Buy-Sell Agreement Review Checklist

Protecting partners, families and the business.

A buy-sell agreement is only as strong as its last review. Use this checklist with your co-owners, attorney and CPA to confirm your agreement still does what you need it to do.

The basics

- [ ] A signed, written buy-sell agreement exists among all current owners
- [ ] Every current owner is a party to the agreement
- [ ] The structure (cross-purchase, entity purchase or hybrid) is still the right fit
- [ ] The agreement is consistent with your operating agreement or bylaws

Triggering events

- [ ] Death
- [ ] Long-term disability, with a clear definition and waiting period
- [ ] Retirement or voluntary departure
- [ ] Divorce, so an ownership interest does not pass to a former spouse
- [ ] Termination of employment, bankruptcy or loss of a professional license

Valuation

- [ ] The method for setting the price is clearly defined
- [ ] The stated value or formula has been updated within the last 12 to 24 months
- [ ] The price reflects today's value, not the value when the agreement was signed
- [ ] A process exists to resolve valuation disagreements

Funding

- [ ] Life insurance is in place to fund a buy-out at death
- [ ] Death benefits match the current value of each owner's interest
- [ ] Disability buy-out coverage or another funding source is in place
- [ ] Policy ownership and beneficiaries match the agreement's structure
- [ ] A plan exists for funding retirement or lifetime buy-outs (installments, sinking fund or cash value)

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Review

- [ ] Tax consequences of the structure reviewed with your CPA
- [ ] Agreement reviewed after any ownership change or major change in value
- [ ] Each owner's family understands how the agreement would work
- [ ] Next review date scheduled

YOUR NOTES & NEXT STEPS

Questions about anything on this list? Nova Wealth Partners works alongside your attorney and CPA to coordinate protection, retirement, estate and business planning. Schedule a conversation at calendly.com/novawealthpartners.

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