

Share Plans

Drive staff retention and development whilst ensuring effective engagement



Our employee share plans

Every company has different expectations and requirements for their employee share plans and we believe that every scheme should be unique to those delivering it. We administer over 400 share plans, and we believe we have something for everyone. We can help you with one element of your programme or a full end to end solution.



We manage

1 in 3

SIPs and administer over 400 share plans



50+

share plans onboarded in last 24 months



250,000+

employees managed in UK employee share ownership schemes

What we offer

- Investor Centre
- UK Save As You Earn (SAYE)
- UK Share Incentive Plan (SIP)
- Enterprise Management Incentives (EMI)
- Discretionary Plan – Restricted Share Schemes (RSS)
- Discretionary Plan – Long Term Incentive Plan (LTIP)
- Discretionary Option Plans (CSOP & USOP)
- International Save As You Earn (SAYE)
- International Share Purchase Plan (ISSP)
- International Share Trust Account (ISTA)
- Industry & Thought Leadership



Benefits of our share plans



Full online account access – both corporate and shareholder



Dedicated relationship management and easy to use employee share dealing facility, supported by our specialist corporate employee dealing team



Tailored design, marketing, print and mailing house and specialist employee communications provider



Together with our e-communications we help improve efficiency and environmental footprint, while providing employees with a convenient way to participate in your share plan

- Tax-advantaged employee share plans remain one of the most popular ways for companies to attract, retain and motivate their key people
- Our Share Portal, which we can brand with your own digital channels, provides a seamless online experience for employees to manage their accounts
- Communication is crucial: working with our trusted design agency, to help you deliver the right messages to the right people, we can tailor communication programmes to your corporate culture, employee profile, location of your employees and your budget
- Employee briefings: we can present to your employees directly either face to face or via online channels using bespoke presentations, interactive PDFs, animations and augmented reality tools to enhance your employee's briefing experience and drive positive engagement

Our systems and support infrastructure cater to those who have no prior experience of share plans as well as those who do. Even employees with no prior knowledge of plans will be able to log on and make informed decisions about their plans.

Investor Centre



MUFG Investor Centre




Our purpose is to connect people with their assets.

We believe shareholders should be empowered to take an active role in their financial wealth. Using our Investor Centre, issuers can deepen their engagement with their shareholders, and investors can manage and monitor their financial goals from a single app.

Features and benefits for shareholders

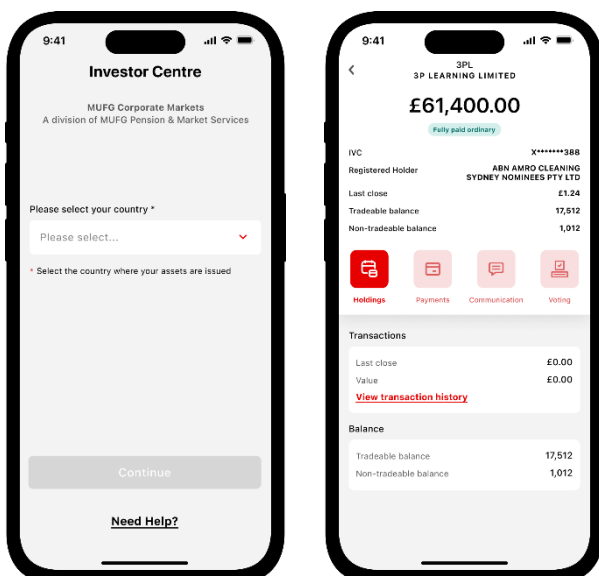
- ✓ Manage multiple holdings – easily access holdings in one place
- ✓ Access digital documents - including transaction history and tax statements
- ✓ Exercise their choices - taking greater control of their assets in real time
- ✓ Update personal information and preferences –greater choice
- ✓ Use the web or mobile app - access on any device
- ✓ Participate in online voting – enhanced accessibility and participation
- ✓ Multifactor authentication – higher security delivering peace of mind

The benefits don't stop with shareholders. With Investor Centre, issuers can:

-  Drive digital engagement by removing paper communication
-  Improve shareholder engagement through ease of access and voting
-  Deliver greater security with multifactor authentication

We are the UK's largest share registrar, delivering tech-enabled services to support companies in a challenging financial world.

If you'd like to find out how Investor Centre can work for your company and your shareholders, visit our [website](#).



UK Save as you Earn (SAYE)

A Sharesave or Save as you Earn (SAYE) is a plan which must be operated on an all employee basis. It is an arrangement under which an employee can save to buy shares in their company at a price which is fixed at the start of the savings period, this price is known as the Option Price.



An employee has an option to buy shares at a future date and at a fixed price



The company can discount the price of shares, up to 20% of market value



The length of the option can be three or five years



Savings are made by payroll deduction from participants' net salary



Shares can only be purchased with proceeds of savings made under a special SAYE savings contract



Designed to be risk free



Savings attract interest paid as a multiple of the monthly savings amount

Features and benefits

- SAYE is open to all eligible employees of the company
- Minimum employment qualifying periods can be introduced before participation (max. 5 years)
- For employers, shares only need to be allotted at the time of exercise
- For employees, if the share price falls below the option price, there is no requirement to exercise the options and take the proceeds of their savings contract
- Shareholders are eligible to receive dividends

Maturity - There will be multiple choices available at maturity, such as repayment of your savings plus the tax-free bonus, or the opportunity to take the shares and sell them, or retain the shares and become a shareholder in your employing company

Dividends - These are received if shares are retained and still held on the record date

Set up and operations - A share plan adviser can help with the implementation of the plan and set the plan rules

Taxation - No tax liability on share purchase unless the employee exercises the option early. There are potential scenarios that would attract Capital Gains Tax

For more information, please click [here](#)

UK Share Incentive Plan (SIP)

The SIP is an employee share ownership plan which must be operated on an all-employee basis. Companies are able to choose between a flexible combination of three modules. UK residents can participate in a Tax Efficient SIP with deductions taken from their gross salary with no income tax and NIC's payable if shares are held for 5 years or longer.



Free shares - up to £3,600 can be awarded to employees' tax free each year



Partnership shares - employees can invest up to £1,800 a year of their salary pre-tax and National Insurance Contributions (NICs)



Matching shares - where employees invest in partnership shares the employer can provide additional tax-free shares

Features and benefits

- UK resident employees are eligible to participate in the plan
- Minimum employment qualifying periods can be introduced before participation (max. 18 months)
- Employers can offer dividend reinvestment to employees via shares
- Companies can benefit from a deduction in taxable profits and corporation tax for certain costs of setting up and operating a SIP

Dividends – Employees may be able to buy more shares with the dividends they get from free, partnership or matching shares (if your employers' scheme allows it). You will not pay Income Tax if you keep the dividend shares for at least 3 years.

	Free Shares	Partnership Shares	Matching Shares
Holding Period	Between 3 and 5 years from the award of shares	None	Between 3 and 5 years from the award of shares
Limits	Up to £3,600 per tax year	Up to £1,800 per annum or 10% of salary (whichever is less)	Up to two matching shares for each partnership share bought

Where an employee leaves the company, their shares must be removed from the plan and tax liability may be due.

"We chose MUFG Corporate Markets to provide our share plan services knowing we would be partnering with people who would deliver an excellent level of service to our employees"

LSL Property Services PLC

For more information, please click [here](#)

Enterprise Management Incentives (EMI)

Enterprise Management Incentives (EMI) are extremely flexible and can be tailored to meet a company's specific objectives allowing them to grant options (to qualifying employees on a highly tax efficient basis for both the employer and participating employees.



EMI options can be granted to any employee who controls less than 30% of the ordinary share capital and employed by the company or group for at least 25 hours a week (if less, for at least 75% of their working time)



Employees can be granted an overall limit of £250,000 in options. If above the limit, relief can be obtained under EMI only options



Employees are granted EMI options to a maximum of £3m

Features and benefits

- Employees can hold options under HM Revenue & Customs Schedule 4 CSOP, although this will count towards the overall £250,000 limit
- No Income Tax or NICs to pay when an EMI option is granted
- When the shares are sold, the gain arising will be subject to Capital Gains Tax (CGT)
- There will be no income tax or NICs charged when the employee exercises the options (as long as not granted at a discount)
- You can deduct the cost of setting up and administering the necessary arrangements
- Certain disqualifying events may remove the EMI plan tax advantages

MUFG Corporate Markets has been our partner for 19 years, providing us with a suite of products including our Employee and share dealing. Combining these services provides us with a streamlined and responsive service. The number of participants in our has grown dramatically since 2004 *and having a partner like them gives me confidence that* this growth can be accommodated. Their personal support and attention to detail has been invaluable over the years.”

Admiral Group Plc

For more information, please click [here](#)

Discretionary Plan - Restricted Share Schemes (RSS)

Restricted Share Schemes are utilised where employees acquire ownership of shares from the start, however the shares are subject to certain restrictions, and this significantly reduces their value. Shares may then be forfeited in certain circumstances.

- ✓ Immediate receipt of shares
- ✓ Taxable (reduction in the amount due to National Insurances (NICs) payable/ Income tax
- ✓ Or; pay the income tax up front on any discount caused by restriction with no additional charge if restrictions are lifted
- ✓ The employer awards free shares to the employee. This is subject to initial restrictions but can be lifted after a pre-defined period (voting rights, transferability, sales rights on leaving the company)

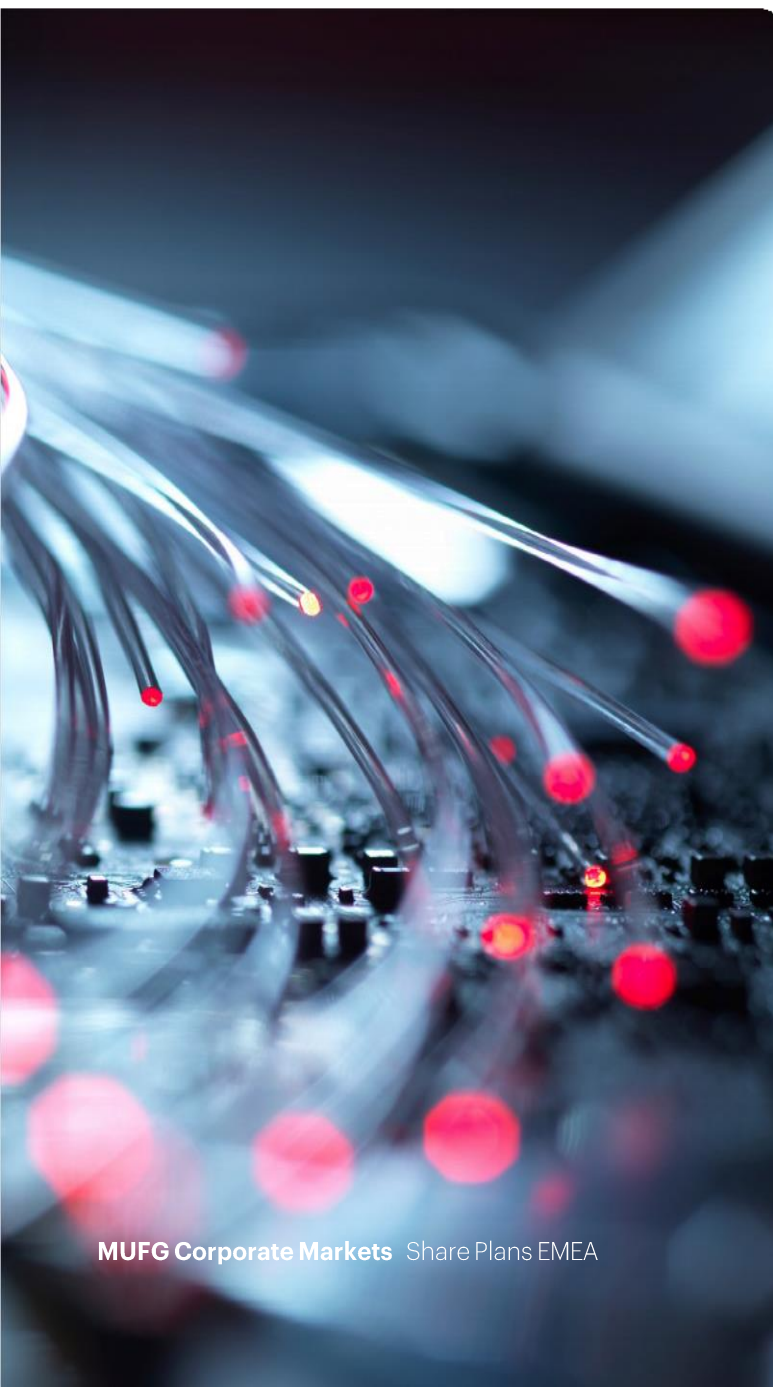
Features and benefits

- As an employee they will gain executive benefits from the full value of the share
- Not be passed onto the employee until employee holds unrestricted shares i.e.. full value
- All employees and full-time directors are potentially eligible, however at the discretion of the directors or remuneration committee. This plan is often used to provide benefits to senior management only

For more information, please click [here](#)

Discretionary Plan - Long Term Incentive Plan (LTIP)

A share plan generally for senior executives, released over a period of years subject to conditions.



All employees and full-time directors are potentially eligible, and participation will be at the discretion of the directors or the remuneration committee. This plan provides benefits to senior management



Popular measure is Total Shareholder Return (TSR) - the position of the company in the comparator group then determines the percentage of shares under the award



Tailored to the company establishing the plan



Flexible and can be designed to meet the needs of the company and its employees

Features and benefits

- Employees can benefit from the full value of the shares
- Encourages the executive to stay within the company within conditions set

For more information, please click [here](#)

Discretionary Option Plans (CSOP & USOP)

A Company Share Option Plan (CSOP) is where options are granted to employees who are selected to participate, and the option price is usually the market value of the shares under option.



Early exercise in certain circumstances



Third anniversary of grant



Employees can be provided with benefits up to a total of £60,000

Features and benefits

- Options not shares
- Discretion is provided to the company in which employees are eligible and granted options
- All-employee basis can be offered
- No income tax or NI contributions on grant or on exercise (provided exercised more than 3 years after the date of grant)

Non Tax-Advantaged Share Plans (USOP) enable employers to provide staff with the option to purchase shares in their company in the future, at an agreed pre-set price, ideally benefitting from increased value when exercised.



Ideal for use where employees do not qualify for tax-advantaged schemes. I.e., consultants



Tax charge only arises on exercise, so no risk for employee until the option is exercised

Features and benefits

- Options not shares
- Benefits director and senior employees more extensively than a Schedule 4 CSOP
- Non-tax advantage plan will be subject to income tax and NI, on exercise and on sale of shares and will not attract the tax advantages of an approved plan

For more information, please click [here](#)

International Save as you Earn (SAYE)

International employees can participate in a SAYE plan to ensure all employees are benefiting from an employee share plan. However, the scheme is not tax approved, income tax/ social security is due at maturity.



An employee has an option to buy shares at a future date and at a fixed price



The company can discount the price of shares, up to 20% of market value to mirror the UK plan but this is down to the discretion of the issuer



The length of the option can be three or five years



Savings are made by payroll deduction from participants' net salary



Shares can be purchased with proceeds of savings made under an international SAYE savings contract. The savings account can be held locally or with an offshore Trust, Alternatively the issuer can choose to grant a cash award 'Phantom'.



Designed to be risk free

Features and benefits

- SAYE is open to all eligible employees of the company
- Minimum employment qualifying periods can be introduced before participation (max. 5 years)
- For employers, cash paid and shares only need to be allotted at the time of exercise
- For employees, if the share price falls below the option price, there is no requirement to exercise the options and take the proceeds of their savings contract
- Shareholders are eligible to receive dividends

Maturity - There will be multiple choices available at maturity, such as repayment of your savings or the opportunity to take the shares and sell them or retain the shares and become a shareholder in your employing company. If the award is a cash award the gross profit will be awarded to you

Dividends - These are received if shares are retained and still held on the record date

Set up and operations - You would need to seek advice from a share plan advisor on what is required to set up an international SAYE in each jurisdiction. A share plan adviser can help with the implementation of the plan and set the plan rules

Taxation - Tax due at grant/ maturity for individuals solely depends on the tax advice received and this would need to be present in the grant documentation

For more information, please click [here](#)

International Share Purchase Plan (ISSP)

The ISSP is an employee share ownership plan which must be operated on an all-employee basis. Companies are able to choose between a flexible combination of three modules. International employees can participate in a SIP plan to ensure all employees are benefiting from an employee share plan. However, the scheme is not tax approved, and deductions are taken from net salary and income tax/ social security is due at maturity.



Free shares - up to £3,600 can be awarded to employees' tax free each year



Partnership shares - employees can invest up to £1,800 a year of their salary pre-tax and National Insurance Contributions (NICs)



Matching shares - where employees invest in partnership shares the employer can provide additional shares

Features and benefits

- All employees are eligible to participate in the plan
- Minimum employment qualifying periods can be introduced before participation (max. 18 months)
- Employers can offer dividend reinvestment to employees via shares
- Companies can benefit from a deduction in taxable profits and corporation tax for certain costs of setting up and operating a SIP

Dividends – Employees may be able to buy more shares with the dividends they get from free, partnership or matching shares (if your employers' scheme allows it). You will not pay Income Tax if you keep the dividend shares for at least 3 years.

i *Tax due at release would have to be confirmed by the local tax authority. Your advisors would need to seek advice in all jurisdictions.*

	Free Shares	Partnership Shares	Matching Shares
Holding Period	Between 3 and 5 years from the award of shares	None	Between 3 and 5 years from the award of shares
Limits	Up to £3,600 per tax year	Up to £1,800 per annum or 10% of salary (whichever is less)	Up to two matching shares for each partnership share bought

Where an employee leaves the company, their shares must be removed from the plan and tax liability may be due.

For more information, please click [here](#)

International Share Trust Account (ISTA)

The International Share Trust Account (ISTA) is a post vesting global custody and dealing facility for employees' shares. The key concept is the way by which a genuine share plan can be extended, to allow for post vesting global custody and dealing under the share plan wrapper whilst complying with international regulations.



Non-regulated product for shares deriving from employee share plans



Access via our employee share plan portal



Quarterly statements

Features and benefits

- International employee post vest / maturity global custody and dealing account
- Real time dealing and a share dealing facility
- Proceeds paid in employee currency
- Administration of the participant register
- Provision of a custody service for shares within an ISTA

Uses of an ISTA

ISTA for dealing and custody for post vesting - All eligible participants can exercise and/or sell their UK shares at the maturity or vesting point of that plan our standard offering

ISTA for dealing only - All eligible participants in an ISP to sell their UK shares at the maturity or vesting point of that plan.

ISTA as an International Stock Purchase Plan (ISPP) - All eligible employees to buy shares on a regular basis from post-tax salary

For more information, please click [here](#)

Industry & Thought Leadership

Our team are passionate advocates for employee share ownership and are proud to champion the benefits that share plans bring to companies, employees and society as a whole. That's why we are committed to delivering industry-leading thought leadership insights across a variety of share plan topics.

As proud members of ProShare, the leading voice of employee share plans, we have supported various industry developments and reforms that benefit issuers and shareholders alike. We also actively encourage our clients to take part in events which celebrate the achievements of companies and practitioners. Our successful partnerships have contributed to many winning award submissions: a testament to our commitment to best practice.

We also hold regular events on share plan topics that matter to you. These include breakfast briefings on remuneration policy, publication of white papers, free podcast conversations, and training initiatives through industry bodies such as Tapestry to build strength and knowledge and help achieve better outcomes.

Want to join the conversation? There is a simple way for you to get involved:

Ahead

Ahead is MUFG Corporate Markets free network for governance professionals to discover new trends and ideas, discuss industry issues and connect with like-minded people. If you'd like to find out more and join our growing community and receive invitations to our exclusive events, regular news and more - please click [here](#).

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