

Article Title: [The LifeCycle Buy-Sell Harmonizes Owners' Diverse Objectives](#)

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Precise: Funding a buy-sell arrangement via a general partnership avoids choosing between a cross purchase and a redemption agreement. This strategy also harmonizes the owners' business continuation, retirement and estate planning goals.

Summary: The LifeCycle Buy-Sell requires only one insurance policy per business owner. A general partnership is then established to own and maintain the policies that fund the arrangement. Upon the death of one of the owners, the surviving owners can purchase the decedent's interest in the business using either the stock redemption or cross purchase arrangement--whichever option is most advantageous at the time.

Designed to include maximum tax benefits and flexibility, the LifeCycle Buy-Sell:

- Achieves a basis step up for surviving owners;
- Allows custom allocation of ownership among surviving owners;
- Avoids the Alternative Minimum Tax on the death benefit;
- Shields the policies from business creditors and/or the creditors of the individual owners;
- Prevents income taxation of the death benefit;
- Allows the policies to be used in the future for a host of estate planning applications.
- [Click here](#) for a comparison of Life Cycle Buy-Sell to a cross purchase and stock redemption agreements.

Relevance and Application: The primary source of income for many small business owners and their families, during working years and throughout retirement, is the business itself. In addition, small businesses are usually hard to sell and often make up the majority of the owners' taxable estates.

Designing a business continuation plan that is also mindful of estate and retirement planning is a difficult task. To create an optimal business continuation plan, it is important to get beyond the limitations and consider the possibilities. The LifeCycle Buy-Sell is a unique solution that provides a viable business continuation alternative.