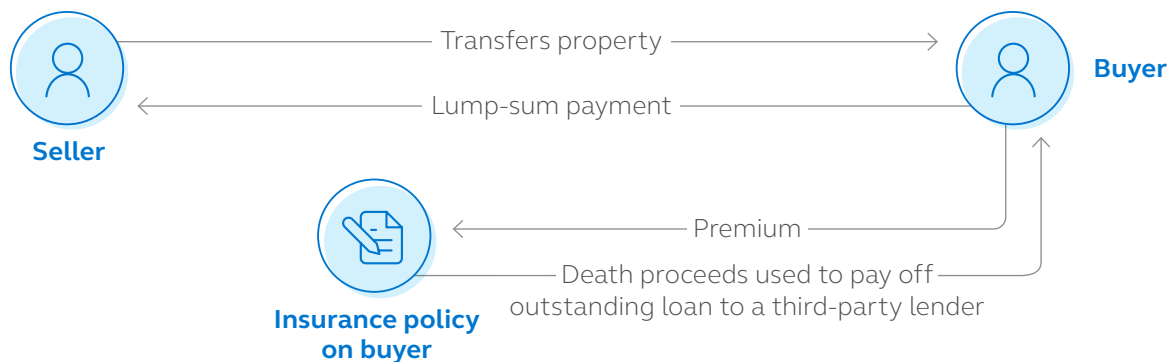


Prepare today for the unknown future of your business.

Do you have a strategy in place to transfer your business to the right people, at the right time, for the right amount of money? An agreement requiring a lump-sum payment can help protect the future of your business. This type of agreement generally involves the sale of property where the seller receives a lump-sum payment for the entire purchase price.

Here's how it works.

The seller transfers property to the buyer. When a seller doesn't want to accept the risk of an installment sale, the seller may require the purchase price be paid up front. If the buyer doesn't have the funds, he or she may finance the purchase price from a third-party lender.



What you need to know

There are advantages to this sort of an agreement, just as there are some other things to consider.

Estate impact. Any business interest and appreciation are immediately outside of the seller's estate, but the present value of any remaining installment payments will be included in the seller's estate.

Reduced risk. The seller doesn't assume the risk of nonpayment or future success of the business.

Tax implications. The buyer's after-tax (or borrowed) dollars are used to fund the purchase, and the seller will incur capital gains in the year of the sale.

Funds must be available. The buyer must have enough funds available and/or have access to lenders to pay the full purchase price. Alternatively, the seller can require a lump-sum payment for most of the purchase price and accept an installment note for amounts the buyer isn't able to finance.

Life insurance may be needed. A life insurance policy on the buyer assures that funds are available to repay the debt and protect the buyer's family.

 [Learn more](#)

Contact your financial professional today.



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