



Inspiring. Independent. Trusted.

We work collaboratively with our clients and their advisors to support the implementation and ongoing administration of a diverse range of employee incentive arrangements.

Employee Incentive Plans

Working in Partnership with Employers



What are Employee Incentive Plans?

A well-structured employee incentive plan or benefit arrangement can encourage loyalty and align the interests of the employee with those of the business.

Employee Incentive Plans have evolved to take many forms. In western countries, employers commonly award shares in the employing company as a means of incentivising employees to grow the value of the business while saving cash costs. But this may not be appropriate for every employer, particularly in countries where local customs, laws and business practice have led to preferences for other types of plan. These include “phantom” share plans, cash bonus plans, savings plans and pension plans, “flexible benefit” plans, etc.



Advantages of using an Employee Share Plan?

Employee Share Plans can also potentially provide a number of advantages to an employer, including:

- > To attract, retain, motivate and reward employees;
- > To provide employees (and also companies) with a tax efficient, long term savings plan;
- > To enable the payment of discretionary bonuses to reward employees;
- > To provide employees with interest free or interest-bearing loans;
- > To enable employees and senior executives to become shareholders in the business, whilst retaining an element of control over the shares;
- > To structure golden handcuff transactions;
- > To hold shares earmarked for future employee share incentive arrangements; and
- > To create a market for shares which would otherwise not exist.

Types of Employee Share Plans

Commercial practice and the tax system have developed a wide range of types of employee share plans, each created to meet particular needs depending on the size of the company, the nature of its business and the population of employees to be invited to participate including:

- > **Enterprise Management Incentive Share Option Plans (EMI)** - A tax advantaged plan intended mainly for selected employees in smaller trading companies (with up to 250 employees and gross assets of up to £30m).
- > **Company Share Option Plans (CSOPs)** - A tax advantaged plan mainly for selected employees in larger companies and in others who do not qualify for Enterprise Management Incentive plans.
- > **Share Incentive Plan (SIPs)** - This is a tax advantaged ‘all employee’ plan under which shares can be awarded annually to all staff or only to those who are prepared to invest some of their earnings in the plan.
- > **‘Save-As-You-Earn’ Share Option Plans (SAYE Plans)** - A tax advantaged plan allowing employees to save from their earnings and apply the savings in exercising share options over a 3, 5 or 7 year period.
- > **Long Term Incentive Plans, Performance Share Plans, Restricted Share Plans and others (LTIPs)** - A range of “unapproved” plans which arise in practice to meet commercial needs.
- > **Employee Ownership Trusts (EOTs)** - This is another tax advantaged arrangement which allows the existing owners of the company to sell a controlling shareholding to a specially designed trust free of tax. The trust must meet certain requirements designed to ensure that the company is owned and controlled for the benefit of the employees as a whole to the savings and pension requirements of executives who may be based in many different countries throughout their working lives.

Why Choose Fiduchi?

Working in partnership with you



Independence

As a management-owned business, Fiduchi is well positioned to provide flexible solutions to clients. In addition, our independence allows us to work with the best advisors, and other third parties, for each individual client.



Experience

As a core Fiduchi service, the Employee Incentives Team has vast experience helping a broad range of employers achieve their employee attraction, retention and motivation goals through their incentive arrangements.



Personal Service

We believe in the value that a personal approach to client servicing brings. Clients have clear lines of communication with team members who understand their specific requirements.



Scope of Service Offering

With true expertise in each area of our service offering we are uniquely positioned to apply our solutions driven approach to satisfy multiple service requirements in a seamless manner.



Regulation

Services are provided from Jersey and London giving clients the comfort that stable, well regulated jurisdictions, which have been at the forefront of employee incentives servicing for decades, brings. Fiduchi Limited is regulated by the Jersey Financial Services Commission.

“One reason why Fiduchi’s existing clients have chosen us as their trusted advisor is our “work with you” approach.”



Why Jersey for UK Employee Incentive Plans?

Employee Incentive Plans have been offered around the world. However, employers setting up their employee plans will naturally wish to establish them in a reputable well-regulated jurisdiction.

What sets Jersey apart as an ideal jurisdiction for employers setting up employee incentive plans is our robust regulatory framework and political and economic stability. Jersey’s respected trust law, legal framework and trustee regulation is considered to be amongst the most robust in the world and it is for this reason that all most employee incentive plans that involve a trust must be formed under a Jersey-law trust with at least one Jersey-regulated trustee. In this way, a level of governance and oversight can be assured. As a jurisdiction at the forefront of global finance for more than 50 years, and with more than 13,200 finance industry employees, Jersey is ready to service and support the needs of all types of companies looking to set up employee incentive plans for their employees.



Expertise

Jersey has one of the largest number of finance industry professionals of any IFC; giving it a vast pool of expertise to draw upon.



Reputable

Jersey adheres to, and is often an early adopter of, global standards set by the UK, EU, US and the Organisation for Economic Cooperation and Development (OECD).



Substance

A modern business environment with more than 13,200 professionals supported by a politically stable government.



Central

Jersey has a central time zone, making it easy to do business around the globe.



Choice

In over five decades, Jersey has developed a breadth and depth of competitive products and services.



Tax-Neutral

Jersey offers a long-standing and uncontroversial tax-neutral environment and the Jersey tax authority approves Jersey Trust Schemes.



Legal

Jersey’s respected trust law, legal framework and trustee regulation is considered to be amongst the most robust in the world.

UK Employee Plans - Fiduchi in the UK

For employers wishing to establish a employee incentive plan in the UK, Fiduchi has a dedicated office in Central London which can assist with the administration of their UK plan.

Our UK office enables us to better support clients with services where we have considerable expertise such as employee incentive plans. Fiduchi Trustees (UK) Limited is able to provide trustee services, and can work with employers in the UK to design and implement their chosen employee plan. Contact one of the team below for more details.


If you would like to know more about our Employee Incentives or about Fiduchi, please contact:


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