially those who don't wish to deplete their cash reserves to make the purchase.

Employee stock ownership plan (ESOP). Founders may transfer ownership of their businesses to their employees through ESOPs. ESOPs are relatively rare; fewer than 6,000 corporations have ESOPs out of millions of privately held S and C corporations in the U.S.¹ Still, they can offer significant advantages in certain situations. The owner may transfer shares to employees and reinvest the proceeds in diversified securities, deferring capital gains taxes.

Pre-transaction charitable gifts of stock. A gift of stock to a qualified charitable organization in advance of a stock sale may benefit both the charity and you. For example, if you contribute stock valued at \$100,000, you may be able to deduct that full amount on your personal tax returns and avoid paying tax on the built-in gain on the stock. Wait until after the sale and you would be donating money already subject to federal and state capital gains taxes stemming from the sale; then, your donation (and deduction) might be reduced to around \$70,000 (in real terms).

Planning for an Asset Sale

Here are some additional tax considerations with an asset sale:

Purchase price allocation. One of the most complex and delicate parts of an asset sale is negotiating the price of the individual assets — a process known as purchase price allocation. While buyers want assets that can be immediately depreciated after purchase, sellers prefer to allocate more to intangible assets, where any gain is taxed at the preferential capital gains tax rates.

A 1031 exchange. If the asset sale is for real property, the seller might be able to defer taxes on the gain using a 1031 like-kind exchange. If you use the proceeds to exchange that property for a like-kind asset, you can defer taxes on the property you sold. But note that there are restrictions: For example, to qualify, replacement property must be identified within 45 days of the sale, and the purchase of replacement property must be completed within 180 days.

Post-transaction charitable gifts. The proceeds from an asset sale will likely result in significant income. If you are charitably inclined, charitable contributions made during the same tax year might offset this additional income.

Gauging the effect of net investment income tax (NIIT). As mentioned previously, asset sales generally result in gains taxed at

¹ "Employee Ownership by the Numbers," the National Center for Employee Ownership. These are the most recent statistics available.

both ordinary and capital gains tax rates. Gains characterized as capital may be subject to the federal 3.8% net investment income tax. Before the sale, review how the NIIT could affect your tax picture.

Whichever Approach You Take, Consider This ...

Whether you go the stock or asset sale route, there are other tax issues to keep in mind:

Installment sale. To lessen the impact of tax obligations in a single year, you might want to negotiate a so-called installment sale in which the buyer takes immediate ownership but payments to you are made over more than one

year. Interest might accrue with delayed payments.

Your non-business finances.

Before selling your company, a careful review of your other finances and overall tax picture can be essential to make your business transaction as tax efficient as possible. Capital loss carry forwards might offset capital gains from the sales transaction.

Or, if your transaction is a stock sale and you have underperforming assets elsewhere in your investment portfolio, harvesting those losses could help offset extraordinary gains in the year or years when the transaction is completed. If your transaction is an asset sale, losses

from a separate business venture unrelated to your company could offset ordinary income from the asset sale.

State tax planning and residency considerations. State tax laws vary widely and should be factored into any sale. In addition to varying income and capital gains rates, states have different rules on specific programs. For example, California does not recognize the QSBS rules.

Your Bessemer Team

Whether you have an asset or stock sale, there are no simple off-the-shelf ways to sell your business. We therefore recommend planning ahead of any potential sale.

Experienced tax professionals and attorneys can help you negotiate effectively, avoid missed opportunities, and realize your reward for all your hard work. Reach out to your Bessemer Trust team for assistance in understanding how taxes related to your transaction may affect your overall finances and taxes.

For more on this topic, read the full version of this article at bessemer.com.

Case Study: Reaping Entrepreneurial Rewards Through a Stock Sale

Entrepreneurs Sally and Thomas combined their engineering knowledge and passion for sustainability to form a company manufacturing parts and accessories for solar-powered scooters. As the company grew, they were able to reinvest after-tax profits into the business, making no dividend distributions. As a C corporation, the company paid a federal tax rate of 21% at the corporate level. Had they started an LLC instead, that income would be subject to a top federal tax rate of 37% as a flow-through item to their individual tax returns.

After five successful years, a private equity company offered to purchase the company's assets for \$20 million. An asset sale would have resulted in tax at the corporate level and a reduced cash payout for the entrepreneurs. Their stock, however, qualified as qualified small business stock (QSBS), which would offer significant benefits in a stock sale.

Working with their transaction team, Sally and Thomas negotiated a stock sale, accepting a slightly lower price. Thanks to the QSBS rules, the sellers could exclude the full amount of gain and incur no federal tax liability on the sale — giving them that much more to put toward pursuing their next entrepreneurial dream.

Divorce: How to Navigate the Financial and Legal Hurdles

There is no getting around the fact that divorce can be deeply stressful, but there are some helpful ways to navigate this life-changing event.

Here, we offer steps to consider when a separation is on the horizon, and after a divorce, to potentially lessen complications and discord — at least financially.

When Divorce Is on the Horizon

Perhaps you are still married but have been considering divorce or have already begun the divorce process. Here is a suggested action plan:

Get help. Consult with a divorce attorney and be sure to get any other professional assistance you may need. Speaking with an attorney does not have to mean you will get divorced. It does mean you will be better informed about your options.

Protect yourself. Many of your responsibilities as a spouse, including the financial, continue after a divorce petition is filed and until the divorce is finalized (and some divorces take years to be finalized).

- Speak with your matrimonial attorney to determine any obligations that exist with respect to joint assets during the divorce.

- Check your credit rating and consider freezing your credit until the divorce is finalized.
- Consider changing your passwords to protect access to computers and digital accounts — for example, banking and social media sites.
- Do not hesitate to ask therapists and attorneys to help you find compromises that you both can live with in the future.

Review your pre- and/or postnuptial agreement(s).

Determine your rights and obligations. And be prepared: A court might declare your agreement invalid for a variety of reasons.

Develop a comprehensive parenting plan. Determine who will make decisions (including medical decisions) for the child and who will claim the child as a dependent on tax returns.

Review all legal documents.

You may want to change your beneficiary designations and/or revoke certain rights. Review:

- Core estate planning documents
- Irrevocable trusts
- Fiduciary appointments
- Charitable arrangements and board designations
- Legacy contacts on digital accounts

Account for all types of assets and liabilities. Carefully account for what you (and your spouse) own and owe, examining:

- Liquid versus non-liquid assets

- Separate versus community property
- Potential taxes, fees, and payments
- Trusts of which you are a beneficiary
- Title to real estate (including mortgage and insurance)
- Cost basis of assets
- Budgets, current and future

Anticipate a “cooling off” period.

Some states require a minimum waiting period before a divorce can be finalized.

After Divorce

Once a divorce is finalized, additional steps may be needed to ensure financial (and childcare) agreements are honored. Accordingly, consider whether you are required or if it is advisable to:

- Obtain any life insurance.
- Procure any new auto, umbrella, home, medical, dental, and vision insurance.
- Plan for and pay any taxes you may owe on the finalized settlement.
- Prepare and execute new estate planning documents.

Bessemer Can Help

You don't have to navigate any of these matters alone. Bessemer's experienced professionals are available to assist you with this process.

For more on this topic, read the full version of this article at bessemer.com.

Key Tax Breaks Could Vanish Soon. Plan Now to Lessen Potential Pain

Bigger tax bills could be coming starting January 1, 2026 — particularly for high-income earners, those with significant assets, and private business owners.

The Tax Cuts and Jobs Act (TCJA) made sweeping changes to reduce how much both corporations and individuals paid in taxes,¹ but only the reforms that eased individuals' tax burdens are due to expire on December 31, 2025.

While the demise of a few of TCJA's provisions may be welcomed, many more would be missed, including:

On the upside:

Mortgage interest: Taxpayers will once again be able to deduct more mortgage interest, on principal balances of \$1 million versus today's \$750,000, and on the expanded use of home equity lines of credit.

SALT deduction: Individuals in high-tax states will no longer be subject to an annual \$10,000 limit on their deduction for state and local taxes.

On the downside:

Effective tax rates: More taxpayers are likely to face a bigger tax bill due to higher rates and shrinking tax brackets.

QBI deduction: Also important to many private business owners: The 20% qualified business income (QBI) tax deduction will expire.

Lifetime estate and gift tax exemption: The amount people are permitted to transfer tax-free will be roughly cut in half.

Because it's uncertain whether the next U.S. president and enough federal lawmakers will be persuaded to extend these tax breaks beyond 2025, we recommend that you:

- Assess what the sunseting of these provisions might mean for you.
- Evaluate which measures you might take now to soften potential tax hits later.

A Few Strategies to Consider

Manage your income tax bracket. After the TCJA sunsets, more people will be pushed into higher tax brackets. What might you do in response?

- **IRAs:** Convert to Roth IRAs while your income tax rates are lower.
- **Business owners:** Look into whether it might be worth your while to postpone potential deductions, like the purchase of depreciable equipment, until 2026.

Evaluate what the loss of the QBI deduction might mean for you. Which option would be more tax-efficient for you: Continue taking income from pass-through entities, such as partnerships, S corporations, and limited liability companies? Or convert to a corporate structure and pay tax at both the corporate level and on the dividends they receive?

Consider using the higher lifetime estate and gift tax exemption.

Before the TCJA, the exemption amount was \$5 million per person (adjusted annually for inflation). The TCJA doubled that amount to \$10 million (also adjusted annually for inflation). If the sunset occurs as scheduled, that amount is projected to be about \$7 million on January 1, 2026.

Taxpayers with a net worth greater than \$28 million could be hardest hit if they take no action. But, also, those with a net worth between \$14 million and \$28 million should calculate how much they feel comfortable transferring during their lifetime.

We advise against waiting to act as many transfer strategies should be started this year to maximize the benefits before 2026.

Coming soon: an expanded, in-depth version of this article at bessemer.com.

¹ The law lowered the corporate tax rate from 35% to 21%.

About Bessemer Trust

Privately owned and independent, Bessemer Trust is a multifamily office that has served individuals and families of substantial wealth for 117 years. Through comprehensive investment management, wealth planning, and family office services, we help clients achieve peace of mind for generations.

Wealth Planning at Bessemer

We believe that wealth planning is a fully collaborative pursuit. Your dedicated Bessemer specialists share ideas and develop comprehensive solutions to protect and transfer wealth and prepare your heirs as stewards. This coordinated approach has been central to our success in serving seven generations of our founding family, and it guides us as we manage wealth for you.

This summary is for your general information. The discussion of any tax, charitable giving, or estate planning alternatives and other observations herein are not intended as legal or tax advice and do not take into account the particular estate planning objectives, financial situation, or needs of individual clients. This summary is based upon information obtained from various sources that Bessemer believes to be reliable, but Bessemer makes no representation or warranty with respect to the accuracy or completeness of such information. The views expressed herein do not constitute legal or tax advice; are current only as of the date indicated; and are subject to change without notice. Forecasts may not be realized due to a variety of factors, including changes in law, regulation, interest rates, and inflation.

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