



**Employee-Owned Companies (ESOPs)**

# Create and Preserve Value Through Employee Ownership



## **Maximize Tax Planning Opportunities Drive Employee Performance, and Secure a Legacy for Your Business**

As a business owner, you have several options to consider when planning for exit. Employee Stock Ownership Plans (ESOPs) are an effective way to ensure continuity into the next phase of your business journey.

### **We help businesses make sense of the ins and outs of ESOPs through:**

- ESOP Feasibility/Transaction Structuring
- ESOP Company Corporate Audits, Tax Compliance, and Accounting Consulting
- Repurchase Obligation Studies
- ESOP Plan Audits
- ESOP Valuations/Fairness Opinions

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As an employee-owned company, we greatly appreciate the ESOP services provided by Eide Bailly. Their team truly works together to get us the solutions we need. We have utilized the ESOP services at Eide Bailly for many years and couldn't be happier.

**Michelle Killoran,**  
CFO/VP of Finance | Scheels

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# We'll Help You Navigate the Complexities of Being Employee-Owned

ESOPs provide a strategic opportunity to provide for the long-term sustainability of your business and your legacy — but it's often an overlooked option for exit. With over 6,500 ESOPs in the United States holding total assets exceeding \$2.1 trillion, it's time for business owners to consider ESOPs as a viable transition strategy — and we can help.

## Benefits of ESOPs

ESOPs serve as a compelling exit strategy for several reasons:

### Transition Flexibility

ESOPs do not require you to sell the entire company at once. Partial sales or incremental transitions allow you to maintain management control over the company. This flexibility eases the transition of control and provides time for employees to adjust.

### Tax Advantages

For 100% ESOP-owned S-corporations, the tax-exempt status of the ESOP trust is a significant and notable advantage. For those ESOPs that own less than 100% of the outstanding S-corporation stock, the portion of the company held by the ESOP enjoys corresponding tax exemptions within the S-Corporation structure.

### Preservation of Company Culture

ESOPs provide employees with a genuine sense of ownership, instilling a deep commitment to the organization while aligning their interests with the company's long-term success. As employee owners, individuals become more productive, experience improved job satisfaction, and take pride in their work.

### Additional Services

- Cybersecurity
- Fraud Prevention & Detection
- Wealth Planning
- Data & Analytics
- Technology Automations & Integrations
- Outsourced Finance & Accounting

### Who We Are

Eide Bailly is Top 20 certified public accounting and business advisory firm with over 50 offices nationwide. We've been serving ESOPs for over 25 years, specializing in plans ranging up to \$1 billion in revenue and with employee counts of 25 to 25,000.



**CPAs & BUSINESS ADVISORS**

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