



Employee incentive schemes

Incentivise Your Employees, Drive Business Growth

Fostering a growth culture and engaging with your key employees are vital considerations when growing your business. Find out how our Vistra Corporate Law experts can help you tailor an employee incentive package to fit your needs.

What incentive arrangements are available?

Share options

They give employees the right to acquire shares in certain circumstances, for example, the company being sold or its profits reaching a specific target.

Some commonly used share option schemes are:

Enterprise Management Incentive (or “EMI”) scheme – a UK government-backed share option scheme providing significant tax benefits for both the company and the employees who benefit from the scheme.

Company Share Option Plan (or “CSOP”) – a tax efficient alternative where an EMI scheme is not available.

Unapproved Share Option Plan – whilst offering fewer tax benefits (compared to an EMI scheme or CSOP), limited regulatory requirements mean that the company is free to set the option terms it sees fit.

Other incentives

Growth Shares – employees are issued “growth shares” in a separate class to the existing shareholders. This allows employees to participate in the growth in value of the company while ring-fencing the pre-existing value in the company for the existing shareholders.

Phantom Options – no shares are allotted or options to acquire shares granted. A phantom scheme will track share price growth to calculate the benefit. There is no dilution to existing shareholders, the gain realised by the employee is settled by cash payment from the company.

A bespoke incentive package will help grow the business for your existing shareholders, with the added benefit of allowing your employees to share in that success in the most tax efficient way.



Delivering the incentive scheme that's right for you

Getting the design and implementation right from the start is crucial. Our experts will work with you to scope, analyse, plan and implement the employee incentive scheme which is best suited to you and your employees.

This typically involves:

- An initial meeting with you to discuss your requirements and desired outcome.
- Liaising with our specialist tax advisors to ensure that the structure is as tax efficient as possible.
- Summarising the key terms of the plan in plain English without the jargon.
- Preparing the necessary documents to implement the incentive scheme.
- Issuing explanatory notes to the employees, outlining the terms of the scheme.
- Ensuring that the scheme aligns with your current company structure; making any desired amendments to your structure or constitutional documents in light of the proposed scheme.
- Assuring scheme compliance with all relevant laws, regulations and other guidance from the tax authority in the UK.
- Where a scheme already exists, carrying out a health check and troubleshooting specific risks.

This service is delivered by **Vistra Corporate Law**, a law firm regulated by the **Solicitors Regulation Authority**.

About Vistra

Each day, our expertise and hands-on approach helps our clients' businesses run smoothly. Our 4,300 professionals working across 46 jurisdictions throughout the Americas, Asia Pacific, Europe and the Middle East maximize the worldwide potential of businesses, funds and portfolios, providing the confidence and clarity they need. We also now have the unique capability of providing integrated legal solutions to our global client base.

Talk to an expert

Could you benefit from advice on implementing an employee incentive scheme? Please get in contact with our Vistra Corporate Law team to get started.

Contact us

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