Estate Planning: Lessons Learned From Lakers Owner Jerry Buss

Jerry Buss died in February 2013 at age 80 from kidney failure after a battle with cancer. Buss is best known as the owner of one of America's most high profile and successful sports franchises winning 10 NBA championships with the Los Angeles Lakers. Buss There are many estate planning lessons that can be learned from Jerry Buss.

The most important lesson that can be learned from Buss is to protect the family business. Most family businesses do not have an estimated one billion dollars ($1 Billion) such as the current estimated value of the Lakers, but it is important to make plans for how the family business will continue after the death or incapacity of the founder and patriarch. Picking a responsible family member with experience running the business or outside management with loyalty to the family can be the best choice in making sure the business runs smoothly after an original owner. Buss made sure that his family would remain in control of the Lakers and passed control of the team to two of his children, Jim Buss and Jeanie Buss. The key to this plan was making sure that his family would continue to be in charge of running the franchise while he was still able to pass control, and not before it was too late. After the death of Buss, his family released a statement that said

"It was our father's often-stated desire and expectation that the Lakers remain in the Buss family. The Lakers have been our lives as well, and we will honor his wish and do everything in our power to continue his unparalleled legacy."

Choosing a successor for a business is an important step, but there are many more steps that may be necessary to help keep a large family business in the family. One of the main obstacles is to avoid estate taxes upon the death of the principle owner that could be as much as 40% after the first $5,250,000 in 2013, the year that Buss died. Without planning, a large tax bill could force a sale of a business or a sports franchise to make sure that it is paid. Strategies such as trusts and insurance to cover estate taxes could prevent the need to sell the business and make sure that it remains in the family. You do not have to be the owner of an NBA team to have a business as part of a taxable estate as many successful small businesses can cross the ever changing threshold of estate taxes. it is important to come up with a business succession plan with an estate planning attorney and possibly a CPA to make sure that a goal such as Jerry Buss had to keep the team in the family can become a reality.

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