





ProShare

ATTITUDES TO EMPLOYEE SHARE OWNERSHIP

SEE IT FROM THEIR PERSPECTIVE

Sponsors:

YBS SHARE PLANS | Secondsight Part of the Foster Denovo Group | WEALTH at work KNOWLEDGE | EXPERIENCE | OPPORTUNITY

ProShare and YBS Share Plans, Secondsight and WEALTH at work, the co-sponsors of ‘Attitudes to Employee Share Ownership’, would like to extend their thanks to the companies who allowed their employees to participate in this research study.

ProShare would like to acknowledge the input of their research partners Principled Consulting, and of Psycholate, hosts of the online questionnaire platform and providers of the initial data analysis underpinning this report.

ProShare would like to thank Chrissie Davis and the team at EXIMIA Communications, for their hard work and fantastic design of the report.

EXIMIA
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Thank you

to participating companies.

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CONTENTS

INTRODUCTION

Millennials (people born from 1980 onwards) currently form 27% of the UK workforce. By 2020, this is projected to rise to 57% (source: The Kings Fund). We know that this generational cohort faces ever-greater demands on their finances, such as paying off debt from studies including credit cards and unsecured debt, the rising cost of living, renting, saving for a deposit for a house, saving for retirement…the list goes on. We know that this generation is 'digitally native', with significant implications for how they want to work and communicate. Despite all-employee plans' convenience as a savings vehicle and their potential to generate significant financial gains for participants, we also typically see significantly lower take-up of all-employee plans by Millennials compared to their colleagues in older generational cohorts.

It could well be argued that failure to engage the rapidly growing Millennials population with share plans will have existential consequences for the share plans industry. The greater the number of non-participating Millennials ascending to decision-making roles within the corporate world, the less likely they will be to operate all-employee share plans in the companies that they run, not having known or personally experienced the benefits that these plans offer.

We can hypothesise as to the reasons why Millennials don't participate to the same extent as their older peers, but wouldn't it be better to actually ask the question directly?

This is precisely what we set out to achieve when we embarked upon this piece of research.

Our research partners, Principled Consulting and Psycholate, our sponsors, YBS Share Plans, Secondsight and WEALTH at work and our designers, EXIMIA Communications, have collaborated to make this project possible – thank you all so much for your support.

"We are delighted at and grateful for the engagement of our participating companies and their employees, and we hope that you find this report illuminating and insightful."

Gabbi Stopp
Head of Employee Share Ownership
ProShare

ProShare

METHODOLOGY

This research project comprised an online questionnaire, tailored to the types of all-employee plans offered by participating companies to their employees, and telephone interviews with a subset of questionnaire respondents.

Questionnaires

The questionnaires collected the following information from participants:

- demographic details: age, gender, region of residence, level of seniority at work, length of service, and whether they worked full or part-time;
- share plan details: whether they participated or not, why they participated or not, whether they were aware of key features of the plans, what changes they would make to the plans, and what changes would encourage them to participate if they didn't already; and
- whether they wished to participate in a ten-minute telephone interview or not.

1,699 employees responded to the questionnaires, across the UK workforces of 11 companies.

1,210 of the survey respondents were participating in their company's SAYE and/or SIP; 489 were not.

Telephone interviews

Candidates for telephone interviews were selected from the list of those completing the questionnaires who'd indicated that they would be happy to participate in a call. The selection was carefully reviewed to ensure as balanced a representation of genders, ages, and all other demographic data possible.

31 telephone interviews were conducted.

Anonymity

All questionnaire and interview data has been collated and anonymised, so that individuals' views cannot be directly attributed.

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YBS SHARE PLANS

Having the right employee reward strategy can give any company a competitive edge. It makes sure you attract the best people and helps your staff feel truly valued.

Since 1980, YBS Share Plans has been making this happen for hundreds of companies with our award-winning share schemes. In fact we're one of the UK's largest providers of share plans. Our global coverage stretches over many jurisdictions, and we can hold deposits in multiple currencies. What's more, as part of the Yorkshire Building Society, we belong to a mutual society where our aim is to deliver a simply brilliant customer experience with high quality service at its heart.

You can set up, manage and participate in our share plan services using the latest digital communication channels that can interface with your existing portals or simply by picking up the phone to us, we put you in control.

Whether you're looking at All Employee or Executive Share Plans for your employees in the UK, Republic of Ireland or globally, we make the entire process easy and simple with a range of supporting and complementary services.

Our tailored approach gives you the confidence to make the right choices. Not just for today, but years into the future.

YBS Share Plans is part of the Yorkshire Building Society, a mutual organisation run for the benefit of it's members with no external shareholders.

Louise Drake
National Sales Manager - Growth and Acquisition
Office: 01274 263 101
Email: lndrake@ybs.co.uk

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SECONDSIGHT

Secondsight is a multi-award winning employee benefits, wellness and financial education specialist. We advise major UK employers and global brands, across different industry sectors.

Our passion is to create financial certainty for our clients' employees through the delivery of an outstanding employee benefits experience, resulting in improved employee engagement and enhanced employer return on investment.

We can help with the design and delivery of your employee workplace savings schemes. From workplace financial education to individual advice, we can help your people make their finances work for them.

Working with YBS Share Plans we have created bespoke employer share plan portals which communicate and educate employees on the benefits of participating in all employee and/or discretionary Share Plans.

Keeping it simple, we use proven communication and education methods which details the process for joining, options at maturity and respective tax treatments, encouraging employees to join the scheme. The portal engages employees' all year round using animations, case studies and a calculator to bring share plans to life. This activity can be complemented with company specific webinars, seminars and our broader financial education material.

Secondsight is the dedicated employee benefits division of national firm of financial advisers, Foster Denovo Limited, which is authorised and regulated by the Financial Conduct Authority.

Ian Bird (DipFA)
Business Development Director
Office: 01932 870779
Email: ian.bird@fosterdenovo.com

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WEALTH at work
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WEALTH AT WORK

WEALTH at work is a leading provider of financial education, guidance and advice in the workplace.

It helps employees understand how to maximise their workplace savings and benefits in the context of their overall financial position, by delivering financial education and guidance which is tailored to their needs.

This includes helping employees understand the benefits of the different types of share scheme(s) on offer, in order to maximise their value and provide a boost to savings. For example, employees can learn about the benefits of linking a SIP with a pension to benefit from double tax relief; or they can discover how to shelter SAYE gains from the taxman by linking to an ISA.

Its financial advice service helps individuals to understand their personal financial situation, whether they're saving for their future or selecting their retirement income options.

This complete service offering helps employers support employees to make informed decisions to improve their financial wellbeing throughout their career; whether saving for items for the short term such as a car or holiday, the medium term for example a first house purchase, or to maximise their income at-retirement.

Jane Griffiths
Head of Corporate Relationships
Office: 07917 558192
Email: jane.m.griffiths@wealthatwork.co.uk

Back to Contents

GENERATIONS IN THE WORKPLACE

MILLENNIALS

YOUNGER: AGED 16 – 21 YEARS / OLDER: AGED 22 – 37

Characterised by:

- ‘Invisible’ spending
- Brand expectations
- Technoholics, ‘screenagers’
- Little divide between public and private
- Apprenticeships
- Sense of community, purpose-driven
- Digital natives
- University debt
- Also known as Generation Y & Z
- Born from 1980 onwards

GENERATION X - YOUNGER:

AGED 37 – 45 YEARS

Characterised by:

- Portfolio careers – loyal to profession rather than to employers
- Analogue childhood, digital adulthood
- Time-poor
- Entrepreneurial
- ‘Work hard, play hard’ ethic

GENERATION X - OLDER:

AGED 46 - 56 YEARS

Characterised by:

- ‘Sandwich’ generation – between young children & older parents
- Portfolio careers – loyal to profession rather than to employers
- Analogue childhood, digital adulthood
- Time-poor
- Cynical, more private than millennials
- Approaching or at peak of career earning power
- Born from 1961 onwards

BABY BOOMERS

YOUNGER: AGED 57 – 65 YEARS / OLDER: AGED 66 - 72

Characterised by:

- Workaholic tendencies
- Early IT adaptors
- Loyal to organisations
- Final salary pension schemes
- Born during post-war period from 1945-1960

MATURISTS:

AGED 73+

Characterised by:

- Loyalty
- Job for life
- Save first, spend later
- Born before 1945

SAYE FINDINGS

Back to Contents

SAYE Overview

Save As You Earn (SAYE) was introduced in the Finance Act of 1980. Under an SAYE Plan employees are given the right ('option') to buy a certain number of shares in the company at a future date at a purchase price (the "option price") that is determined when the option is granted. The option price must not be less than 80% of the market value of the underlying shares at the time of grant. Participating employees are required to save between a minimum of £5 and maximum of £500 per month under a SAYE savings contract with an approved building society or bank savings carrier. These SAYE contracts last for three or five years. Any bonus or interest earned on these savings is tax free.

The lump sum resulting from the SAYE contract can be used to buy the shares if the employee chooses to exercise their option after three or five years, depending on the terms of the option. Employees are not obliged to exercise their option and would normally choose not to do so if the prevailing share price is lower than the option price at which the option entitles the employee to buy shares. If the option is not exercised, the employee receives the proceeds of the SAYE contract – i.e. the savings plus any tax-free bonus or interest, if applicable.

SAYE Plans which meet the requirements of the legislation in Schedule 3 of the Income Taxes (Earnings & Pensions) Act 2003 and registered and reported online via HMRC's ERS Online service are able to offer certain tax advantages. Employees do not pay Income Tax or National Insurance on: the bonus or interest received under the SAYE contract; the benefit from being able to buy shares at a discounted price; or at grant or exercise, except in limited circumstances. Capital Gains Tax may be payable when the shares are sold.

SAYE KEY FINDINGS

Awareness of Plan features

Across all respondents, who participated in SAYE already:

92% were aware of the option price discount

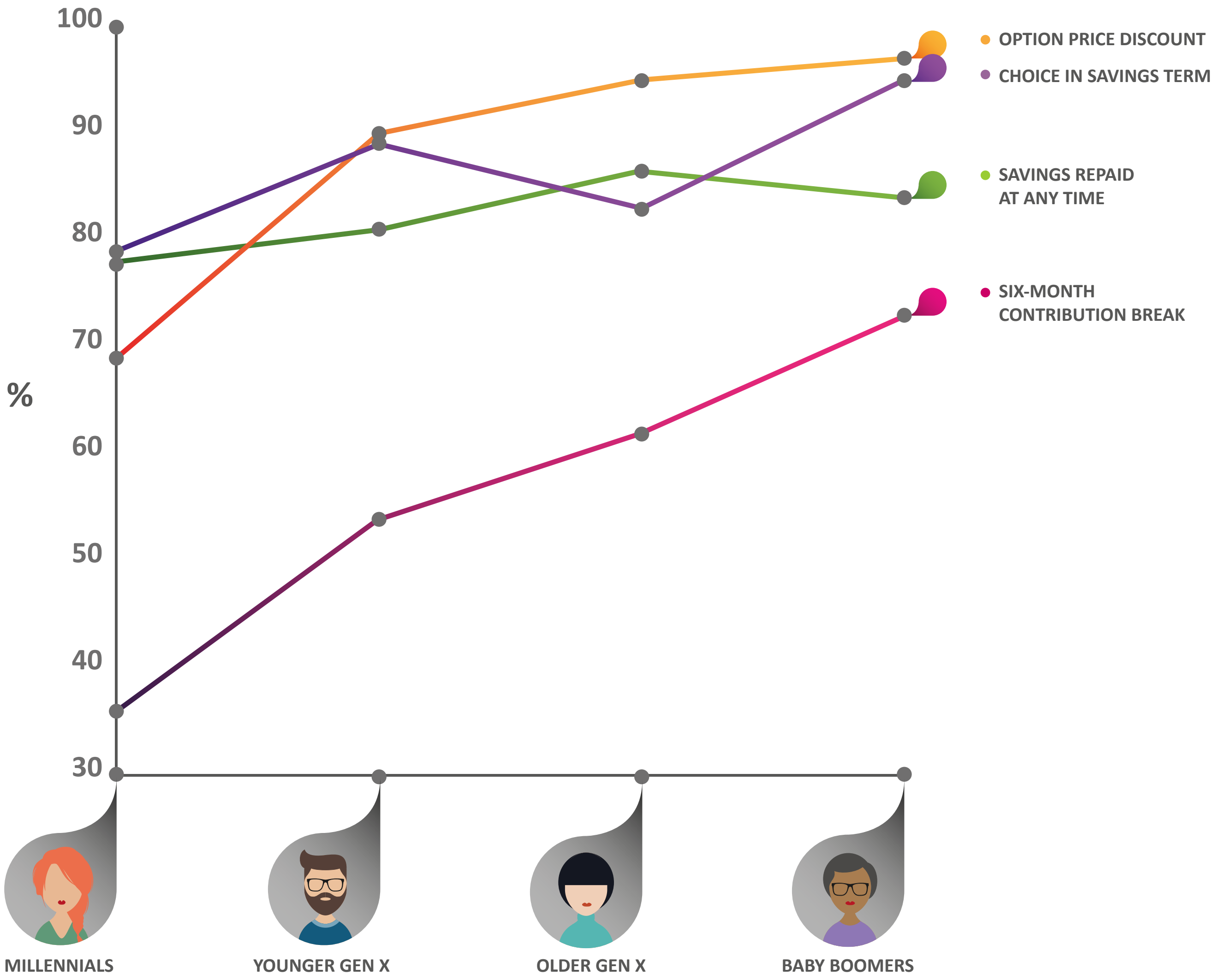
86% were aware of a choice in savings terms (where offered by their lan issuer company)

84% were aware that savings could be repaid at their request at any time

58% were aware that they could take up to a six month break from contributions

These percentages alter only minimally when segregating respondents by gender, level of seniority or length of service.

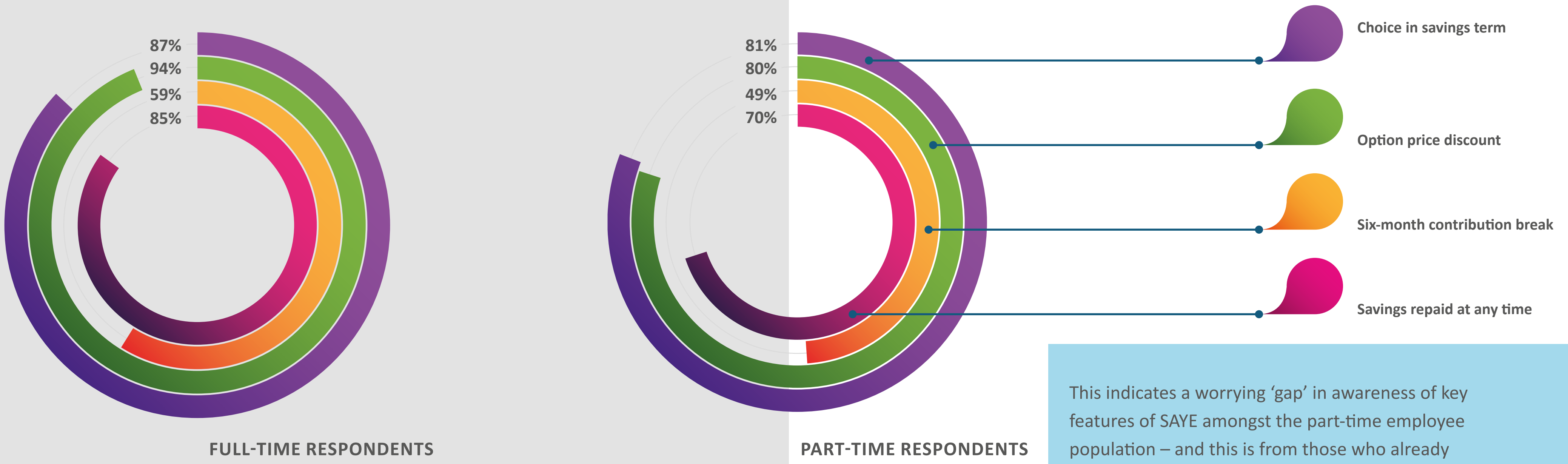
Analysis by age group reveals a lack of awareness around some key features of SAYE, especially amongst Millennials, including the ability to take up to a six month contribution break (without the option lapsing).



> SAYE is really important to me. My family have had success from these schemes. They advised me to put in whatever I can, even just £10. I use a spreadsheet to track the value of my share plans and to model gains depending on the share price.
>
> SAYE participant, male, aged 22-36 years.

> I rate SAYE very highly, because of potential return and very easy to participate due to salary deductions.
>
> SAYE participant, male, aged 46-56 years.

When comparing full-time employees' responses to those of part-timers the percentages change quite significantly, with part-time respondents showing less awareness than full-time respondents across all key features of SAYE.



This indicates a worrying 'gap' in awareness of key features of SAYE amongst the part-time employee population – and this is from those who already participate in the Plan.

Reasons for participation

Across all participating respondents, their key reasons for participating in the Plan were as follows:

80% said it was a convenient way to save

38% said they wanted to own shares in the company

75% said that they wanted to profit from the shares

2% cited other reasons for participating

Here are some of the other reasons given for participating:

> The scheme shows confidence in the stability and growth of the company by its leaders and gives the employee a feeling of greater participation in the group.

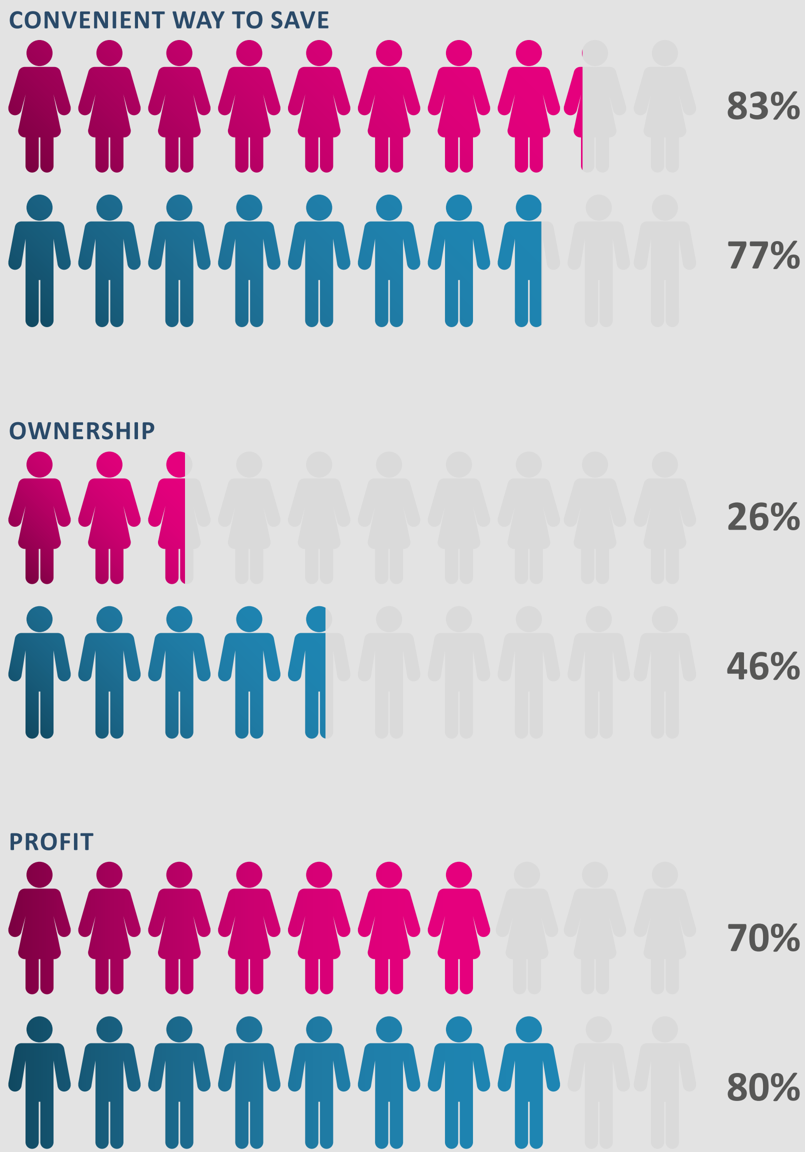
> It's risk-free saving. Interest rate is so low that even if the shares lose value I still get back what I put in.

> It [monthly SAYE contribution] gets taken from source so I don't miss the money. Every three years is like Christmas and birthday rolled into one.

> It's an incentive to invest in the company you're working for, and encouragement to work harder to help to generate success.

> It's been one of the best things I have done for my future peace of mind.

Splitting responses by gender identified some different motivations for participation:



Around half as many female as male respondents cited owning shares are one of their reasons for participating in SAYE as male respondents.

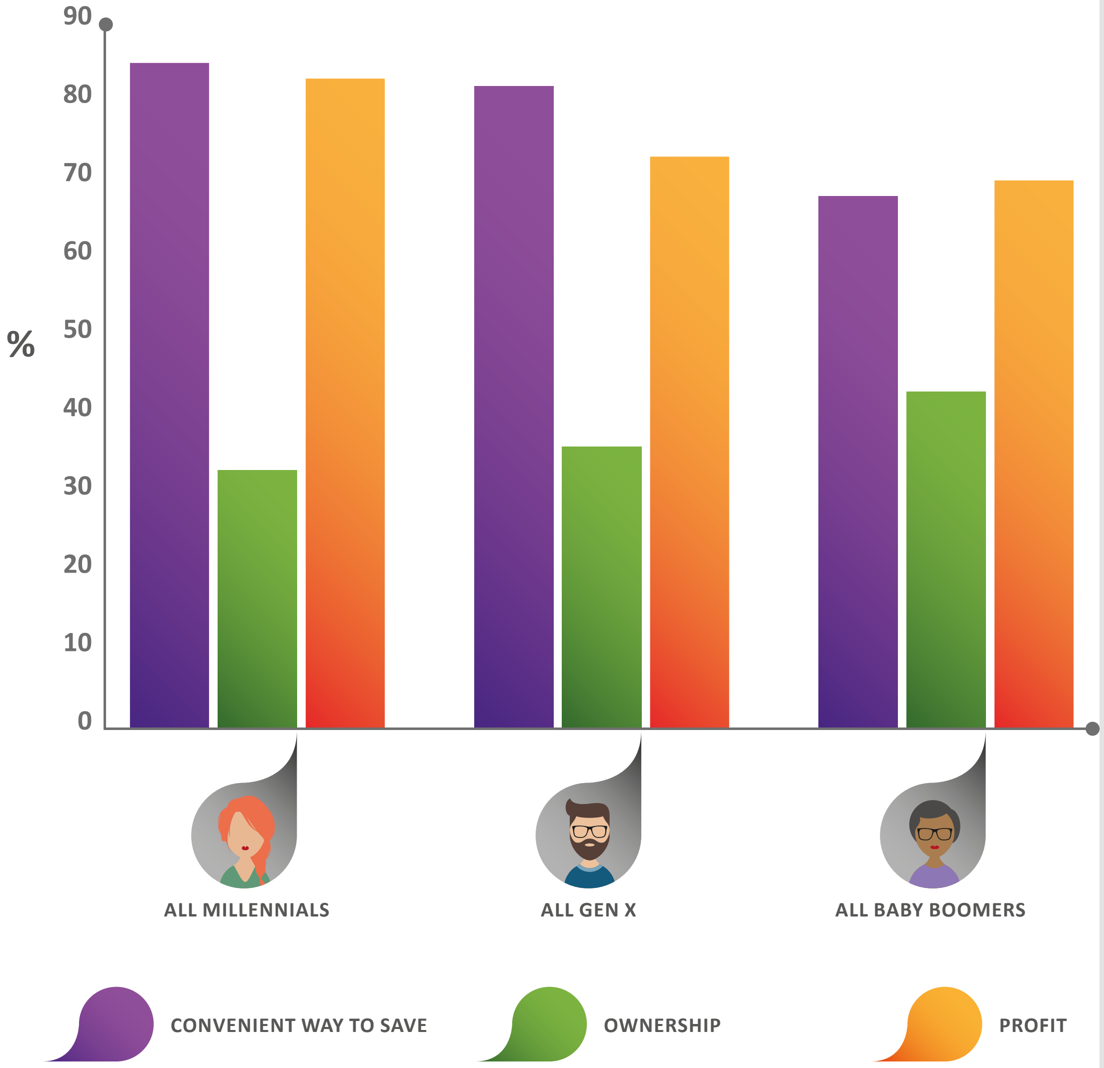
A higher proportion of female respondents than male respondents cited convenience as a key driver for participation, at 83% and 77% respectively.

> SAYE is my savings scheme for a rainy day.
>
> SAYE participant, female, aged 22-36 years, administrator.

> This is my first proper savings plan. I like that the money is deducted at source so I am not tempted to spend it elsewhere. I can manage my budget accordingly.
>
> SAYE participant, male, administrator, aged 16-21.

> I've not had any savings for a long time. SAYE is a kick start for me and my children.
>
> SAYE participant, male, aged 22-36.

Analysing responses according to age group also identified some varied motivations for participation across the generations:

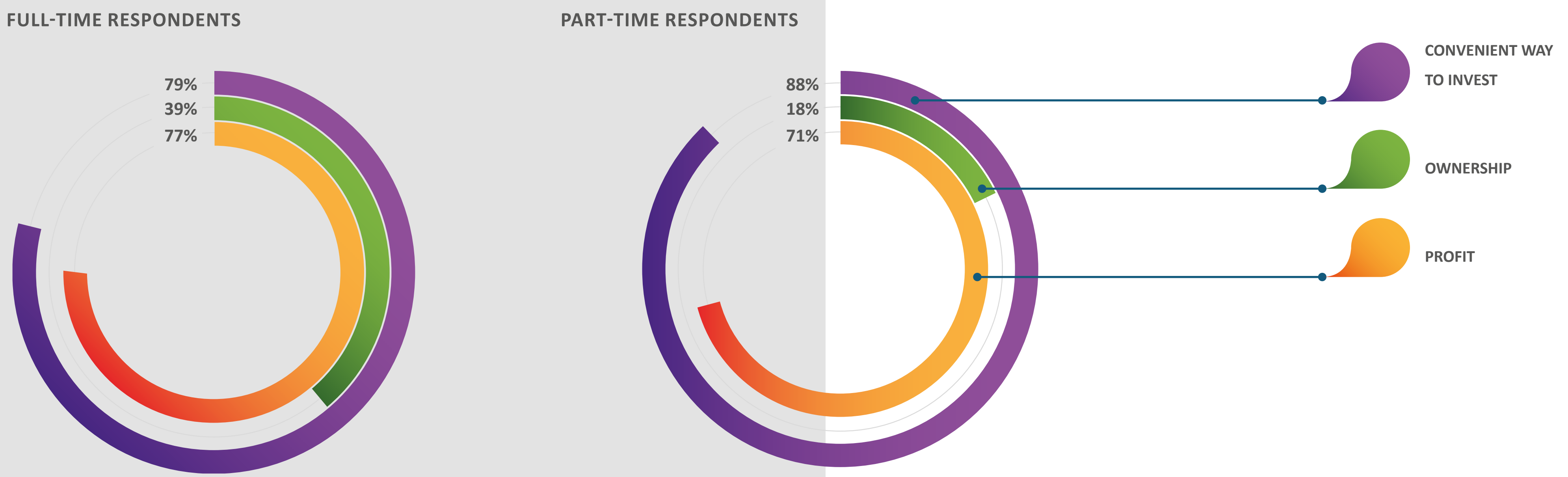


The message here is that Millennials don't care so much about owning shares in their company – but they care a great deal about a) having a convenient way to save and b) making a profit from the shares.

> SAYE is important. I didn't join at the first opportunity, I joined the year after as a colleague of mine told me about it and told me not to lose out.
>
> SAYE participant, male, aged 22-36 years.

> I've participated in share plans multiple times so it's of high importance to me. SAYE is the best way of saving currently as it's got the best potential gain compared to a normal savings account.
>
> SAYE participant, male, aged 22-36 years.

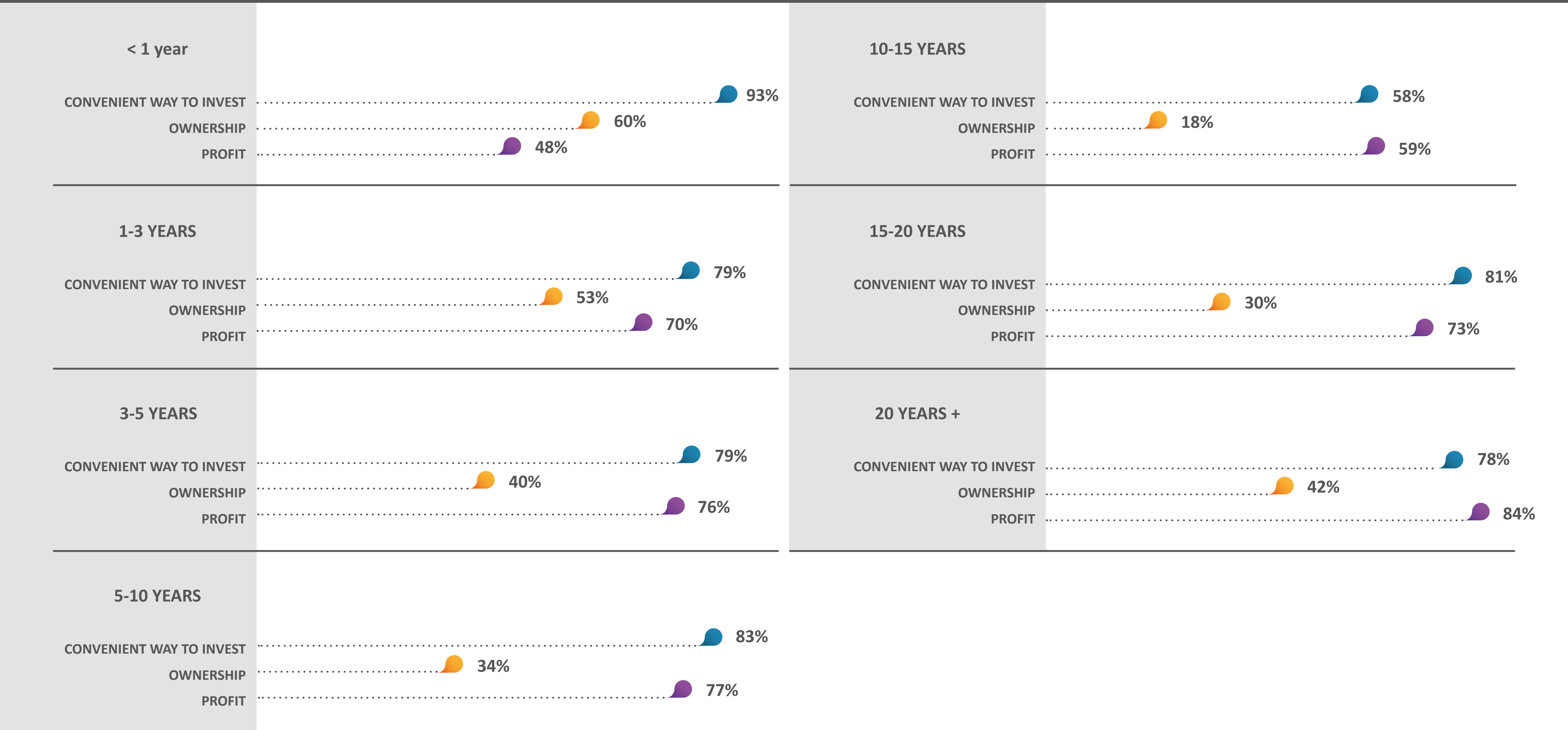
The differences on the ownership motivation are even more pronounced when comparing full-time employees' responses to those of part-time employees:



> *One of my sons is using SAYE profits to pay off chunks of his mortgage. You cannot lose on it – if the share price goes up, so much the better.*
>
> SAYE participant, aged 56-66.

> *I use SAYE as a savings scheme – I know that each Christmas I will get some money, even if the share price doesn't perform.*
>
> SAYE participant, female, aged 46-56.

Length of service changes participants' motivations, too:



Profit as a motivator for participation increases with length of service (as a large proportion of participants head towards retirement), whereas convenience becomes much less important.

I will keep the shares for the long term. I may sell in the event of a lifestyle change, such as a house move.

SAYE participant, male, aged 46-56, more than 10 years' service less than 15.

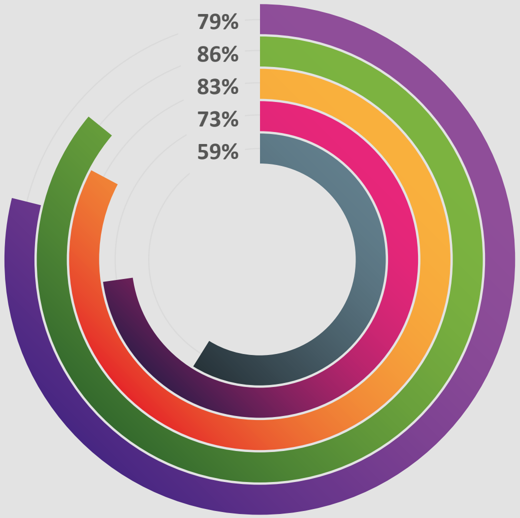
We are a FTSE 100 company so pretty stable. My plan is well protected. I think you go into shares with your eyes open and if you take a long view things usually work out.

SAYE participant, male, supervisor, aged 22-36 with 15 years' service.

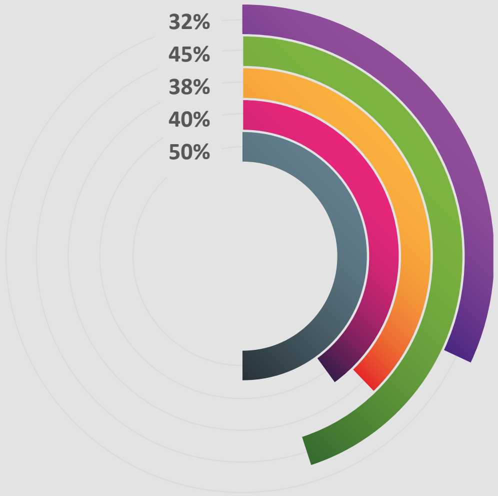
As with the length of service data, convenience becomes less important as seniority increases. The driver of ownership becomes less important, most likely because more senior employees have other sources of equity in the form of management incentives and other discretionary plans.

Impact of seniority on reasons for participation:

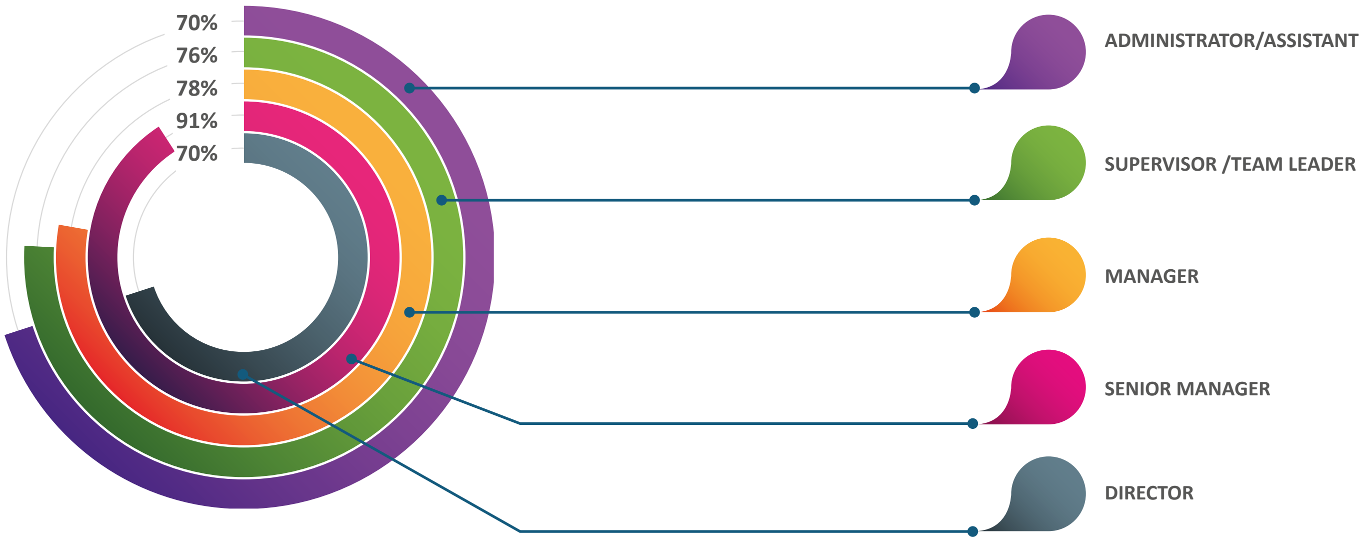
CONVENIENT WAY TO SAVE



OWNERSHIP



PROFIT



> *I tend to sell (shares on maturity). I have a large holding in the company's shares already. I don't want to be overexposed.*
>
> SAYE participant, male, aged 46-56, working full-time with over 20 years' service.
>
> *I'm participating in SAYE; I will probably sell the shares and use the proceeds to reduce my mortgage.*
>
> SAYE participant, male, aged 46-56.

The profit motive follows the same pattern as for length of service, becoming increasingly important as seniority increases up to senior manager level.

> *I would always put in the maximum I can afford, there is a chance you will get nothing else back but you're hoping it will come out higher.*
>
> SAYE participant, male.
>
> *"It has always turned out to be a good deal with the shares going up so I like participating and making a profit. It's my nest egg.*
>
> SAYE participant, male, aged 46-56, manager, 20+ years' service.

Reasons for non-participation

Across all non-participating respondents, the following were cited as key reasons:

40%

said I can't afford to participate

25%

said they didn't participate for another reason

21%

said I have other arrangements

16%

said I may not be with the company long enough

6%

said I don't understand how it works

6%

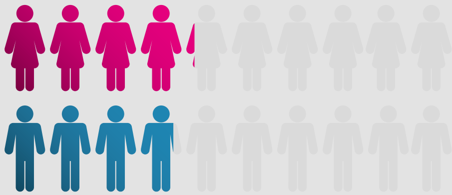
said shares are a risky investment

3%

said I wasn't aware of the Plan

Analysed by gender, a slightly different picture emerges:

AFFORDABILITY



42%

38%

UNAWARE

2%

2%

UNDERSTANDING

14%

16%

OTHER REASONS (VARIOUS)

28%

17%

OTHER ARRANGEMENTS

14%

25%

RISK

4%

6%

MAY NOT BE WITH COMPANY LONG ENOUGH

12%

18%

Interestingly, more male than female respondents cited shares as too risky to invest in, and 16% of male respondents also cited lack of understanding as a barrier to their participation compared to 14% of female respondents.

However, many more male respondents (25%) said that they didn't participate because they had other arrangements compared to a lower proportion of females (14%).

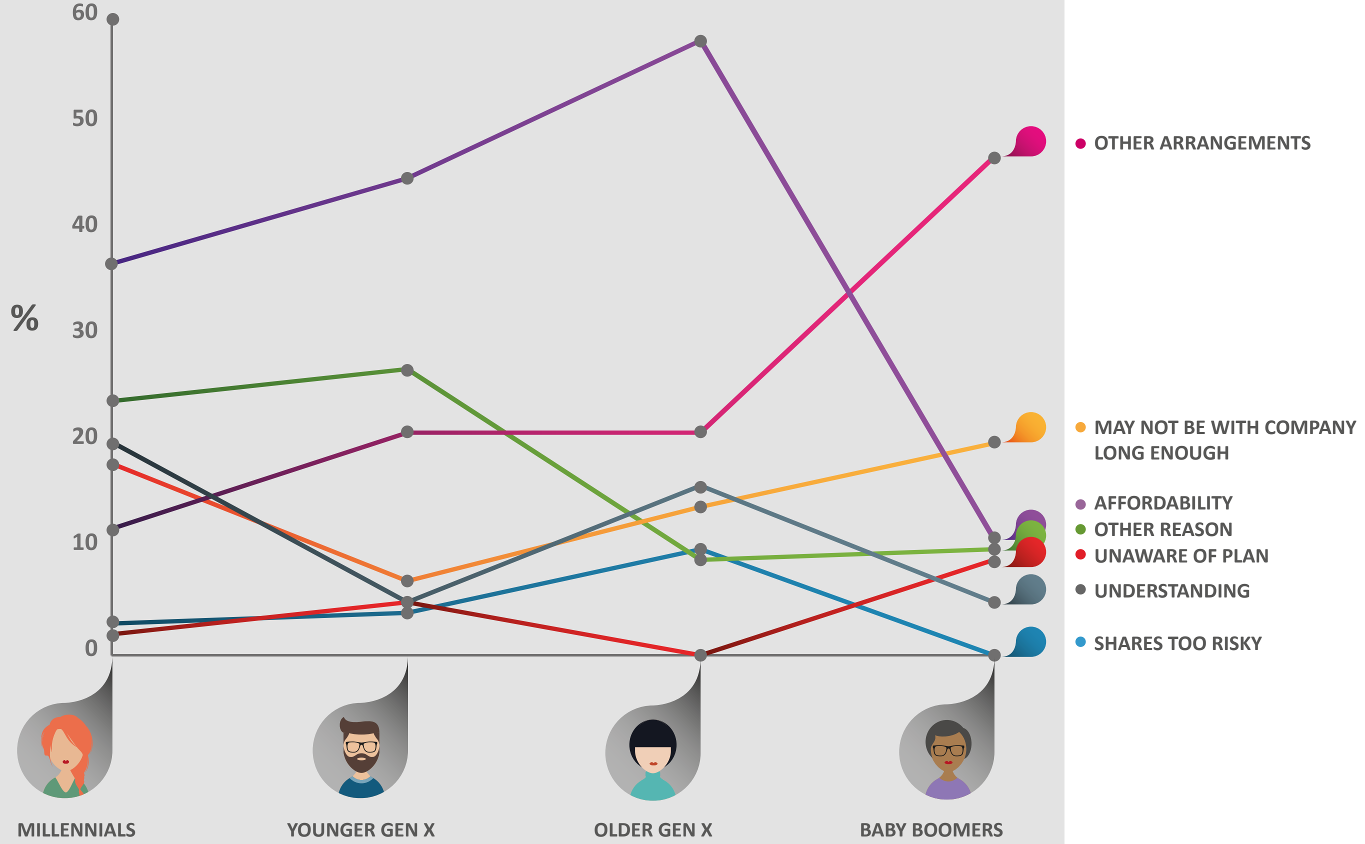
I have no plans to leave – I first joined the company's SAYE nearly 20 years ago, I joined as soon as I could after I completed the required service period. Share plans make a big difference to my overall package with the company.

SAYE participant, 15-20 years' service.

A significant 28% of female respondents said that they had other reasons for not participating. Male and female respondents cited the following reasons:

- *I wanted to give it more thought as had recently moved roles within the company*
- *So far I haven't (participated) due to wanting to move house and all earnings have to go towards this*
- *Missed the deadline*
- *I have only started with the company a few months ago*
- *Did not qualify due to length of employment*
- *The company I work for was only just acquired and thus became eligible for the share scheme*

Analysed by generation:



Interestingly, when responses are split across the generations, it's the younger Generation X cohort (those aged 22-36) who show the greatest loyalty to their employer – with just 7% citing a non-participation reason of not planning to be with the company long enough to benefit from the Plan. 18% of Millennials cited this as a reason for non-participation. Worryingly, 20% of Baby Boomers, nearing retirement, cited this as a reason for their non-participation, seemingly unaware of the 'good' leaver provisions for those leaving employment due to retirement.

Affordability remains a concern right across the Millennial and Generation X cohorts, peaking at 58% for Older Generation Xers (aged 37-45), which is the age where you might expect them to be at or nearing their career earnings peak.

> *I realise I need to start making plans for my long term but I do not have much spare cash yet.*
>
> Non-participant, male, aged 22-36 years old.

Financial education could make a valuable contribution toward helping people manage their finances more effectively, and help them to budget for both essentials and for savings.

At my stage in life I think I am quite money-savvy. But lots of other people in my company could benefit from financial education especially the first-jobbers and younger people.

SAYE participant, female, aged 46-56.

Financial education would help me manage my own finances better. Some wider financial awareness in the business sense could help me in my role at work, too.

SAYE participant, female, aged 22-36.

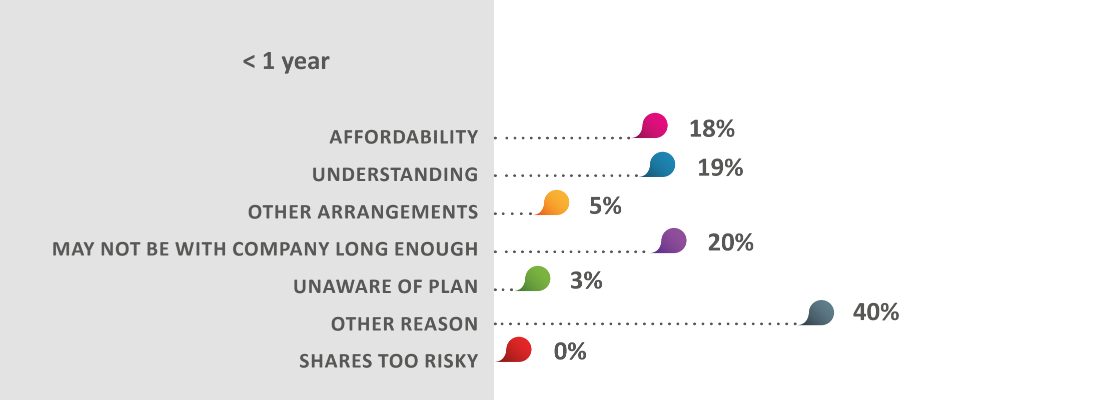
I would like to learn more about how to manage my money efficiently. Bringing in an Independent Financial Adviser would be helpful, or to run a workshop or to offer 1-1 advice.

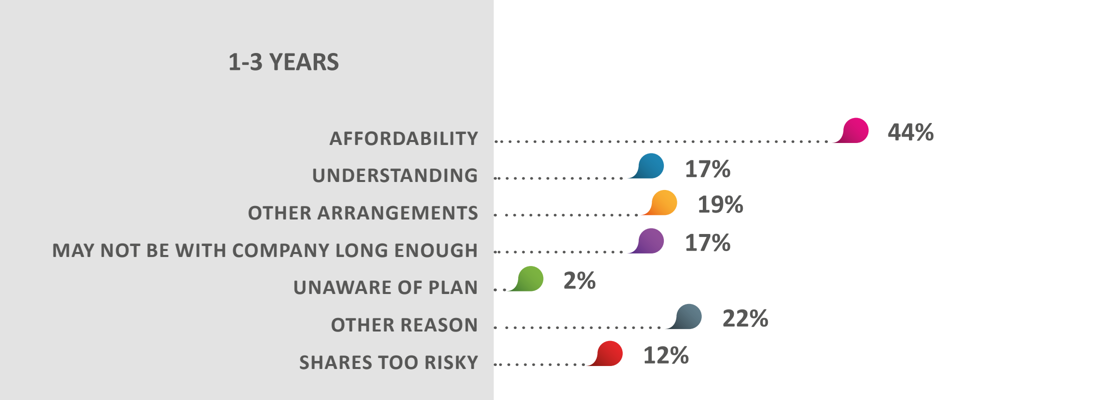
SAYE participant, male, aged 16-21.

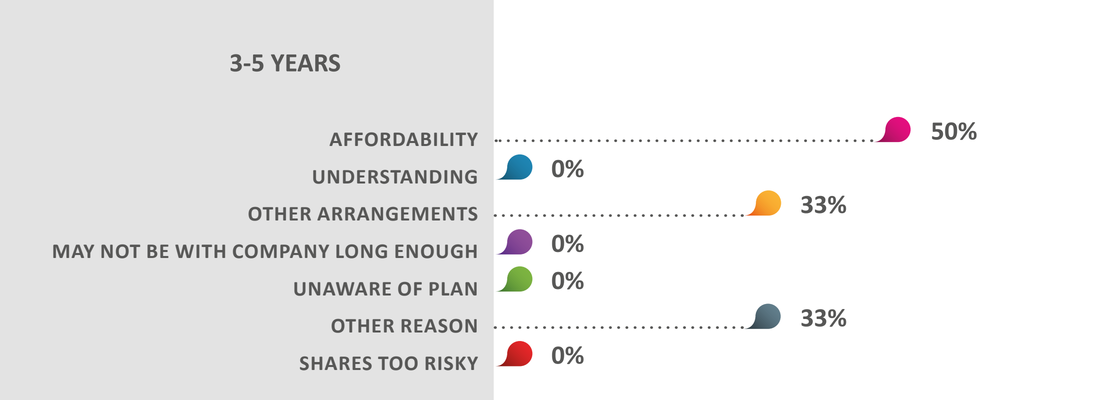
I've been in financial services for 37 years but have two kids in their 20s who've had no formal financial education at all. They won't always listen to their dad!

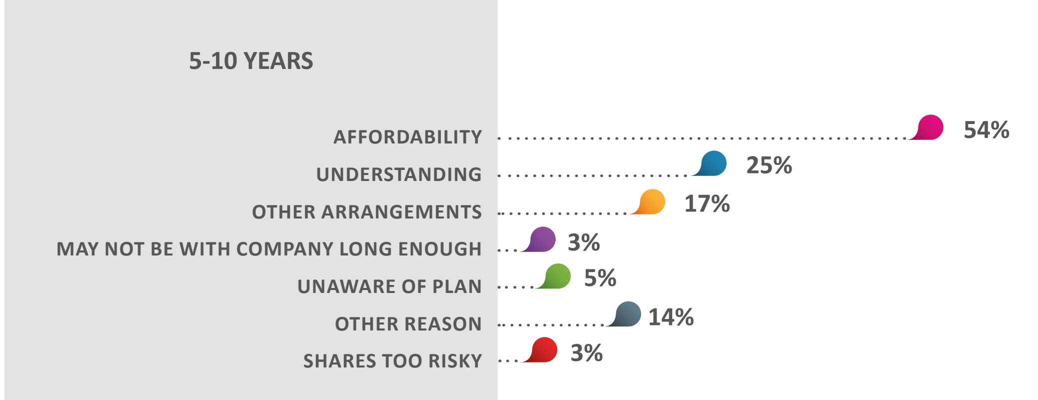
SAYE participant, male, aged 46-56.

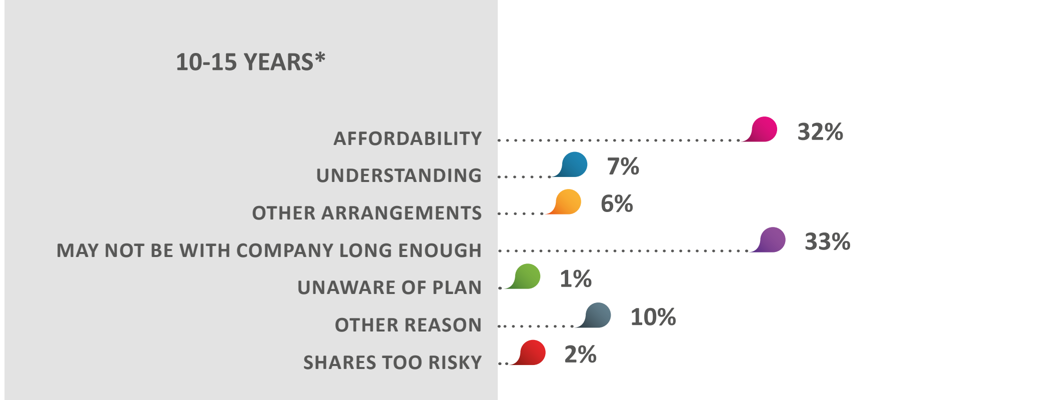
Length of service influences non-participation reasons as follows:







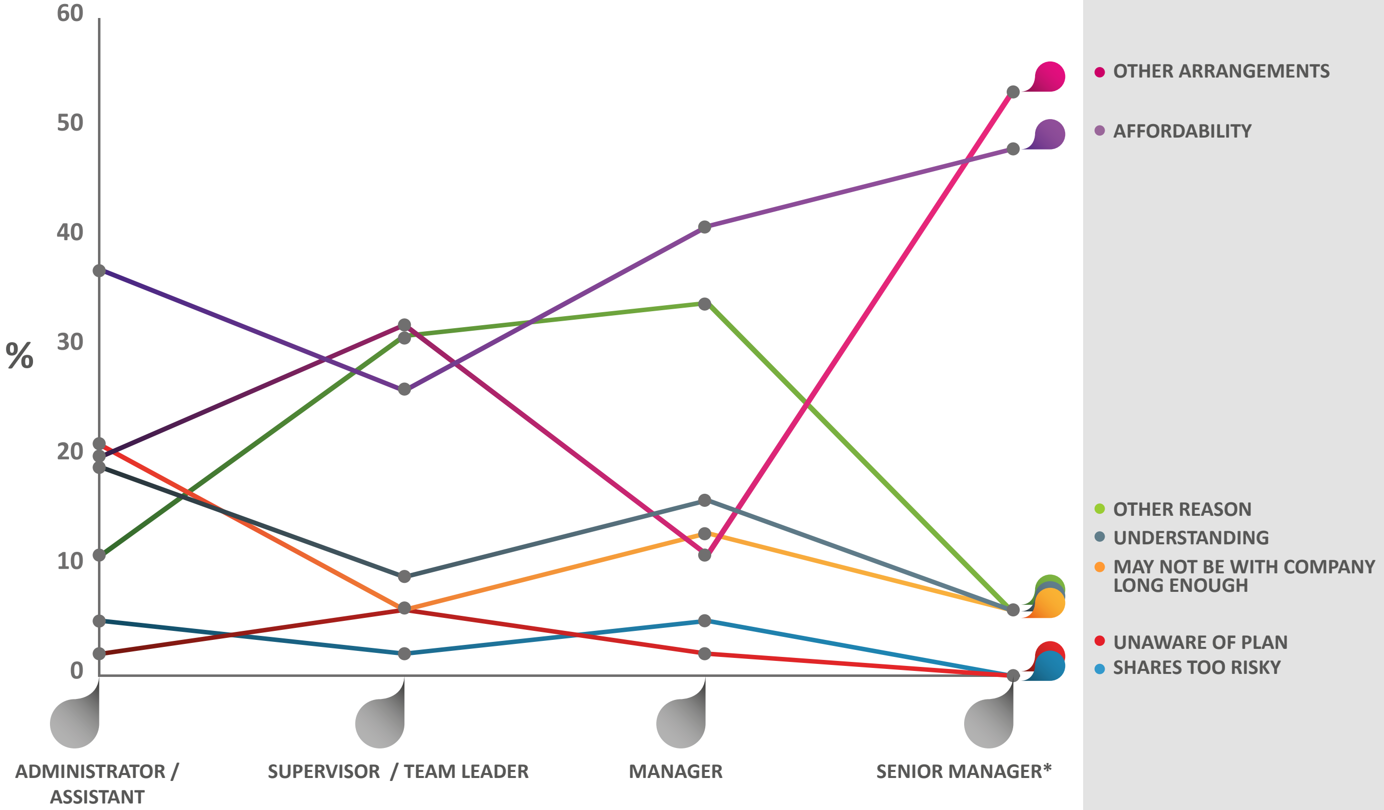




Lack of affordability is the most often-cited reason for non-participation across all age-groups and levels of seniority.

*Results for respondents with 15 years+ service excluded as not a statistically significant number.

Reasons for non-participation, analysed by role / seniority:



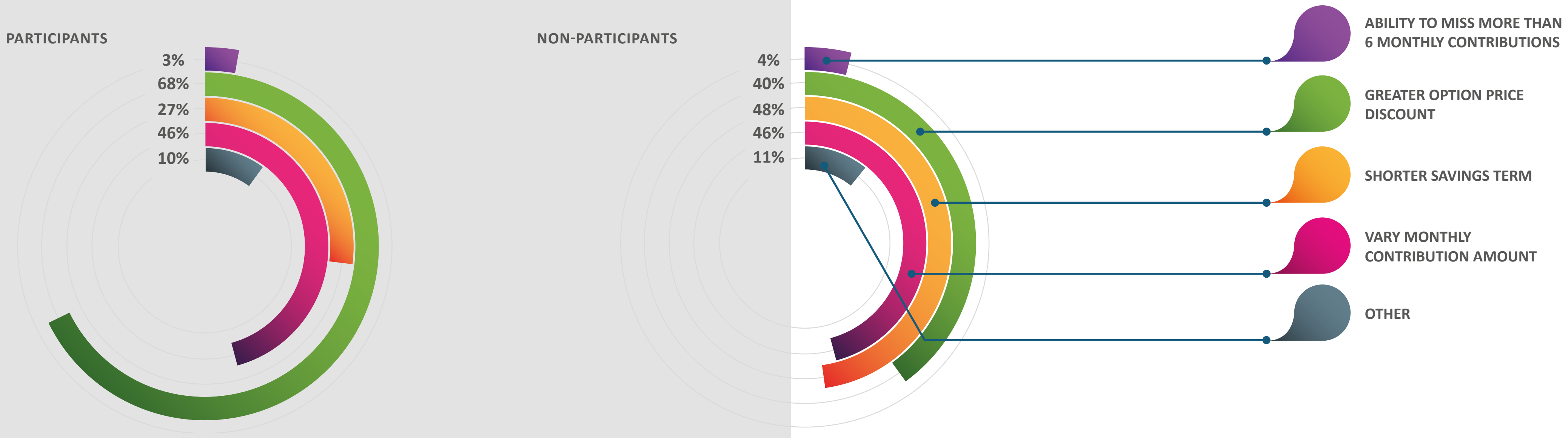
*Director-level responses excluded as not statistically significant.

> I have too many competing monthly needs to participate currently.
>
> Non-participant, female, aged 22-36 years, manager.

> I would contribute more if I didn't have so many other essential overheads.
>
> SAYE participant, female, aged 46-56, administrator.

Changes that may encourage or increase participation

We asked participants and non-participants about changes to the Plan's design which might encourage them to join or, if they already participate, changes which would be beneficial generally.



It's striking that both the participant and non-participant populations are clearly in favour of being able to vary the monthly savings amount, rather than miss more than 6 months' contributions. It's encouraging that, once in the habit of saving, participants don't want to be 'blown off course' and would rather reduce their monthly contributions than stop them for a greater number of months than is currently permissible.

It would still be beneficial, in our view, to allow participants to miss a greater number of monthly contributions without their option lapsing. SAYE was designed in the late 1970s and the workplace and employment legislation has changed considerably since then. For example, female employees are now entitled to take up to 12 months' maternity leave and retain the right to return to their job.

Permitting only a six month contribution 'holiday' means that many women have to allow valuable options to lapse because they cannot afford to make contributions throughout their maternity leave.

I would allow changes to monthly SAYE contribution amounts as my financial situation fluctuates over the year. It could be good to increase the £500 maximum currently possible.

SAYE participant, male, 22-36 years.

Increase the amount we can invest but make it more flexible.

SAYE participant, female, aged 22-36, administrator.

A significantly higher proportion of non-participants would like to see a shorter savings term than the three and five years generally available currently (depending on which term/terms companies choose to offer their employees). This indicates that the three or five year requirement is so off-putting to them that they decide not to participate based on this reason.

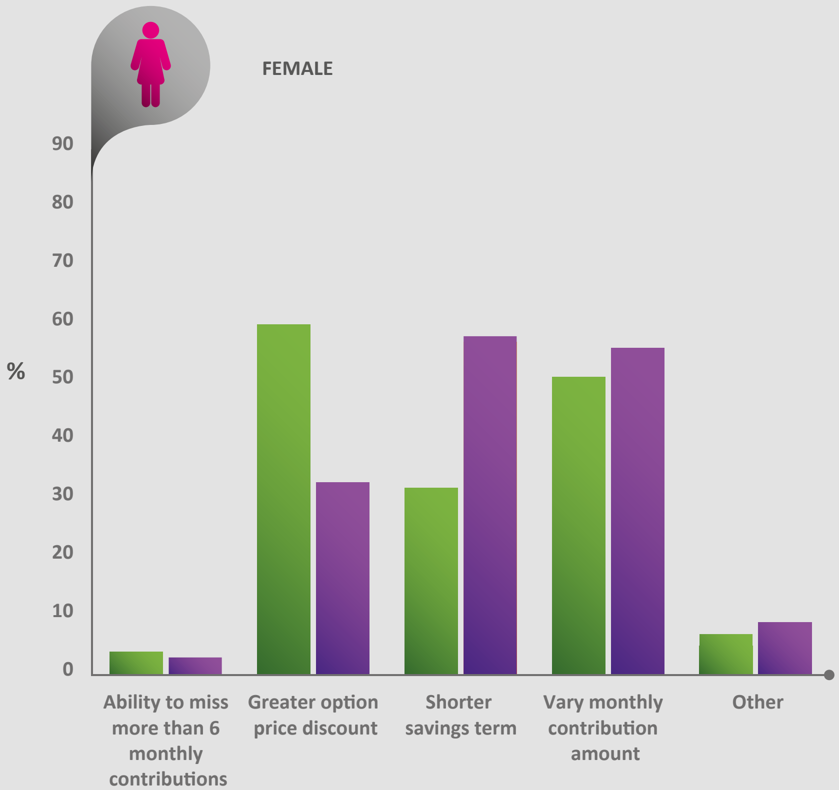
A shorter investment time would be helpful, and maybe annual withdrawals or drawdowns.

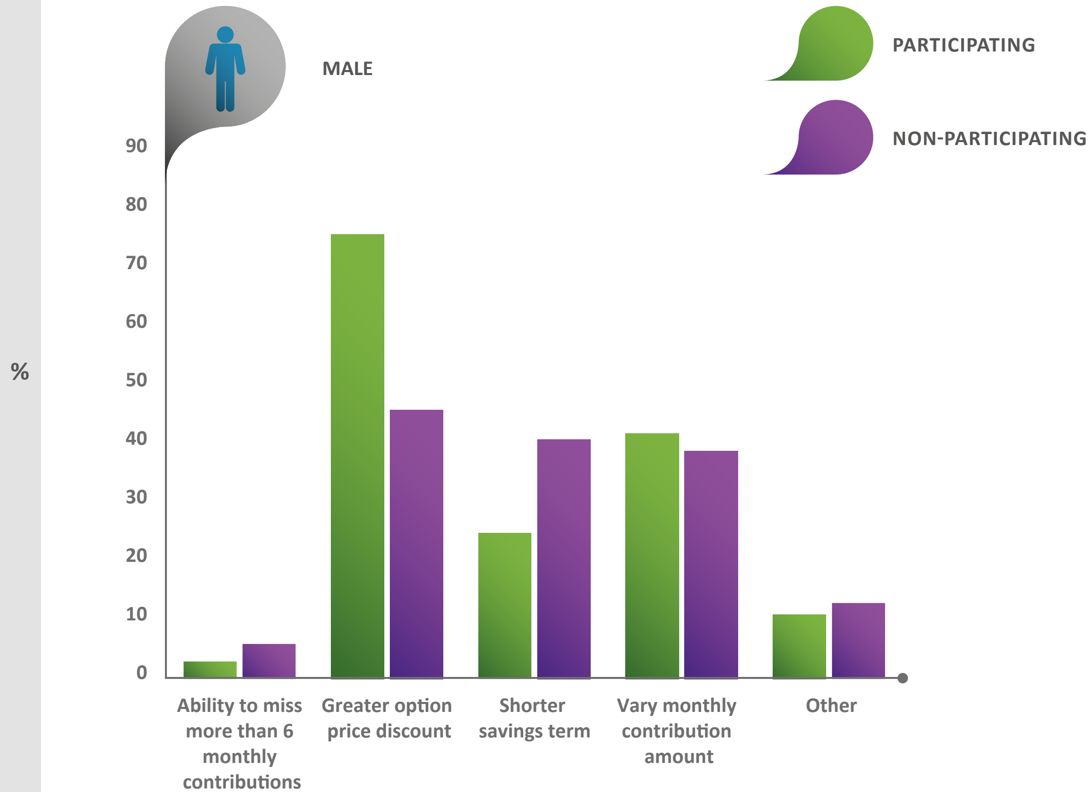
Non-participant, female, aged 22-36 years.

Three years is a long time. I would reduce the term, offer 12 months or 24, a bit like a loan repayment term.

SAYE participant, male, 22-36 years.

Analysed by gender, this lack of flexibility in Plan design appears to be an even stronger reason for non-participation amongst female non-participant respondents:



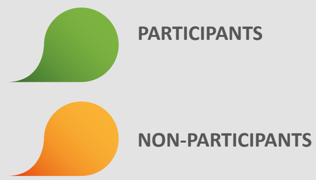


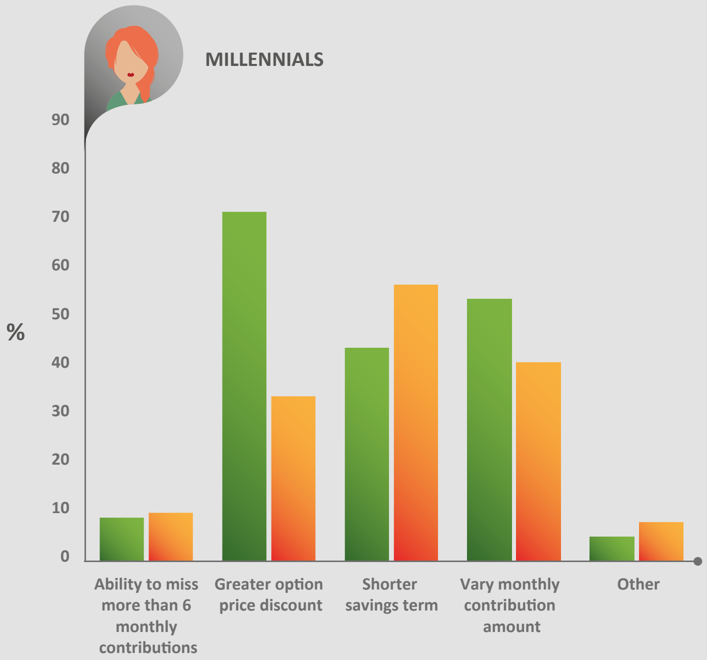
Male respondents, whether participating or not, were far less concerned about greater flexibility in either the savings term or the monthly contribution amount than female respondents. It is reasonable to conclude from this that as women's careers are generally interrupted more frequently and for longer periods than men's (whether for family caring duties or childbearing), they would value greater flexibility and that this would have a positive impact on female rates of participation in SAYE Plans.

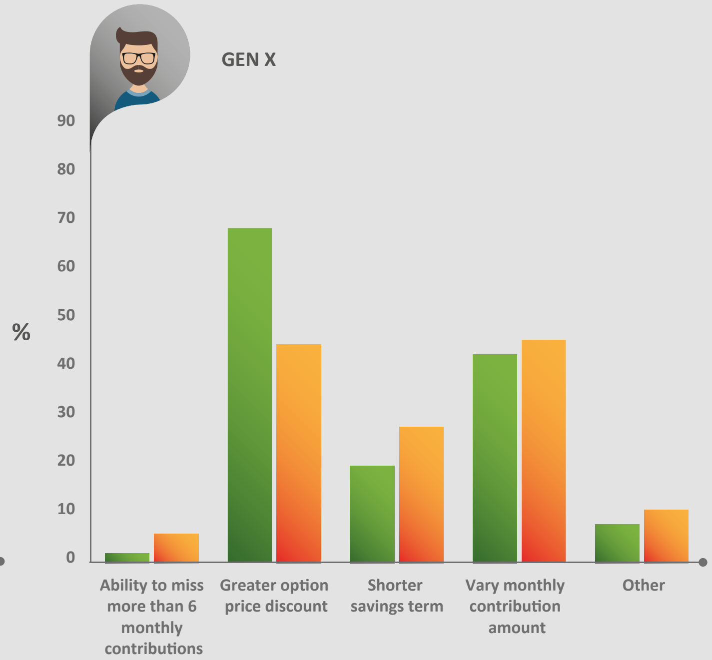
This lack of flexibility therefore is currently a barrier to greater female engagement with SAYE, and if increasing numbers of men opt for (longer) periods of paternity leave we may see this impact them too in the future.

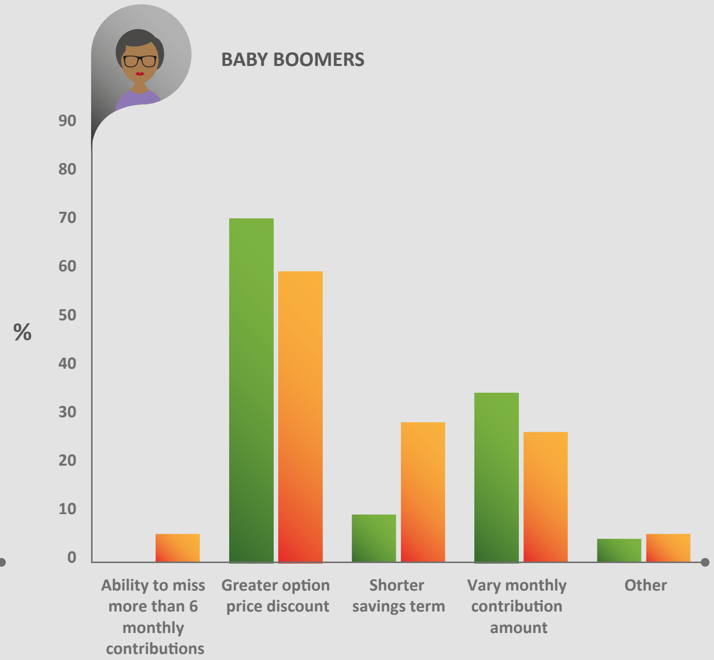
> Share plan contributions were the last thing to be stopped during my last maternity leave. I would've loved to reduce the amount of my contributions during mat leave, not suspend altogether, as a delayed maturity date can mess up contributions to subsequent plans.
>
> Female, aged 46-56, full-time supervisor

Participant and non-participant responses, by age group:









Amongst Millennials it is striking that 72% of those already participating in SAYE would like to see the option price discounted even further, and amongst those not participating 57% would like to see shorter savings terms introduced.

The former appear to be cognisant of the difference that a larger option price discount may make to the outcomes for participants in SAYE schemes with volatile company share prices. The latter are very clearly voting with their feet and not participating in SAYE because the minimum timelines of three or five years is just too long for them.

If I could change SAYE I would increase the option price discount. But am using it as a savings scheme currently, as it's very safe and simple to use.

SAYE participant, male, 22-36 years.

Across all age groups, it is clear that greater flexibility is a key wish, whether respondents were participating or not, with the focus firmly on being able to vary monthly contribution amounts rather than accept a delayed maturity as a result of missed contributions.

YBS SHARE PLANS

LOUISE DRAKE,

NATIONAL SALES MANAGER, YBS SHARE PLANS

"There is some interesting insight from our research particularly around the flexibility of savings limits that link to keeping employees engaged in the Plan. We have to remember that although Sharesave is an easy and simple product, other than the increase to the savings limit there has been no material change to a Plan that was designed in the mid 70's before its launch in 1980. Following on from the theme of the recent ProShare conference and the insight from our research, perhaps now is the time for the ProShare Advisory Group to consider these findings to help keep a great and valued employee benefit fresh and right for future generations.

As workforces become more diverse and hyper-connected there is a need to move away from a "one size fits all" approach, particularly around communications to one that embraces "omni-channel", but more importantly that contains information that is relevant to people as individuals giving "real help for real lives".

Did you know that:

- For 35% of participants, SAYE was their only current flow of savings
- 65% said they would otherwise spend their contribution if they weren't in SAYE
- 62% of those savings only into SAYE said they might not save at all but for SAYE
- 29% say family are their main source of advice
- 71% of people experience at least one major unexpected cost per year
- Millions of employees rely on debt just to get by

Source: YBS Share Plans Research & Salary Finance

For many the opportunity to save direct from salary is both a gateway to saving and a 'savings lifeline'. I strongly believe that providing access to communication hubs that addresses these real life concerns and cover the "so what?", 365 days a year, 24/7 (not just in a 14 or 21 day window of opportunity) is the future.

WEALTH at work
KNOWLEDGE | EXPERIENCE | OPPORTUNITY

JANE GRIFFITHS,
HEAD OF CORPORATE RELATIONSHIPS, WEALTH AT WORK

"It's great to see that so many employees view Save As You Earn (SAYE) schemes as a convenient way to save. However, there are many more benefits which need to be realised by employees in order for them to maximise their value.

It comes as no surprise that the main barrier to non-participation is affordability.

Financial education is a crucial component before any SAYE is launched to help employees understand how they can cut costs and save money which can then be directed into their SAYE scheme.

A relevant and informative financial education programme can also help with other issues such as supporting employees to understand the advantages and disadvantages of saving into the scheme, as well as how they can make the most of any tax allowances available to shelter potential gains from the taxman and maximise their returns.

Reasons for saving and how maturing monies are spent will differ amongst the employee population, which is why it's important to ensure that financial education is segmented by employee life stage.

For example, education which is targeted to those in the early-to-mid years would focus on tips to help employees understand how they can afford to make contributions. Whilst education provided in the run-up to retirement would focus on informing employees how to protect their gains from tax and how it can contribute to their retirement income."

Secondsight
Part of the Foster Denovo Group

IAN BIRD,
BUSINESS DEVELOPMENT DIRECTOR, SECONDSIGHT

“It’s not surprising that 21% of respondents say they have other savings arrangements in place, but I wonder if they truly understand the benefits of Sharesave over these other savings options. It is disappointing, but not particularly surprising, to hear that just over one third of respondents feel they can’t afford to participate.

It is important for everyone to have some form of savings and financial resilience to fall back on. Unfortunately, we live in a debt culture, which is one of the reasons, I believe, respondents claim they are unable to afford to contribute into a scheme. Yet Save as you Earn schemes are an easy and attractive way for employees to break this cycle and create a regular savings habit.

To encourage people to think of them, more needs to be done to communicate Sharesave and how employees can in fact afford to save in to the scheme – even a small amount. With increased financial education and communication and by having access to online budgeting tools, information and simple, Plain English explanations, I’m confident more people would consider joining.”

SIP FINDINGS

Back to Contents

SIP Overview

The Share Incentive Plan ('SIP') is a tax-advantaged plan that offers Income Tax and National Insurance advantages for employees and companies, provided the Plan meets the requirements of Schedule 2 of the Income Taxes (Earnings & Pensions) Act 2003 and is also registered and reported via HMRC's ERS Online filing service. Introduced in the Finance Act 2000 after an intensive consultation process, the SIP is a broad-based Plan designed to encourage more companies to offer shares to all their employees on a tax-efficient basis.

The SIP legislation provides for four types of Plan shares to be used:

- **Free Shares** – employers can give each employee Free Shares worth up to £3,600 each year, free of Income Tax and National Insurance.
- **Partnership Shares** – employees can use up to £1,800 a year from gross salary to buy Partnership Shares. An annual limit means that employees can top up their contributions in months where they receive a bonus, for example.
- **Matching Shares** – employers can give Matching Shares at a ratio of up to two Matching Shares for each Partnership Share bought by the employee.

The types of Plan shares listed above can be used in various combinations, for example Free Shares only, or Partnership with or without Matching Shares, to suit the business needs of the company.

As well as being able to choose between the above types of Plan shares to build a Plan that suits its business needs, additionally employers can also include other optional features, such as:

- **Eligibility criteria** – companies may prescribe a period of up to 18 month employment before employees become eligible to participate in a SIP.
- **Performance-related awards** – companies may link the award of Free Shares to performance measures.
- **Dividend Reinvestment Plans (DRIPs)** – companies may allow employees to use their dividends to purchase further Plan shares instead of receiving cash. These are called Dividend Shares. The company can choose to offer the DRIP on an optional or compulsory basis.
- **Forfeiture** – companies may make employees give up some or all of their Free or Matching Shares if they leave, for certain reasons, within three years of the award date.
- **Holding periods** – Free and Matching Shares must stay in the Plan for at least three years but companies can require employees to hold these in the Plan for up to five years. Dividend Shares need only be held for three years before becoming tax-free.

Key features where there was a significant difference in awareness levels:

- FEMALE RESPONDENTS
- MALE RESPONDENTS
- ALL RESPONDENTS

	Female	Male	All
CAN CHANGE MONTHLY PURCHASE AMOUNT	62%	70%	66%
DIVIDENDS AVAILABLE ON PARTNERSHIP & MATCH SHARES	53%	76%	64%
DIVIDENDS AVAILABLE ON FREE SHARES	69%	88%	78%
MATCHING SHARES AVAILABLE ON PARTNERSHIP SHARES	74%	83%	78%
CAN STOP AND RESTART MONTHLY PURCHASES	49%	56%	52%
CAN WITHDRAW PARTNERSHIP SHARES AT ANY TIME	51%	55%	53%
MUST HOLD SHARES 5 YEARS TO BE TAX-FREE	73%	87%	80%
PARTNERSHIP MAXIMUM IS £1,800 PER TAX YEAR/10% OF PAY	52%	72%	62%
FREE SHARE MAXIMUM AWARD VALUE £3,600 TAX YEAR	37%	47%	42%
HOLD SHARES 3 YEARS FOR SOME TAX ADVANTAGES	66%	81%	73%
PARTNERSHIP DEDUCTIONS TAKEN FROM GROSS PAY	70%	80%	75%
MAY FORFEIT MATCHING SHARES IF PARTNERSHIP SHARES WITHDRAWN WITHIN 3 YEARS	61%	69%	65%

SIP KEY FINDINGS

Awareness of Plan features

Across all respondents who were already participating in one or more element within their company's SIP, the following awareness levels were recorded against all key Plan features:

72% was the average awareness level recorded for male respondents

69% was the average awareness level overall, regardless of gender or other demographics

60% was the average awareness level recorded for female respondents

Given that these are respondents who already participate in SIP, we should be concerned that the key features of the Plan are not better understood. SIP is a more complex Plan than SAYE in many ways, and there clearly are significant improvements still to be made in communicating the key features simply to the entire eligible employee population including those who do join up. Communicating enough so that employees join is one challenge, communicating enough to ensure that employees fully understand the Plan while they're actively participating is another challenge.

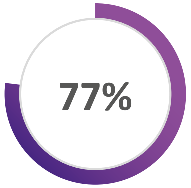
We could infer that some of the key features with the highest levels of awareness are those that motivate people the most to join the Plan, and these do not differ according to gender, for example: deductions taken from pre-tax pay, and the availability of Matching Shares and dividends on SIP shares in general.

We should be concerned that across all features, female respondents show lower levels of awareness than male respondents. There may well be broader socio-economic influences at play here but more work should be done within the share plans world to understand why this gap in awareness exists and how best to address it. Financial education has a key role to play here – see the later section in this report.

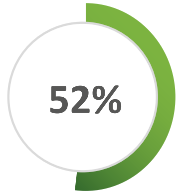
We should also be concerned – though perhaps unsurprised – that 25% of respondents participating in SIP Partnership Shares appear unaware of the Plan's key benefit i.e. that deductions are taken from gross pay.

Reasons for participation

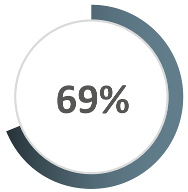
Across all participating respondents, their key reasons for participating in their company's SIP were as follows (respondents could select more than one reason):



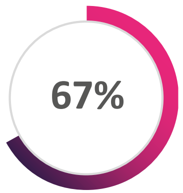
said it was a convenient way to invest



said they wanted to own shares in the company



said they wanted to profit from the shares

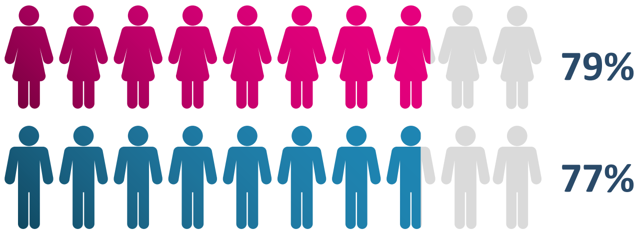


said the Matching shares were valuable to them

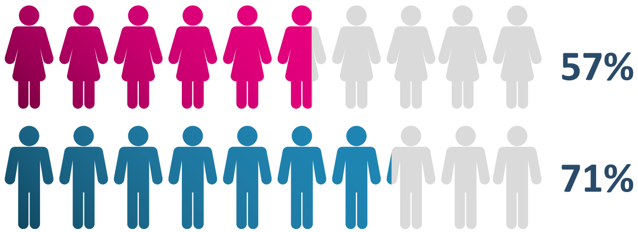
said the tax advantages were valuable to them

Splitting responses by gender identified some different motivations for participation:

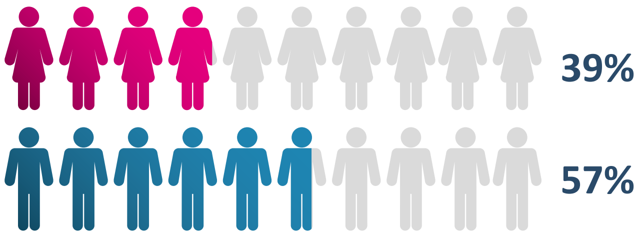
CONVENIENT WAY TO INVEST



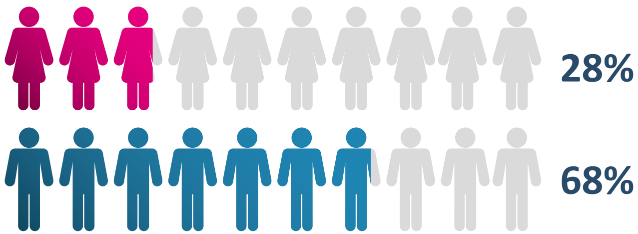
VALUE OF MATCHING SHARES



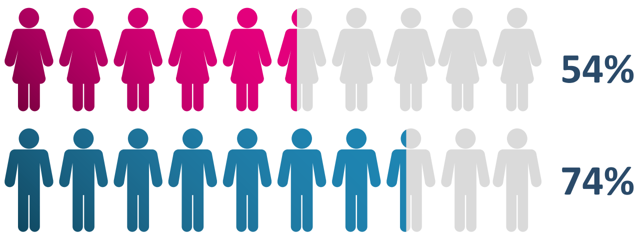
OWNERSHIP



VALUE OF TAX ADVANTAGES



PROFIT



As with SAYE, a lower proportion of female respondents cited ownership of shares as a key driver for participation compared to male respondents.

This is not to as marked a degree as for SAYE, which would seem to reflect participants' understanding of SIP's design around share ownership from the outset.

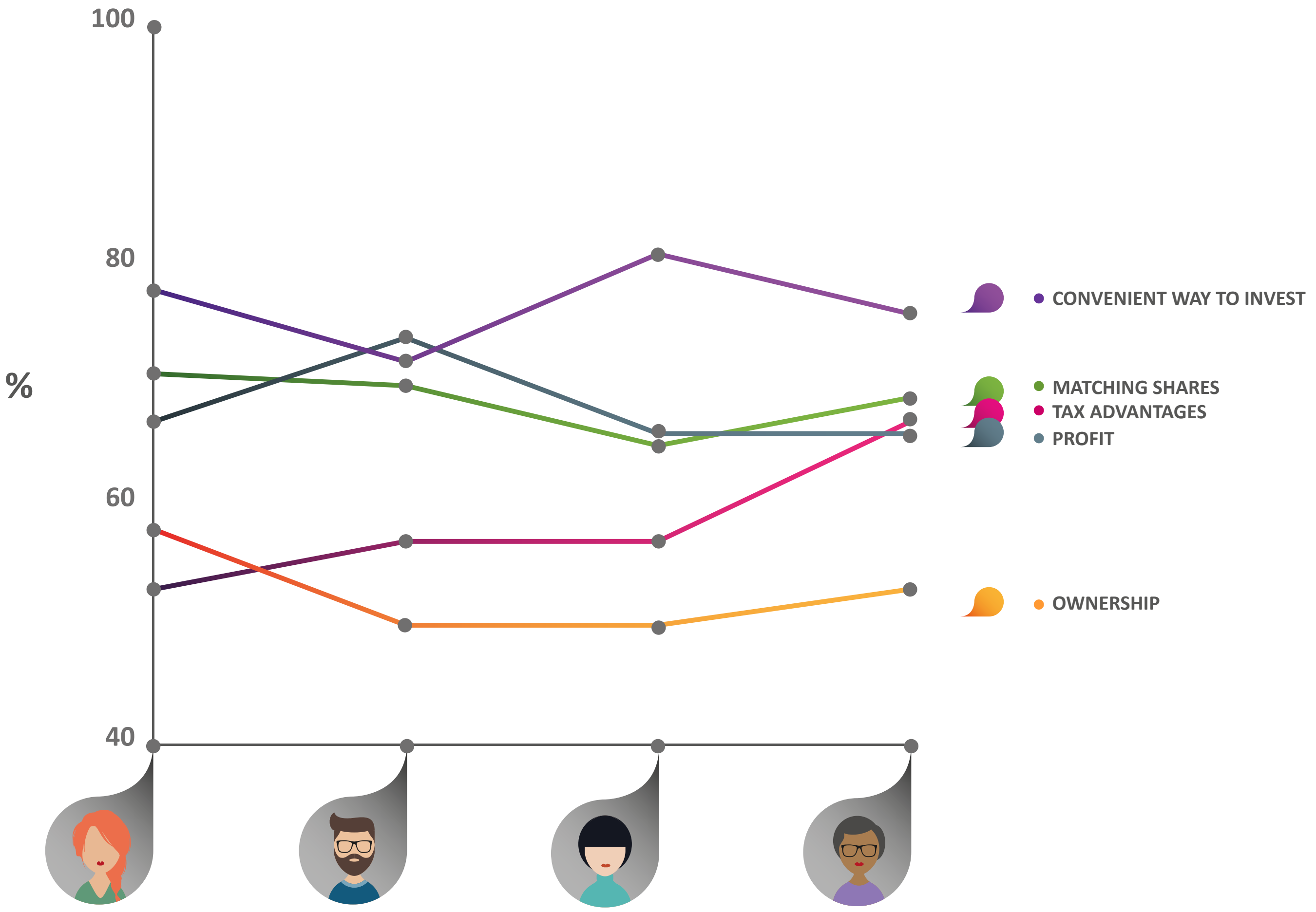
> *At some point I will sell the shares, but only once I can sell without tax implications. I would also watch the share price. If it was in a decent place then I would sell and add to my savings.*
>
> SIP participant, female, aged 46-56.

Male respondents cited the value of the Plan's tax advantages as a key reason for participating, to a far greater degree than female respondents, at 68% and 28% respectively. Similar preferences are exhibited for Matching Shares as a reason to join, too.

Male respondents also appear more profit-driven than female respondents.

Both female and male respondents cited convenience as their number one reason for participating.

Analysing responses according to age group also identified greater variance in reasons for participation:



Millennials seem to value SIP as a means of share ownership to a greater degree than their older colleagues, with 58% being the highest value recorded across the generations for this reason for participation. However, Millennial employees value the convenience of SIP even more highly at 78%. The older cohort of Generation X prefers convenience above all other reasons for participation, and to a much greater degree than the Millennials.

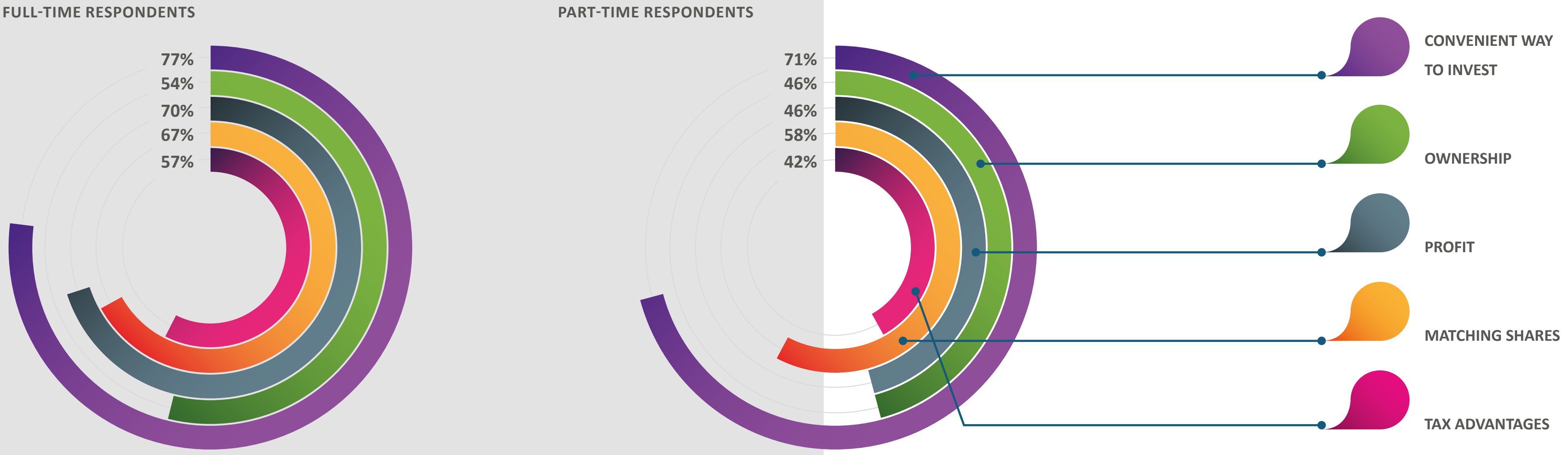
> *Owning shares gives you skin in the game.*
>
> SIP participant, female, aged 46-56.

> *I definitely value the share plan as a benefit. I always encourage new starters and apprentices to join it."*
>
> SIP participant, male, aged 46-56 years, manager.

Matching Shares become less important to participants as they age, and the tax advantages become more important as participants age – most likely because they are reaching peak career earnings and paying more tax.

So the typical Millennial participant appears to care most about the Matching Shares ratio and the convenience of participation – companies with low-take-up in this generational cohort should take note and consider adjusting their Matching Share ratio and/or their communications accordingly.

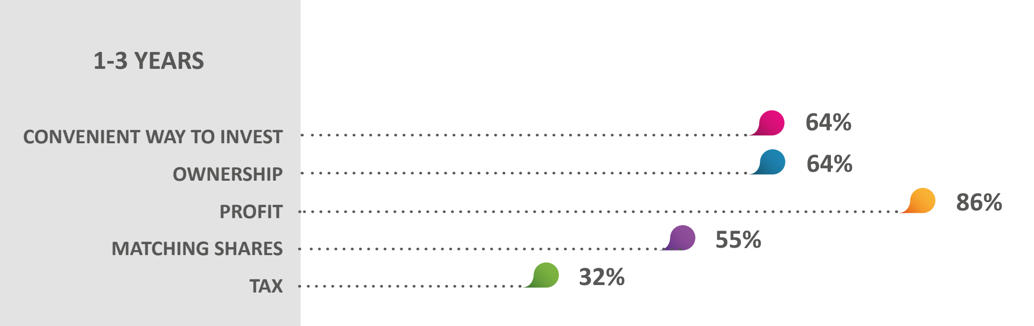
Working hours have an impact on participants' reasons for participating in SIPs, as follows:

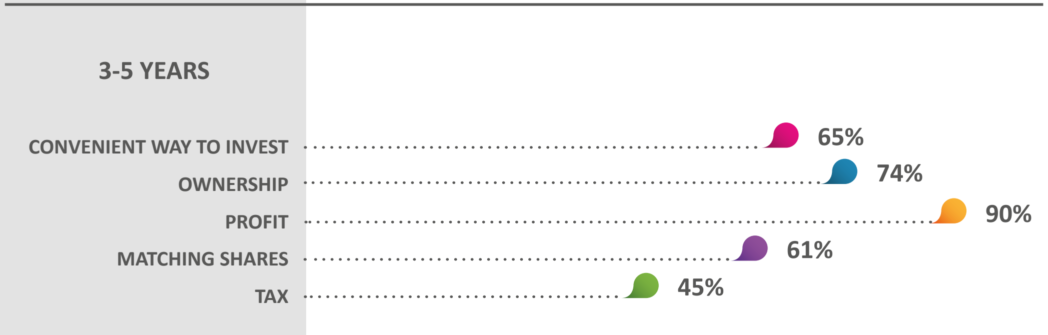


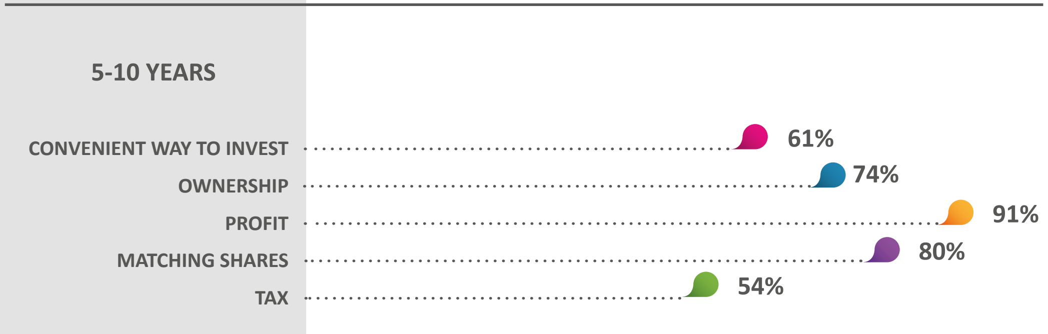
The number one reason for participation across both full and part-time cohorts was convenience, unsurprisingly. SIP as a means of owning shares in the company is the least popular for full-time respondents and joint second-to-last least popular for part-time participants, too.

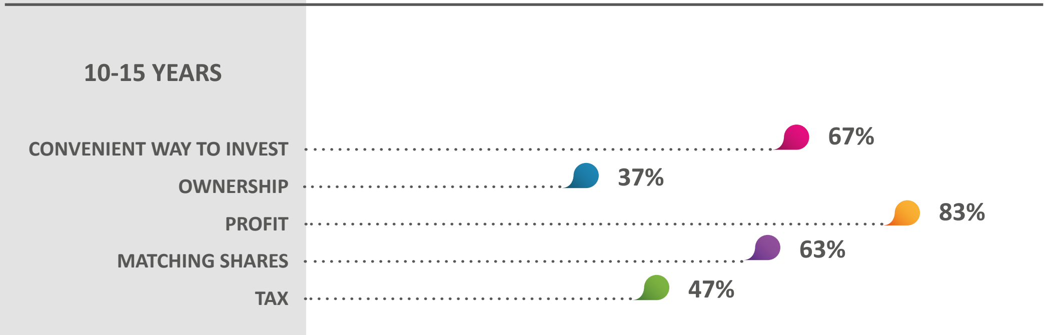
However, all of the scores for full-time respondents were higher than those recorded for part-timers indicating that full-time employees have a greater number of reasons to participate and feel more strongly about those reasons than part-time respondents.

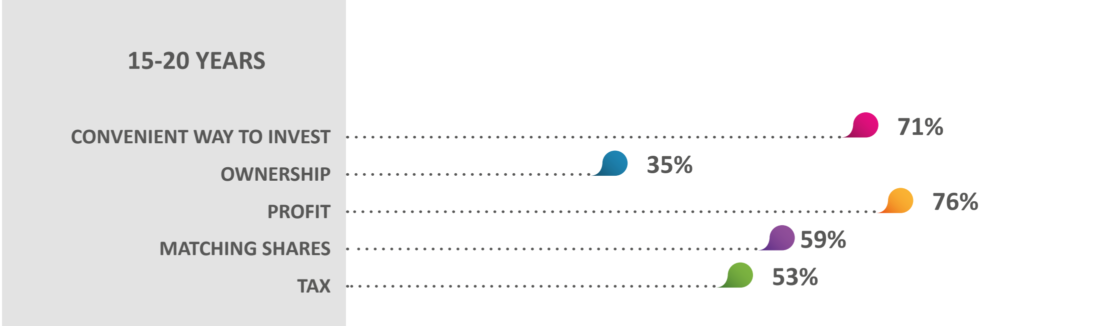
Length of service, as with SAYE, alters people's reasons for participating in SIP:

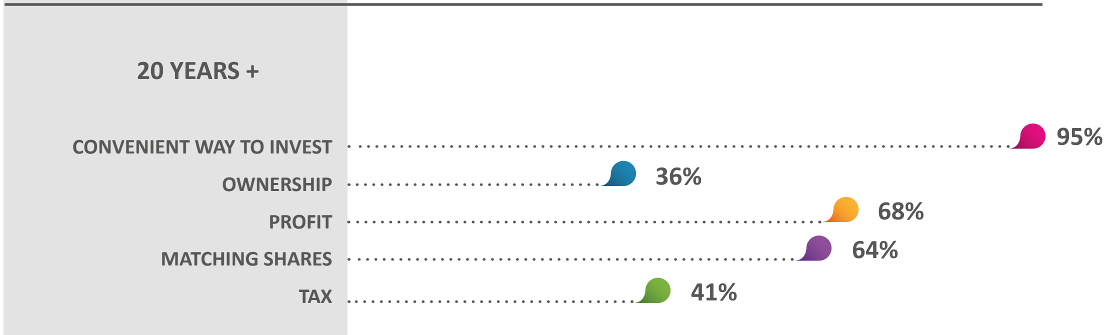


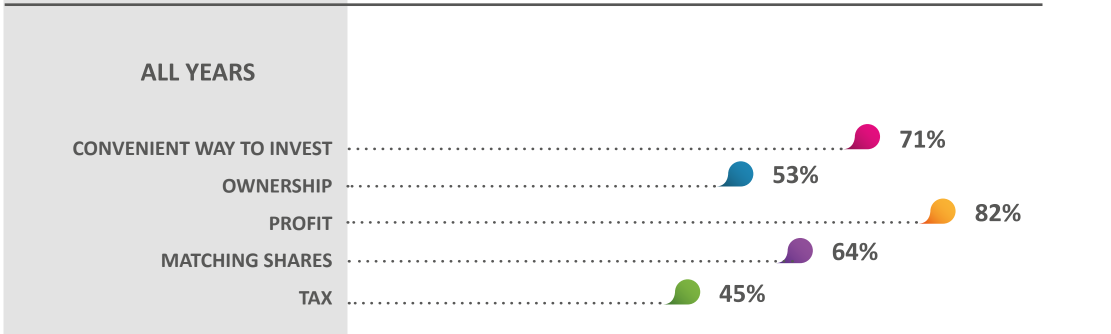












When analysed by length of service, the most popular reason for participation is profit, until you reach the cohort with more than 20 years' service, where convenience overtakes. Ownership of shares peaks in importance for those with 5-10 years' service, then drops off significantly for those with greater length of service. Profit as a reason for participation, follows the same pattern.

I like the idea of being a part owner of the business I work in.

Plan participant, male, aged 16-21.

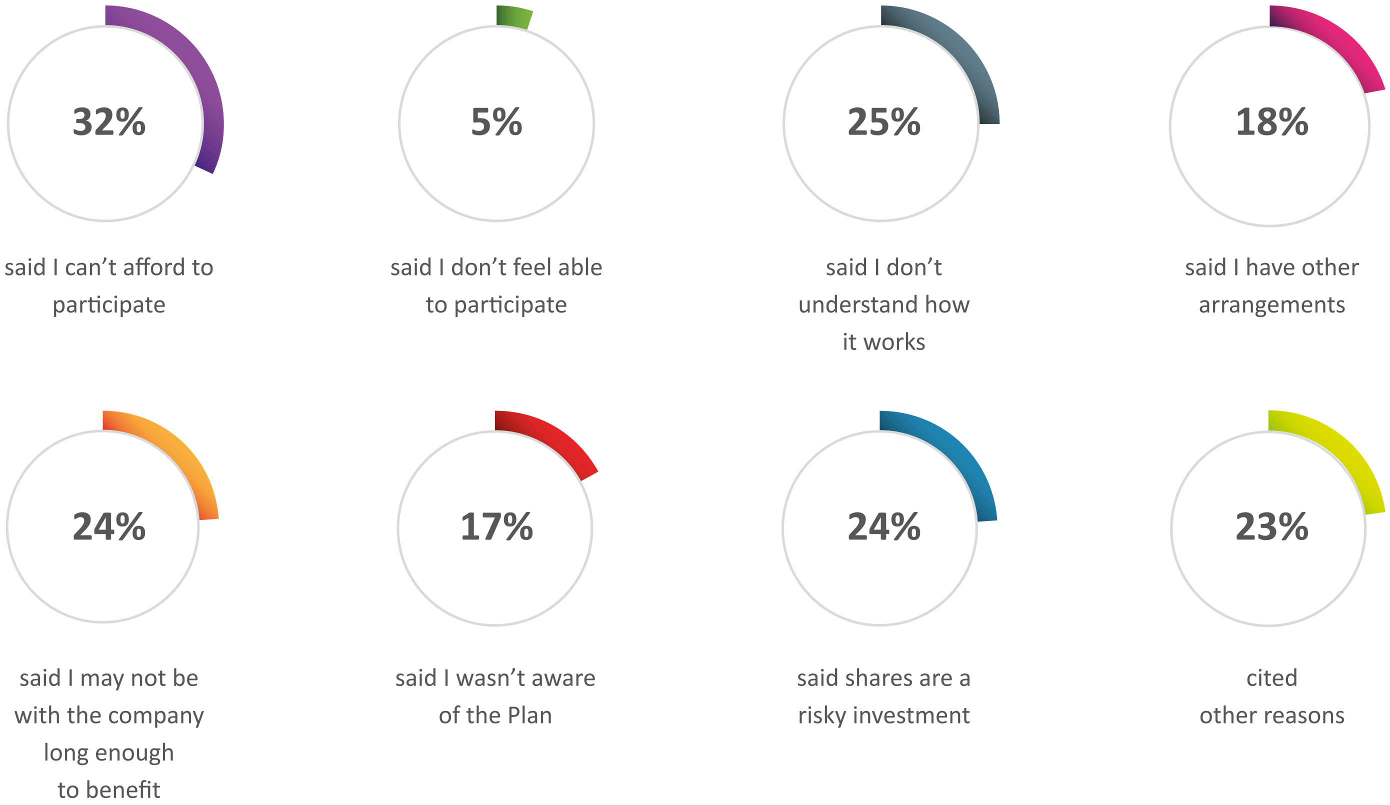
Participating in the SIP does make me more likely to stay with my employer, but it's not the biggest factor. Tax on leaving would give me pause for thought but I see it as money I never had in the first place.

SIP participant, male, aged 46-56 years, manager.

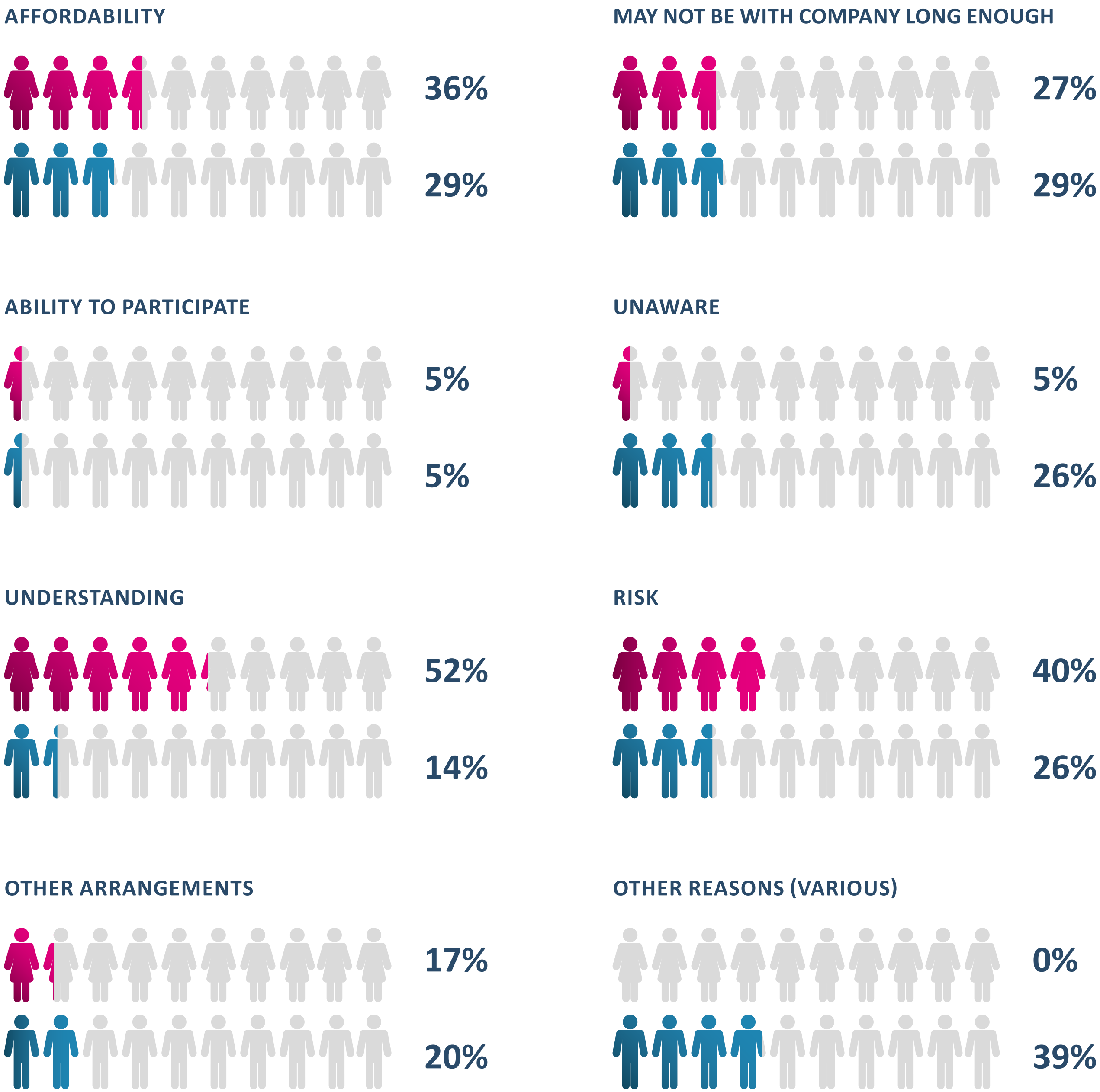
Tax benefits, as a reason for participation, are least motivational for those with fewer years of service, and this could be due to one or perhaps both of the following factors: understanding the benefit of the tax advantages but earning less and paying a lower level of tax, or not understanding how the tax advantages work in the first place. There may also be some interplay with how long respondents are expecting to stay with their employer. Again, this is an area where financial education delivered alongside share plans could raise understanding.

Reasons for non-participation

Across all non-participating respondents, the following were cited as key reasons (respondents could select more than one reason):



Splitting responses by gender identified some different motivations for participation:



In the SIP non-participant cohort, 40% of females cited shares as being too risky to invest in, compared to 26% of male respondents. With SAYE, 4% of females and 6% of males said they were worried about risk, so it is clear that the differences between the two plans are appreciated.

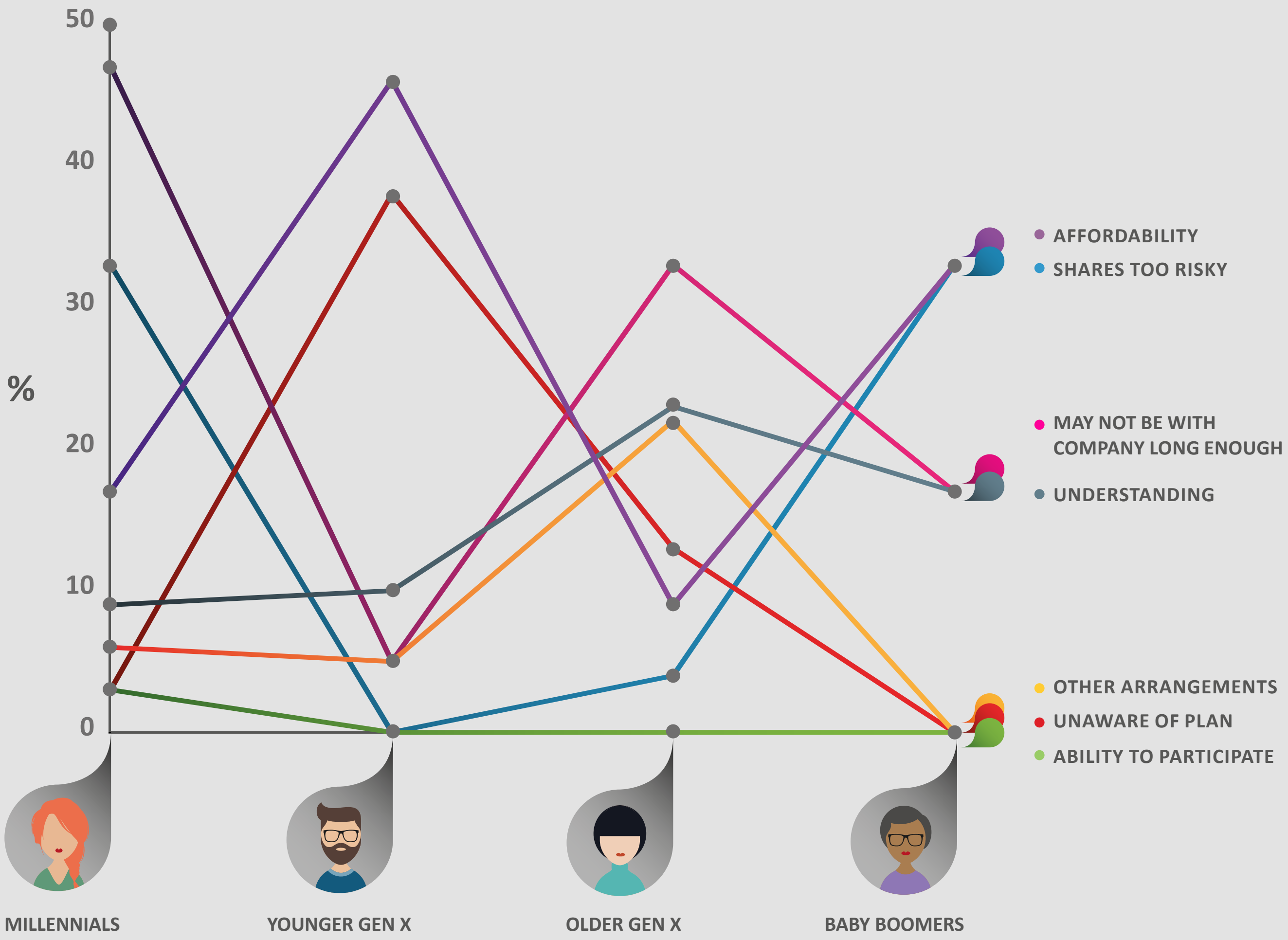
However, when taken in the context of the previous section, where we identified that 25% of participants in SIP were unaware of deductions being taken from pre-tax pay, it is clear that there is perhaps a lack of understanding amongst both non-participants and participants on the role that the pre-tax deductions play in partially cushioning participants' investments from share price volatility. An alternative reading of those statistics might be that the tax benefits are understood but simply not attractive enough to convince risk-averse individuals to join the Plan.

> *SIP is too risky. I would join SAYE 100% if it was offered. Ours is a volatile industry and the share price is up and down constantly. The SIP match needs to be more generous.*
>
> Non-participant, female, aged 22-36, manager.

The understanding 'gap' between the genders is highlighted here once again, as 52% of female respondents said they didn't participate because of lack of understanding of the Plan, compared to 14% of male respondents.

There is a significant difference in the genders' responses on the affordability reason, with 36% of females citing this as a reason for not joining, compared to 29% of males.

Reasons for non-participation, analysed by age group:



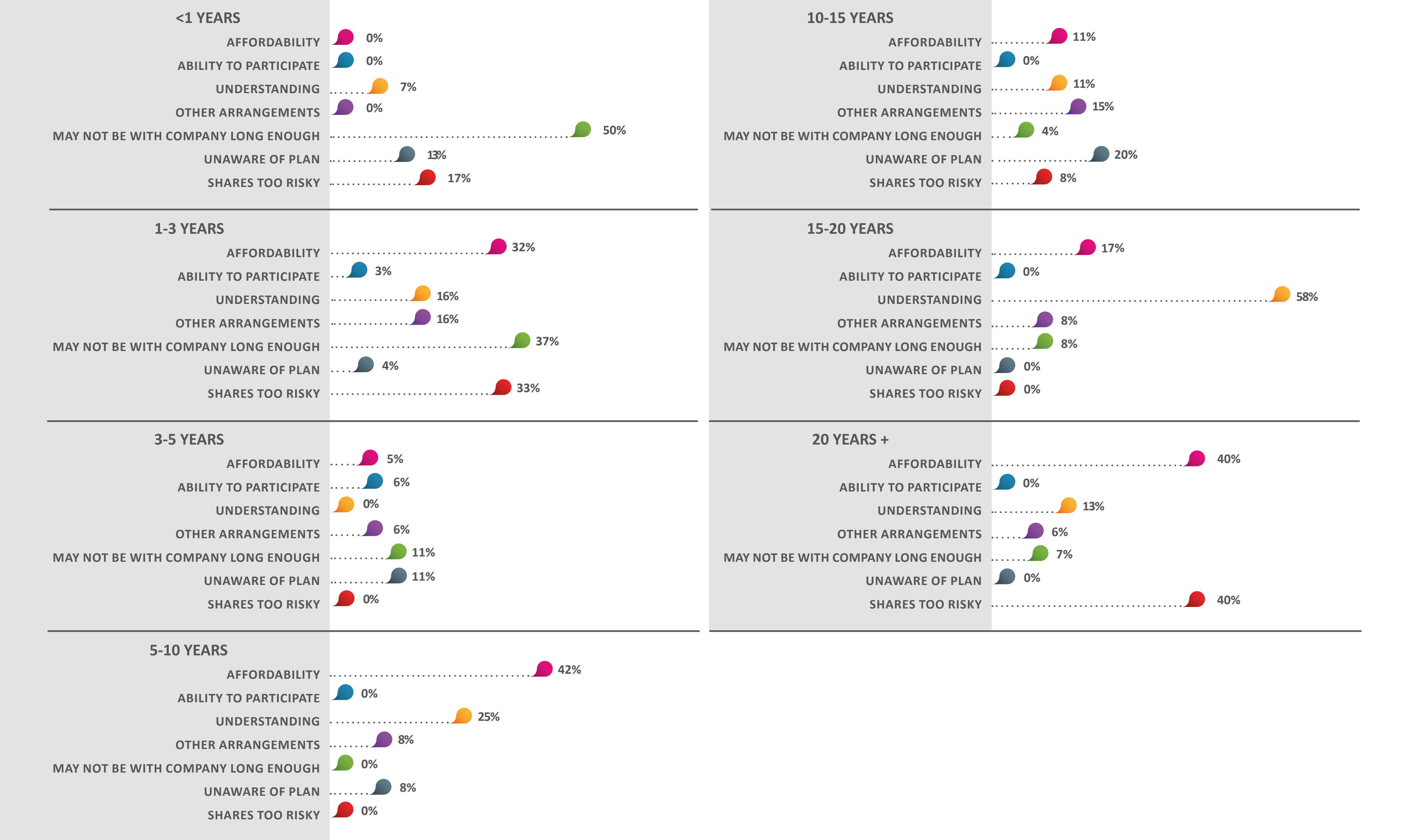
The stand-out finding from analysing non-participation reasons by age group is this: 47% of Millennials choose not to participate in SIP because they don't believe they'll be with the company long enough to benefit from the Plan. The five year holding period is simply too long a time-horizon for them. 33% of older Gen X-ers say the same thing, as later career movers.

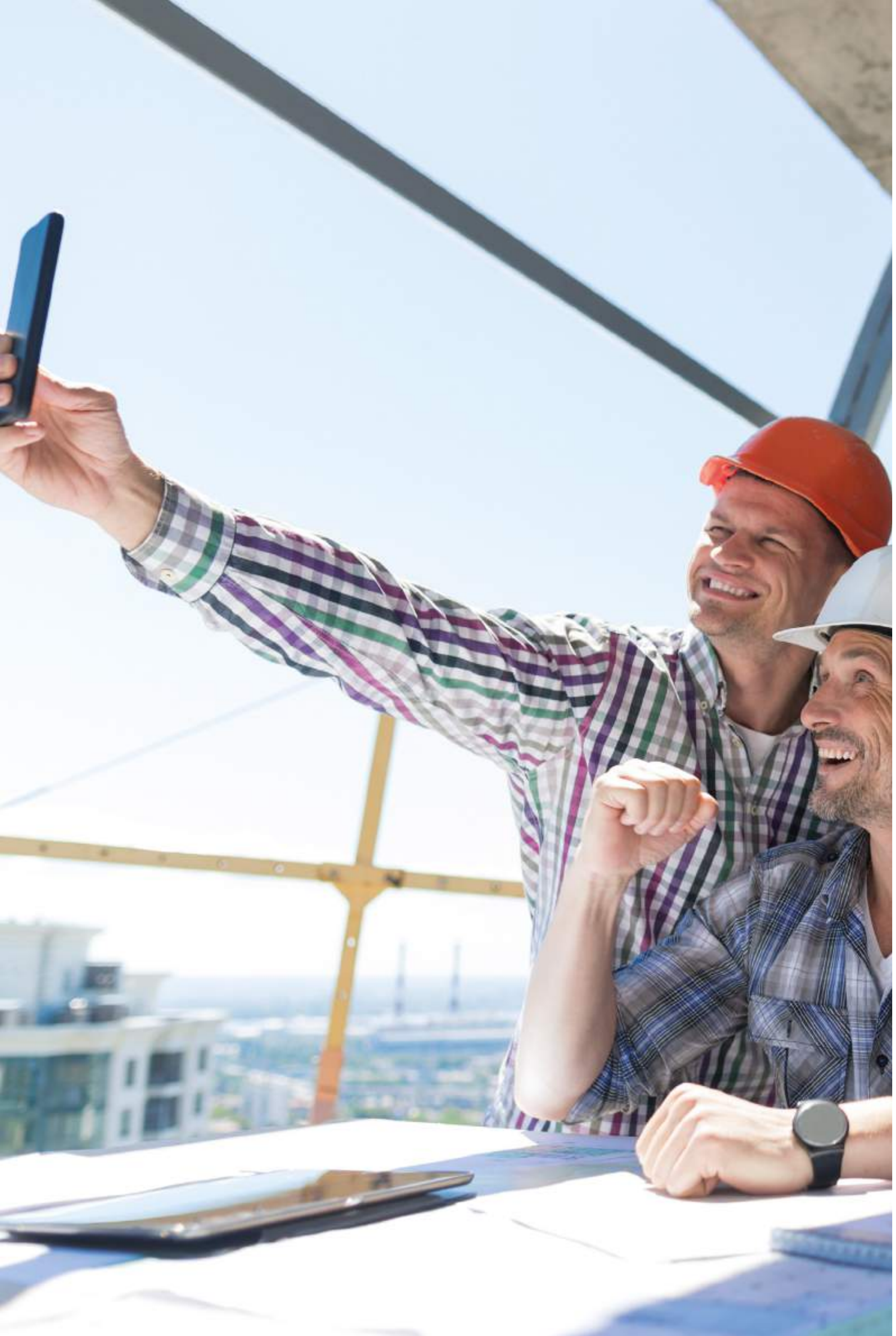
> *Would be good to reduce/eliminate three and five year points but I can't see the government doing that. When I got divorced I had to withdraw some shares and had to pay tax on them.*
>
> SIP participant, female, supervisor.

Other striking findings from this analysis are that 46% of younger Generation X respondents decline to participate on grounds of affordability – and they're not making investments or savings elsewhere if you look at the statistic that just 5% of this cohort says they have other arrangements for saving and investing. Worryingly, 38% of this same group of respondents say that they were unaware of the Plan.

> *Overall SIP is a fair scheme but it could be marketed better here. It's not widely known – when I joined the company I had to badger someone for the information to join.*
>
> SIP participant, male, aged 46-56, manager.

Length of service, as with SAYE, alters people's reasons for participating in SIP:





Those with 5 to 10 years' service were likeliest to cite affordability concerns, perhaps reflecting their stage in life where we may assume they are burdened by mortgage repayments, and other financial responsibilities such as parenthood for some.

As with the generational/age group analysis, those with the least amount of service were most likely to cite their key reason for non-participation as not expecting to be with the company long enough to benefit from the SIP.

Significantly, those with 15 to 20 years service appeared to have the lowest level of understanding of the SIP, at 58%.

Targeted communication of the share plan's benefits, perhaps allied with financial education, would help this pocket of respondents.

A workshop run by an external professional would be interesting. I don't really know much about money but I appreciate that I need to start making forward provisions as Govt pensions are likely to decrease in real terms longer term.

SIP participant, male, aged 22-36, administrator.

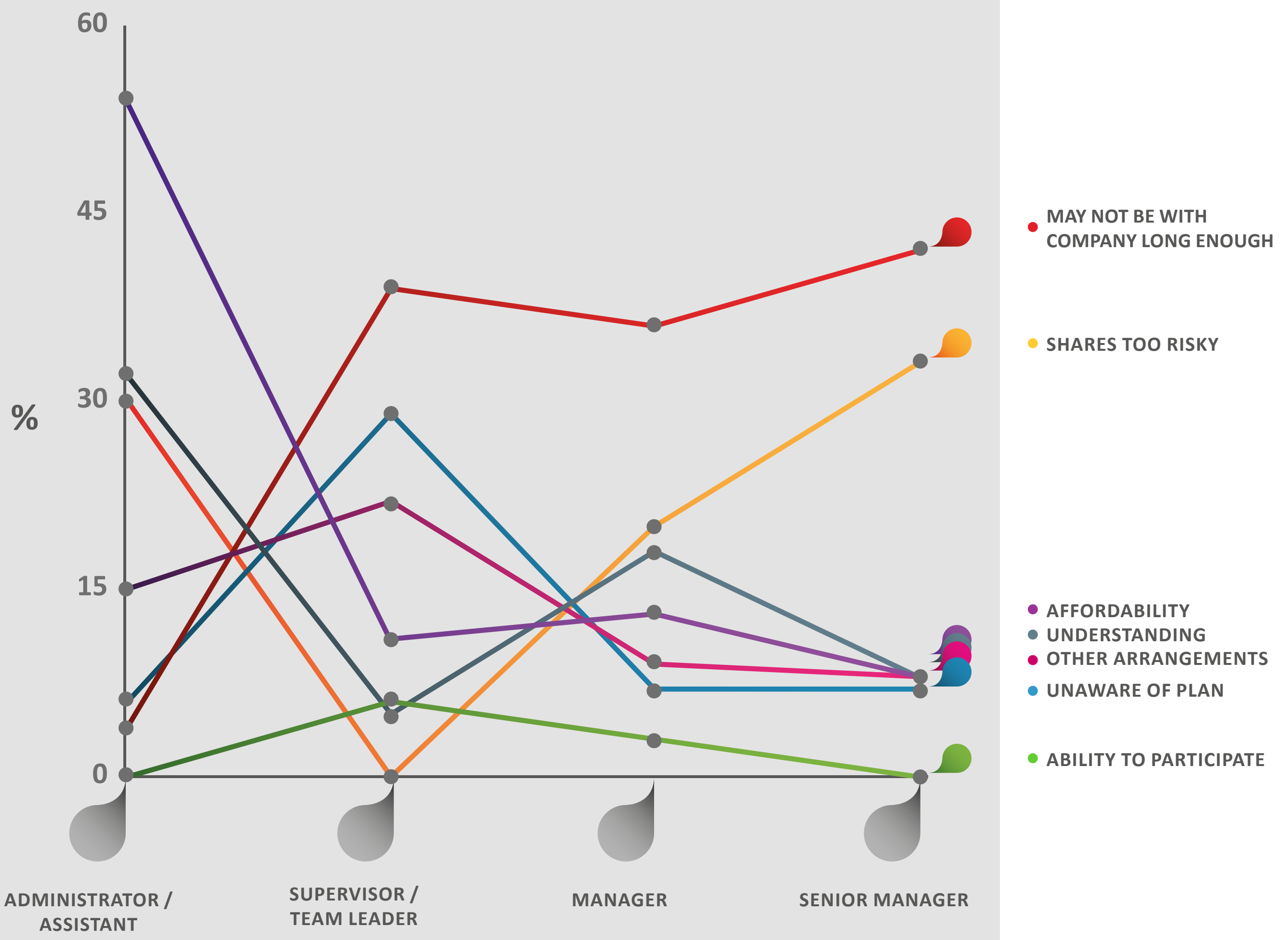
I would value a seminar with independent advice as I don't understand the difference and benefits of both plans.

Non-participant, male, aged 46-56.

A workshop would be appreciated as I was not quite clear about my choices with the two plans. I find the company brochure a bit misleading.

Non-participant, male, aged 22-36, manager.

Reasons for non-participation, analysed by role / seniority:



When analysed by role, lack of affordability is the predominant reason for non-participation for the most junior level in our survey, administrators / assistants. This population also displays a lower level of understanding and a high degree of risk-aversion when it comes to owning shares though these reasons are observed for other more senior respondents too.

> *I think you have to be careful not to have too many eggs in one basket.*
>
> SIP participant, male.

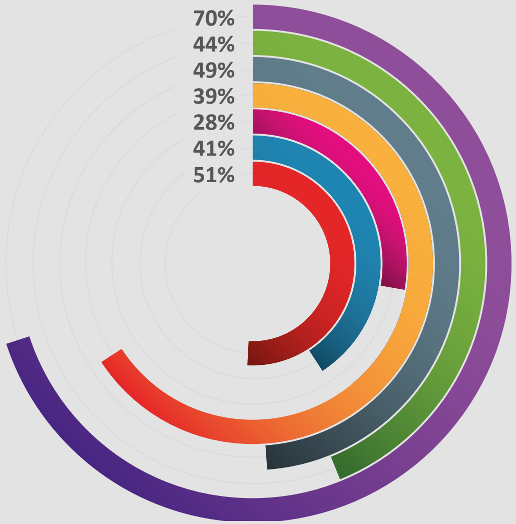
> *Joining SIP is a low priority for me, partly because I am not fully aware of how the plan works. My income is stretched especially with living and working in London.*
>
> Non-participant, male, manager, aged 22-36.

> *Most professional staff here participate in the share plan. Share plans help young people, it's their first exposure to investing in shares.*
>
> SIP participant, male, aged 46-56, manager.

Interestingly, amongst respondents in more senior roles, there are rising levels of lack of participation due to these individuals believing that they will not be staying with the company long enough to benefit from the SIP. This ranges from 39% for supervisors and team leaders and peaks at 42% for senior managers. This is observed alongside an increased percentage perceiving shares to be too risky to invest in, even through the tax-advantaged SIP.

Changes that may encourage or increase participation

SIP PARTICIPANTS



SIP NON-PARTICIPANTS

We asked participants and non-participants about changes to the Plan's design and operation which might encourage them to join or, if they already participate, changes which they feel would be beneficial generally.

The most popular change amongst respondents already participating in a SIP is an improved Matching Share ratio, the current maximum being two Matching Shares to every one Partnership Share.

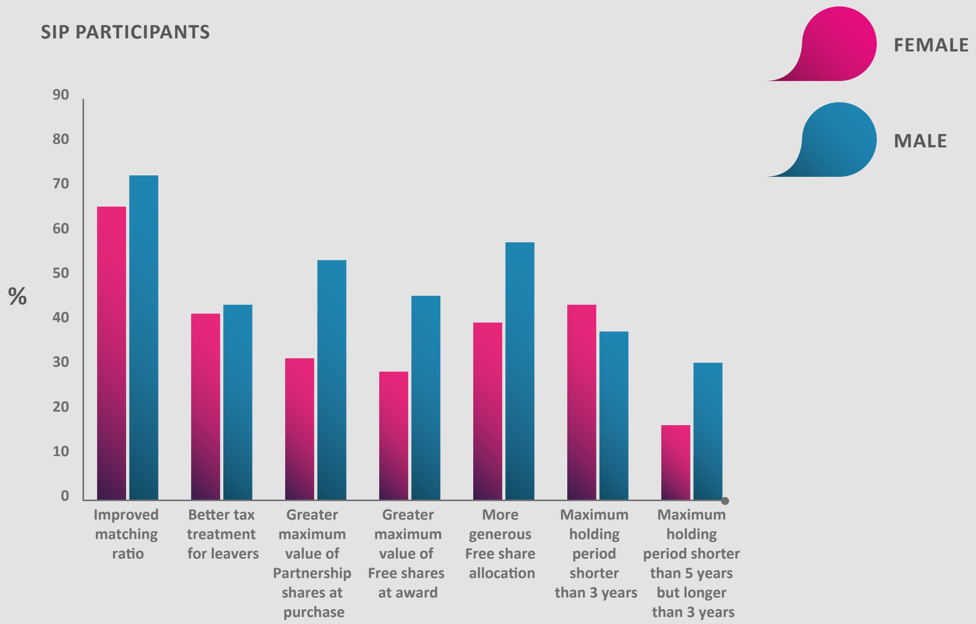
Whilst this is also popular with non-participants (at 49%), more of this cohort would prefer to see a greater maximum value permitted for Free Shares.

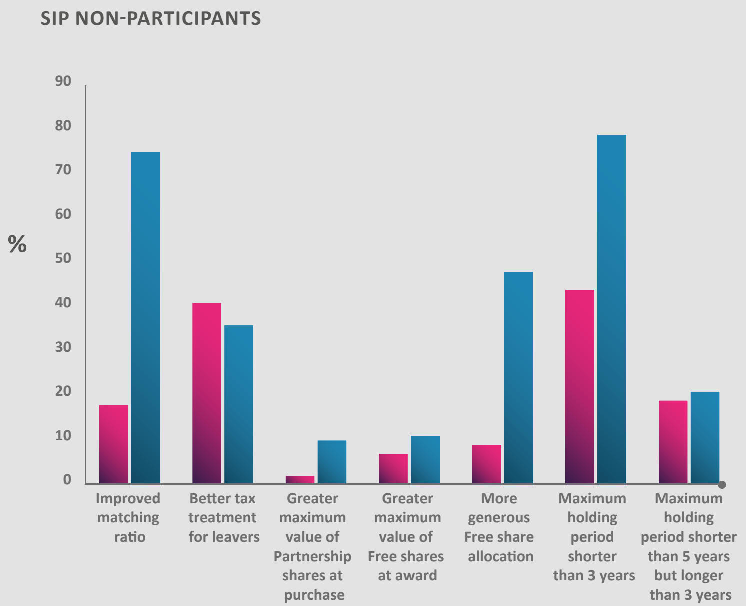
Better tax treatment for leavers is popular with the participating and non-participating respondents, at 44% and 38% respectively. Given other survey findings, we can reasonably assume that this is also a reason for many individuals choosing not to join their employer's SIP (linked to those who believe that they won't be with the company long enough to benefit from the Plan).

I would change the tax treatment on leavers / share withdrawals and also the matching ratio on our plan. I can understand why the company doesn't offer a more generous match, as it's down to cost and unfair to lower level contributors who can't afford to put more in.

SIP participant, female.

Analysed by both participation and gender, the following picture emerges:





The proportion of respondents approving of better tax treatment for leavers is relatively level across the groups in this analysis, bot notably not in the form of an overall majority.

All respondent groups, with the notable exception of female non-participants, would like to see an improved Matching Share ratio, indeed this is the most popular beneficial change.

> *I would like the company to increase the matching ratio – it's 1:1 on the first £75 currently. Five years to wait until you can sell the shares tax-free is off-putting to people especially in early careers. It would improve simplicity if this was reduced to three years.*
>
> SIP participant, male, aged 46-56 years, manager.

Male participants are much keener to see a greater Partnership Shares investment ceiling, with 54% of respondents in favour of this change. This group is also most strongly in favour of having a maximum holding period of less than three years for all SIP shares. Female non-participants exhibit the least concern for having shorter holding periods, with just 2% citing this as a beneficial change.

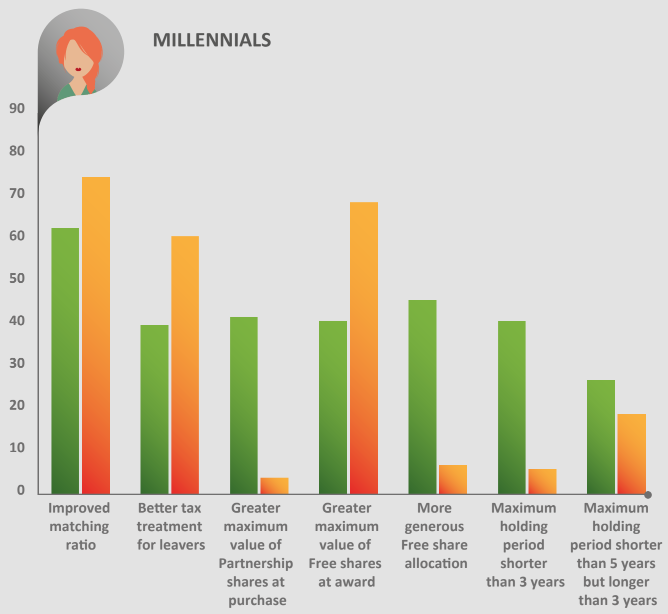
Far more female non-participants are put-off by having a holding period of longer than three years, with 44% in favour of reducing the holding period to less than three years. 79% of male non-participants would also like to see a holding period of less than three years.

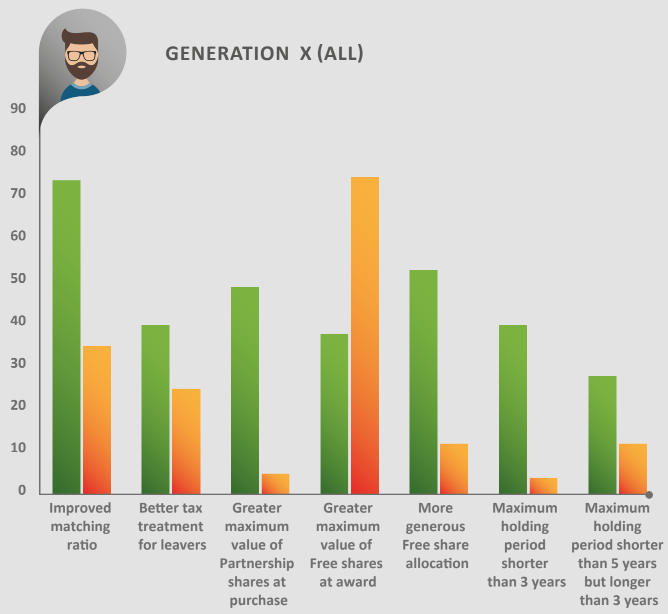
> *What confuses people the most is the three/five years (holding period) - they don't understand it's three/five years from each purchase date and not just all of their (Partnership) shares (becoming tax free at the same time). A shorter period before shares become tax-free would be beneficial.*
>
> SIP participant, female, aged 46-56, manager.

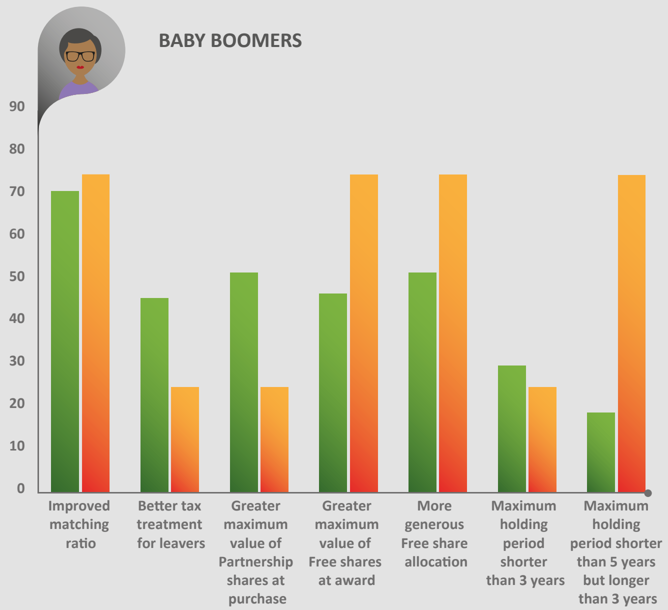
Participant and non-participant responses by age-group:

SIP PARTICIPANTS

SIP NON-PARTICIPANTS







An improved Matching Share ratio could motivate significant numbers of non-participating Millennials to join the SIP, and would also be popular with older generations of both participating and non-participating employees. One way of achieving this in budget-constrained times could be to implement a 'capped match' arrangement, e.g. award one Matching Share for every one Partnership Share purchased, up to a maximum value of £50 (or another amount) per monthly purchase. This caps the cost of the match for the company, and encourages younger and less well-paid employees to participate in the SIP. It also complies with the legislator requirement to treat all participants on the same terms.

Better tax treatment for leavers would be especially valued by non-participating Millennials, with almost 60% of this group citing this as a change which would encourage them to participate. Generation Zers and Baby Boomers participating in SIP seem much less concerned by the tax treatment for leavers. Interestingly, shortening the holding periods would be popular with at least a third of all participating employees, across all generations.

All generations of non-participating employees stated that a more generous Free Share award would encourage them to participate. Exactly what constitutes a meaningful award value appears open to debate, and would undoubtedly vary between cohorts, industries and individuals. The average Free Share award value per employee, according to the ProShare Annual SAYE & SIP Report for 2016, was £713.36. The statutory limit for Free Share awards is £3,600 per employee per tax year.

Interestingly, the highest scores were recorded for non-participating Baby Boomers, across four key changes requested. Non-participating Millennials scored highly on just three key changes. It would appear that non-participating Generation Xers are the least demanding of change to the plan (possibly the least engaged and most time-poor?), scoring highly on just one change, however those in this generation who do participate in SIP scored highest on average across all change measures.

YBS SHARE PLANS

MARTIN NELLIST, CLIENT EXPERIENCE MANAGER, YBS SHARE PLANS

“The research findings provide valuable insight as to the changes both participants and non-participants would like to see to not only encourage ongoing participation but to counteract some of the reasons cited as the common barriers to joining a Share Incentive Plan in the first place.

We all have a duty to make sure these plans remain as relevant and valued by today’s workforce as they have in the past and there is certainly evidence in the findings to suggest that more flexibility, more generous Matching Share ratio’s and a shorter timeframe to realise the maximum tax benefits would help encourage participation, mitigate the risk and remove the barriers to participation cited by many respondents. Change can help secure the future of SIP in the modern workplace; if we ignore the signs we run the risk of losing Millennials to share plans forever.

We identified some clear differences in awareness, understanding and attitudes toward SIP across the employee demographic and both employers and share plan administrators need to be aware of these when piecing together their communication strategies. Amongst current participants there is a worrying knowledge gap around key plan features (25% confirmed they weren’t aware contributions to the SIP were taken from pre-tax pay), whilst non-participants confirmed they don’t join because they don’t understand the plan (25% of respondents) or they weren’t aware of the plan in the first place (17% of respondents).

Clear and simple communication and financial education delivered across a range of media both have a major part to play in raising awareness and improving understanding in order both employers and share plan participants can make informed choices that help them extract maximum value from their share plans. Administrators can play a role here, helping employers understand how the increased cost of improved Matching Share ratios could be partly offset by employer NI savings on increased Partnership Share deductions for example.

Once we add the differing priorities and motivations of the various generational cohorts into the mix, it becomes very evident that a uniform approach to communication will certainly not engage all employees in the same way (nor to the same extent) and therefore employers need to consider how to vary their communications and channels of distribution to help service the needs and preferences of their entire populations.”

WEALTH at work

KNOWLEDGE | EXPERIENCE | OPPORTUNITY

JANE GRIFFITHS,
HEAD OF CORPORATE RELATIONSHIPS, WEALTH AT WORK

"As we can see from the results, most employees view their Share Incentive Plan (SIP) as a convenient way to save money in the workplace.

By inviting staff to become shareholders in their organisation and providing a useful workplace savings vehicle, SIPs offer a great method of aiding employee engagement. Yet the findings highlight that many employees don't recognise the value of holding shares in their company.

Communication is key in changing perceptions and raising the awareness of the many benefits which SIPs offer.

The best way to deliver on this is through a tailored and relevant financial education programme. It should include information on the advantages and disadvantages of saving into the scheme, as well as highlighting any risks and of course the various options for available shares.

For example, employees should consider linking their available shares with a pension and thereby benefit from two helpings of tax relief; firstly on the acquisition of the shares and secondly on the transfer of the available shares to a workplace pension. This can be facilitated by either an in-specie transfer of shares (if the employee wishes to retain an exposure to their employer), or by selling available shares to make a cash contribution.

Linking SIP to a pension encourages longer term saving and helping employees understand the value generated by the employer sponsored scheme can result in greater financial wellbeing, and in turn, improve employee retention.

Financial education is also vital around diversification of company shares because there is an inherent risk in retaining a large exposure to the shares of a single company. We have seen several occurrences where employees have held a large quantity of stock in their company, which lost significant value through market conditions. Share schemes are important because they align the performance of the business with individual rewards, but employees should take care not to keep all their eggs into one basket. They should understand the importance of diversification to help safeguard their savings and minimise their investment risk.

The key issue with all of this is that employees need to receive financial education in the workplace to understand what the benefits are, how they can be achieved and, consequently, make informed decisions."

Secondsight
Part of the Foster Denovo Group

IAN BIRD,
BUSINESS DEVELOPMENT DIRECTOR, SECONDSIGHT

“It’s concerning that a proportion of respondents are involved with a financial investment scheme that they don’t fully understand and appreciate. We are firm advocates that employers should provide good benefits communication and financial education – something it would appear may be lacking with some of our survey respondents. Whilst it’s encouraging people are saving in to these schemes, it strikes me that more needs to be done to help employees fully understand what is being offered to them.

It’s significant that employees with 15 to 20 years service appeared to have the lowest level of understanding of the SIP, at 58%. What this statistic highlights is the need for continued communication and education. All too often, employers embark on a set of communications when a new initiative is introduced, but that’s then it. For any benefit to be successful and valued, and for employees to engage with what’s on offer, education and continued communication using a multichannel approach will always yield greater results; understanding, take up and engagement. In a recent survey conducted by Mybenefitsatwork, Secondsight’s employee engagement tool, we discovered that 9 out of 10 HR managers/directors faced challenges when communicating their benefits. It’s likely this is the case with the Share Incentive Plan also.

And, given the relatively high statistic that 33% of senior managers say ‘shares are too risky’ as the reason for not joining the scheme, it suggests this staff group could also benefit from clearer information around the tax implications of SIP participation. With improved information and guidance, I would expect to see participation potentially increase.”

HELP US TO FUTURE-PROOF EMPLOYEE SHARE OWNERSHIP

Whilst this report represents the views of male, female, full and part time, junior and senior, and short and long-tenured employees spanning a range of age groups, there is much emphasis on the views of the Millennial generation. This emphasis is deliberate – here's why:

By 2020, the Millennial generation will form 57% of the workforce in the UK. We know that Millennials are less inclined to participate in share plans, and with this research, we've uncovered the reasons why: lack of flexibility, timelines which are too lengthy, concerns around affordability and risk.

Millennials are not just another group of young people, with the same attitudes and expectations as the younger generations who've preceded them. Consider Millennials' formative experiences:

- The global financial crisis of 2007-08;
- 'invisible' cashless spending;
- Growing up in a digital, rather than analogue, world;
- Normalization of personal debt in a near-zero interest rate environment; and
- The ongoing property market 'bubble'.

All of these formative experiences have a strong influence on Millennials' attitudes towards work, money and share plans, and their willingness and ability to save and invest (as evidenced by the findings of this report). As Millennials ascend the corporate career ladder, it is they who will increasingly be responsible for deciding whether all-employee share plans are operated at all. If they have not participated in an SAYE scheme or a SIP then they will not have experienced the benefits of these arrangements, and will be less inclined to assign budget to running these plans, diverting it elsewhere.

All-employee share plans must change in order to remain relevant to Millennials, or they will cease to exist. We cannot ignore the needs and expectations of Millennials. We cannot ignore falling participation from this cohort of employees. We cannot continue to accept lower engagement and participation rates from female employees and part-time workers (of which women form the majority) as the norm. We cannot allow their experience of SAYE, in particular, to be unfairly curtailed by outdated plan design which fails to accommodate employment rights such as extended maternity leave.

HELP US TO FUTURE-PROOF EMPLOYEE SHARE OWNERSHIP

SAYE was conceived in the late 1970s. SIP was devised in the late 1990s. The UK workplace – and workforce - is vastly different to the workplace of the 90s, let alone the 70s. In 1971, 53% of women were employed outside the home. By 2014, this had risen to more than 66%. Employment law has evolved over time, but (savings and award value limit increases aside) all-employee share plans have not. Yet, at the core of both these plans are two fundamentally sound principles: 1) that all employees should be able to save or invest a proportion of their pay, and convert it into an asset that may grow considerably in value, and 2) that these savings and investments should be protected from the worst of share price volatility by a targeted package of tax advantages. The benefits to productivity, engagement and financial wellbeing are well-known.

We have a responsibility to honour the fundamental ethos of all-employee share plans by ensuring that all employees are truly able to make an informed choice about participating in share plans. This will mean challenging our own long-held views of what will or won't work, it will mean investing in financial education for employees in order to fill the current vacuum, and it will mean drawing together a compelling body of evidence and data to support our policy changes when we present these to Government and it's institutions.

ProShare invites all of its members to have their say on the evolution of share plans. Join our focus groups and make your voices heard in the debate on detailed policy proposals. Help us to shape the future of SAYE and SIP, and support us as we work with regulators and policy makers to future-proof all-employee share ownership for the good of future generations of employees.

When everyone owns shares, everyone's shares do better. This is a principle worth fighting for.

THANK YOU

ProShare

Back to Contents

Founded in 1992, ProShare is the voice of employee share ownership in the UK. We are a not-for-profit, member driven organisation. Our purpose is to ensure that a level playing field exists for all those who administer, operate and participate in employee share plans.

Focus Groups

We run four main focus groups which meet regularly throughout the year to consider and review a range of topics relating to: 1) Tax-Advantaged Schemes, 2) Small and Medium-Sized Enterprises, 3) Global Issues and 4) Financial Services & Share Plans. These groups enable experts and members to come together in a confidential forum to discuss any issues or queries they have regarding these subject areas. From time to time we also hold sub-group meetings to focus on specific and/or urgent issues – most notably our focus groups on Brexit and MiFIDII and their implications for share plans. Our SMEs group is also represented on a newly-created working group on share valuations with HMRC.

Liaison with HMRC, HM Treasury and other industry bodies

As a member-led organisation, we are keen to hear the views of our members on all areas of employee share ownership. We meet regularly with representatives from HM Treasury and HM Revenue & Customs, and MPs to express our members' views on employee share ownership. For instance we lobbied for an increase in the SAYE savings limit and have also suggested the Government consider reducing the SIP holding period, from five years to three years, amongst other enhancements. Do contact us directly for full details of our key policy change objectives for the current Parliament. We are always happy to discuss policy matters with our members.

Research

All members receive a free copy of the ProShare Annual SAYE & SIP survey in digital or hard copy.

Seminars, training courses, webinars & workshops

Our year-round programme of training courses and workshops is delivered by subject matter experts drawn from 'magic circle' and 'boutique' law firms and the top accountancy and tax advisory practices in the country. We also produce bespoke training sessions for our members to meet specific training needs, which can be delivered on-site to minimise impact to 'business-as-usual' operations. As such, our seminars, training courses, webinars and workshops represent phenomenal value for money and cover all aspects of the share plans world and related topics.

In 2016, we added webinars to our education programme and these have proven to be very popular. They are a time-efficient means of hearing from experts and keeping up to date on hot topics, such as ERS Online, UK & EU legislation, the new Gender Pay Gap Reporting obligations for companies and 'How to win a ProShare Award.' Our webinars are free for ProShare members to attend, and £49+VAT for non-members.

Member discounts on all training and events

Members receive substantial discounts when booking:

- Seminars, webinars & workshops,
- Places at our Annual Summer Social,
- Annual Conference delegate places, and
- Tables at our Annual Awards Dinner

Newsletters

These are issued on a monthly basis covering news, views and hot topics in the share scheme industry, including topical articles from members.

For further information on membership with ProShare please contact us on:

Tel. +44 (0) 207 444 7141

Email. team@proshare.org

HOW TO GET IN CONTACT WITH US

If you would like further copies of this report,

please contact us:

Email. team@proshare.org

Tel. +44 (0) 207 444 7141

@GabbiStopp

@ProShareUK

ProShare

Peninsular House

36 Monument Street

London EC3R 8LJ