



How To Ensure All-Employee Share Plans Remain Relevant

Webinar

Wednesday 24 June 2020



A Word From Our Chairman



Professor Michael Mainelli
Executive Chairman
Z/Yen Group



Recent Publications



Agenda



- 12:00 – 12:05 Chairman's Introduction
- 12:05 – 12:25 Keynote address
- 12:25 – 12:30 Final thoughts
- 12:30 – 12:45 Questions & Answers



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How To Ensure All- Employee Share Plans Remain Relevant



Jennifer Rudman

Industry Director
Share Plans

Equiniti



Graham Bull

Managing Director
All-Employee Services

Equiniti





Introducing Equiniti

EQPAYMASTER

Pension Services

EQDIGITAL

Fintech Solutions | Regtech Solutions

EQBOARDROOM

Registration Services | Employee Services

EQINVEST

Investment Services



Shareowner Services (US)

EQBOARDROOM

- Share Registration
- Corporate Actions
- Investor Analytics
- Company Secretarial
- Boudicca Proxy Consultants
- All Employee Share Plans
- Executive/Discretionary Share Plans
- Trustee Services
- EQ Creative
- Bereavement Services
- Richard Davies Investor Relations
(RD:IR)

The UK's leading provider of share register and share plan services

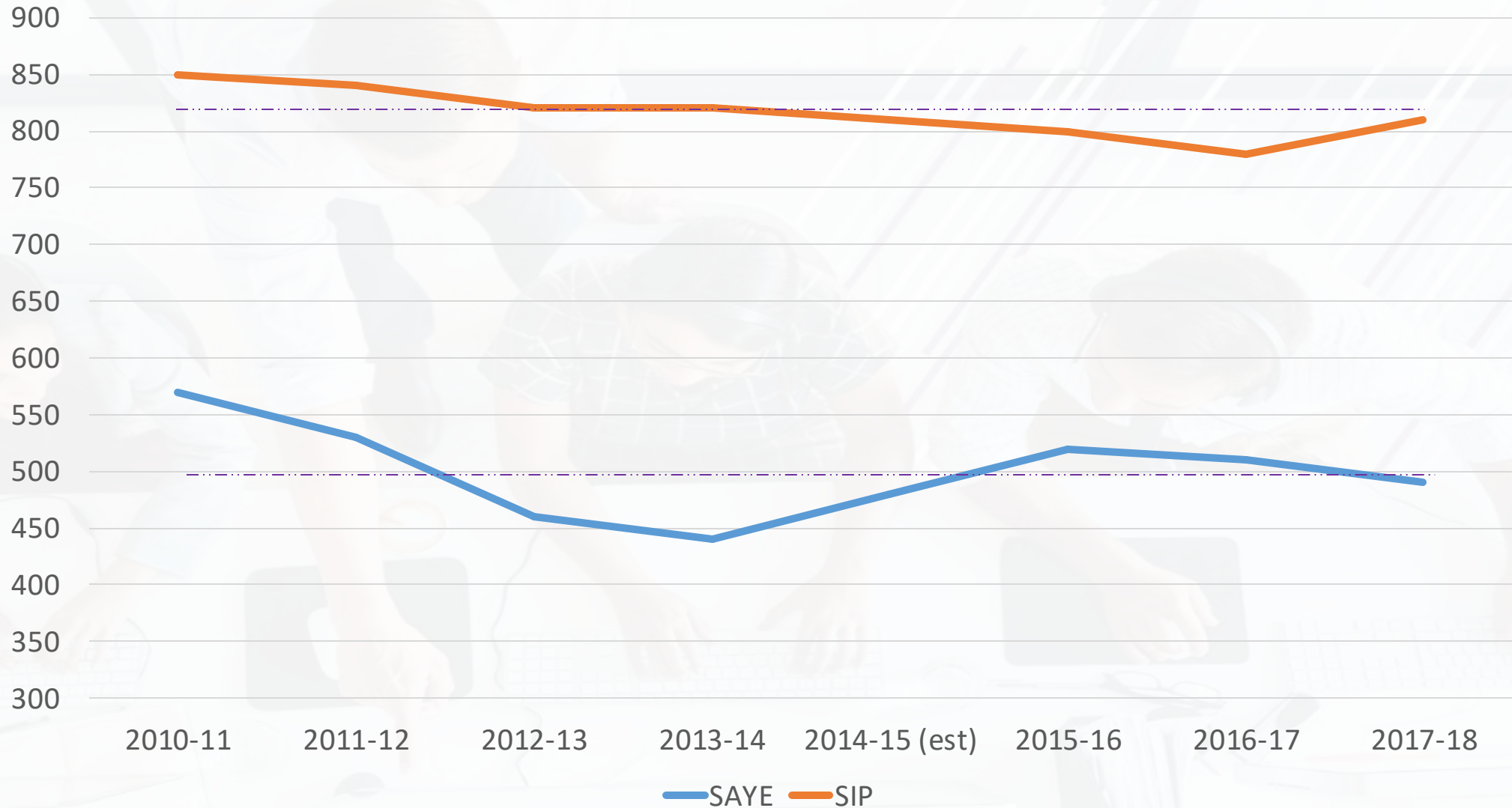


<p>Over</p> <p>150</p> <p>share plan clients</p>	<p>Outsourced share plan provider for</p> <p>40 years</p>	<p>Our clients range from having plans with</p> <p>15-300,000</p> <p>eligible employees</p>	<p>We operate plans in over</p> <p>100</p> <p>countries worldwide</p>
<p>We work with over</p> <p>40% of the</p> <p>FTSE 250</p>	<p>25 years</p> <p>average client relationship</p>	<p>80 million</p> <p>shareholder records held</p>	<p>1.2 million</p> <p>employee accounts</p>

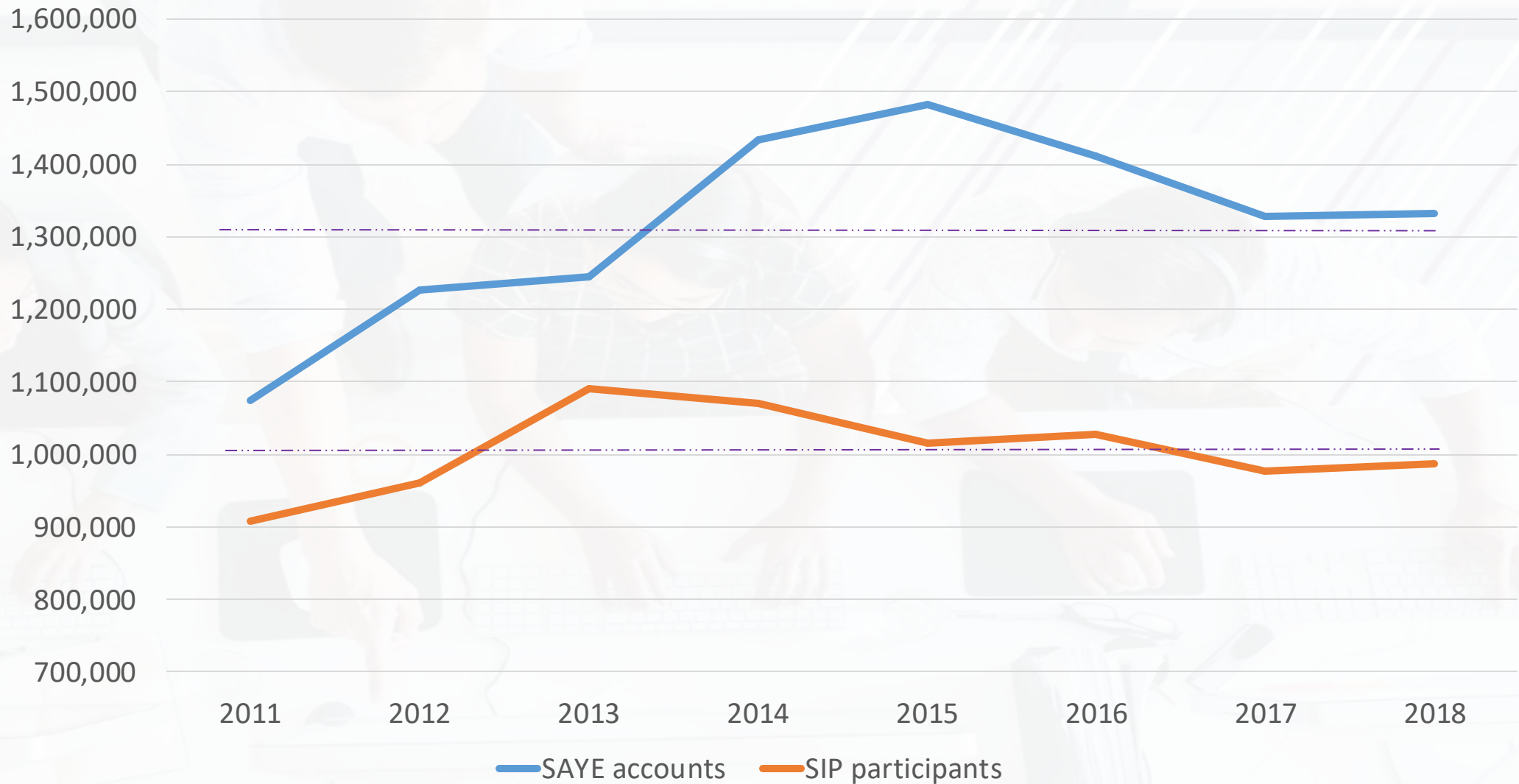


SAYE and SIP Statistics

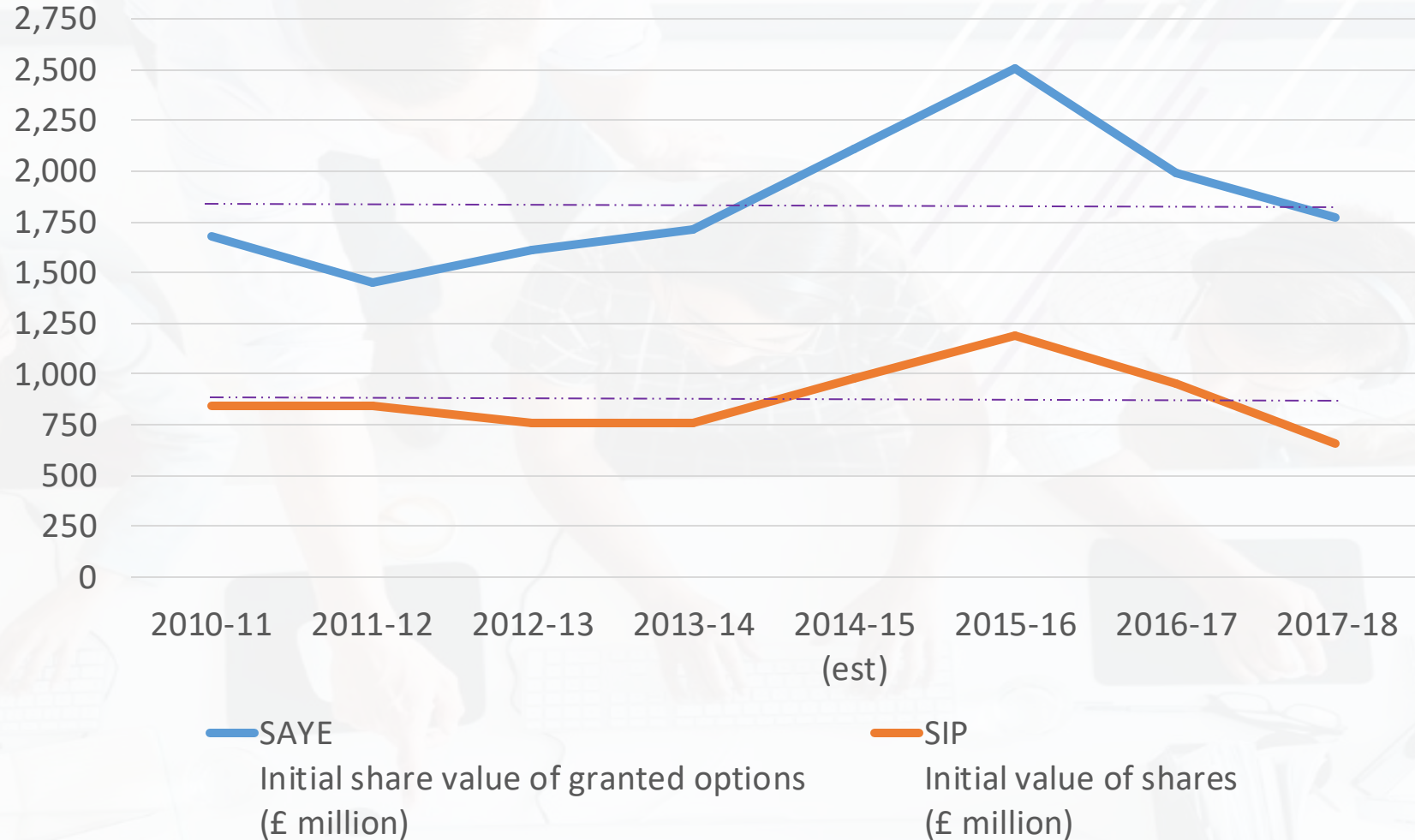
Number of companies operating SAYE and SIP



Participation rates



Initial value of options and shares





Challenges / Promoters / Proposals

Challenges



Companies

- Costs (shares, administration, payroll etc)
- Accounting impact (IFRS2)
- Ownership structure
- Global structure (consistency, internal infrastructure)
- Private companies and share valuation
- Headroom issues



Employment status

- Part-time working, agency work, temporary work, zero-hours contracts, multi-jobs, gig economy work, employees, workers, self-employed, contractors
- A variety of different types of employment to suit the needs and interests of employers and workers
- How to ensure that workers benefit from access to share plans
- Public sector



Employees

- Lack of spare income to purchase shares
- Concerns about shares declining in value – experience with previous share price
- Risk of owning shares
- Don't expect to be with the company long enough to benefit
- Have other arrangements
- Not interested in participating
- Don't understand the plan

Challenges/Promoters



Companies

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- Headroom issues
- **IPO, listing**
- **Employee influence**
- **Review of NIC/Corporation Tax**
- **Market/competitor position**



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- How to ensure that workers benefit from access to share plans
- Public sector
- **Reduce eligibility period**
- **Increase number of group participating companies**



Employees

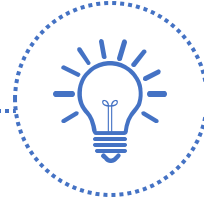
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- Risk of owning shares
- Don't expect to be with the company long enough to benefit
- Have other arrangements
- Not interested in participating
- Don't understand the plan
- **Payment holidays (SAYE)**
- **Shorter savings period (SAYE)**
- **Greater option price discount (SAYE)**
- **Improve matching ratio (SIP)**
- **More generous free shares (SIP)**

Challenges/Promoters/Proposals



Companies

- Costs (shares, administration, payroll etc)
- Accounting impact (IFRS2)
- Ownership structure
- Global structure (consistency, internal infrastructure)
- Private companies and share valuation
- Headroom issues
- IPO, listing
- Employee influence
- Review of NIC savings
- Market/competitor position
- **Corporation tax benefits for companies with all employee share plans**
- **Set a common minimum expectation about offering broad based share plans**
- **Transparency**
- **Extend 'opt out' principles (auto enrol)**



Employment status

- Part-time working, agency work, temporary work, zero-hours contracts, multi-jobs, gig economy work, employees, workers, self-employed, contractors
- A variety of different types of employment to suit the needs and interests of employers and workers
- How to ensure that workers benefit from access to share plans
- Public sector
- Reduce eligibility period
- Increase number of group participating companies
- **Review legislation to enable more workers to be eligible**



Employees

- Lack of spare income to purchase shares
- Concerns about shares declining in value – experience with previous share price
- Risk of owning shares
- Don't expect to be with the company long enough to benefit
- Have other arrangements
- Not interested in participating
- Don't understand the plan
- Vary savings amounts (SAYE)
- Shorter savings period (SAYE)
- Greater option price discount (SAYE)
- Improve matching ratio (SIP)
- More generous free shares (SIP)
- Better tax treatment (SIP - reduce taxable period)
- **Extend 'good' leaver provisions**
- **Introduce an option price 'lookback' feature (SAYE)**
- **Reduce 5-year tax free period to 3 years (SIP)**

How to make plans a success – top tips



Agreeing the best solution



1

Consult

- Communication planning
- Focus group facilitation
- Benchmarking and review
- Communication integration
- Future planning

2

Create

- Concept work and design
- Multi-channel campaigns
- Advertising and promotional marketing
- Photography and retouching
- Branding and corporate identity
- Event graphics and promotions

3

Deliver

- Brochures, stationery and promotional work
- Emails
- Web graphics and imagery
- Web page and intranet design
- Microsite
- Animations
- Presentations
- Interactive brochures
- Magazines and newsletters
- Annual reports



Challenges overcome



As little as...



Promotional material



Simple, clear, use champions





The next 40 years of share plans

SHARING IN SUCCESS

The Government's
employee financial participation schemes



HM Treasury
April, 1995



**Foreword by
the Chancellor of the Exchequer
and
the Secretary of State for Employment**

Successful companies depend on having committed, motivated employees. More and more companies are finding that the best way to achieve this is to give their staff a direct financial stake in the business. We in government warmly welcome this move to greater employee financial participation.

To encourage this development, we have set up a wide range of schemes offering significant tax incentives, each of which is tailored to meet a specific need. Employers and employees can decide which scheme allows them to promote financial participation in the way that suits them best. The rules for the schemes have been updated in the light of experience, and we shall continue to look for further improvements.

This policy has been a great success. By the end of 1992, around a million employees participated in over 4,000 registered Profit-Related Pay schemes – a two-thirds increase over the previous year. And towards the end of 1992, 2.9 million employees had benefited from more than 2,000 approved all-employee share schemes. This booklet contains contributions from companies who have established these schemes: we hope their experience will encourage others.

There is scope for many more companies to establish employee financial participation schemes. This booklet provides information for employers and employees who wish to do so. We are sure that it will be a helpful contribution to the further development of employee financial participation. We are convinced that companies who choose to establish schemes, and the employees who choose to participate in them, stand to benefit as a result. And that can only be good for the health of the economy as a whole.

Norman Lamont

NORMAN LAMONT

Gillian Shephard

GILLIAN SHEPHARD





CLEANING THE RIVER TOGETHER



Questions?

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Questions & Comments



Resources – “It’s Our Business”



Home » newspad

newspad

The Esop Centre’s *newspad*, edited by Fred Hackworth, is a monthly publication providing in-depth coverage of the main international news in the employee share ownership field.

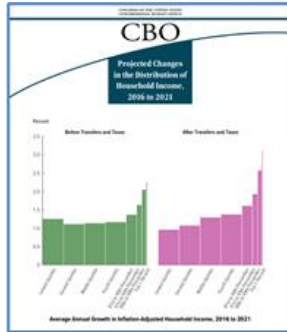
June 2020

In this month’s edition:

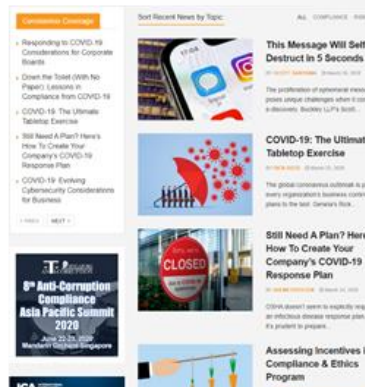
- Centre backs mission for underwater SAYE schemes
- Record shareholder revolt over
- gambler’s ceo reward
- Lloyds Bank in the Sin Bin over executive bonus plan
- It’s raining bonuses at Tesco
- Employee share awards: an antidote to Covid-19?



Resources – Bulletins



From 43,000 curated sources, you get a machine summary of the key point(s) from forward-looking articles, not just article titles:



(LF.10) Reduced Inequalities

In September 2015, 193 world leaders agreed to 17 Global Goals for Sustainable Development. If these Goals are completed, it would mean an end to extreme poverty, inequality and climate change by 2030. Goal 10: Reduce inequality within and among countries.



- If the distributions of **income**, means-tested transfers, and federal taxes follow CBO's projections, **income inequality** will be greater in 2021 than it was in 2016.
- **High growth** over the past decade has been based on unsustainable resource exploitation; addressing the **resulting growth in inequality** and environmental cost will be critical to ensure social stability and to ensure **strong sustainable growth** in the coming decade.
- The increase in **inequality** observed in the last 30 years is a serious threat to France's social contract.
- America's proto-populist president is peddling a tax plan that will further increase **economic inequality** at a time when **income** and wealth gaps are already widening.
- A failure to give the **world's poorest women control** over their bodies could widen **inequality in developing countries** and thwart progress towards global goals aimed at ending poverty by 2030.
- Under French leadership the G7 group of the 7 largest advanced economies plus the European Union will focus in 2019 on fighting **inequality**, including **poverty** induced by **climate change**.
- Leadership might require companies to take positions and advocate for **change on global inequality** - including **in-work poverty**.
- Achieving the 17 **Sustainable Development Goals** - which include clean water, clean energy, sustainable cities, climate action, responsible consumption, **reduced inequality** and more - could open a market opportunity of \$12 trillion by 2030.
- The next decades offer an opportunity to address **African urban poverty** and **inequality** and shape development priorities to ensure that urbanisation helps foster well-functioning, livable and sustainable cities.
- In Africa and in the LDCs, eradicating poverty by 2030 will require both **double-digit GDP growth** and dramatic declines in **inequality**, illustrating the scale of the current challenges faced.
- The economic catch-up of Asia with the West will continue in the coming decades - thereby reducing **global inequality** among countries and among world citizens.

(FS.3.05) Employee Share Ownership

Considering 75 percent of the 2025 global workplace will be Millennials and Generation Z, it's critical that **organizations** keep a pulse on **employee engagement** and in a way that's consistent with how the emerging generations communicate.



- 2019 will see a continued evolution in designers' understanding of workplace optimisation with design that boosts office morale and **employee wellness** while facilitating a creative work environment.
- By 2018, Gartner Predicts Twice as Many Employee-Owned Devices Used for Work than Enterprise-Owned Devices. With proposed revisions to the UK Corporate Governance Code, from 2020, companies will be required to report on **employee engagement**, as announced earlier this year by Financial Reporting Council.
- For HR leaders looking to better determine the attitudes that drive employee turnover and increase retention, using AI to provide insights into **employee engagement** will be crucial.
- By 2021, Artificial Intelligence (AI) will allow the rate of innovation in New Zealand to double. **Employee productivity gains** are expected to increase 1.3 times.
- Artificial Intelligence will double the rate of innovation improvements and improve **employee productivity gains** by 1.5 times in New Zealand by 2021.
- US health benefit costs per **employee** will increase 4.1% next year - slightly higher than inflation and less than the double-digit increases seen in years past.
- With a tight labour pool, small businesses will find 2019 is the year to focus on **employee engagement** and happiness.
- Nearly 50 percent of companies also expect that automation will lead to some reduction in their **full-time workforce** by 2022, based on the job profiles of their **employee base** today.
- **Employee wellness** has been on trend for years, but expect to see some high-tech changes in 2019.
- By 2020, automation and artificial intelligence will reduce **employee requirements in business shared-service centers** by 63 percent, which says the RPA market will top \$1 billion by 2020.
- This year, many **organizations** will look to employee scheduling software to solve problems around creating, publishing and managing employee schedules that include options to open shifts to select groups and integrate data on sales to help identify customer traffic patterns to optimize worker ratios.

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Thank You



Forthcoming Webinars

- 29 June 2020 (12:00)** **The employee share trust: establishing a dynamic market for your employee share schemes – David Craddock**
- 09 July 2020 (10:00)** **Awarding shares to employees in a Covid-19 world; how to make good use of the government's Share Incentive Plan (SIP) – William Franklin**
- 16 July 2020 (11:00)** **Use of all-employee plans as a tool for engagement – Sarah Keith**

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More added every day...