



# US Company Shares

How to mitigate your US  
Federal Estate Tax Exposure

If you own shares of a US sited company through a US Exchange valued over \$60,000, as a non-US resident and non-US passport holder (A non-resident alien) you are liable for up to 40% US Federal Estate Tax on your US Stock portfolio or US shareholdings upon your death.

So essentially, upon your death, the IRS will apply this tax prior to your estate being distributed to your beneficiaries. And this applies even if you are resident in a non-taxable jurisdiction such as the UAE or Saudi Arabia.

“If you are part of your US company share scheme you are still liable for US Federal Estate Tax on death”



US companies have, and continue to be a big draw for hundreds of thousands of international workers. For many, a company share scheme is often included as a significant perk of any benefits package. However, what many don't realise is that even after you have returned home or moved to a completely new location, these shares remain liable for US Federal Estate Tax.

“Even holding your portfolio outside of the US on an investment platform or with a brokerage account, these shares are still within the scope of taxation by the IRS through US Federal Estate Tax laws.”

In addition to this, you also may potentially fall foul of forced heirship laws applied by your country of birth. As a result, your family could be faced with a mountain of litigation preventing them from accessing your estate at the time when they most need it.







# US Estate Taxes Countries With Estate Tax Treaties

Whilst the US holds estate tax treaties with some countries which can provide tax relief, as of January 2022, such agreements only exist with 16 jurisdictions.

Fortunately, our Series 65, US certified specialists spend their time sourcing solutions that can specifically aid international workers who work or have previously worked for US companies, enabling them to make the most of their international status. And the great news is that all of the aforementioned can mitigate US Federal Estate Tax legally meaning you are able to keep hold of more of your hard-earned wealth.





# Non-Resident Aliens, Upon Death, Can Face Adverse US Estate Tax Consequences Without Careful Planning.

Since 2018, US citizens and US domiciliaries have been subject to estate taxation at a maximum tax rate of 40% with an exemption amount of \$10 million, indexed for inflation. The indexed exemption amount for 2022 is \$12,060,000.

In contrast, non-US domiciliaries are subject to US estate taxation with respect to US sited stock portfolios & shares through US exchanges at a maximum rate of 40% but with an exemption of \$60,000 which is only available for transfers at death.



# Personal Wealth Management You Can Trust

At Skybound Wealth we take a holistic approach to wealth management advice, we offer a full range of financial planning solutions that cater for much more than just your retirement. Our extensive spectrum of services and solutions, allows us to build a plan bespoke to your exact requirements, where possible mitigating your tax liability, and enabling you to realise your dreams and life goals.







# Make The Most Of Your International Status

As an expat worker you will most likely be experiencing a greater lifestyle and an improved salary as a result of leaving home behind. By diversifying your investments your savings can experience similar benefits too.

## **What Is An Investment Review?**

An investment review will involve a meeting with an investment planning expert to explore all aspects of your financial planning. We will assess your needs and objectives along with reviewing the policies you have in place. We will help you to understand the planning you already have, what you need from your investments and how you will achieve your future goals.

## **Peace Of Mind**

It doesn't take much for you to ensure you are getting the most from your existing portfolio, just an informal chat with one of our advisers. Can you afford not to find out if you are making the most of your money?



# Why Skybound Wealth

Skybound is part of a group of several organisations, each of which is regulated in the respective jurisdictions where they are based.

With specialist product divisions covering matters such as Pensions, Repatriation and Investments, and specialist teams dedicated to assisting international workers, we are perfectly placed to help you wherever your expat journey may take you.

Helping international investors across 124 countries and 119 nationalities to protect and grow their wealth, Skybound Wealth has over \$1bn client savings under management.







## Securing Your Future.

Wherever You Are Today.

We exist to educate and guide you through the important decisions required today, to ensure you benefit from the freedom of tomorrow.