



Employee Incentives at Andersen



Employee incentive questions can arise at any point in the business cycle. The right answer to these questions will depend on your business strategy and intentions as to the direction of the business. At Andersen, we will work with you to ensure that the answers your questions are robust, technically correct and right for your business.

Designing and implementing a new arrangement?

When considering a new incentive arrangement, a number of questions should be asked, including

- What is the right type of arrangement?
- How does this meet my business aims?
- What are the right terms and conditions?
- What are the costs?
- What is the tax treatment?

At Andersen we have many years experience of designing and implementing the full range of arrangements and can help you design one that meets your business needs and gives maximum value for money. We then work with you to implement the arrangement efficiently and painlessly.

Ongoing issues?

Even at times of business as usual, it is important not to lose sight of employee incentives considerations

- Have you complied with all tax withholding and reporting obligations?
- If you are moving employees into or out of the UK, have you considered the impact of this on their incentives?

At Andersen, we can advise on the full range of day to day issues you are likely to face, whether UK or international.

Contemplating a transaction?

When considering a transaction, whether it be the acquisition of another business, the opening of an overseas subsidiary or the recruitment of a new executive or team, incentives considerations inevitably arise.

- Will a transaction trigger incentives to pay out and if so, what costs are involved. How can these be managed?
- Are there any opportunities to structure the transaction to optimise treatment for employer and employees?

- Will employees in an overseas subsidiary enjoy the same tax treatment as existing employees or are refinements to the arrangements needed?
- What incentives are needed to attract, retain and incentivise a new individual or team that is key to driving the business forward?
- Are post-transaction arrangements needed to retain employees in the enlarged business?

At Andersen, we can support you on all commercial and tax considerations relating to incentives through each phase of the transaction.

Communicating to employees?

Once you have implemented your incentive arrangement, getting maximum benefit will only follow if it is communicated to employees effectively. At Andersen we can support you through your communication process by assisting with the design of the communication strategy, preparation of materials and support at employee presentations or Q&A sessions.

What type of arrangement should I use?

Employee incentive arrangements come in a range of shapes and sizes. At Andersen, we can advise on any or of the following:

- HMRC tax approved share plans;
- Enterprise Management Incentives;
- Unapproved share option arrangements;
- Share purchase plans;
- Cash based equity plans;
- Bespoke equity arrangements;
- Employee Benefit Trusts;
- Carried Interest Arrangements;
- Co-investment Plans;
- Deferred Bonus Plans; and
- Retention Plans.

Contacts

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