

The core principles of what we are trying to achieve

For partial C-Corp ESOPs to flourish in a manner that is good for workers, companies, and our broader economy, we believe that the existing ESOP structures must be complimented by a new Partial C-Corp structure which achieves the following:

1. Align tax incentives as to be suitable for partial ESOPs.
2. Offer safe-harbor guidelines in situations where there's a market-based valuation-check to ensure that workers in new ESOPs are treated fairly and to avoid undue litigation risk.
3. Give disproportionate ESOP benefits to front-line workers (as opposed to highly-compensated executives).
4. Protect the spirit of the ESOP by assuring workers receive meaningful value in situations where companies utilize tax incentives.
5. Provide the ESOP at no cost to the employees, and ensure that the ESOP is not the sole retirement plan for workers.
6. Allow workers to access a portion of their ESOP value before retirement without penalty.
7. Maintain the current structure and benefits that have been highly effective for existing ESOPs (particularly 100% ESOPs).