



Advisor Symposium

Issues of Interest to Advisors Today

NOVEMBER 4, 2026

Agenda

Time (Eastern)	Presenter	Topic
2:00 - 2:05 pm	Sarah Frances Trampe	Welcome / Opening remarks
2:05 - 2:35 pm	Steve Parrish	Wealth Transfer, Income Tax Planning & Family Succession
2:35 - 2:50 pm	Steve Parrish and Allen Hensley	Case Study #1 discussion: Tom and Linda Reynolds
2:50 - 3:00 pm	<i>Break</i>	
3:00 - 3:30 pm	Alan S. Gassman, JD, LL.M., AEP®	Advanced Estate Planning in a Changing Environment
3:30 - 3:50 pm	Alan Gassman and Allen Hensley	Case Study #2 discussion: Robert and Susan Whitman
3:50 - 4:00 pm	<i>Break</i>	
4:00 - 4:30 pm	Kathleen Bilderback	Business Succession & Buy-Sell Planning
4:30 - 4:50 pm	Kathleen Bilderback and Allen Hensley	Case Study #3 discussion: SentinelPay Analytics
4:50 - 4:55 pm	Allen Hensley	Wrap Up
4:55 - 5:00 pm	Sarah Frances Trampe	Closing remarks / Adjourn

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The 2026 Advisor Symposium qualifies with the National Association of State Boards of Accountancy (NASBA) for up to 3.0 hours of CPE credit in the category of taxes. This intermediate level, group live course is offered for the benefit of practicing accountants, newly admitted and experienced attorneys, trust officers, and financial planning professionals with significant exposure to the subjects. New York Life Insurance Company is registered with NASBA as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.nasbaregistry.org. For more information regarding registration, refund, complaint, and program cancellation, please contact New York Life Insurance Company's home office representative at 800-695-9695.

Featured presenters

Kathleen W. Bilderback, JD, LL.M.

Sandberg Phoenix & von Gontard P.C.

Kathleen joined Sandberg Phoenix in 2024 as Counsel in the Business practice group. She specializes in estate, business and executive benefits planning, and estate and executive compensation planning with life insurance. Formerly, she was a member of the Advanced Markets Group of MetLife, where she provided training and advanced underwriting support for the top producers of MetLife and its subsidiaries. Prior to joining GenAmerica Financial (a MetLife company) in 1996, she was in private practice. Kathleen is a nationally recognized speaker and author. She currently serves as National President of the Society of Financial Service Professionals and serves on the Board of Directors of St. Louis Children's Hospital Legacy Advisors. She is a member of The Business Insurance & Estate Planning Committee of the Association of Advanced Life Underwriting (AALU). Kathleen is a former adjunct professor in the LLM program at Washington University's School of Law. She was formerly on the Board of Directors of the St. Louis Chapter of the National Association of Insurance and Financial Advisors (NAIFA) and was selected as a Registered Player Financial Advisor for the National Football League Players Association. She has presented at AALU and the Top of the Table Meetings for the Million Dollar Roundtable, and she is an annual presenter at the Vistage Executive Summit.



Alan S. Gassman, JD, LL.M., AEP®

Gassman, Denicolo & Ketron, P.A.

Alan S. Gassman is a Board Certified Specialist in Estate Planning and Trust Law and the founder of Gassman, Denicolo & Ketron, P.A., a Clearwater, Florida law firm serving high-net-worth families, business owners, and physicians in estate planning, trust design, taxation, asset protection, and business succession planning.



With more than 35 years of experience, he advises clients on sophisticated estate, trust, tax, and wealth transfer strategies. He has served as an expert witness in estate planning, tax, and asset protection matters. He also is a nationally recognized author and speaker, having written numerous books and hundreds of professional articles on estate planning, taxation, and asset protection topics. Gassman holds a J.D. and an LL.M. in Taxation from the University of Florida. He is a past President of the Pinellas County Estate Planning Council, has chaired numerous Florida Bar continuing education programs, and has served as an adjunct professor at Stetson University College of Law. He is Board Certified by The Florida Bar in Estate Planning and Trust Law, an Accredited Estate Planner (AEP®), and a member of the Estate Planning Hall of Fame.

Steve Parrish, JD, RICP®, CLU®, ChFC®, AEP®

Professor of Practice & Scholar in Residence, The American College of Financial Services

Steve Parrish is Professor of Practice and Scholar in Residence at The American College of Financial Services, where he previously served as Co-Director of the Retirement Income Center. He also served as Adjunct Professor of Estate Planning and Interim Director of Compliance and Risk Management at Drake University Law School. With more than 45 years of experience as an attorney, financial planner, educator, and industry executive, Parrish is widely recognized for his expertise in retirement, estate, and business succession planning. He is a frequent author and commentator on financial and estate planning issues, serving as a contributor to Forbes.com, a contributing author to the 2024 e-textbook Retirement Plans and Retirement Planning, and co-author of the 10th edition of Tools & Techniques of Life Insurance Planning. His work has appeared in numerous professional publications, including the Journal of Financial Service Professionals, where he serves as Associate Editor. In 2023, he received the Kenneth Black Jr. Journal Author Award. A sought-after speaker, Parrish regularly speaks for bar associations, estate planning councils, and financial services organizations nationwide. He also has served as an expert witness and has been quoted by leading media outlets including *The New York Times*, *The Wall Street Journal*, CNBC, NPR, *InvestmentNews*, *Money.com*, *U.S. News & World Report*, and *AARP The Magazine*. Before entering academia,



Parrish spent nearly two decades with Principal Financial Group, following leadership roles with AmerUs Life Insurance Company and a successful private practice as an attorney and financial planner in Atlanta. He earned his B.A., cum laude, from St. Olaf College and his J.D. from William Mitchell College of Law.

New York Life hosts

Allen A. Hensley, CLU®, ChFC®, MSFS, AEP®

**Advanced Agent Development Officer,,
New York Life Insurance Company**

Allen Hensley is the Advanced Agent Development Officer for New York Life where he leads a team working with top financial service professionals and their clients to achieve financial goals and solve planning issues. He conducts national training events and speaks to groups on estate and business planning issues and strategies. For more than 25 years Allen has worked with New York Life to protect and grow wealth for clients and their families. Allen is an Accredited Estate Planner, with a Master of Science in Financial Services from The American College and a BA from Western Kentucky University. He has earned the Chartered Life Underwriter®, Chartered Financial Consultant® designations and is a Registered Representative of NYLIFE Securities LLC (Member FINRA/SIPC).



Sarah Frances Trampe, MBA

**Corporate Vice President, The
Nautilus Group®**

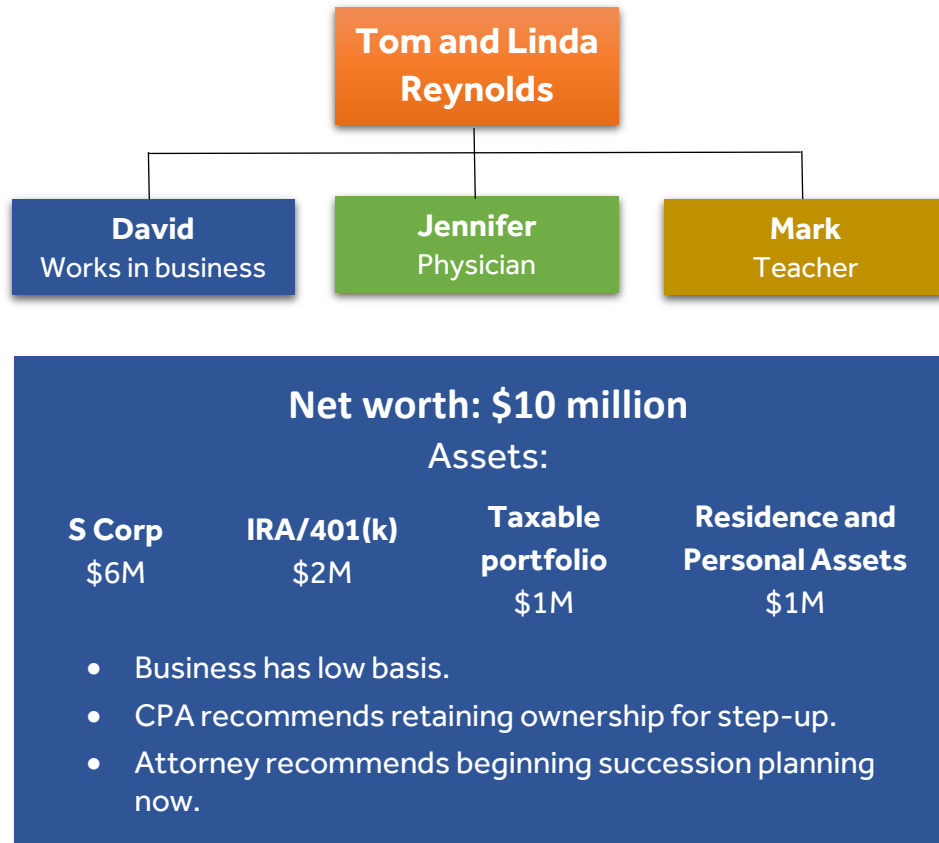
Sarah Frances joined New York Life in 2010 and leads the Practice Management, Marketing, and Meetings team for The Nautilus Group®, a service of New York Life Insurance Company. Under her direction, the team drives strategic growth and professional development initiatives for agents and advisors across the organization. The Practice Management program delivers high-impact coaching and consultative support to help agents and advisors succeed at every stage of their careers. With a focus on operational efficiency, strategic business planning, marketing execution, and team development, the program equips professionals with the tools and strategies to build sustainable, scalable, and client-centric practices. She also leads company-wide marketing initiatives and advisor events designed to drive practice growth and foster connections among industry professionals.

Prior to joining New York Life, Sarah Frances held strategic marketing and communications roles with the National Academies of Science and the U.S. Department of Homeland Security. She holds an MBA in marketing management from Johns Hopkins University and a bachelor of science in international trade and finance from Louisiana State University.



Case study #1:

Tom and Linda Reynolds



Their objectives:

- David to receive the business.
- Fair treatment for all children.
- Retirement security.
- Flexibility.

Their story:

The Reynolds family has spent more than three decades building a successful closely held business that now represents the majority of their wealth. Tom and Linda Reynolds have always focused on growing the company, creating jobs, and providing opportunities for their family. As retirement gradually comes into view, they want to preserve the business, transition ownership thoughtfully, and ensure the next generation is prepared to continue the legacy they have built.

Although the family has accumulated significant wealth, much of it is concentrated in the business itself. That creates unique planning challenges involving business succession, estate taxes, future liquidity, and the equitable treatment of family members whose roles in the company differ. Tom and Linda recognize that today's favorable transfer tax rules present valuable planning opportunities, but they also understand that every decision must be carefully coordinated to avoid unintended legal, tax, or operational consequences.

Their advisory team is working collaboratively to evaluate a range of sophisticated planning strategies, including lifetime transfers, trust planning, business valuation considerations, and liquidity solutions. Rather than viewing life insurance simply as a death benefit, the advisors are considering how it can provide estate liquidity, support buy-sell arrangements, equalize inheritances, and help preserve family ownership of the business without forcing the sale of valuable assets.

The Reynolds family's situation demonstrates that successful wealth transfer requires more than selecting the right planning technique. It requires thoughtful coordination among attorneys, CPAs, valuation professionals, and financial advisors to balance tax efficiency, business continuity, family objectives, and long-term flexibility. By planning proactively while favorable opportunities remain available, the Reynolds family can position both their business and their legacy for future generations.

Case study #2:

Robert and Susan Whitman

- Three adult children and several grandchildren.
- Family business owned for two generations.
- Committed to keeping the business in the family.

Prior planning 10 years ago:

- Net worth approximately \$22M.
- Transferred \$4M of income-producing real estate to a SLAT (*lifetime exemption*).
- Established an ILIT funded with a \$3M survivorship policy (*annual exclusion gifts*).
- Clients accepted targeted planning but remain resistant to complex planning and irrevocable transfers that reduce access or control.

Recent developments:

- Earlier this year, Robert and Susan decided to gift 10% ownership interests to each of their three children.
- No valuation was completed or gift tax return filed.
- Estimated \$7.5M of lifetime exemption used.
- Current ownership: Robert & Susan 70%; each child 10%.
- Existing \$3M survivorship policy may no longer provide sufficient liquidity.

Their story:

Several years ago, Robert and Susan worked diligently with their advisors to establish an estate plan they believed would protect their family and preserve the wealth they had accumulated over a lifetime. Since then, wanting to begin transitioning the family business to the next generation, they independently gifted a 10% ownership interest to each of their children without consulting their advisory team. Confident that they had "checked the box" on estate planning, they turned their attention back to family, business, and enjoying the next stage of life.

Since that time, tax laws have evolved, asset values have grown, family circumstances have changed, and new planning techniques have emerged. While their original plan remains well designed, the combination of changing circumstances and the uncoordinated ownership transfers has prompted their advisors to recommend a comprehensive review of existing trusts, business ownership, insurance arrangements, and succession planning strategies.

Like many families, the Whitmans are understandably hesitant to revisit decisions they believed had already been made. They question whether additional planning is truly necessary and wonder if making changes could introduce unnecessary complexity. At the same time, they are beginning to appreciate that even well-intentioned decisions can create unintended consequences when legal, tax, business, and insurance planning are not fully coordinated.

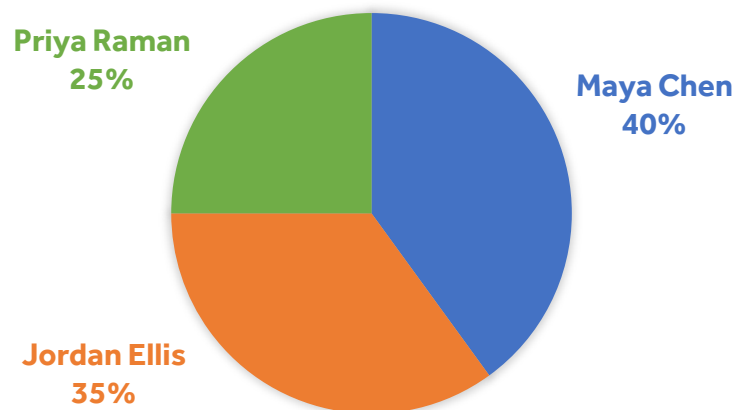
The Whitmans' situation illustrates that estate planning is an ongoing process rather than a one-time event. Their advisors must determine how existing strategies, family business ownership, and future planning opportunities can be aligned to preserve flexibility, minimize future risks, and continue meeting the family's long-term goals.

Asset	Value
Closely held business	\$25,000,000
Investment real estate	\$8,000,000
Marketable securities	\$7,000,000
Retirement assets	\$3,000,000
Residence and personal assets	\$4,000,000
Current net worth – approximate	\$47,000,000
(Projected to reach	\$65,000,000)

Case study #3:

SentinelPay Analytics

OWNERSHIP



The story:

Three entrepreneurs built a rapidly growing AI-driven fintech company now valued at approximately \$10 to \$12 million, with projections that it could exceed \$40 million within the next several years. While the operating agreement includes transfer restrictions and rights of first refusal, the owners are discovering that these provisions alone may not provide a workable succession plan.

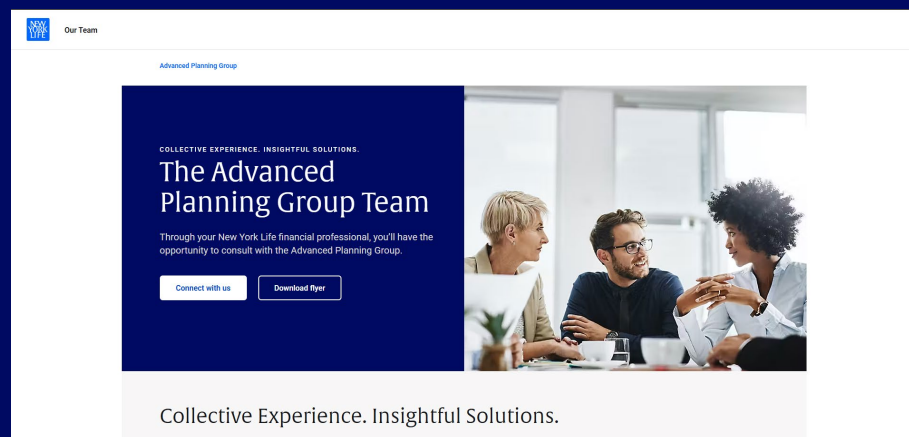
As personal circumstances begin to diverge – one owner is divorcing, another is considering retirement, and the third remains focused on aggressive growth – the partners must address questions surrounding business valuation, buy-sell planning, funding mechanisms, and the impact of recent legal developments. Their situation illustrates how proactive succession planning can help growing businesses prepare for the unexpected before a triggering event puts the company's future at risk.

The Advanced Planning Group

New York Life's Advanced Planning Group is a team of more than 20 professionals with specialized training in law, taxation, accounting, business, insurance, finance, and philanthropic planning. Combined, they have more than 200 years of experience assisting with wealth strategies and business planning objectives in numerous concentrations.

Working with a New York Life financial professional, you have the opportunity to consult with this nationally known group of knowledgeable, experienced professionals trained to assess your clients' goals and objectives, examine the current planning strategies, and offer well-researched suggestions and solutions to help optimize the client's financial goals.

Your agent can bring you and your clients together with the APG consultants by phone, face to face, or in a virtual environment from anywhere in the country.



To meet the team at the Advanced Planning Group, visit <https://www.newyorklife.com/advanced-planning-group/our-team>.

Wealth Transfer, Income Tax Planning & Family Succession

Steve Parrish, JD, RICP®, ChFC®, CLU®, AEP®
Professor of Practice and Scholar in Residence
The American College of Financial Services

What's "NEW" about the current planning environment?

- **Recent legislative and planning developments:**
 - One Big Beautiful Bill Act (OBBBA)
 - SECURE Acts
 - State taxes
- **Changing client expectations:**
 - Mobility
 - DIY research
 - Polarization
- **Evolution of the advisory environment:**
 - Increased planning complexity
 - Expanding tools and technology
 - Artificial intelligence

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Donor's objectives for gifting and wealth transfer

- Lifetime enjoyment of assets.
- Maintain family fortune and assets.
- Business succession.
- Charities and philanthropy.



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Key factors for determining strategies

- **Desired outcome:**
 - Current vs. remainder
 - Creditors and predators
 - Expenses
- **Taxes:**
 - Income tax
 - Gift and estate tax
 - Generation skipping transfer (GST) tax
 - State tax
- **Demographics:**
 - Middle class
 - Affluent
 - High net worth (HNW)
 - Business owner
 - Age (donor / donee)

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Wealth transfer & gifting by client profile: Middle-income clients

- **Affordability**
- **Government tools:**
 - Uniform Transfers to Minors Act (UTMA)
 - ABLE Accounts
 - Trump Accounts
 - 529 plans
- **Private tools:**
 - Special needs
 - Medicaid
 - Charitable
 - Family



Cautions: Strings attached, powers of attorney, tax bombs

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Wealth transfer & gifting by client profile: Affluent clients

All of the above, plus:

- **Trusts:**
 - Spendthrift, §2503(c), family trusts
- **Family limited partnerships (FLPs):**
 - For non-tax reasons
- **Donor income taxes:**
 - Basis and deduction planning
- **Estate & gift tax inapplicability**
- **Charitable:**
 - Qualified charitable deductions (QCDs)
 - Charitable remainder trusts (CRTs)
 - Donor advised funds (DAFs)



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Wealth transfer & gifting by client profile: Closely held business owners

- **Donee issues:**
 - Heir or successor? Gift or sale?
 - Active or inactive?
 - Valuation:
 - High basis or low valuation?
- **Donor issues:**
 - Liquidity
 - Control



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Wealth transfer & gifting by client profile: Family business owners

- **Family strategies:**
 - S Corp stock (voting & nonvoting)
 - Recapitalization (preferred, nonvoting)
 - Inheritance equalization with life insurance
- **Family dynamics:**
 - Contracts
 - Counseling and summits



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Wealth transfer & gifting by client profile: Family business owner strategies

- **“Out-of-estate” strategies:**
 - Grantor retained annuity trust (GRAT)
 - Intentionally defective grantor trust (IDGT)
 - Discounted gifts
 - Family limited partnership
- **“Non-gift” strategies:**
 - Installment sales
 - Self-cancelling installment notes (SCINs)
 - Private annuity
- **Opportunities:**
 - Transition
 - Leverage exemption
 - Asset protection
 - Valuation

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Wealth transfer & gifting by client profile: High-net-worth plus

- **Tax issues:**
 - Asset value: Low estate value, or high income tax basis?
 - Basis: Gift or bequeath? Carryover or step-up?
 - 3-year rule planning.
- **Non-tax issues:**
 - Privacy, asset protection, jurisdiction, family wealth



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Wealth transfer & gifting by client profile: High-net-worth plus strategies

- **Life insurance planning:**
 - Irrevocable life insurance trusts (ILITs), generational split dollar, private split dollar
- **Asset selection:**
 - Qualified personal residence trust (QPRT), income profile, qualified money, leverage GST
- **Philanthropic:**
 - B Corp, charitable LLC, conservation easements



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Example: Pat Affluent

- Her stable family firm is worth \$5 million.
- \$1 million in taxable assets.
- \$1 million in 401(k) and Roth IRAs assets.



Wants to start transferring wealth & business to children.

- **The business:**
 - Entity switch from C to S Corp?
 - Recapitalize and gift common stock.
 - Recapitalize and gift non-voting stock.
 - Sell minority shares to children.
 - File Form 709 for gifts.
- **Personal:**
 - Drawdown business equity, spendthrift & family trust, groom successors
- **Asset diversification**
- **IRAs and 401(k) for retirement income**

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Example: Pat HNW



Wants to start transferring wealth & business to children.

- Her growing family firm is worth \$20 million.
- \$4 million in appreciating real estate.
- \$3 million in 401(k) and Roth IRAs assets.
- **Annual exclusion gifts**
- **The business:**
 - Entity & valuation planning.
 - Seed IDGT and sell shares.
 - Gift shares to GRATs.
 - FLP with discounted LP gifts.
 - Installment sale: Private annuity, SCIN
- **401(k) and IRAs** (37% vs. 40% estate)
 - Convert or drawdown for retirement?
 - Inherited IRAs: Life insurance or CRT
 - Qualified charitable deductions
- **Other:**
 - Basis planning, jurisdiction planning, creditor protection, DAFs

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Details matter: Pat's LLC makes \$50k charitable gift

Flow through taxation of charitable gift to Pat, who has a \$750k AGI.

- If Pat doesn't itemize, \$1k deduction (\$18,130 tax cost)
- If Pat does itemize,
 - 1% floor = \$7.5k (\$2,775 tax cost) and 60% cap on her AGI.
 - 2/37th rule applies to her deduction (another \$849 tax cost).

However, full IRC §162 deduction (\$50k) if:

- The payment is directly connected to the taxpayer's trade or business; and
- The taxpayer has a genuine, reasonable expectation of receiving a financial return commensurate with the amount paid.

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Use and application of strategies: Administration and "heads-up" planning

- **State variances**
- **Fixing values:**
 - Informal valuations, appraisals, etc.
- **Filing forms:**
 - Form 709, marital deduction, GST allocation
- **Access:**
 - Spousal Lifetime Access Trusts (SLATs)
 - Decanting
- **Minors and special needs:**
 - Trusts vs. guardian
 - Crummey
 - Special needs trusts
- **Separate versus community property**
- **Joint tenancy versus tenancy by the entireties**

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Use and application of strategies: Improved wealth transfer

ED SLOTT'S IRA ADVISOR
August 2025
Tax & Estate Planning for Your Retirement Savings

Life Insurance May Beat Inherited IRAs

Guest IRA Expert
Steve Roth, CLU, ChFC, CPCU, RIA, AEP
The American College of Financial Services
King of Prussia, PA

Accounts such as 401(k)s and IRAs may be excellent vehicles for retirement accumulation but often they pose problems in being an inheritance. Many individuals, especially if they

NOTE: Because tax-deferred accounts come in many forms — traditional IRAs, 401(k)s, 403(b)s, and others — for simplicity I will just refer to post-death holdings as inherited IRAs.

Indeed, the stretch IRA has largely been replaced with the 10-year rule, making such accounts costly and inefficient holdings for passing wealth to the next generation. Fortunately, this does not mean workers have to accept the tax expense of leaving IRAs to their heirs. An appealing alternative has emerged: using life insurance as a bequest in lieu of inherited tax-deferred accounts.

These IRA owners are merely transferring the tax burden to their beneficiaries.

The SECURE Act has made these transfers particularly costly if the beneficiaries are their dependents. Adult children and grandchildren typically will be classified as non-eligible

The New York Times

RETIRING

The Tax Bill Haunting Your 401(k) and I.R.A.

By Mark Miller
Published March 15, 2025 Updated March 16, 2025

Mental Accounting, Estate Bequests, and Retirement Satisfaction

by Chen H. Bennett, CFP® CLU, ChFC, RIA, ChP
James H. Anderson, CFP® CFA
Brian Pearson, PhD, CFP® AIF

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Use and application of strategies: Coordination with other professionals

- Primary and contingent beneficiary designations.
- Individual or ILIT owned?
 - Avoiding the 3-year rule.
- Annual premium, required minimum distributions and gift management.
- Inadvertent issues:
 - Tenants in common.
 - Testamentary trusts.
 - Remaining qualified assets and trusts.



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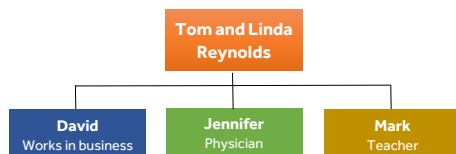
Case study discussion: Tom and Linda Reynolds

Steve Parrish and
Allen Hensley, ChFC®, CLU®, MSFS, AEP®
CVP, Advanced Agent Development Officer
New York Life Insurance Company

Case study: Tom and Linda Reynolds

Objectives:

- David to receive the business.
- Fair treatment for all children.
- Retirement security.
- Flexibility.



Net worth: \$10 million Assets			
S Corp	IRA/401(k)	Taxable portfolio	Residence and Personal Assets
\$6M	\$2M	\$1M	\$1M

- Business has low basis.
- CPA recommends retaining ownership for step-up.
- Attorney recommends beginning succession planning now.

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Business succession discussion points

Issues to consider:

Tom wants David to ultimately own and operate the business.

- Should Tom gift shares now, sell shares, or retain ownership until death?
- How should Tom evaluate a sale versus a gift?
- What practical considerations should be evaluated before implementing an installment sale?
- How important is basis planning if David intends to continue operating the business?

Potential strategies and solutions:

- If considering a sale, determine whether the S corporation can generate sufficient cash flow to support installment note payments.
- Focus on succession first and tax planning second.
- If David intends to continue operating the business, basis may be less important than many advisors assume.
- Rather than focusing exclusively on valuation discounts, consider whether increasing long-term company value better serves family objectives.
- Current exemption levels reduce pressure for aggressive transfer planning.
- If succession is the primary objective, gifting or selling may still make sense despite basis considerations.

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Inheritance equalization discussion points

Issues to consider:

If David receives the business, how should Tom think about equalizing inheritances for Jennifer and Mark?

- Is equal always fair?
- How should Tom and Linda approach that conversation?
- What role can life insurance play in achieving fairness among the children?

Potential strategies and solutions:

- Family meetings are often the most important planning tool.
- Avoid transferring business interests to children who are not involved in the business.
- A sale may reduce future disputes because value is established through the transaction.
- If the business is gifted to David, life insurance can be an effective inheritance equalization asset.
- Equal and fair are not always the same thing.
- Tom and Linda may have different views regarding fairness.
- Life insurance creates a clearly identifiable asset instead of a future promise.
- Premium funding allows equalization to occur gradually over time.

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SECURE Act and retirement assets discussion points

Issues to consider:

Tom's \$2 million IRA may eventually pass to his children.

- Should Tom consider Roth conversions?
- How should Tom evaluate the future tax burden associated with inherited retirement assets?
- What planning opportunities exist if Tom will not need all of the retirement assets for retirement income?

Potential strategies and solutions:

- Evaluate Roth conversions while Tom and Linda still control their tax brackets and cash flow.
- The SECURE Act has increased the importance of income tax planning.
- If retirement assets are not needed for lifestyle purposes, other planning options may become attractive.
- Life insurance can be a valuable alternative asset when qualified assets are expected to create future income tax burdens.
- The goal is to leave heirs wealth, not tax liabilities.
- Simply leaving a large IRA untouched may not produce the best after-tax outcome.

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Asset selection discussion points

Issues to consider:

If David ultimately receives the business, what assets are best suited for Jennifer and Mark?

- How should advisors think about business interests, taxable assets, retirement assets, and life insurance differently?
- Which assets are best positioned to create fairness among the children?
- How can asset selection improve overall family outcomes?

Potential strategies and solutions:

- Life insurance may be one of the most effective equalization assets available.
- Existing assets alone may not be sufficient to create fairness among the children.
- IRA distributions may be used strategically to fund life insurance premiums.
- Thoughtful asset selection often creates better outcomes than simply dividing assets equally.
- Family discussions are critical.
- If the family does not communicate expectations now, those conversations may occur later among siblings under much less favorable circumstances.

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Advisor coordination discussion points

Issues to consider:

- What planning opportunities require coordination among the financial advisor, CPA, and attorney before recommendations are implemented?
- Which planning decisions require the greatest collaboration?
- How can advisors ensure that succession, tax, and estate planning strategies remain aligned?
- What happens when advisors operate independently?

Potential strategies and solutions:

- Basis planning decisions require input from multiple disciplines.
- Business succession planning rarely succeeds when advisors work in isolation.
- Collaboration often produces significantly better outcomes than independent recommendations.
- $2 + 2 + 2$ can equal 10—or it can equal 6.
- None of us are as smart as all of us.
- The most successful plans integrate legal, tax, financial, and family considerations.

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Current estate planning considerations following recent tax law changes

- Estate planning continues to evolve as tax laws and planning opportunities change.
- Existing plans should be reviewed periodically to reflect changes in wealth, family circumstances, and liquidity needs.
- Effective planning requires coordination among legal, tax, valuation, insurance, and financial professionals.
- Technology and AI can enhance planning efficiency but do not replace professional judgment.

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Estate planning strategies by client wealth profile

High net worth (HNW) families

Well over \$15M for an individual or \$30M for a married couple.

Common themes:

Is there enough life insurance and is it properly structured?

- Add coverage and/or secure sufficient cash value.
- Consider a 1035 exchange to a more appropriate policy.
- Consider split-dollar funding.

Higher exemption amounts have not eliminated the need for estate tax planning.

- Lifetime gifting opportunities
- Qualified personal residence trusts (QPRTs) and installment sales
- Irrevocable life insurance trust (ILIT) planning
- Charitable lead annuity trust (CLAT) strategies
- Coordinated charitable and life insurance planning

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Estate planning strategies by client wealth profile

Emerging HNW families

Not above the exemption today but may be heading there.

Common themes:

- Begin planning before estate tax becomes a problem.
- Preserve flexibility while maintaining client access and control.
- Evaluate life insurance and ILIT strategies as future liquidity tools.
- Consider convertible term coverage when future needs are uncertain.

- Long-term savings rate and wealth trajectory
- Appreciating assets, including closely held businesses
- Inheritance planning and pre-receipt trust opportunities
- Flexible estate tax planning
- ILITs and convertible term coverage "just in case"

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Estate planning strategies by client wealth profile

Families below current estate tax threshold

Not above the exemption today but may be heading there.

Common themes:

- Review – not abandon – existing planning.
- Repurpose ILITs and irrevocable trusts where appropriate.
- Reevaluate grantor trust and income tax strategies.
- Preserve flexibility for future legislative changes.

- Does the existing plan still accomplish its original objectives?
- Should basis planning now receive greater emphasis?
- Are existing trusts still appropriate?
- Should life insurance be repurposed?

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Evaluating existing life insurance planning

Review existing life insurance coverage, ownership structures, and beneficiary designations to determine whether they continue to support client objectives.

- **Evaluate policy adequacy** as estate values, business interests, and future liquidity needs change.
- **Look at ownership structures** and beneficiary designations to determine whether they continue to support client objectives.
- **Consider policy replacement** and restructuring opportunities through tax-free exchanges.
- **Review the asset protection characteristics** of life insurance under applicable state law.

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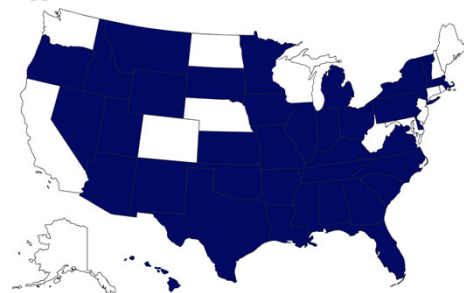
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State law considerations for life insurance protection

(Protection varies by jurisdiction and applicable state law.)

Alabama
Arizona
Arkansas
Delaware
District of Columbia
Florida
Georgia
Hawaii
Idaho
Illinois
Indiana
Iowa
Kansas
Kentucky
Louisiana
Maryland
Massachusetts
Michigan
Mississippi

Missouri
Montana
Nevada
New Mexico
New York
North Carolina
Ohio
Oklahoma
Oregon
Pennsylvania
South Carolina
South Dakota
Tennessee
Texas
Utah
Vermont
Virginia
Wyoming



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Modern uses and repurposing

- Determine whether current ILIT structures continue to meet planning objectives.
- Consider trust modification, decanting, and repurposing opportunities under applicable state trust law.
- Identify second-to-die ILIT planning and life insurance funding alternatives.
- Explore family banking concepts, liquidity planning, and premium funding strategies using irrevocable trusts.
- Evaluate income tax planning opportunities involving grantor trusts and beneficiary defective trusts.

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Asset protection and planning for married couples

- Evaluating asset allocation strategies between spouses to balance estate planning, creditor protection, and tax objectives.
- Reviewing creditor protection considerations involving trusts, business entities, and applicable state law.
- Using LLCs, family limited partnerships, and layered entity structures to isolate business and investment risks.
- Reviewing domestic and offshore asset protection trust concepts.
- Coordinating life insurance ownership with broader asset protection and estate planning objectives.

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Income tax characteristics of trust structures

- Comparing the income tax treatment of grantor trusts (IRC §§671–679), complex trusts, and beneficiary defective trusts (IRC §678).
- Evaluating income tax implications for trustees, beneficiaries, and business succession planning.
- Reviewing the income tax rules governing electing small business trusts (ESBTs) (IRC §1361(e)) and qualified subchapter S trusts (QSSTs) (IRC §1361(d)).

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Advanced planning with marital trusts and basis optimization

- Reviewing community property trust concepts and basis adjustment opportunities (IRC §1014).
- Evaluating joint exempt step-up trust (JEST) planning concepts and marital deduction considerations (IRC §2056).
- Reviewing creditor protection considerations in marital trust design.
- Evaluating alternative trust structures under current federal tax law and applicable state law.

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Advanced funding strategies for life insurance

- Comparing traditional premium gifting with alternative life insurance funding techniques (IRC §2503).
- Reviewing split-dollar funding arrangements and related tax considerations (Treas. Reg. §1.61-22; IRC §7872).
- Evaluating income-producing trust assets as premium funding sources.
- Reviewing trust mergers, decanting, and other strategies to facilitate ongoing life insurance funding.
- Comparing alternative funding approaches to improve liquidity while preserving planning flexibility.

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Integrated planning strategies and key takeaways

- Reviewing confidentiality considerations, business entity planning, and F reorganizations (IRC §368(a)(1)(F)).
- Coordinating estate planning, income tax planning, business succession, trust planning, and life insurance into a comprehensive long-term planning strategy.
- Recognizing the importance of periodic plan reviews as wealth, family objectives, business values, and tax laws continue to evolve.

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Case study: Robert and Susan Whitman

- The Whitmans have three adult children and several grandchildren.
- Family business owned for two generations.
- Committed to keeping the business in the family.
- As their wealth continues to grow, their advisors believe the original estate plan should be revisited, but they are reluctant to move forward.

Asset	Value
Closely held business	\$25,000,000
Investment real estate	\$8,000,000
Marketable securities	\$7,000,000
Retirement assets	\$3,000,000
Residence and personal assets	\$4,000,000
Current Net Worth – approximate	\$47,000,000
<i>(Projected to reach)</i>	<i>\$65,000,000</i>

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Reviewing existing planning discussion points

Issues to consider:

What part of the Whitman's existing plan should be reviewed first?

- Which elements of the plan continue to accomplish their original objectives, and which deserve a second look?
- How has the growth of the business changed the planning priorities?
- Should the Whitmans view this as updating an existing plan, or beginning the next phase of planning?

Potential strategies and solutions:

- The original plan was appropriate when implemented.
- Review the ILIT to confirm the \$3M survivorship policy still provides adequate liquidity.
- Review the SLAT to determine whether it continues to meet the family's objectives.
- Update the buy-sell agreement to reflect the current ownership structure.
- Reevaluate beneficiary designations, ownership, and remaining exemption.
- Update the existing plan rather than replace it.

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Estate growth and future exposure discussion points

Issues to consider:

How does the growth of the Whitman's estate change the planning recommendations?

- The Whitmans have largely stopped planning because of the higher exemption rate. Is that the right conclusion?
- Should the family continue planning even if they don't expect to owe estate tax under current law?
- How does the continued appreciation of the business influence today's planning decisions?

Potential strategies and solutions:

- The business now drives future planning decisions.
- Focus on future growth, not today's estate value.
- Estate tax is only one planning consideration.
- Income tax, succession, liquidity, and family goals remain important.
- Preserve flexibility as wealth and tax laws evolve.
- Healthy, insurable clients have more planning options.
- Continue planning incrementally.

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Future liquidity planning discussion points

Issues to consider:

The family already owns a \$3M survivorship policy. Is it still solving the protection objective it was designed to address?

- How should advisors determine whether future liquidity needs have outgrown the original plan?
- How could private split dollar funding provide additional survivorship coverage inside the existing ILIT while allowing the Whitmans to retain greater access to their capital?
- What planning objectives could additional coverage accomplish beyond simply paying estate taxes?

Potential strategies and solutions:

- Focus on the planning objective first.
- Liquidity needs evolve as estates and businesses grow.
- Existing coverage may no longer meet current needs.
- Private split dollar can create additional liquidity while preserving exemption.
- Demand-note arrangements may improve flexibility.
- Ownership structure matters as much as coverage.
- Supplement, restructure, or repurpose existing insurance.
- Consider split-dollar and other ILIT funding alternatives.

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Unplanned gift of business discussion points

Issues to consider:

What issues, risks, & opportunities were created when the Whitmans transferred part of the business to their children without consulting their advisors?

- What immediate steps should the advisory team take following those transfers?
- How do those gifts affect the Whitmans' remaining lifetime exemption and future planning flexibility?
- How should advisors think about the next phase of business succession planning from both an estate tax and income tax perspective?

Potential strategies and solutions:

- Estate planning is an ongoing process, not a one-time event.
- Coordinate Form 709 preparation and valuation support.
- Revisit the ILIT, SLAT, insurance, and buy-sell agreement.
- Evaluate additional liquidity planning options.
- Update the buy-sell agreement as ownership evolves.
- Develop a long-term succession roadmap.
- Coordinate legal, tax, valuation, and insurance planning.
- Collaborate across the advisory team.
- Preserve flexibility for future planning.

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Next-phase planning discussion points

Issues to consider:

What opportunities for the Whitmans require coordination among the financial advisor, CPA, and estate planning attorney?

- Which planning decisions should be addressed first, and which can be implemented over time?
- How should the advisory team prioritize updates to the existing plan while respecting the Whitmans' desire to retain control and avoid overly complex planning?
- How can advisors coordinate estate planning, income tax planning, business succession, and liquidity planning into a single long-term strategy?

Potential strategies and solutions:

- Estate planning is an ongoing process, not a one-time event.
- Coordinate Form 709 preparation and valuation support.
- Revisit the ILIT, SLAT, insurance strategy, and buy-sell agreement.
- Evaluate additional liquidity and funding strategies.
- Update the family's long-term succession roadmap.
- Coordinate planning across the entire advisory team.
- Preserve flexibility for future opportunities.

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Where business succession plans succeed – or fail

- Advanced succession planning risks for closely held businesses.
- Tax, valuation, and governance considerations.
- Buy-sell agreement design and funding strategies.
- Valuation planning & the impact of *Connelly v. United States*.

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Succession planning landscape

- Many closely held businesses lack a formal succession strategy.
- Ownership, management, and family objectives often diverge.
- Unexpected death, disability, or retirement can threaten continuity.
- Effective planning integrates legal, tax, financial, and governance disciplines.

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Risks of inadequate planning

- Business disruption and loss of enterprise value.
- Management uncertainty and governance breakdown.
- Family and shareholder disputes.
- Tax inefficiencies and liquidity challenges at death or transfer.

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Core goals of advanced planning

- Maintain continuity of ownership and leadership.
- Preserve and maximize enterprise value.
- Provide liquidity when triggering events occur.
- Align business, family, and stakeholder objectives.

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Tax planning considerations

- Income tax considerations:
 - Basis planning: step-up vs. carryover basis
 - Tax implications of financing buy-out
- Entity choice affects transfer flexibility and tax outcomes.
 - S Corp pro-rata distributions
- Gift, estate, and GST tax implications in the family business context.
- Monitor state tax, residency, and legislative developments.

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Transfer tax & entity structure issues

- Review S corporation, partnership, and C corporation implications.
- Consider recapitalizations and voting/non-voting equity structures.
- Address IRC §§2701–2704 valuation and transfer restrictions.
- Coordinate ownership strategy with long-term succession goals.

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Buy-sell agreements: Key triggering events

- Death of an owner.
- Disability or incapacity.
- Voluntary or involuntary termination of employment.
- Divorce, bankruptcy, or legal proceedings affecting ownership.

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Buy-sell agreements: Valuation framework

- Revenue Ruling 55-60 remains foundational guidance.
- Agreed-value provisions require regular updates.
- Formula approaches provide consistency but may become outdated.
- Independent appraisals can reduce dispute risk.

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IRC §2703 and family business planning

- Transfer restrictions may be ignored for valuation purposes.
- Agreements must satisfy regulatory requirements.
- Family-controlled entities face heightened scrutiny.
- Coordination between legal drafting and valuation experts is essential.

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***Connelly v. Commissioner*: Key holding**

- Corporate-owned life insurance proceeds increased entity value.
- Redemption obligations did not offset the proceeds.
- Result: higher estate tax valuation for the deceased owner's interest.
- Creates new planning considerations for redemption agreements.

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The planning challenge after *Connelly*

- Insurance proceeds may inflate company value.
- Estate includes enhanced value despite share redemption.
- Potential mismatch between liquidity and tax outcomes.
- Traditional redemption structures may require reevaluation.

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Technical implications

- Greater focus on entity-level versus shareholder-level obligations.
- Potential valuation disconnects in funded buy-sell arrangements.
- Different effects for corporations and partnership structures.
- Increased scrutiny by valuation professionals and advisors.

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Strategies to mitigate Connelly risk

- Cross-purchase arrangements
- Tandem LLC (partnership) buy-sell structure
- Irrevocable Life Insurance Trusts (ILITs)
- Wait-and-see agreements
- Enhanced valuation drafting and appraisal coordination

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Risk mitigation & dispute avoidance

- Use clear and enforceable agreement provisions.
- Implement deadlock-resolution mechanisms.
- Consider mediation and arbitration clauses.
- Maintain documentation and conduct periodic plan reviews.

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Key takeaways

- Begin planning early and revisit regularly.
- Coordinate legal, tax, valuation, and family objectives.
- Build flexibility into succession structures.
- Strong governance and communication improve long-term success.

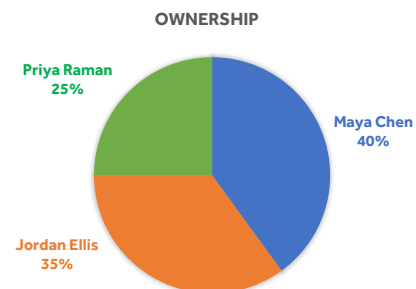
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Case study: SentinelPay Analytics

- Rapid business growth and increasing company value.
- Transfer restrictions vs. buy-sell obligations.
- Triggering events: divorce, retirement, disability, and death.
- Business valuation and ownership transition planning.
- Funding future buyouts and liquidity needs.
- Connolly implications for buy-sell design.



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Buy-sell agreement design discussion points

Issues to consider:

- Does the operating agreement create a right to buy, an obligation to buy, or both?
- What problems arise when triggering events are not clearly addressed?
- Which events should be mandatory buyouts versus optional buyouts?

Potential strategies and solutions:

- Many owners confuse transfer restrictions with succession planning.
- Clear triggering-event language reduces disputes and uncertainty.
- Death, disability, retirement, divorce, bankruptcy, and termination should be evaluated separately.

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Valuation challenges discussion points

Issues to consider:

- How should SentinelPay be valued during a period of rapid growth?
- Should the agreement use a fixed value, formula, or independent appraisal process?
- Should discounts apply to minority interests?

Potential strategies and solutions:

- Outdated valuation provisions often create conflict.
- Rapid growth can make formula approaches obsolete.
- Independent appraisal mechanisms can reduce dispute risk.

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Divorce discussion points

Issues to consider:

- How should the company address Jordan's pending divorce?
- What rights should the company or owners have if a former spouse receives an ownership interest?
- How can valuation disputes be minimized?

Potential strategies and solutions:

- Divorce is often an overlooked triggering event.
- Economic ownership and voting control should be addressed.
- Planning before litigation is far easier than planning during litigation.

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Buy-out funding discussion points

Issues to consider:

- How could the company fund a buyout if Maya retires, Jordan becomes disabled, or an owner dies?
- Should life insurance, disability buyout insurance, installment payments, or financing be considered?
- What are the tradeoffs of each approach?

Potential strategies and solutions:

- Funding and agreement design must be coordinated.
- Growing businesses often lack excess liquidity.
- Insurance can provide liquidity without disrupting operations.

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Connelly and structural planning discussion points

Issues to consider:

- How does Connelly affect buy-sell planning?
- Should the owners consider cross-purchase, redemption, wait-and-see, or partnership-style structures?
- How should valuation professionals, attorneys, CPAs, and advisors work together?

Potential strategies and solutions:

- Connelly changed the analysis for many redemption agreements.
- Entity structure matters.
- Periodic review is essential as laws, values, and ownership goals evolve.

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Planning is a process, not an event

- Estate planning is an ongoing process that should evolve over time.
- Client circumstances change due to:
 - Business growth
 - Family changes
 - Tax law developments
 - Asset appreciation
 - Liquidity events
- Planning documents and strategies should be reviewed periodically to ensure they continue to accomplish client objectives.

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Three cases – Three different questions

Reynolds

Which assets
should go where?

Whitman

How should a good
plan evolve?

SentinelPay

Will the plan
actually work?

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The common thread

- The solutions are not the same in every case, but one theme remains constant -
- Effective planning requires coordination among multiple disciplines.
 - Legal planning
 - Tax planning
 - Business planning
 - Financial planning
- No single advisor can typically address every aspect of a client's planning needs.

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Practical planning opportunities moving forward

- Clients whose plans no longer reflect today's reality.
- Businesses that have outgrown their planning.
- Coordinate planning with financial assets.
- Create more integrated planning conversations.
- Help clients think beyond today's planning needs.

Planning techniques are tools that support client objectives:



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Top advisors don't just solve today's problem . . .

They build tomorrow's roadmap.



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