

## REPURCHASE OBLIGATION STUDIES

*Smart ESOP management* is understanding your full exposure - both short term and the long term. Our data driven share repurchase study, prepared with the actuarial expertise of Optimizing Foundations, LLC, will provide you with a *clear view* of where you're headed.



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## *A Menke Repurchase Obligation Study:*



- ✓ Gives you timely, actionable repurchase intelligence
- ✓ Is an actuarial projection of the cashflow needed to fund your future share repurchases, as required by your ESOP plan
- ✓ Considers your participant demographics such as retirement, death, diversification, disability and termination
- ✓ Includes a baseline *and* an alternative scenario; unlimited additional scenarios are available
- ✓ Projects your off-balance sheet liability, which can be surprising if not properly managed
- ✓ Is integrated with your annual administration and appraisal\* *\*if applicable*

## *How often should I have a Repurchase Obligation Study performed?*



- ✓ General rule of thumb: every one to three years
- ✓ Key factors are company cashflows, ESOP ownership % and duration, participant count and demographics
- ✓ To obtain best results, the study is done alongside your valuation report
- ✓ Plan sponsors with mature ESOP may need an annual repurchase study
- ✓ Your annual ESOP valuation must contemplate share repurchase obligation, so know it!

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## THE PROCESS:



*1. We obtain data,  
and involve you when  
necessary*



*2. We perform  
our actuarial  
analysis*



*3. We review our  
findings with you, which  
are analyzed and  
adjusted if necessary.  
You receive an easy to  
read report with clear  
actionable information.*

**The Menke Advantage** We use your historical ESOP administration profile - such as your turnover rates, historical contribution rates and valuation data - in combination with your Plan provisions to forecast your repurchase obligation. Our method ensures a superior report that is easy to understand. Your report is completed by a licensed actuary with over 25 years experience.



For More Information about our Repurchase Obligation Studies,  
Contact your Menke Benefit Consultant

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