

Planning for equity compensation

with Evolution Wealth Partners

How we helped a public-company CEO with strategic equity compensation planning and generational wealth planning

The challenge

Frustrated with her previous advisor's lack of planning sophistication and communication, the CEO of a publicly traded company was introduced to us for help with equity compensation and generational wealth planning.

The strategy

At Evolution Wealth Partners, we have deep experience working with corporate executives to help solve the complex wealth challenges they face. We leverage professionals across UBS's planning, family advisory and philanthropy teams, and work alongside our clients' accountants and estate planning attorneys to create comprehensive and fully customized plans.

In this case, we began with an in-depth review of her equity compensation. Like many of our clients, much of her wealth was concentrated in her company's

stock awards, including incentive stock options (ISOs). A significant portion of her ISO grants had low strike prices with large embedded gains, elevating the importance of thoughtful tax planning. Part of our opportunistic solution included exercising ISOs during the pandemic, while the stock price was depressed. Working alongside her accountant, we helped maximize the number of options she could exercise without triggering an unwanted alternative minimum tax (AMT) bill. Our team then helped draft and execute a 10b5-1 sales plan to sell shares as they transitioned to long-term capital gains and reached various price targets set with the client.

Looking at her broader balance sheet, we undertook rigorous financial planning to determine her expected lifetime income and spending needs. This in turn allowed us to identify how much of her wealth she was unlikely to use during her lifetime, giving her the confidence to gift to her children without jeopardizing her financial security—a top priority for her. We coordinated with the client, her estate planning attorney and eventually her company's legal counsel to transfer a significant number of shares into trusts to benefit her children during an open window. When the pandemic caused a broad market dislocation, we were prepared to opportunistically and efficiently make sizable gifts to each trust utilizing only a portion of her lifetime exemption. Alongside our Family Advisory Group, we guided her children in generational wealth planning, family governance and financial education to ensure they are well prepared for the responsibility and stewardship of legacy wealth.

Since, she has flourished well beyond her role as a corporate executive to become an active philanthropist and corporate governance leader, serving as a director on multiple boards. We revisit her financial plan regularly and remain engaged with the extended family.



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