



# White Oaks

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## TAX AND FINANCIAL PLANNING BENEFIT

By: [Robert Klosterman](#), CEO & Chief Investment Officer

In today's competitive world attracting and retaining top talent for the executive ranks has never been more challenging. These top leaders are extremely valuable since they devise strategies and policies to ensure that an organization meets its goals. They plan, direct, and coordinate operational operations both public and private, for profit and non-profit. The top executives world is one with multiple demands on their time and attention.



The incredible focus required of this group of top talent brings with it sacrifices for themselves and their families. While the organization clearly expects this focus, what is required to accomplish the mission often requires travel, long hours and devotion to manage their role within the organization. Of course, there are only 24 hours in a day and what often ends up pushed back is the personal things that are important.

Overlay that with the increased complexity that compensation plans bring today with various elements of company stock based compensation including stock options, phantom stock or incentive plans based on appreciation of e-stock price. Deferred compensation plans, formula based incentive compensation and a myriad of options within the qualified plans, including 401(k) programs. The more complex, the less time there is to focus. Is it any wonder that executives often underuse or under appreciate the benefits being provided to them?

For this reason many organizations have provided benefits for the executive ranks to assist them with tax and financial planning for themselves and their families. In a study done by Raghuram Rajan of the University of Chicago and Julie Wulf of the the Wharton School of the University of Pennsylvania 70% of large companies offered this benefit to their executives. While not for everyone, the needs are significant and the opportunities to provide a competitive compensation package are enhanced when this benefit is available.

The benefits offered in these types of benefit plans I include:

- Goal Development and Values Alignment
- Retirement Assessment and Strategy Development
- Estate Planning
- Personal Risk Assessment. (Including insurance and asset protection)
- Compensation and benefit review
- Portfolio Reviews and Ongoing Management
- Stock Option/Plan Review and Strategy Development
- Philanthropic Planning
- Education Funding and Strategy
- Tax Planning

Due to concerns about picking an advisor many companies provide a short list of advisors who have demonstrated a high level of expertise, have filed appropriate registrations with e SEC, have good references and experience working with senior executives. This would not necessarily be an exclusive list but, a list from which those who do not have an advisor can start their own selection process. The list should be reviewed every three to five years to ascertain whether or not the advisor is still registered, in business and has a satisfactory record with people in the organization.

Benefits also accrue to the Human Resource executives who manage the complex programs within the organization. Of course, the explanation of how the program works is still within the purview of the HR department. However, the question often comes up, "What should I do?" Most HR executives are uncomfortable answering the "which choice" question. Having a program in place can refer the more difficult and less suitable questions to experts who are experienced and qualified to help the executive answer those 'next step' questions.

Organizations who provide Executive Tax and Financial Planning benefits are at the top of their game with respect to providing valuable assistance to senior executives that will allow them more focus on the organizational needs without the executive's guilt about not taking care of things at home. It not only provides a competitive compensation package but also takes pressure off of the HR department and the HR team to provide an outlet for the "what should I do?" questions that inevitably come up and the executive needs to answer.

Executive Tax and Financial Planning is a unique and high value benefit that not only enables a competitive pay package but also provides key benefits for the executive, the organization and the HR team.

