

## Learn How an ESOP Works and How It Can Benefit You

An employee stock ownership plan (ESOP) is a tax-favored employee benefit plan through which employees can become owners in their companies at no cost to themselves, at the same time that the company and its owners receive major tax benefits. In the right situation and with proper structuring, it can provide advantages for everyone involved.

Thousands of U.S. companies have an ESOP and millions of employees participate in them, but many businesspeople are still unfamiliar with them. Even those who have some familiarity with ESOPs often have misconceptions about them. This little book is designed to educate anyone who is interested or involved in ESOPs about what they are, what their history is, how they work, and what their benefits are to both the employer and the employee-participants. It assumes the reader is familiar with basic business concepts.

The 19th edition updates the existing material as of early 2020, with particular attention to the chapter on valuation.

### About the Author

Scott Rodrick is the director of publishing and information technology at the National Center for Employee Ownership (NCEO), a private, nonprofit membership, information, and research organization in Oakland, CA. He is an attorney and served at the U.S. Department of Labor as an attorney-advisor before coming to the NCEO. He designed and created the NCEO's present line of publications and is active as an author in the field. Aside from authoring *An Introduction to ESOPs*, he has coauthored several full-length books, such as *Understanding ESOPs* and *The Decision-Maker's Guide to Equity Compensation*. Rodrick is also a web developer. He created the NCEO's first website in 1994 and has been involved with it since then.



Scott Rodrick

# NCEO

1629 Telegraph Ave., Suite 200  
Oakland, CA 94612  
Phone: 510-208-1300  
Web: [www.nceo.org](http://www.nceo.org)



NCEO

# NCEO

NATIONAL CENTER FOR  
EMPLOYEE OWNERSHIP

AN INTRODUCTION TO ESOPs

19th Edition

# An Introduction to ESOPs

How an employee stock ownership plan  
(ESOP) can benefit your company,  
its owners, and its employees

**19th Edition**

SCOTT RODRICK

SCOTT RODRICK

