



**EQUITY  
INCENTIVES  
LIMITED**

## **news on share based rewards**

9 November 2001

# Launch of the Share Incentive Plan (SIP)

The Share Incentive Plan (SIP), which is regarded as the most generous all-employee plan ever introduced in the UK, has been given a kick-start by the Chancellor, who launched a national roadshow to promote the plan formerly known as AESOP. For more information on the roadshows, visit the Inland Revenue's website at

[www.inlandrevenue.gov.uk/shareschemes](http://www.inlandrevenue.gov.uk/shareschemes).

Some 470 companies in the UK have so far sought Inland Revenue approval for the Plan. What is encouraging, for those interested in promoting employee share ownership beyond listed companies, is that about 40% of these companies are private companies. Around 700,000 employees currently will have the opportunity to benefit from the SIP, which offers the following possibilities:

- an employee can receive Free Shares up to the value of £3,000 per tax year, which may be subject to performance targets
- an employee can purchase up to £1,500 Partnership Shares out of pre-tax salary per year
- an employee can receive up to 2 Matching Shares for every 1 Partnership Share purchased per year
- no income tax or NICs on shares if left in the SIP for 5 years
- any growth in share value while the shares are within the SIP is not subject to capital gains tax.

## How can Equity Incentives help?

We can meet you on a no obligation basis to advise whether or not a SIP arrangement is suitable for your company, or whether another form of equity incentive would be better suited to your needs. We can prepare all the SIP documentation, deal with the approvals procedure and advise you on administrators, if required.

# Equity Incentives Ltd launch and new website

The official launch of Equity Incentives Ltd took place on 24 October 2001. Equity Incentives was formed when the share plans practice of Capital Strategies Ltd merged with that of Field Fisher Waterhouse, the City of London law firm.

The Equity Incentives team is made up of share plan and tax lawyers who are recognised as experts in the field. In addition, as a wholly owned subsidiary of Field Fisher Waterhouse, Equity Incentives can provide co-ordinated legal and tax advice on wider issues.

The launch includes a specialist website at [www.equityincentives.co.uk](http://www.equityincentives.co.uk) containing downloadable guides on a range of share plans, detailed sector reports, case studies and updates on the UK Employee Ownership Index.

*Equity Incentives' news on share based rewards* is distributed free of charge. For more information, contact any member of the Equity Incentives team on 020 7861 4717 or by email on [info@equityincentives.co.uk](mailto:info@equityincentives.co.uk). To unsubscribe from this newsletter please contact us either by email or by telephone.

**This publication is only intended as a general guide to a complex subject. It should not be relied upon as a substitute for advice in particular circumstances.**

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