

ProShare

# SAYE & SIP REPORT 2019



**ProShare**



The Chartered  
Governance Institute

## Introduction

At the time of publication, October 2020, we are halfway through an extraordinary year of change due to the Covid pandemic and resulting recession. The Chancellor now predicts permanent scarring to the economy as a result and national debt is now higher than at any time since the 1960's.

Having left the European Union in January, achieving a trade deal is also going to the wire. There is the possibility that there will be no deal in place at the end of 2020 and of further divergence from our continental neighbours.

Such significant changes may well affect the statistics in future reports on employee share schemes. It is important to remember that our report reflects last years' data. We remain, as always, very grateful to the share plan administrators who have taken the time and effort to analyse and share information on both Save As You Earn and Share Incentive Plans. This is especially the case this year when lockdown presented additional problems and disruption.

This year our report paints a fairly stable picture of a mature market. In our third year of reporting on gender differences in participation and financial contributions it is positive to see a small decrease in the gender gap, for example. Our second year of industry sector data means we are able to start comparing for shifts in saving levels and take-up.

There have been discussions amongst the ProShare membership in the past about the need for employee share schemes to maintain their relevance. We should not need to explain them as tax arrangements. For employees they are part of planning for a secure future and important strategic choices for their employers.

Employees having the confidence to invest in their employer at a time of economic uncertainty is a strong statement of loyalty which deserves attention. So too do stories of financial resilience. The happy stories of holidays and weddings funded by money gained through employee share schemes are important, particularly to encourage take up. So too are the stories, harder to find, of individuals who have been able to cushion themselves during difficult times, such as a partner's redundancy.

Employers now face greater scrutiny of how they treat employees. That will be especially true of those who have taken advantage of government assistance and loans during the pandemic. If taxpayers have funded support, then it is legitimate for public interest to dive deeper into company conduct. This is a trend which has been building in governance through the emphasis on environmental and social governance of recent years, however, attention has mostly been on the environmental side. Even without the pandemic, employee share plans have a case to make on how they factor into government policy concerns, such as the levelling up agenda and financial literacy.

We will continue to press the case for changes to schemes which make them more attractive and easier to manage with government and political audiences. We will also investigate and research those bigger ideas over the coming year so that employee share schemes are seen as part of the debate and the solution as the country starts to focus on how to recover from the dramatic events of 2020.

**Peter Swabey**  
**Executive Director**  
**ProShare**

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The data underpinning this report relates to the period 1 January 2019 to 31 December 2019.

## Thanks & acknowledgments

ProShare would like to thank the following plan administrators, who are all members of ProShare, for their help in completing the report on behalf of their client companies.



## Key SAYE findings for 2019

- The seven administrators participating in the 2019 SAYE survey provided data representing 459 companies (447 in 2018; 421 in 2017; 423 in 2016; 489 in 2015).
- **431** of these companies had live schemes (i.e. active accounts with live options) (422 in 2018; 412 in 2017; 404 in 2016; 420 in 2015).
- Compared to last year's survey, the 2019 survey represents a greater percentage of companies listed on the FTSE AllShare and a smaller percentage of companies listed on the FTSE 250
- The percentage of companies introducing new plans increased in 2019 to **10.2%** from 5.6% in 2018.
- In total there were **320** new SAYE grants in 2019 (compared to 296 in 2018; 374 in 2017; 356 in 2016).
- **1,283,149** SAYE accounts (i.e. those with live options still attached to them) were administered as at the end of 2019 (seven administrators participated in the 2018 survey, reporting that 1,332,342 had been administered as at the end of 2018).
- In the 2019 survey, **2,198,006** employees were eligible to participate in SAYE in 2019 (2,191,862 in 2018). The total number of employees who took up 3 or 5-year contracts in 2019 (current year take-ups) was **486,112** (22.1%, from those eligible). This a small increase from 21.1% in 2018.
- The percentage of employees who had taken up 3-year contracts, granted in 2019, (from current year take-ups) has risen to **87.7%**, from 86% in 2018.
- In contrast, the percentage of employees joining a 5-year contract, granted in 2019, (from current year take-ups) was **12.3%**, falling from 13.93% in 2018.
- The weighted average monthly savings for new grants in 2019 was **£138.51**, an increase from £126.31 in 2018, and £117.97 in 2017. However, the weighted average monthly contribution per employee across all contracts (from the number of SAYE participants with outstanding options) was **£151.10**, falling from £162.45 in 2018.
- Although the findings show that new grant savings are increasing, overall savings (for all contracts) appear to be falling. It is possible that employees are saving less in newer plans, or that they allowing old plans to lapse and opening new ones at a lower exercise price.
- This year there is a rise in the number of administrators reporting on average savings by gender. The average monthly savings for new grants in 2019 across all contracts for females was £126.98, and £154.19 for males. This is a small decrease in the gender savings gap to 18% compared to 22% in 2018.
- The weighted average number of participants (overall) saving the maximum (including those saving the maximum of £250 and £500) was **14.4%** in 2019 (from the number of SAYE participants with outstanding options). This figure was 11.5% in 2018, and 12.9% in 2017.
- The weighted average participation at £250 (from the number of SAYE participants with outstanding options) was **2.29%** in 2019 (falling from 5.81% in 2018).  
The weighted average participation at £500 (from the number of SAYE participants with outstanding options) was **8.95%** (falling from 10.31% in 2018).
- The average percentage of employees who exercised and sold some or all shares through an immediate sale facility in 2019: **53.8%**, increasing from 37.67% in 2018.
- The majority of companies offer online application options, and the majority of employees are using online facilities to make applications. In 2019, the percentage of companies offering telephone, automated/recorded information and webchat options had fallen.

## Key SIP findings for 2019

- The eight administrators participating in the 2019 SIP survey provided data representing **306** companies (424 in 2018; 417 in 2017). There is a different mix of administrators this year which accounts for the fall in a number of companies accounted for.
- 64% of the companies included in the survey were listed in the UK, and 36% overseas.
- Administrators provided data representing **787,052** SIP participants. In 2018, the survey included 987,826 participants.
- The weighted average participation level in SIP in 2019 was **33.4%** (29.27% in 2018; 29.98% in 2017).
- The number of companies offering free shares in 2019 was **92 (30%)**. This has risen from previous years (26% in 2018; 26% in 2017).
- The weighted average value of free shares awarded in 2019 (as at 31/12/2018, including all awards if multiple awards, from free shares take-up in 2018 – all employees) was **£657.62**. This figure has fallen slightly from £760.86 in 2018; £788.35 in 2017
- **85.62%** of companies (262) offered partnership shares in 2019. This has risen from 82.78% in 2018; and 78.18% in 2017.
- The weighted average monthly investment has fallen to **£76.89**, from £98.52 in 2018; £87.70 in 2017 and £89.30 in 2016.
- The percentage of companies in the 2019 survey offering Matching Shares remains at **56%** in 2019, increasing from 52% in 2017.
- As found in 2018, the most popular match in 2019 is 1:1 (one Matching Share for every Partnership Share purchased), followed by 1:2.
- **53%** of companies offered dividend shares in 2019 (53% in 2018; 50% in 2017). The average percentage take-up of dividend reinvestment where this is voluntary was **47.31%** in 2019 (54.25% in 2018; 38.5% in 2017).
- The weighted average value per participant of SIP holding (including Partnership, Matching Free & Dividend Shares) based on the share price as at 31 December 2018 (from the total number of participants participating in any element of SIP - even if only Free Shares) was **£7,688.80** (£12,030 in 2018; £7,648.66 in 2017).
- The number of companies offering paper applications in 2019 was **18 (5.88%)**. This was 70 (16.51%) in 2018; 77 (18.47%) in 2017.
- The number of companies offering online applications in 2019 has risen to **249 (81.37%)**. This was 334 (78.77%) in 2018; 298 (71.46%) in 2017.
- The number of participants applying online increased to 91% (69,226 participants from 83% (72,060 participants) in 2018. There is a decrease in paper applications, from 6% in 2018 to 1% in 2019.
- In 2019 online access to holding information for employees increased to **95.42%** (424 companies) from **93.87%** (424 companies) in 2018, and 89.4% (373 companies) in 2017.

## **The SAYE survey**

### **SAYE overview**

Under a Save As You Earn (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 "exercise price") that is determined when the option is granted. The exercise 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 a maximum of £500 per month under a SAYE savings contract with an approved bank or building society savings carrier. These SAYE contracts last for three or five years. Any bonus or interest earned on these savings is tax-free.

A participant's savings are used to buy the shares if they choose to exercise their options after 3 or 5 years depending on the terms of the option. Employees are not obliged to exercise their options and would normally choose not to do so if the prevailing share price is lower than the exercise 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 Schedule 3 of the Income Taxes (Earnings & Pensions) Act 2003 and are 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; on 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 survey methodology**

The ProShare SAYE survey analyses the features of SAYE schemes by asking the principal SAYE administrators to complete a questionnaire on the schemes they administer. The focus of the survey has changed over the years, however, comparisons are made with results from previous years where possible.

### **Acknowledgements**

ProShare would like to thank the following administrators for their help in completing the survey on behalf of their client companies:

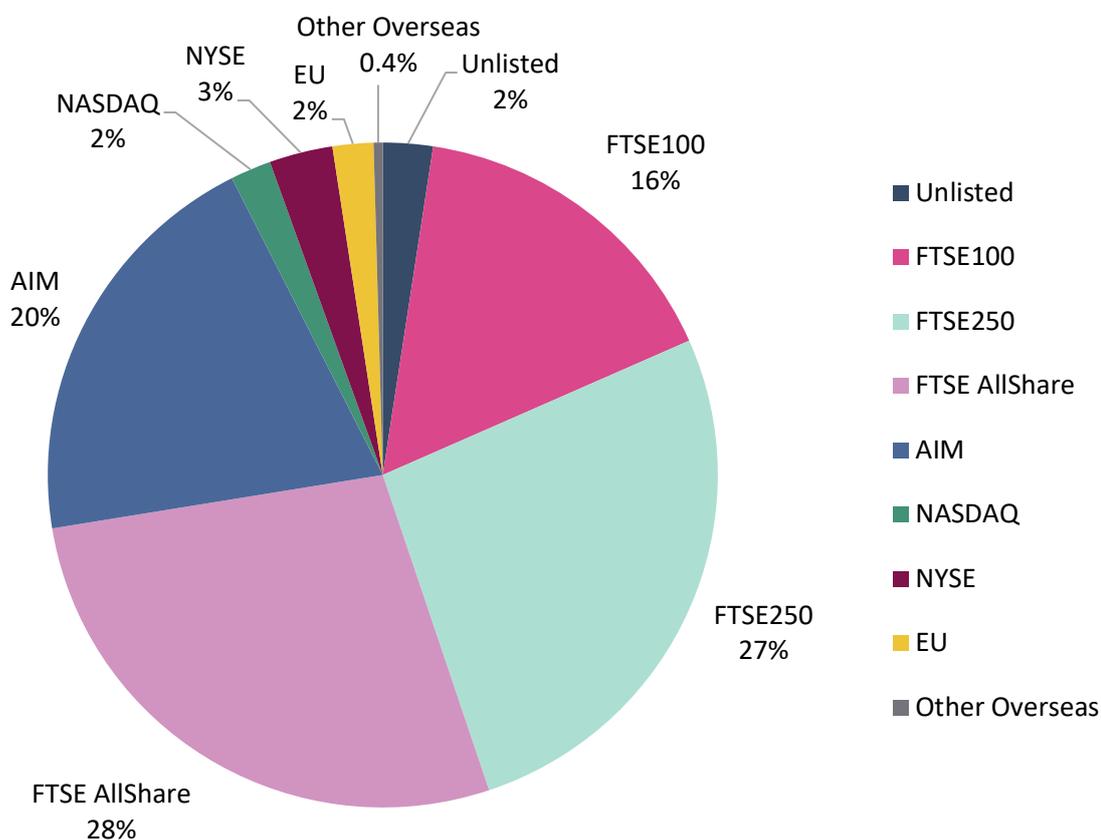
- **Barclays Global Stock & Reward Services**
- **Computershare**
- **Equiniti**
- **Global Shares**
- **Link Asset Services**
- **Shareworks by Morgan Stanley**
- **YBS Share Plans**

## Companies included in the SAYE survey

- **459** companies were included in the 2019 SAYE survey (447 in 2018; 421 in 2017; 423 in 2016; 489 in 2015).
- **431** of these companies had live schemes (i.e. active accounts with live options) (422 in 2018; 412 in 2017; 404 in 2016; 420 in 2015).
- **28** companies had open accounts but no live options (25 in 2018; 19 in 2017; 19 in 2016; 69 in 2015).
- In total, the companies included in this year's survey reported having **685,511** SAYE participants with outstanding options (711,370 in 2018).
- The seven administrators participating in the 2019 survey reported that **1,283,149** Sharesave accounts (i.e. those with live options still attached to them) were administered as at the end of 2019.
  - The number of participants remains similar to previous years. In 2018 (last year) seven administrators participated in the survey, reporting that 1,332,342 had been administered as at the end of 2018.
  - In 2017, six administrators participated in the survey, reporting that 1,327,389 had been administered as at the end of 2017).

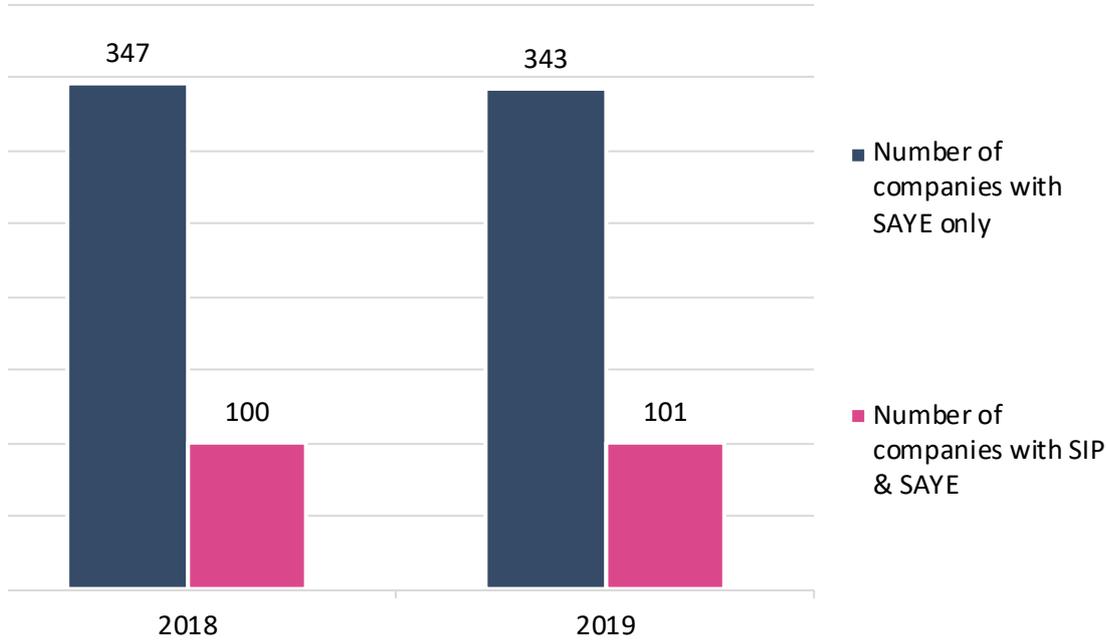
## Analysis of companies by type

Overall, the breakdown of companies by listing is similar to the breakdown found in the 2018 survey. In the 2019 survey, 73 (16%) companies were listed on the FTSE 100. In 2018, 72 companies (16%) were listed on the FTSE 100. Larger differences can be seen in the FTSE 250 and FTSE Allshare listings. In 2019, 121 (26.5%) companies were listed on the FTSE 250. In comparison, 134 companies (30.2%) were listed on the FTSE 250 in 2018. In 2019, 92 (20.1%) companies were listed on the AIM. In 2018, 93 companies (20.9%) were listed on the AIM.



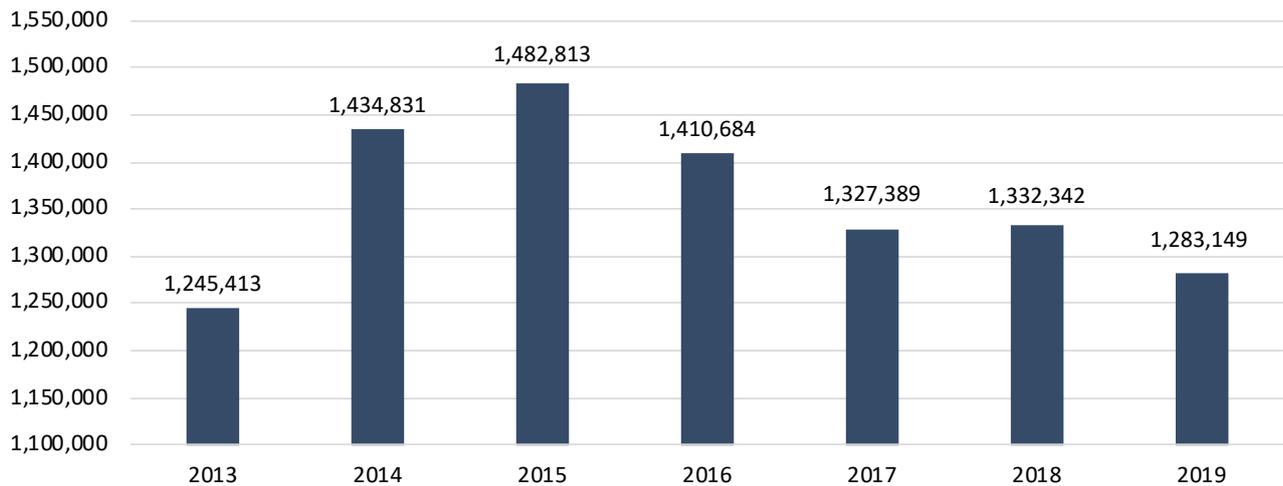
## Companies with SAYE and SIP

As found in previous years, a much smaller number of companies offer SIP and SAYE simultaneously, compared to those offering SAYE only. In 2019, 1 company introduced or enhanced SIP instead of an annual SAYE grant (0 in 2018 and 5 in 2017).



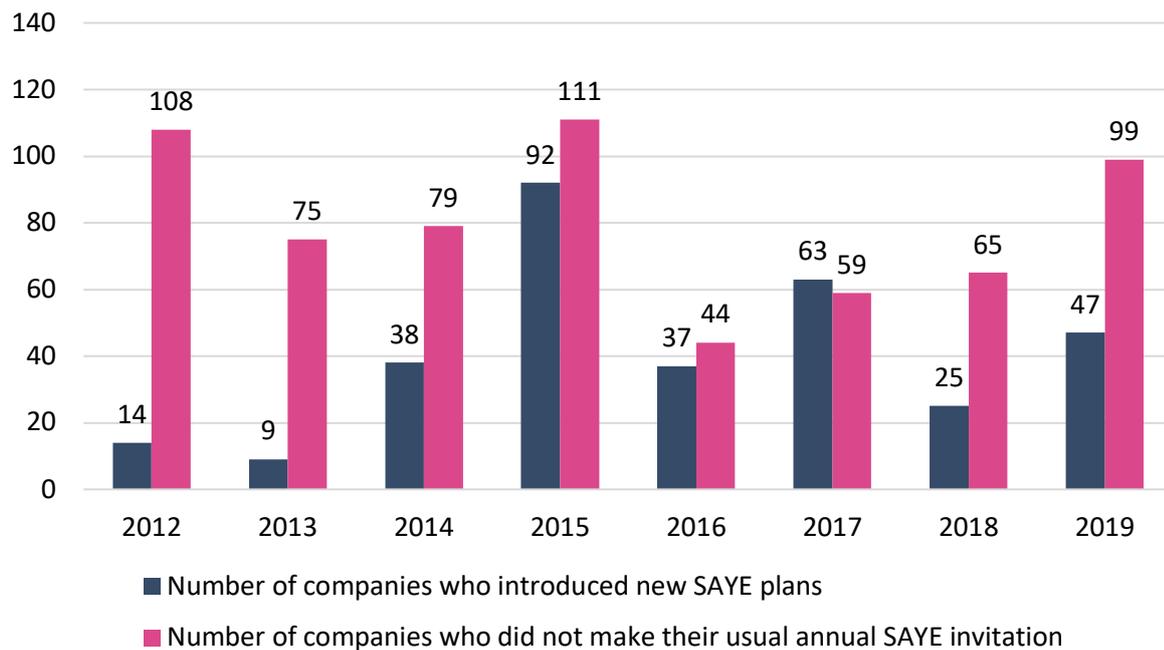
In 2019, 343 companies offered SAYE only (347 in 2018; 328 in 2017), and 101 companies offered both SIP and SAYE (100 in 2018; 103 in 2017).

## Total number of Sharesave Accounts (with live options still attached)

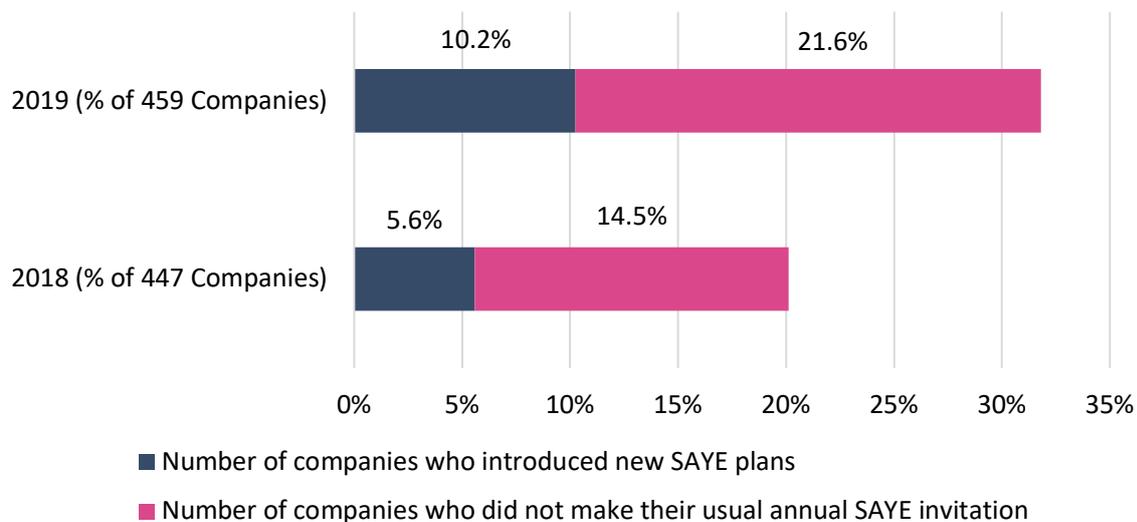


It is very likely that changes in 2019 reflect the composition of administrators providing data each year. The overall decrease in the number of accounts may also be affected (to a lesser degree this year) when employees close two or more accounts, replacing them with a single account.

## New SAYE plans and invitations in 2019



In 2019, 99 companies did not make their usual annual SAYE invitation; 47 companies introduced SAYE plans. The graph below shows the SAYE plan introductions and invitations in 2018 and 2019 as a % of the total number of companies for whom SAYE schemes were administered.



Reason for no annual SAYE invitation (if known):

- Company chose not to offer SAYE = 7 companies (5 in 2018)
- Company in administration = 1 company (2 in 2018)
- Company is not financially stable / share price volatile / wrong time to invest = 1 company (1 in 2018)
- Company taken over = 6 companies (6 in 2018)
- Company do not launch every year = 3 companies (20 in 2018)
- Financial/corporate restructure = 3 companies (2 in 2018)
- Moved Registrar = 10 companies (13 in 2018)
- Other = 15 companies (6 in 2018)

## New SAYE grants in 2019

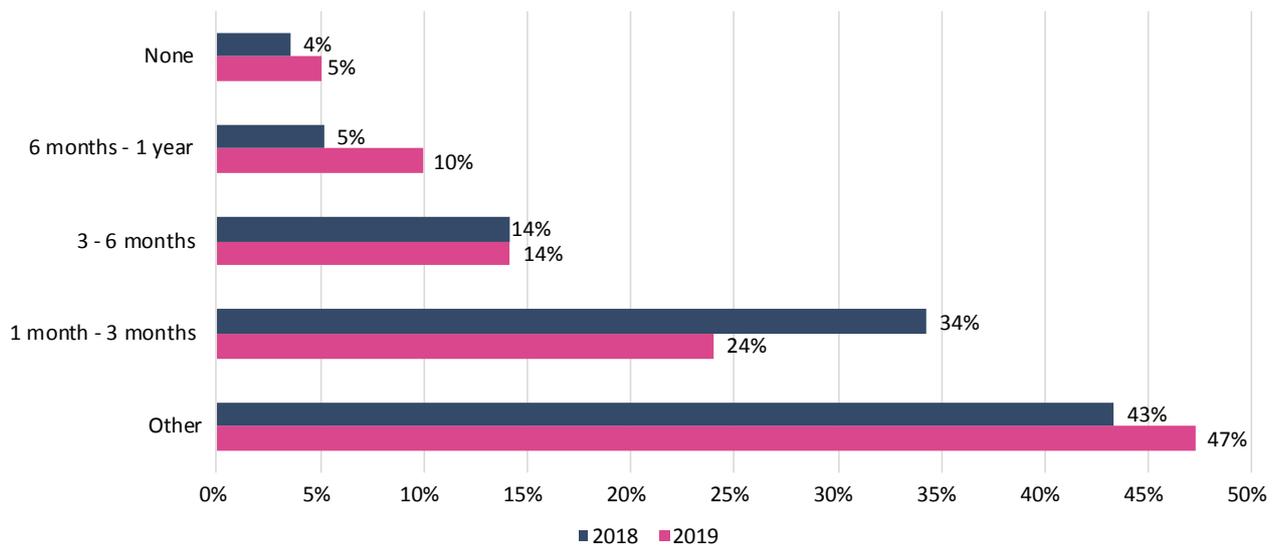
There were **320** new SAYE grants in 2019 (296 in 2018; 374 in 2017; 356 in 2016).

- A total of 48 companies reported making at least one amendment in 2019 (this number was 46 in 2018; 93 in 2017). Reasons (given by companies) included:
  - Did not launch this year but have previous years = 19 companies (25 in 2018)
  - Discount Changed = 6 companies (5 in 2018)
  - Launched this year; had not previously = 14 companies (11 in 2018)
  - Removed 5-year plan from launch or from term = 1 (1 in 2018)
  - Other reasons = 9 (4 in 2018)

## Average eligibility period

Data were provided for 254 companies using each eligibility period - prior to the invitation date (data were provided for 309 companies in 2018).

### The number of companies using each eligibility period in 2018 and 2019

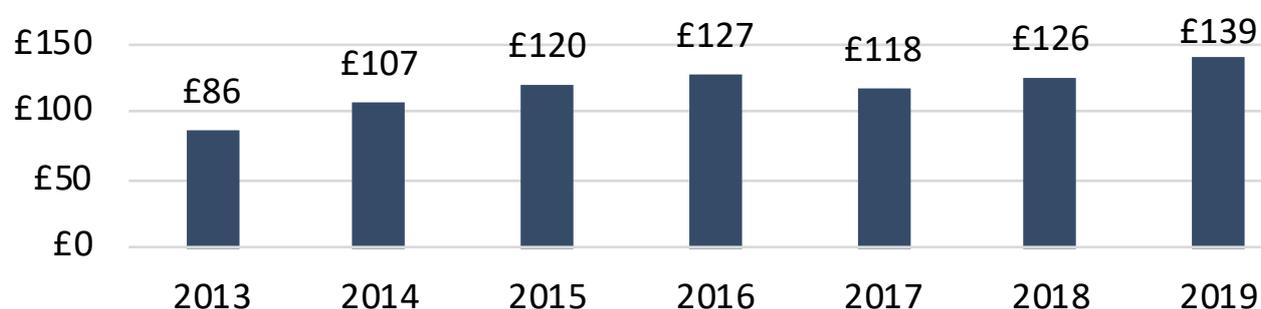


In 2019, the 'other' category (47.2%) included:

- 2 companies = 24 months
- 1 company = Start of calendar year
- 31 companies = On a specific date

## Average monthly savings: new grants in 2019

Data were provided for 486,112 take-ups in 2019. The weighted average monthly savings for new grants in 2019 was **£138.51**, an increase from £126.31 in 2018, and £117.97 in 2017.



- Gender statistics are a relatively recent addition to the survey. This year, data were provided by six of the seven administrators.
- This included 185,113 female employees who took up 3-year or 5-year contracts granted in 2019, and 219,277 male employees who took up 3-year or 5-year contracts granted in 2019.
- The weighted averages, therefore, do not represent all of the 486,112 take-ups included in the overall weighted average monthly savings for new grants in 2019.
- From the data provided, the average monthly savings for new grants in 2019 across all contracts for females was **£126.98**.
- The average amount for males in 2019 across all contracts was **£154.19**.

## Participants saving the maximum

Five of the seven administrators provided data for both 'The total number of participants saving the maximum across SAYE contracts' and 'Number of SAYE participants with outstanding options'. The total number saving the maximum includes those who would have been at the maximum were it not for a scale-back.

- The weighted average number of participants saving the maximum was **14.4%** of the number of SAYE participants with outstanding options in 2019. This figure was 11.5% in 2018, and 12.9% in 2017.
  - The weighted average number of participants saving the maximum was **5.6%** of the total number of employees eligible to participate in SAYE in 2019. This figure was 3.73% in 2018.

### The £250 maximum

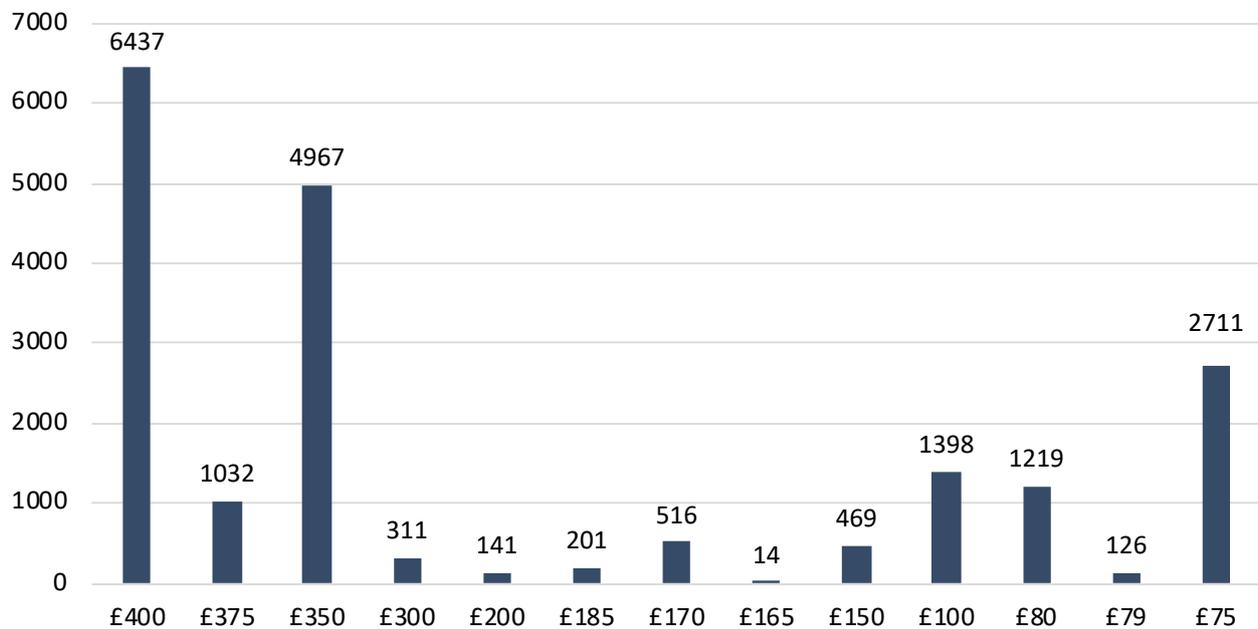
- 8,853 (41,358 in 2018; 22,874 in 2017) SAYE participants with outstanding options saved £250 across all grants (this refers to where the plan was launched before regulations allowed £500).
  - Five of the seven administrators were able to provide gender data.
  - From data provided for employees saving £250, **28.7%** were known to be female and **67.7%** male.
  - In 2018, 37.2% were known to be female and 62.8% male.
  - In 2017, 38.6% were known to be female and 61.4% male.
- The weighted average participation at £250 (from the number of SAYE participants with outstanding options) was **2.29%** in 2019.
  - Some caution is needed when comparing this to previous years. Five of the seven administrators provided data for both 'Number of SAYE participants with outstanding options' and 'Total number of (male & female) participants saving at £250 per month'. This allowed a calculation to be made from 8,853 participants saving at £250 per month. In 2018, seven administrators provided data, and six in 2017. This, therefore, represents a very different mix of companies and participants from previous years.
- In 2018 5.81% of participants (from 41,358) saved £250 across all grants.
- In 2017, 3.03% of participants (from 22,874) saved £250 across all grants.
- The weighted average participation at £250 (from the total number of employees eligible to participate in SAYE in 2019) was **0.89%** (1.89% in 2018).
  - Data for both 'Number of eligible employees' and 'Total number of (male & female) participants saving at £250 per month' were provided six of the seven administrators, meaning that the weighted average was calculated from 999,347 eligible participants. In 2018, data were provided for 2,191,862 participants.

### The £500 maximum

- 54,778 (73,324 in 2018; 33,902 in 2017) SAYE participants with outstanding options saved the £500 maximum across all grants.
  - From data provided for employees saving £500, **32.9%** were known to be female, and **67.1%** are male.
  - In 2018, 33.1% were known to be female and 66.9% male.
  - In 2017, 28.6% were known to be female and 71.4% male.
- The weighted average participation at £500 (from the number of SAYE participants with outstanding options) was **8.95%**.
  - Some caution is needed when comparing this to previous years. All seven administrators provided data for both 'Number of SAYE participants with outstanding options' and 'Total number of (male & female) participants saving at £500 per month'. This allowed a calculation to be made from 61,343 participants saving at £500 per month. In 2018, this calculation was made from 73,324 participants. This, therefore, represents a very different mix of companies and participants from previous years.
  - In 2018 10.31% of participants (from 73,324) saved £500 across all grants.
  - In 2017, 4.49% of participants (from 33,902) saved £500 across all grants.

- The weighted average participation at £500 (from the total number of employees eligible to participate in SAYE in 2019) was **2.79%** (this was 3.35% in 2018).
  - Data for both 'Number of eligible employees' and 'Total number of (male & female) participants saving at £500 per month' were provided by all seven administrators, meaning that the weighted average was calculated from 2,198,060 eligible participants. In 2018, data were provided for 2,191,862 participants.
  - There has been an increase overall in the percentage of participants saving the maximum (including those saving the maximum of £250 and £500). However, when looking specifically at the £250 and £500 amounts, we see a small decrease in participants saving these amounts.

Data were provided for 19,542 SAYE participants with outstanding options saving maximum amounts other than £250 or £500. The graph below shows the number of participants saving other amounts. There are a relatively larger proportion of participants who chose to save £400 or £350.



- From 19,542 SAYE participants with outstanding options saving maximum amounts other than £250 or £500, 65.2% (12,747) saved £300 or more per month.

## **Average monthly savings amount per employee across all contracts**

- The weighted average monthly contribution per employee across all contracts in 2019 (from the number of SAYE participants with outstanding options) was **£151.10**.
- Previous figures include £162.45 in 2018; £153.06 in 2017, £158.18 in 2016 and £156.23 in 2015.
- Regarding gender, data were provided by six of the seven administrators (four administrators in 2018, and three in 2017). From the data provided, the average monthly savings amount per employee across all contracts in 2019 for females was **£129.33** (£117.97 in 2018; £122.89 in 2017). The average amount for males was **£164.21** (£154.40 in 2017).

Overall, there are small changes from 2018. This year a higher percentage of employees are saving the maximum across all grants. In 2019, the overall average savings amount per employee has fallen.

## Monthly savings: by industry

Average monthly savings amount per employee by industry sector - all grants

(Highest to lowest)

Sector	Average monthly savings amount per employee all grants, during 2019
Chemicals	£267.81
General Industrials	£262.39
Insurance (non-life)	£250.73
Oil & Gas Producers	£247.79
Mobile Telecommunications	£229.51
Pharmaceuticals & Biotechnology	£225.46
General Financial	£223.66
Electricity	£220.57
Equity Investment Instruments	£217.73
Tobacco	£204.49
Life Insurance	£186.25
Beverages	£183.22
Industrial Engineering	£172.61
Travel & Leisure	£167.72
Mining	£166.00
Fixed Line Telecommunications	£164.04
Construction & Materials	£163.15
Software & Computer Services	£162.63
Banks	£159.93
Gas	£159.59
Industrial Transportation	£158.81
Media	£155.28
Real Estate	£154.22
Household Utilities	£145.42
Building & Materials	£144.53
Household Goods	£141.93
Electronic & Electrical Equipment	£141.82
Health Care Equipment & Services	£138.20
Technology Hardware & Equipment	£137.87
Leisure Goods	£134.18
Food Producers & Processors	£128.73
General Retailers	£127.67
Personal Goods	£122.51
Support Services	£118.28
Automobiles & Parts	£99.52
Aerospace and Defence	£98.60
Food & Drug Retailers	£97.77

**Average monthly savings amount per employee by industry sector**

**All grants (Top five from 2018)**

<b>Sector</b>	<b>Average monthly savings amount per employee All grants, during 2018</b>
Equity Investment Instruments	£332.41
Mining	£307.18
General Industrials	£296.89
General Financial	£279.67
Non-equity Investment Instruments	£276.03

**Average monthly savings amount per employee by industry sector**

**New 2019 grants (highest to lowest)**

<b>Sector name</b>	<b>Average monthly savings amount per employee New 2019 grants</b>
Mobile Telecommunications	£253.26
Oil & Gas Producers	£228.07
Tobacco	£227.80
General Industrials	£198.49
Chemicals	£195.33
Electricity	£178.77
General Financial	£175.20
Equity Investment Instruments	£174.55
Life Insurance	£159.39
Industrial Transportation	£153.10
Pharmaceuticals & Biotechnology	£151.20
Real Estate	£147.30
Banks	£145.11
Building & Materials	£144.27
Household Utilities	£142.49
Construction & Materials	£142.14
Industrial Engineering	£141.07
Fixed Line Telecommunications	£135.60
Travel & Leisure	£130.50
Health Care Equipment & Services	£126.55
Media	£126.48
Beverages	£120.53
Insurance (non-life)	£117.33
Software & Computer Services	£115.13
Gas	£112.79
General Retailers	£111.04
Mining	£108.50
Household Goods	£107.11
Food Producers & Processors	£103.68
Support Services	£102.19

Leisure Goods	£100.85
Electronic & Electrical Equipment	£92.22
Food & Drug Retailers	£81.25
Technology Hardware & Equipment	£79.88
Aerospace and Defence	£76.50
Personal Goods	£61.27

Data were supplied by six of the seven administrators (six in 2018). The average monthly savings amount (for all grants) show that in both 2018 and 2019 these were relatively high in general industrials. Also high in 2019, were chemical industries and insurance (non-life).

### Average monthly savings amount per employee by industry sector

#### New 2018 grants (Top five)

Sector Name	Average monthly savings amount per employee New 2018 grants
Equity Investment Instruments	£248.42
Mobile Telecommunications	£215.01
General Financial	£201.69
General Industrials	£200.64
Tobacco	£186.22

Data were supplied by six of the seven administrators. The average monthly savings amount (for new grants) suggest that employees in equity investment, mobile telecommunications and tobacco continue to make relatively high savings in 2019. Also high in 2019, were oil and gas producers, chemical and electricity sectors.

### Overall participation (including 2019)

- Overall, the data shows that the weighted average participation for all eligible employees across all companies was **31.19%** (the number of SAYE participants with outstanding options as a weighted percentage of all eligible employees).
  - In comparison, in 2018, the weighted average participation for all eligible employees across all companies was 32.92%. Previous figures include: 42.95% in 2017; 35.56% in 2016; 35.79% in 2015; 32.76% in 2014.

### Savings periods for all live grants (at 31 December 2019)

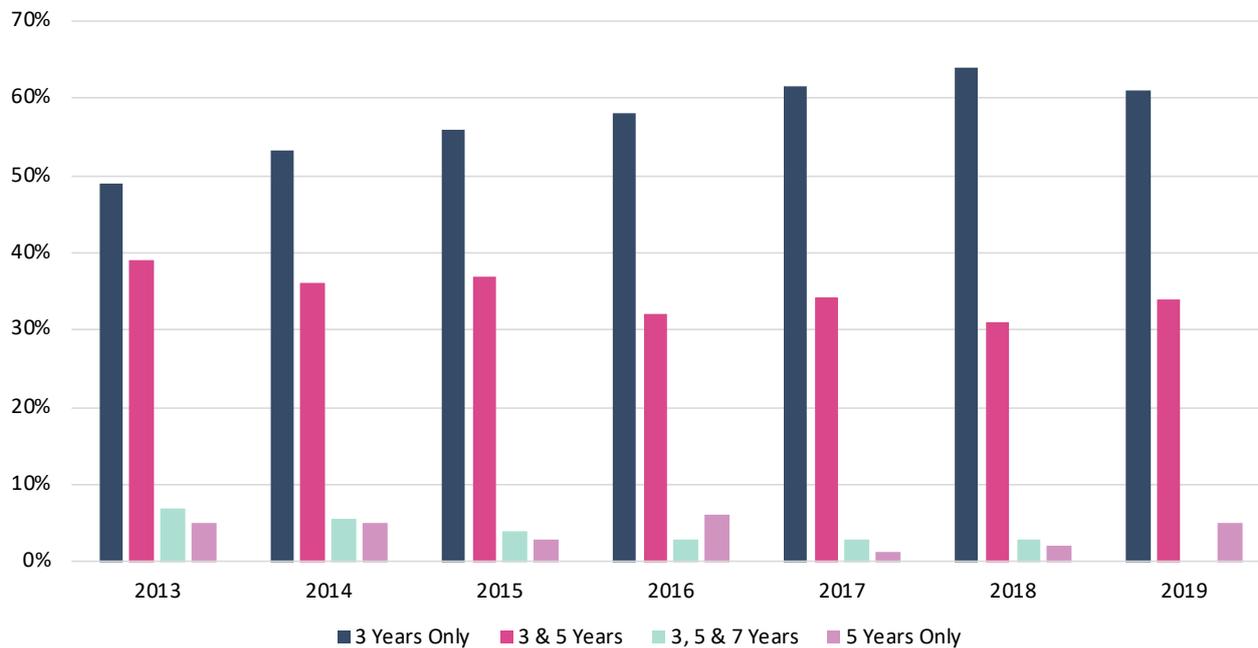
	2018	As a % of all live take-ups	2019	As a % of all live take-ups
<b>Total number of live 3-year accounts</b>	1,010,327	77.0%	995,057	77.3%
<b>Total number of live 5-year accounts</b>	300,814	22.9%	291,545	22.7%
<b>Total number of live 7-year accounts</b>	992	0.1%	124	0.1%

## Current year take-up (2019)

- In the 2019 survey, **2,198,006** employees were eligible to participate in SAYE in 2019 (2,191,862 in 2018).
  - In some cases, administrators were able to provide a breakdown by gender. Administrators provided the gender of 1,616,310 participants. This included 830,826 females (51.4%) and 785,483 males (48.6%).
  - In 2018, data for gender were provided for 1,317,150 participants; including 606,603 females (46.05%) and 710,547 males (53.95%).
- The total number of employees who took up 3 or 5-year contracts in 2019 (i.e. current year take-ups) was **486,112** (22.1%, from those eligible).
  - In contrast, in 2018, 462,195 employees took up 3 or 5-year contracts (21.1%, from those eligible).

## Most popular combination of terms offered by companies across all live accounts

The 2019 survey showed a decrease in the percentage of companies offering '3-year only' contracts. There was a small increase in companies offering '3 and 5-year contracts'. Over a longer period of time, from 2013, the graph shows a gradual rise in '3 years only' and a gradual decrease in '3 and 5 years' and '3, 5 and 7 years'. Year on year changes may reflect the underlying make-up of the companies included in the survey.



	2013	2014	2015	2016	2017	2018	2019
<b>3 years only</b>	49%	53%	56%	58%	62%	64%	61%
<b>3 and 5 years</b>	39%	36%	37%	32%	34%	31%	34%
<b>3, 5 and 7 years</b>	7%	6%	4%	3%	3%	3%	0%
<b>5 years only</b>	5%	5%	3%	6%	1%	2%	5%

### 3-year contracts granted in 2019

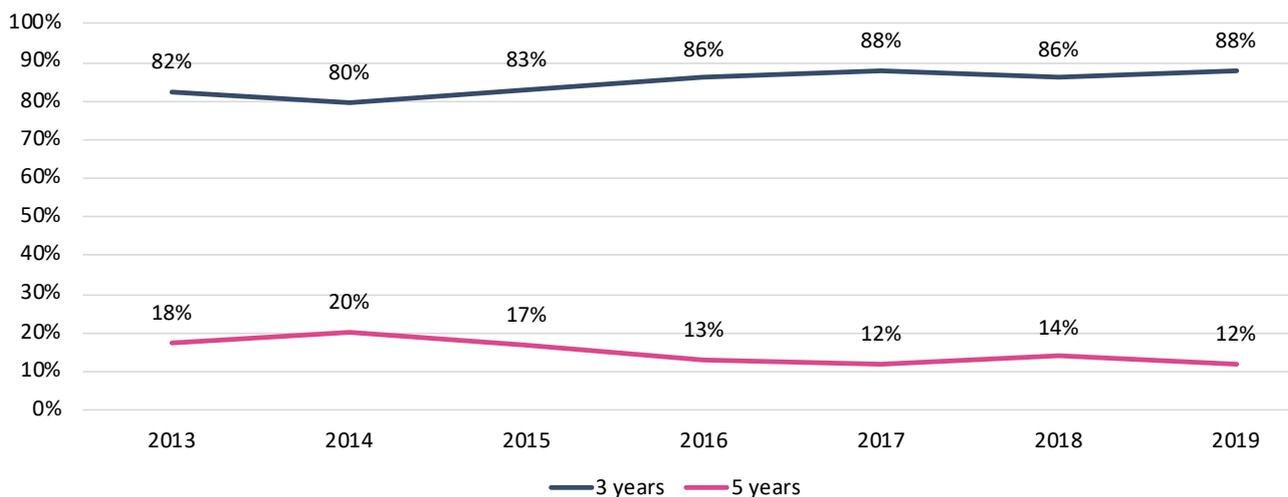
- the percentage of employees who had taken up 3-year contracts, granted in 2019, (from current year take-ups) remains similar to previous years at **87.7%** (426,095 employees). This figure was 86% in 2018, 88% in 2017, and 86% in 2016.
- Gender data were provided for 345,870 employees who took up 3-year contracts, granted in 2019 (397,789 in 2018; 286,776 in 2017). **47.6% were female, and 52.4% male.**
  - In 2018, data for gender were provided for 286,776 of employees. 47.03% were female, and 52.97% male.
  - In 2017, data for gender were provided for 196,455 employees. 41.1% were female, and 58.9% male.

### 5-year contracts granted in 2019

- In contrast, the percentage of employees joining a 5 year contract, granted in 2019, (from current year take-ups) was **12.3%** (60,017 employees), falling from 13.93% in 2018.
- Gender data were provided for 58,520 employees who took up 5 year contracts, granted in 2019 (64,406 in 2018; 45,176 in 2017). **35.3% were female, and 64.7% male.**
  - In 2018, data for gender were provided for 47,709 of employees. 35.29% were female, and 64.71% male.
  - In 2017, data for gender were provided for 18,999 of employees. 44.98% were female, and 55.02% male.

It should be remembered that not all employees have a choice of a savings term. In 2019 **61%** of companies offered 3 year contracts only (64% in 2018; 61.63% in 2017; 58.47% in 2016; 55.71% in 2015).

### 3-year and 5-year take-up (2013 - 2019)



## Scale backs and caps

- The number of companies who had to scale back grants in 2019: **26 (5.7%** of companies for whom SAYE schemes administered).
  - This figure was 12 in 2018 (2.7%).
- The number of companies who cap savings levels pre-invitation in 2019: **240 (52.3%** of companies for whom SAYE schemes administered).
  - This figure was 159 in 2018 (35.6%).
- The number of companies with a cap of £250 per month (where the company had the option of allowing employees to save £500 per month) = **35** companies (**7.6%** of companies for whom SAYE schemes administered).
  - This figure was 25 in 2018 (5.6%).
- The number of companies with a cap of £500 per month = **262** companies (**57.1%** of companies for whom SAYE schemes administered).
  - This figure was 248 in 2018 (55.5%).
- The number of companies with 'other caps' = **29** companies (**6.3%** of companies for whom SAYE schemes administered).
  - This figure was 26 in 2018 (5.8%).

## Take-up: by industry

### Average take-up for plan launches in 2019 by industry sector (Highest to lowest)

Sector	Average take-up for plan launches in 2019
Household Utilities	69.34%
Chemicals	51.25%
Beverages	42.62%
Equity Investment Instruments	42.31%
Electricity	40.27%
Oil & Gas Producers	38.09%
Electronic & Electrical Equipment	37.01%
Industrial Transportation	36.86%
Industrial Engineering	36.44%
Life Insurance	36.16%
Banks	36.10%
Mobile Telecommunications	34.24%
General Financial	34.11%
Pharmaceuticals & Biotechnology	34.11%
General Industrials	32.06%
Health Care Equipment & Services	31.96%
Tobacco	30.58%
Leisure Goods	28.99%
Insurance (non-life)	28.91%
Construction & Materials	28.12%
Technology Hardware & Equipment	27.77%
Mining	26.76%
Media	26.30%
Household Goods	25.79%
Fixed Line Telecommunications	25.03%
Real Estate	24.70%
Gas	23.87%
Software & Computer Services	23.50%
General Retailers	21.13%
Aerospace and Defence	19.99%
Food Producers & Processors	19.30%
Personal Goods	19.00%
Building & Materials	16.36%
Support Services	13.38%
Food & Drug Retailers	12.72%
Travel & Leisure	10.60%

### Average take-up for plan launches in 2018 by industry sector (Top five)

Sector	Average take-up for plan launches in 2018
Automobiles & Parts	100%
Professional Services	69%
Chemicals	58%
Tobacco	55%
Non-equity Investment Instruments	50%

Data were supplied by six administrators. The average percentages suggest that average take-up for plans launched in 2019 was lowest among food producers, travel and leisure and support service sectors. Compared to other sectors, take-up was relatively high in household utilities and and chemical industries.

## Discounts offered by companies

### Discounts offered



The majority of companies continued to offer the maximum discount. In 2019, **231** companies (80.6%) offered the maximum, compared to 247 (82%) in 2018, and 244 (85%) in 2017. 57 companies offered discounts other than the maximum 20% in 2019 (55 in 2018; 42 in 2017, and 68 in 2016).

Other discounts offered:

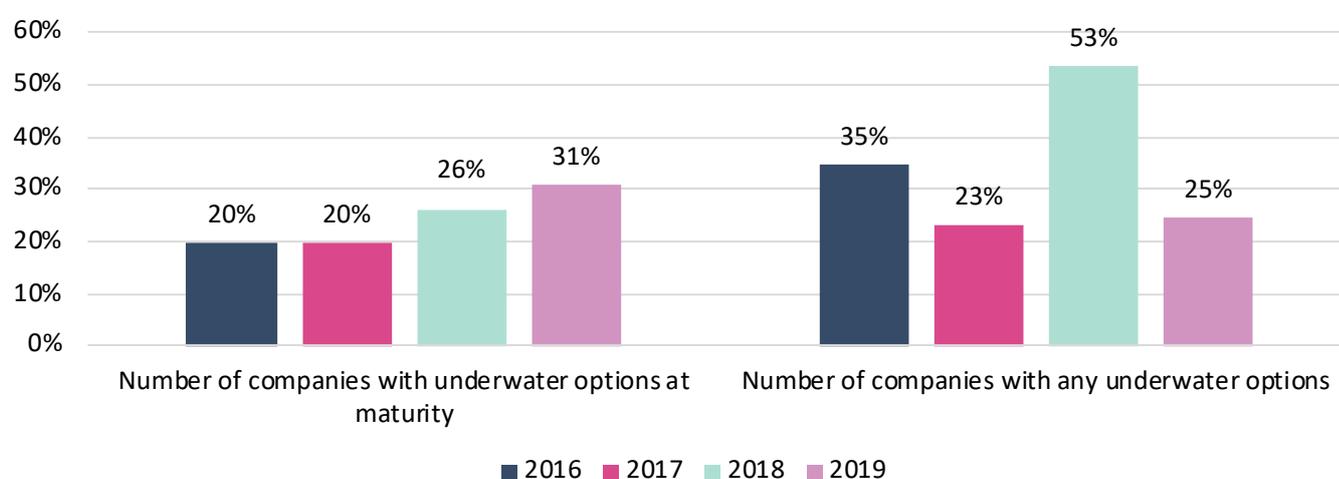
- 16 companies in 2019 (5.4%), and 19 companies in 2018 (6.3%) offered a 15% discount;
- 1 company in 2019 (0.34%) offered a 12% discount;
- 24 companies in 2019 (8.2%), and 20 companies in 2018 (6.6%) offered a 10% discount;
- 1 company in 2019 (0.3%), and 1 company in 2018 (0.3%) offered a 5% discount;
- 15 companies in 2019 (5.1%), and 15 companies in 2018 (5%) offered a 0% discount.

## SAYE discounts

	2018	2019
Number of companies using split discounts for 3 and 5-year contracts	3	3
Number of companies who have increased discounts	5	2
Number of companies who have reduced discounts	4	4
Number of companies who have eliminated discounts	1	1

The data indicates that a small number of companies are using split discounts, and a small number of companies have increased or decreased discounts this year. Only one company reported eliminating discounts this year.

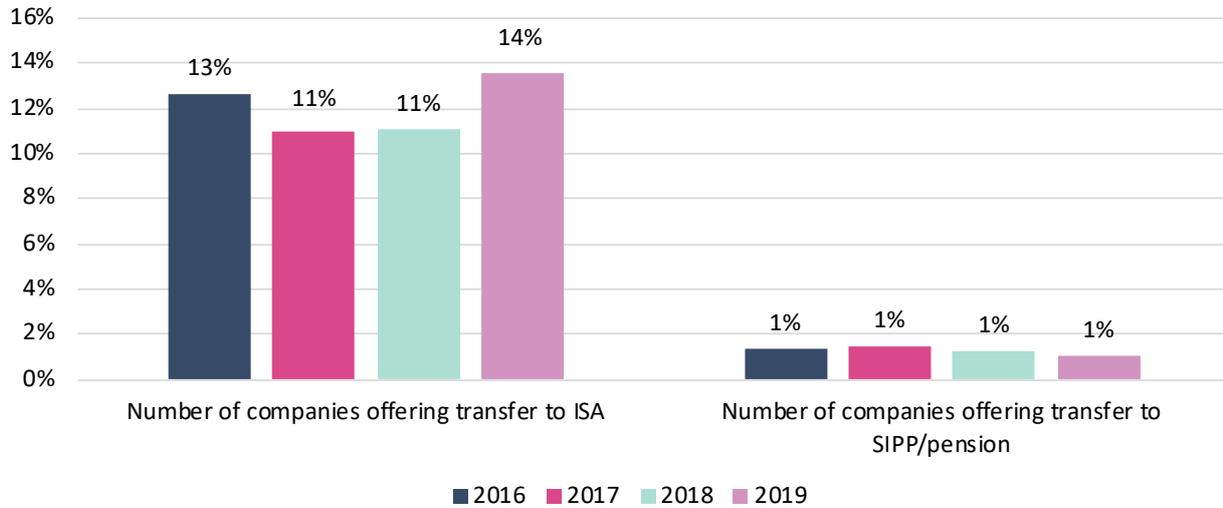
## Maturities



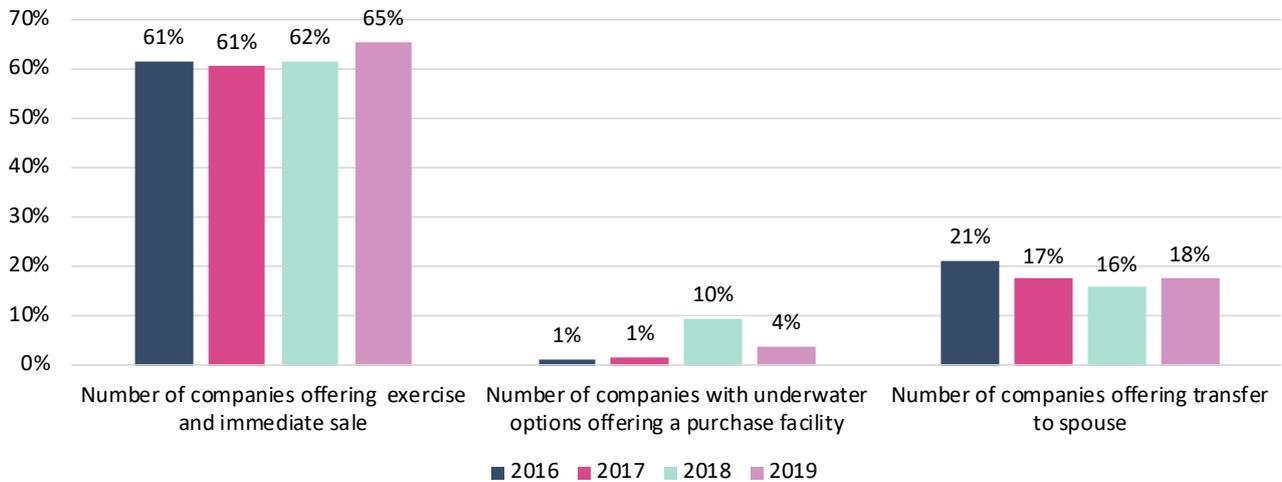
The graph shows the number of companies with any underwater options as at the end of December 2019, and those with underwater options at maturity. The graph shows these as a % of the number of companies with a maturity in 2019.

- Number of companies with a maturity in 2019 = **295 companies**.
  - Number of companies with a maturity in 2018 = 305 companies.
- The total number of companies with underwater options at maturity in 2019 was **91**.
  - The total number of companies with underwater options at maturity in 2018 was 79.
- The total number of companies with live contracts underwater in 2019 was **73**.
  - The total number of companies with live contracts underwater in 2018 was 163.
- Total number of companies that have employees impacted by CGT at maturity in 2019 was **42** (45 in 2018).

### Maturity options



As a % of the number of companies with a maturity in 2019, the data shows that 13.6% of companies offered a transfer to ISA. 1% offered transfer to SIPP / pension.



From the number of companies with a maturity in 2019, there was an increase (from 2018) in the number of companies offering exercise and immediate sale, and a decrease in those with underwater options offering a purchase facility on maturity in 2019. There was also an increase in the number of companies offering transfers to spouses in 2019. These changes may reflect the changing composition of administrators and companies participating in the survey each year.

The total number of accounts closed before reaching maturity (excluding the early exercise of options) was **251,130**.

- This figure was: 210,916 in 2018; 191,960 in 2017; 207,159 in 2016; 176,437 in 2015; 169,845 in 2014 and 87,795 in 2013.

The total number of accounts closed at early exercise in 2019 was **32,618**.

- This figure was 23,768 in 2018; 34,956 in 2017; 39,162 in 2016; 30,762 in 2015; 48,651 in 2014 and 25,713 in 2013).

## Retention

The average percentage of employees who exercised and sold some or all shares through an immediate sale facility in 2019: **53.8%**.

- This was 37.67% in 2018; 46% in 2017; 45.4% in 2016; 32% in 2015; 30% in 2014 and 41.2% in 2013.

Data were provided by five of the seven administrators on the gender of employees. From the data provided, **35.8%** of female employees and **40.7%** of male employees exercised and sold some or all shares through an immediate sale facility in 2019.

- In 2018, data were provided by five of the seven administrators on the gender of the employee. From the data provided, **36%** of female employees and **41%** of male employees exercised and sold some or all shares through an immediate sale facility in 2018.

In 2019, **8.7%** of employees (from data provided by 5 administrators) failed to take any action during the exercise period (above-water options). This was 8.17% in 2018; 3.15% in 2017 and 3.12% in 2016.

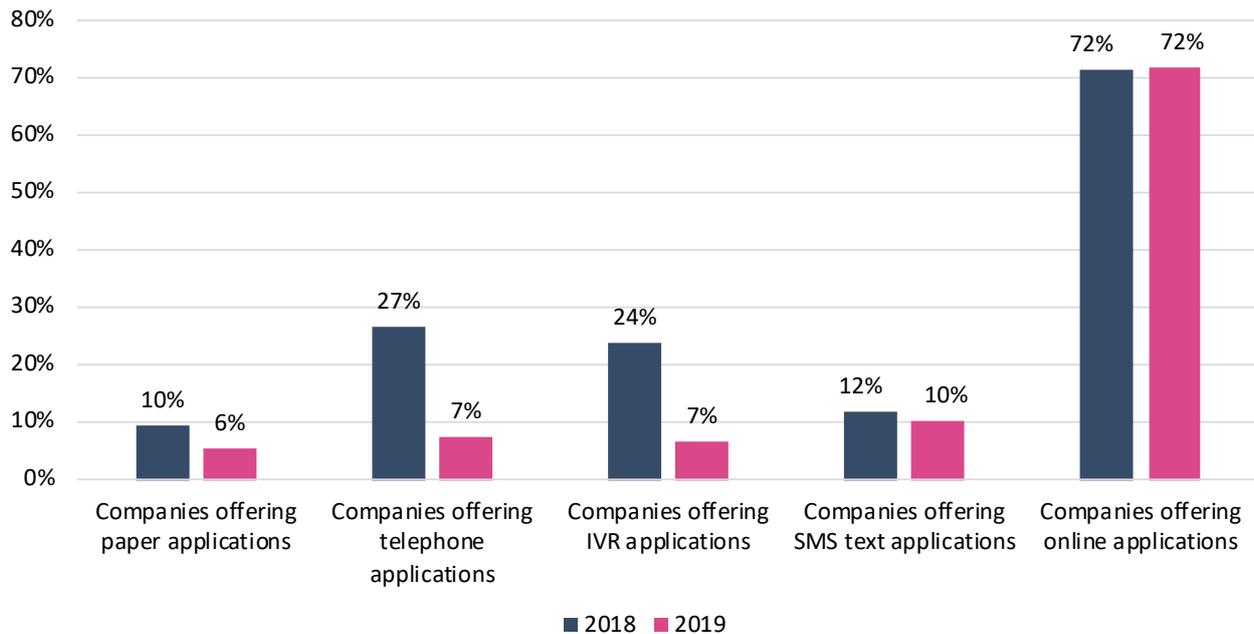
## Application options

Companies offering paper applications in 2019: **24** (5.6% of companies with live schemes).

- In 2018, 41 (9.7%) companies with live schemes offered paper applications. In 2017, this figure was 35 (8.5%), and in 2016 this figure was 47 (11.6%).

Companies offering telephone applications in 2019: **32** (7.4% of companies with live schemes).

- In 2018, this figure was 113 (26.8). In 2017, this figure was 141 (34.22%) and in 2016 160 (39.6%) companies offered telephone applications.



**30** (7%) companies offered IVR applications in 2019.

- In 2018, 101 (23.9%) companies offered IVR applications. This figure was 131 (31.8%) in 2017; 133 (32.9%) in 2016, and 159 (37.8%) in 2015.

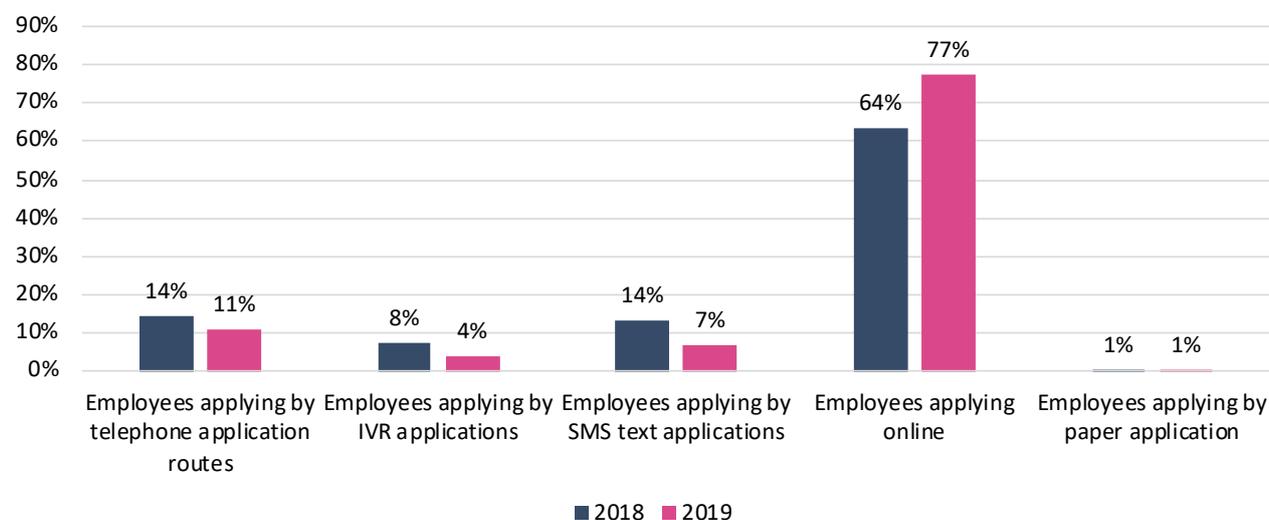
**45** (10.4%) companies offered SMS text applications in 2019.

- **50** (11.85%) companies offered SMS text applications in 2018, compared to 48 (11.7%) in 2017; 46 (11.3%) of companies in 2016, and 58 (13.8%) in 2015.

**310** (71.9%) companies offered online applications in 2019.

- 302 (71.56%) companies offered online applications in 2018. 300 (72.8%) offered online applications in 2016, 277 (68.6%) in 2016, and 295 (70.2%) in 2015.

## Employee application methods



- Employees applying by telephone application in 2019: **36,389** (10.9%). This was 69,740 (14%) in 2018; 44,071 (10%) in 2017 and 155,901 (25%) in 2016.
- Employees applying by IVR applications in 2019: 13,590 (4.1%). This was 37,136 (8%) in 2018; 29,701 (7%) in 2017 and 47,390 (8%) in 2016.
- Employees applying by SMS text applications in 2019: **23,933** (7.1%). This was 66,577 (14%) in 2018; 50,903 (11%) in 2017 and 107,997 (17%) in 2016.
- Employees applying online in 2019: **258,658** (77.3%). This was 310,191 (63%) in 2018; 308,874 (70%) in 2017 and 311,169 (49%) in 2016.
- Employees applying by paper application in 2019: **2,186** (0.7%). This was 4,050 (1%) in 2018; 7,741 (2%) in 2017 and 6,909 (1%) in 2016.

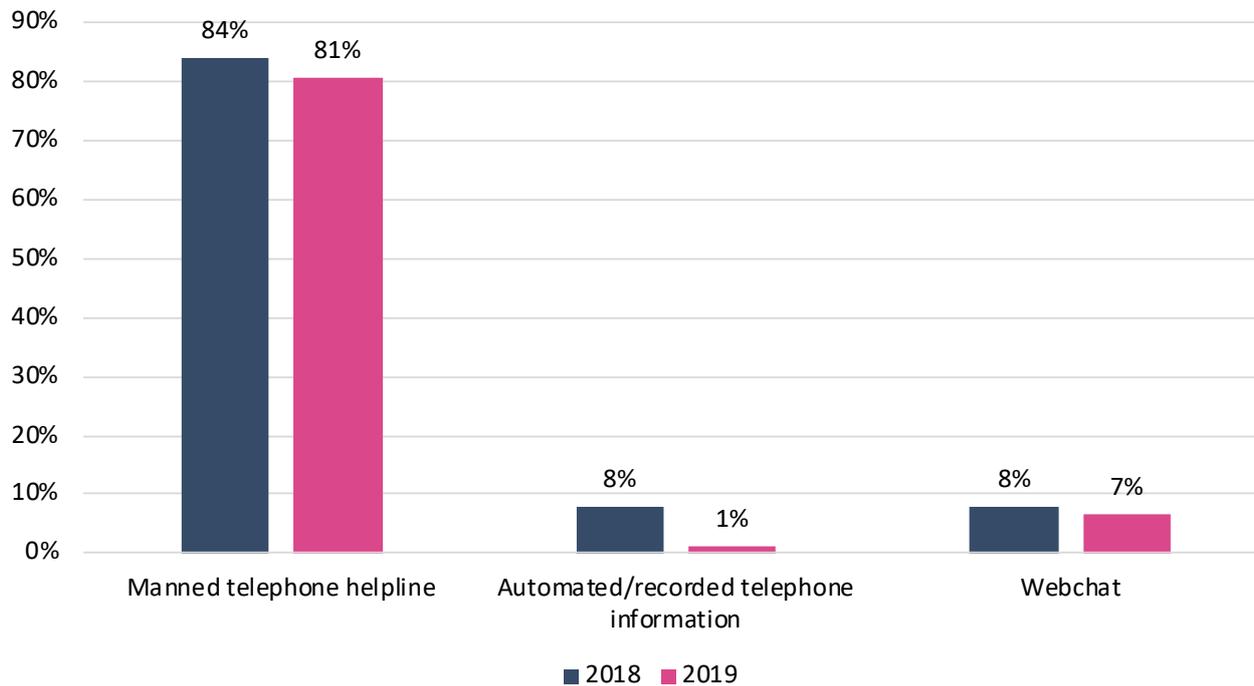
## SAYE beyond the UK

### Companies extending or already operating SAYE beyond the UK (on a non-tax-advantaged basis) in 2019:

In 2019, 72 companies reported extending or already operating SAYE beyond the UK (on a non-tax-advantaged basis). This includes:

- EU: **36** companies (50% of 72 companies). In 2018 this was 36 companies (53%); in 2017, 34 companies (52%), and in 2016, 29 companies (49%).
- Other: **34** (47.2% of 72 companies). In 2018 this was 32 companies (47%); in 2017, 31 companies (48%), and in 2016, 30 companies (51%).

## Support routes offered by companies / administrators to employees



- In 2019, 371 companies or their administrators (80.1%) offered 'manned telephone helplines' to employees (84.1% in 2018; 78.3% in 2017; 79% in 2016; 90.2% in 2015).
- In 2019, 6 companies or their administrators (1.3%) reported offering 'automated / recorded telephone information' to employees. This figure was 35 (7.8%) in 2018; 112 (21.3%) in 2017; 109 (20.7%) 2016, and 39 (9.5%) in 2015.

## The SIP survey

### Overview

The Share Incentive Plan 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, it 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 pre-tax and pre-National Insurance 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.
- **Dividend Shares** – companies may allow employees to use their dividends to purchase further Plan shares instead of receiving cash. The company can choose to offer the DRIP on an optional or compulsory basis.

Various combinations of types of Plan shares can be used, 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, employers can also include other optional features, such as:

- **Eligibility criteria** – companies may prescribe a period of up to 18 months of employment before employees become eligible to participate in a SIP.
- **Performance-related awards** – companies may link the award of Free Shares to performance measures.
- **Forfeiture** – companies may make employees give up some or all of their Free or Matching Shares if they leave, for certain reasons.
- **Holding periods** – Free and Matching Shares must stay in the plan for three years, but companies can require employees to hold these in the plan for up to five years. Free and Matching shares may only be withdrawn from the plan free of Income Tax and National Insurance after five years. Dividend Shares need only be held for three years before becoming tax-free.

## SIP survey methodology

The ProShare SIP survey analyses the features of SIP plans by asking the principal SIP administrators to complete a questionnaire on the plans they administer. The focus of the survey has changed over the years, however, comparisons are made with results from previous years wherever possible. The results do not include SIPs run by other administrators and SIPs that are administered by companies in-house. The majority of these SIPs will be for smaller companies.

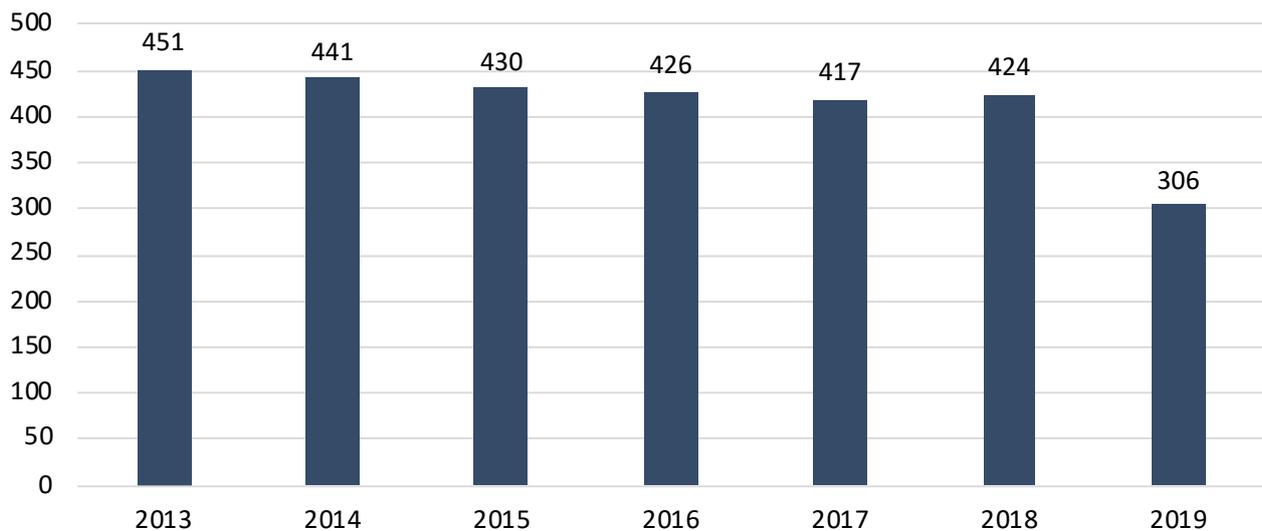
## Acknowledgements

ProShare would like to thank the following administrators, who are all members of ProShare, for their help in compiling anonymised data for the SIP report on behalf of their client companies:

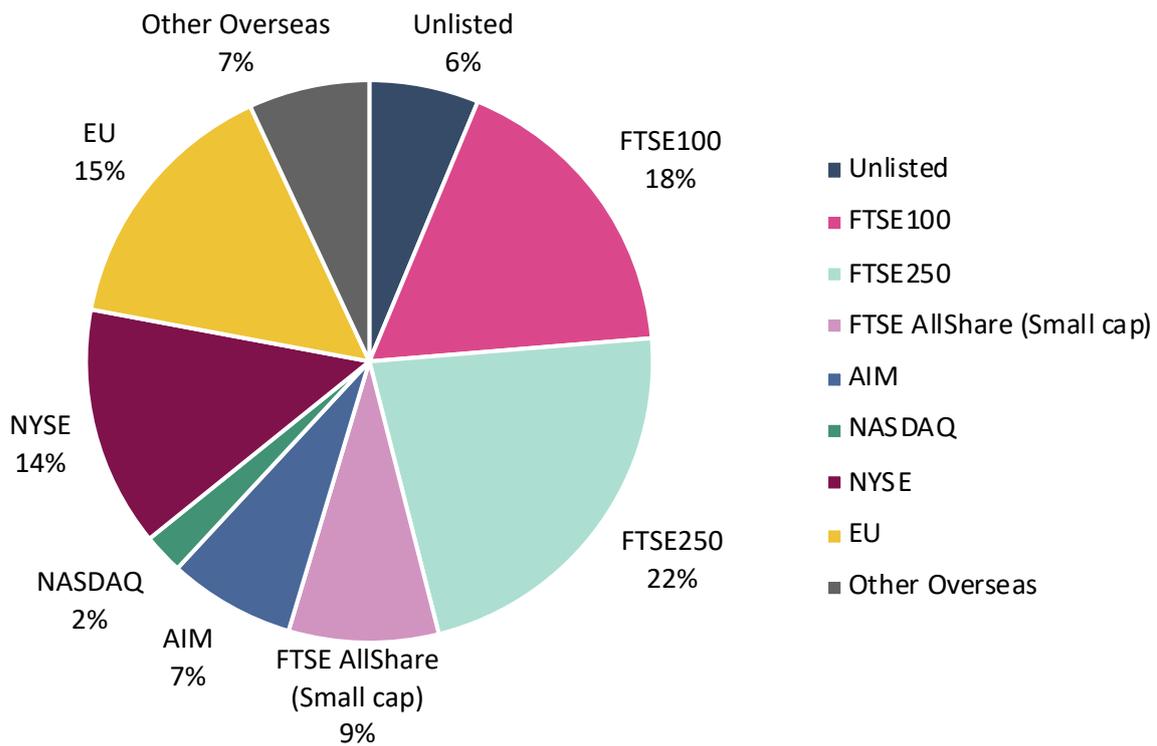
- **Barclays Global Stock & Reward Services**
- **Buck**
- **Computershare**
- **Equiniti**
- **Global Shares**
- **RM2**
- **Shareworks by Morgan Stanley**
- **YBS Share Plans**

## Companies included in the SIP survey

Eight administrators provided data for **306** companies in the 2019 SIP survey, compared to 424 companies in 2018, and 417 companies in 2017. This decrease is due to the different mix of administrators providing data this year rather than a decline in use of the schemes.



## Companies by type

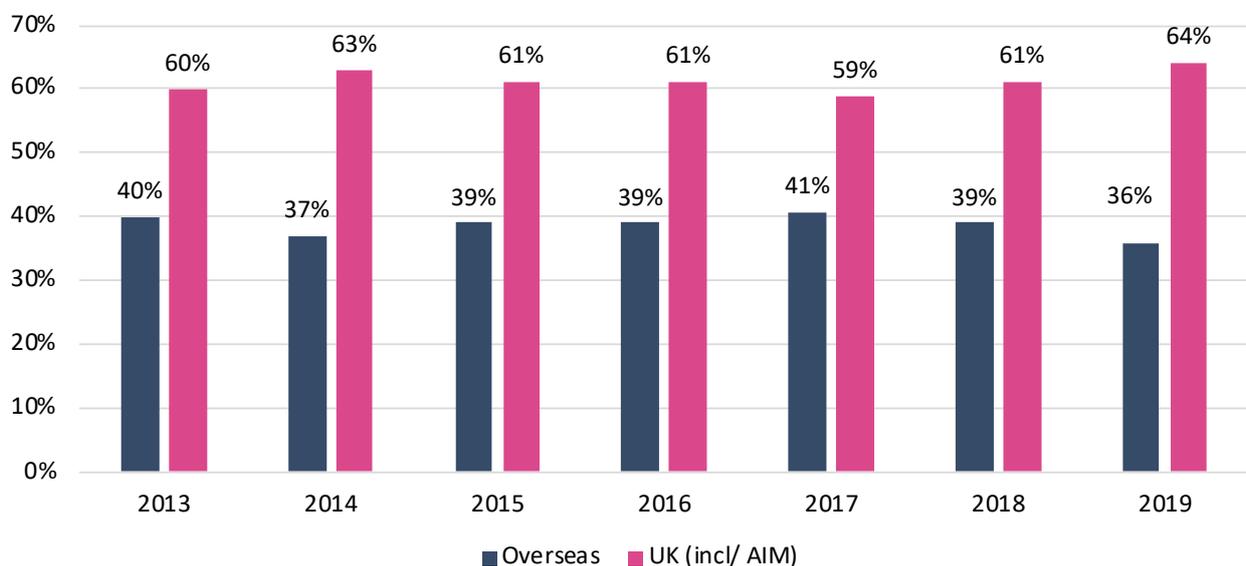


Data were provided for 304 (430 in 2018; 414 in 2017) companies:

- **14%** of companies are listed on the NYSE (16% in 2018; 16% in 2017; 16% in 2016).
- **18%** of companies are members of the FTSE100 (14% in 2018; 14% in 2017; 15% in 2016).
- **22%** of companies are members of the FTSE250 (18% in 2018; 18% in 2017; 20% in 2016).
- **6%** of companies are unlisted (4% in 2018; 6% in 2017; 7% in 2016).
- **9%** of companies are listed on the FTSE AllShare (12% in 2018; 12% in 2017; 11% in 2016).
- **7%** of companies are listed on the AIM (11% in 2018; 8% in 2017; 7% in 2016).

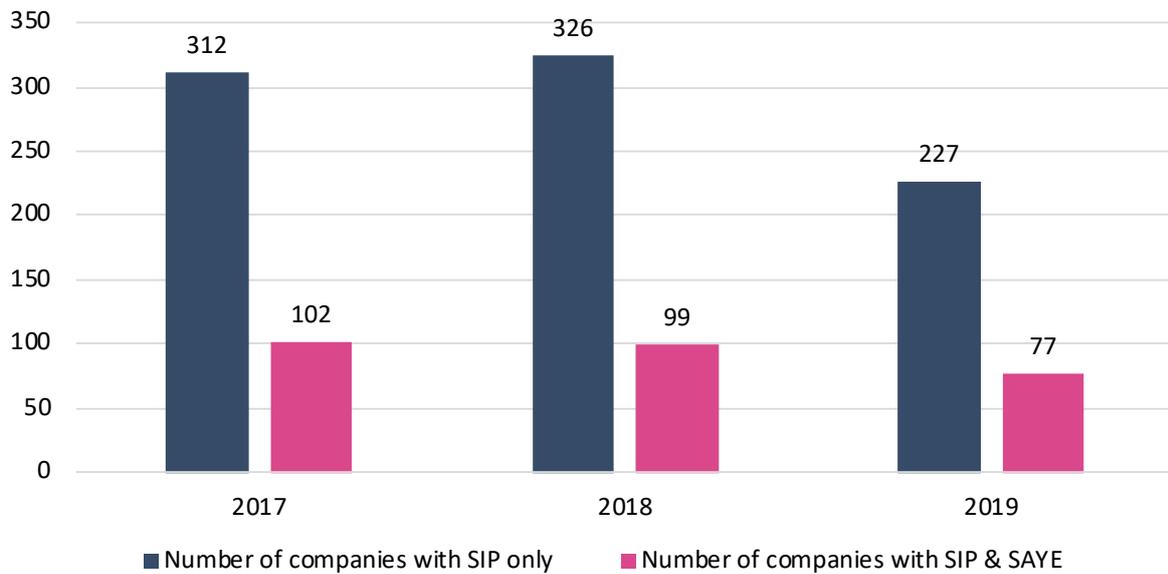
## UK and overseas breakdown

The percentage of organisations listed overseas remains similar to previous years.



## Incidence of SIP and SAYE in 2019

**74.67%** of companies offered a SIP only in 2019, compared to 326 (77%) in 2018; and 312 (75.36%) in 2017.



10 companies (5 in 2018; 6 in 2017; 28 in 2016) launched or amended/enhanced their SIP instead of an SAYE invitation in 2019.

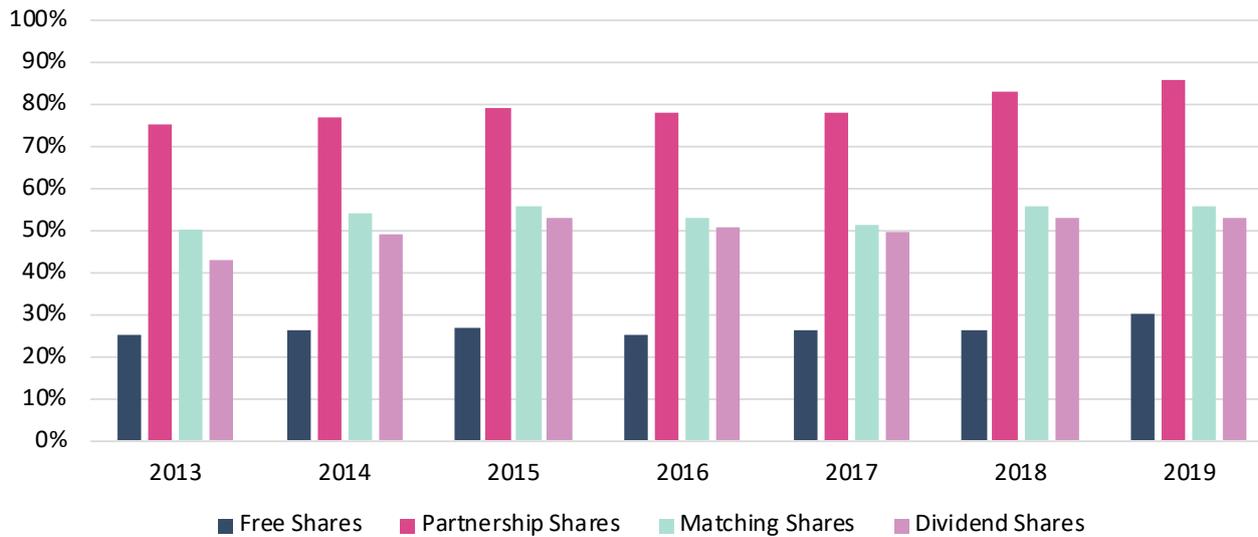
Data were provided for a small number of companies making amendments in 2019. Administrators were asked to list any changes made by the company and the reasons why if known. The responses are below:

- Relaunches = 16 companies
- Corporate Actions = 6 companies
- Increased matching ratio cap = 1 company
- New companies offering SIP for the first time= 12 companies
- Plan terminated = 8 companies
- Offered SIP to new paysites = 4 companies
- Offered SIP to SIPP where employees were offered the chance to transfer available shares into their SIPP accounts = 1 company
- Offered a new element of SIP (Partnership) = 1 company

## Average SIP value per employee

- Eight administrators provided data representing **787,052** SIP participants.
- The weighted average value per participant of SIP holding (including Partnership, Matching Free & Dividend Shares) based on the share price as at 31 December 2018 (from the total number of participants participating in any element of SIP - even if only Free Shares) was **£7,688.80** (£12,030 in 2018; £7,648.66 in 2017; £12,925.82 in 2016).
  - Previous weighted averages include £9,036.26 in 2015; £6,800.72 in 2014, £7,028.57 in 2013; £6,131.88 in 2012; £5,229.67 in 2011; £2,939.06 in 2010; and £4,563.29 in 2009.
- Five administrators provided data for the gender of 719,443 participants. Data were provided for 281,581 females and 437,862 males (258,108 females and 386,441 males in 2018).
  - From this data, the weighted average value per participant of SIP holding for females was: **£6,375.79** (£6,712.43 in 2018; £6,006.37 in 2017).
  - The weighted average value per participant of SIP holding for males was: **£7,974.86** (£7,763.63 in 2018; £7,460.99 in 2017).

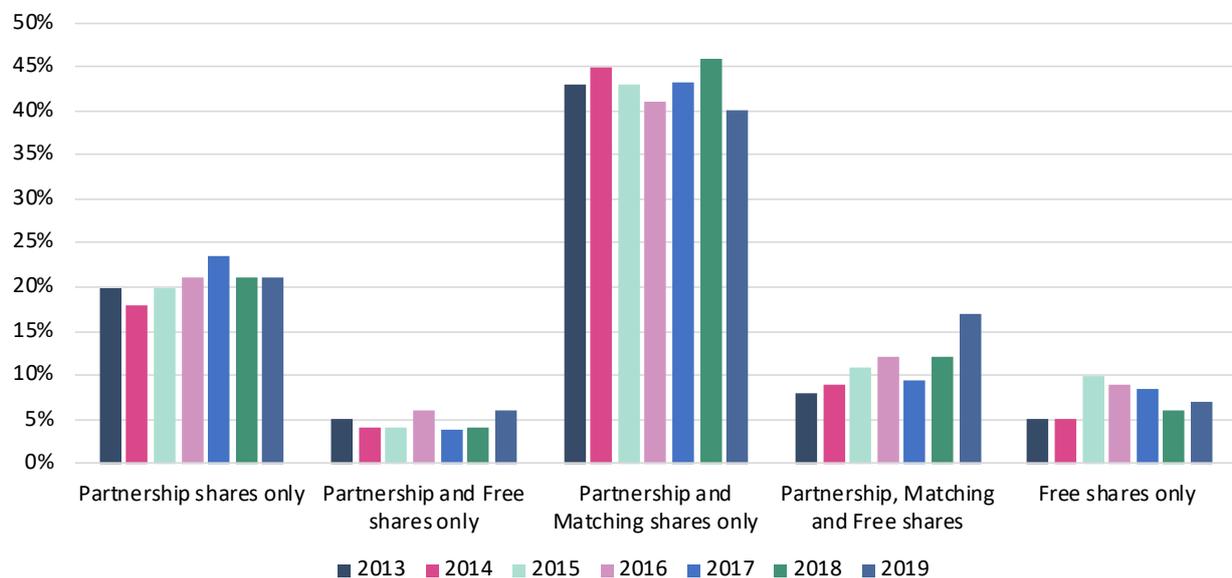
## Type of shares offered



Partnership Shares remain the most widely offered shares, offered by 262 companies (86%). In 2019 there were no significant changes to the percentage of companies offering Free, Dividend, Partnership and/or Matching shares, compared to previous years.

## Most popular combinations offered

### Combination of SIP elements



In 2019, the most popular combination of SIP elements offered remains 'Partnership and Matching shares only' followed by 'Partnership shares only'. Overall, the numbers remain similar to 2018. In 2019 there is a small decrease in 'Partnership and Matching shares only' and an increase in 'Free shares only', 'Partnership and Free shares only', and 'Partnership, Matching and Free shares'.

## Overall employee participation

Administrators provided data for 'the total number of employees participating in any element of SIP (even if only Free Shares)'. **787,052** from 306 companies participated in a SIP.

- 987,826 in 2018; 976,784 in 2017; 1,028,255 in 2016; 1,016,210 in 2015; and 1,070,486 employees in 2014, participated in a SIP.

From the data provided by the eight administrators, the following calculations were made:

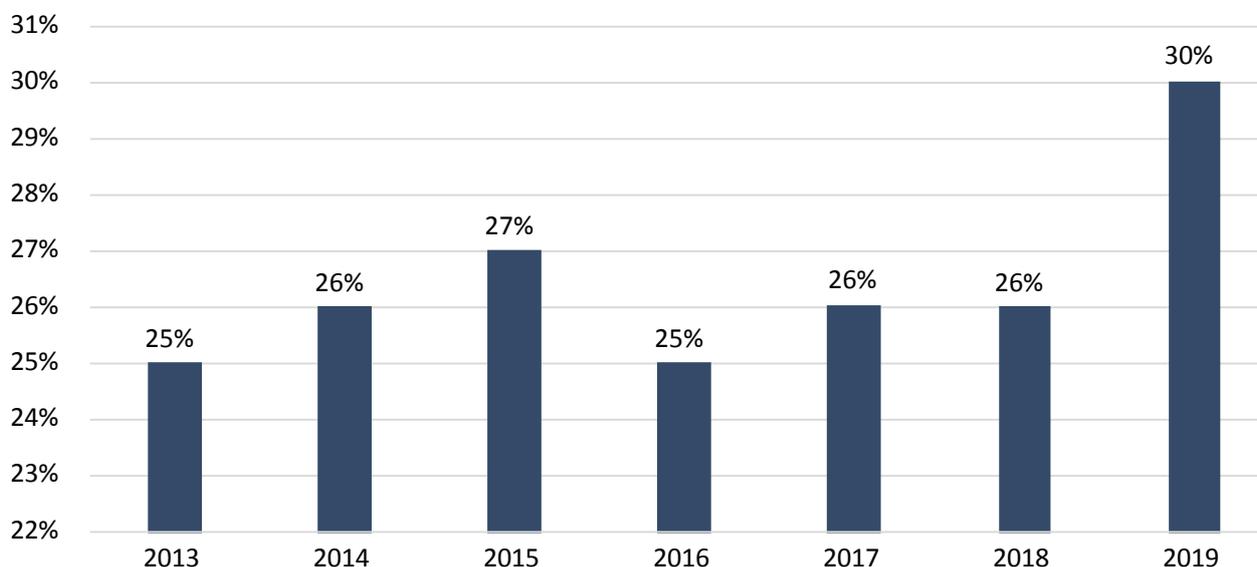
- Total number of employees eligible to participate in SIP: **2,287,173 from 306 companies** (3,242,427 from 424 companies in 2018; 2,977,364 from 417 companies in 2017; 3,035,610 from 426 companies in 2016; 2,845,292 from 430 companies in 2015; and 2,797,062 from 441 companies in 2014).
- Data for gender were provided by 5 administrators, for 2,069,827 employees eligible to participate in SIP (1,494,454 in 2018; 1,185,306 in 2017).
  - From those eligible to participate, 44.06% are female (43.8% in 2018; 42.5% in 2017) and 55.94% male (56.2% in 2018; 57.5% in 2017).
- The weighted average participation level in 2019 was **33.4%** (29.27% in 2018; 29.98% in 2017; 29.24% in 2016; 30.67% in 2015; 32.7% in 2014 and 36.4% in 2013). Complete data were provided by seven of the eight administrators.
- Data for gender were provided by seven administrators (6 in 2018), for 757,683 employees participating in SIP (644,549 in 2018).
  - Of these, **38.8%** are female (40% in 2018) and **61.2%** male (60% in 2018).

## Free shares

The number of companies offering free shares in 2019 was **92 (30%)**. This has risen from previous years. Previous figures include: 112 (26%) in 2018; 110 (26%) in 2017; and 107 (25.1%) in 2016.

- The number of companies who offered free shares in previous years but not in 2019 was 99 (32%). This has increased from 96 (23%) in 2018.

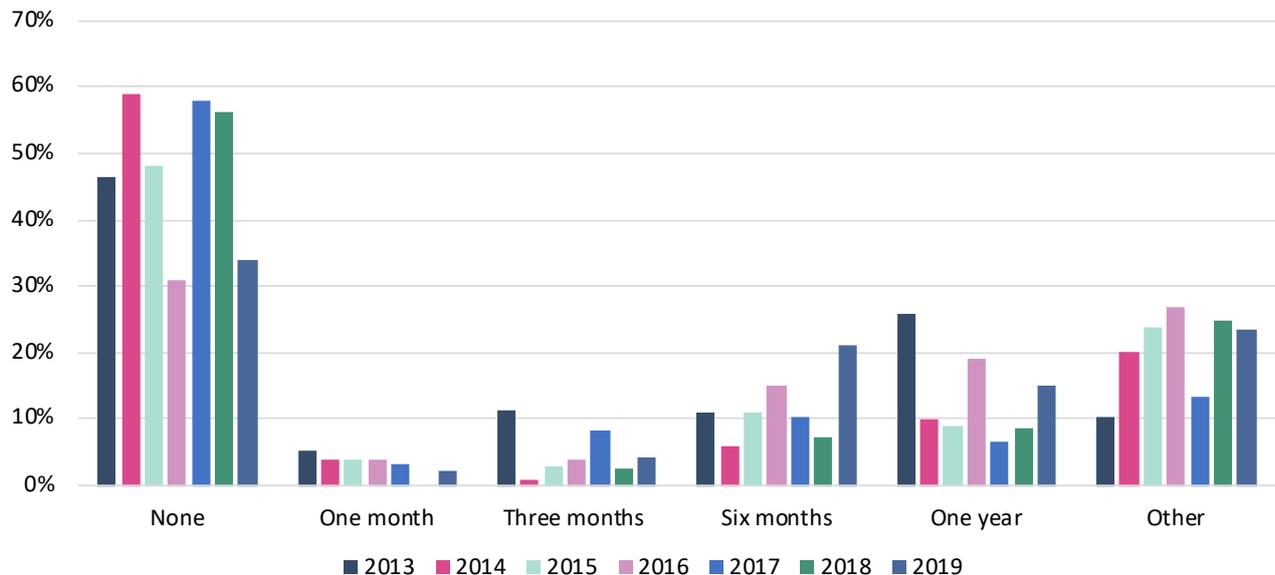
### Companies offering free shares



## Free shares: eligibility / service period required for awards in 2018

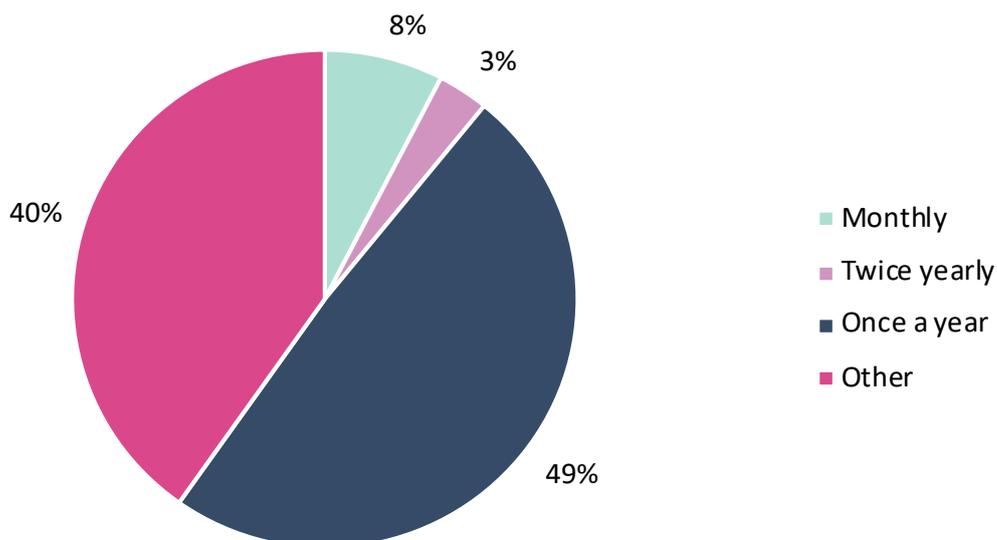
In 2019, data for 'Eligibility Periods for Free Shares' were provided for 47 companies (79 in 2018; 72 in 2017; 83 in 2016). The changes in 2019 may reflect differences in the composition of companies included in the survey.

### Eligibility periods for free shares



## Free shares: regularity of awards

The number of companies offering free shares twice-yearly remained at 3% (3% in 2018; 2% in 2017). The percentage of companies offering free shares once a year increased from 47% in 2018 and 43% in 2017 to 49% in 2019. In 2019 no companies reported offering free shares quarterly or every two years.



- **66** companies operated forfeiture of free shares in 2019 (90 in 2018; 93 in 2017; 81 in 2016; 88 in 2015; 112 in 2014 and 73 in 2013).
- **7** companies reported offering a holding period of more than 3 years (9 in 2018; 10 in 2017).

- **167,905** employees were awarded free shares in 2019 (211,260 in 2018; 207,134 in 2017; 298,202 in 2016; 497,488 in 2015; 526,605 in 2014 and 550,270 in 2013).
  - 5 Administrators (7 in 2018; 4 in 2017) provided details of gender for 124,415 employees (142,561 in 2018; 104,392 in 2017).
  - Of these employees, 48% are female (45% in 2018; 54% in 2017) and 52% male (55% in 2018; 46% in 2017).
- Data showed there were **185,059** employees eligible to participate in free shares in 2018 (431,796 in 2018; 413,386 in 2017; 350,092 in 2016; 638,659 in 2015; 542,409 in 2014 and 592,010 in 2013).
  - Four administrators (6 in 2018; 2 in 2017) provided details of gender for 124,415 employees (136,521 in 2018; 115,628 in 2017).
  - Of these employees, 52% are female (47.82% in 2018; 54% in 2017) and 48% are male (52.18% in 2018; 46% in 2017).

## Average acceptance/take-up by sector

### (Highest to lowest)

In addition to banks and beverages, which appeared in the top five industries in 2018, tobacco, pharmaceuticals & biotechnology and real estate have high average take-ups for free shares in 2019.

Sector name	Average acceptance/take-up for Free share awards made in 2019 (% to 2 decimal places)
Tobacco	100.00%
Banks	99.95%
Pharmaceuticals & Biotechnology	96.00%
Beverages	95.87%
Real Estate	93.38%
General Financial	91.20%
Automobiles & Parts	91.16%
Industrial Engineering	88.99%
Software & Computer Services	88.05%
Personal Goods	83.00%
Food & Drug Retailers	81.47%
Fixed Line Telecommunications	79.76%
Oil & Gas Producers	79.24%
Electronic & Electrical Equipment	68.63%
Support Services	61.82%
Mining	59.18%
Travel & Leisure	57.95%

**Average acceptance / take-up by sector (top five from 2018)**

Sector name	Average acceptance/take-up for Free share awards made in 2018 (% to 2 decimal places)
Banks	99.97%
Real Estate	98.28%
Beverages	98.15%
Oil Equipment Services & Distribution	88.46%
Personal Goods	86.00%

**Free share award value**

- **27** companies made awards as close to £3,600 limit as possible in 2019 (23 in 2018). This represents 23.35% of all companies offering free shares (23.96% in 2018).
  - In 2017, 21 companies offered the maximum value of free shares (19.1% of all companies offering free shares) and 22 companies in 2016 offered the maximum value of free shares (20.6% of all companies offering free shares).
- The weighted average value of all free shares awarded in 2019 (as at 31/12/2018, including all awards if multiple awards, from free shares take-up in 2019 - all employees) was **£657.62**.
  - This figure was £760.86 in 2018; £788.35 in 2017; £713.36 in 2016; £740.24 in 2015; £455.45 in 2014 and £983.01 in 2013).
- The average award value from the weighted averages provided by seven administrators, of all free shares awarded (including in 2019) as at the date of awards, was **£969.20**.
  - Previous figures include: £3,316.70 in 2018; £1,285.77 in 2017; £1,412.07 in 2016; £3,049.98 in 2015; £1,653.29 in 2014 and £3,261 in 2013).
  - The changes each year may relate to the changing composition of administrators and companies participating each year.

## Average free share value per employee by sector

(Highest to lowest)

Sector name	Average free share value per employee (£0.00) In 2019
Health Care Equipment & Services	£28,279.71
Construction & Materials	£12,790.96
Mining	£11,668.26
Technology Hardware & Equipment	£9,379.24
Support Services	£8,383.80
Oil & Gas Producers	£8,067.33
Pharmaceuticals & Biotechnology	£6,881.28
Real Estate	£4,755.49
Household Goods	£4,673.04
Chemicals	£3,335.81
Travel & Leisure	£2,333.41
Automobiles & Parts	£2,152.55
Beverages	£2,022.93
General Financial	£1,506.49
Software & Computer Services	£1,370.25
Industrial Engineering	£1,307.57
Electronic & Electrical Equipment	£652.77
Banks	£588.00
Fixed Line Telecommunications	£508.50
Personal Goods	£482.00
Food & Drug Retailers	£242.95
Aerospace and Defence	£75.00

### Average Free Share Value per Employee by Sector (Top Five from 2018)

Sector name	Average free share value per employee (£0.00) In 2018
Health Care Equipment & Services	£12,912.28
Mining	£8,384.25
Oil & Gas Producers	£6,243.25
Banks	£5,790.69
Real Estate	£4,985.73

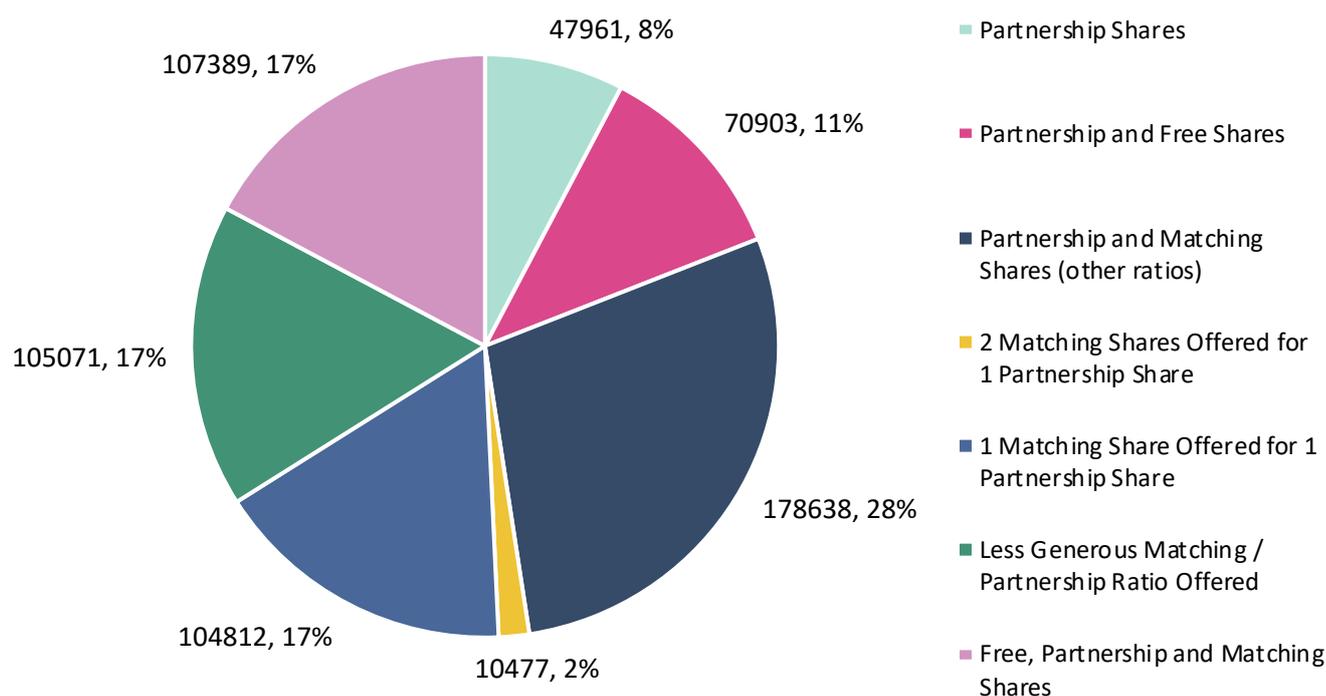
In 2018 and 2019 the average free share value per employee was highest in the Healthcare Equipment and Services. As found in 2018, Mining has a relatively high average free share value per employee. Also high in 2019, were Construction, Materials, Technology, and Hardware & Equipment.

## Partnership shares

**85.62%** of companies (262) offered partnership shares in 2019 (82.78% in 2018; 78.18% in 2017; 77.7% in 2016; 79% in 2015; 77% in 2014 and 74.7% in 2013).

- The number of companies offering the maximum value of partnership shares in 2019:
  - Cap at the old statutory limit of £1,500 pa. = **38** companies (21 in 2018; 24 in 2017; 36 in 2016; 70 in 2015).
  - Apply statutory limit of £1,800 pa. = **285** companies (289 in 2018; 247 in 2017; 236 in 2016; 231 in 215).
- **2,170,144** employees were eligible to participate in partnership shares in 2019.
  - This was 3,121,447 in 2018; 2,679,589 in 2017; 2,350,926 in 2016; 2,314,395 in 2015; 2,189,448 in 2014 and 2,390,605 in 2013).
- The total number of participants contributing to partnership shares at the end of 2019 was **438,385**.
  - This figure was 525,086 in 2018; 481,453 in 2017; 433,925 in 2016; 294,688 in 2015; 447,546 in 2014 and 429,510 in 2013.
- Details of gender were provided by six administrators, for 387,107 participants (287,873 in 2018; 203,056 in 2017).
  - The data showed that **35.18%** of the participants are female (37.96% in 2018; 42.31% in 2017), and **64.82%** male (62.04% in 2018; 57.69 in 2017).
- From 262 companies offering partnership shares, **73** companies offered the opportunity for lump sum /'top-up' contributions (e.g. towards tax year-end, or around bonus time).
  - This was 93 of 351 in 2018; 72 of 326 in 2017; 87 of 331 in 2016; 84 of 340 in 2015; 113 of 341 in 2014 and 72 of 337 in 2013.

## Take-up (end of 2019 - including any/all elements offered)



## Average partnership shares participation rate by sector

(Highest to lowest)

Sector name	Average partnership shares participation rate in 2019 (% to 2 decimal places)
Oil & Gas Producers	76.75%
Beverages	65.28%
Real Estate	64.81%
Pharmaceuticals & Biotechnology	59.63%
Fixed Line Telecommunications	53.83%
Personal Goods	47.93%
Electronic & Electrical Equipment	45.60%
Software & Computer Services	42.78%
General Financial	42.77%
Tobacco	41.67%
Mining	38.97%
Chemicals	38.51%
Industrial Engineering	38.41%
Life Insurance	37.53%
Equity Investment Instruments	36.63%
Banks	36.46%
Food & Drug Retailers	34.97%
Aerospace and Defence	33.61%
Household Goods	33.25%
Health Care Equipment & Services	30.61%
Insurance (non-life)	24.70%
Gas	22.18%
Automobiles & Parts	21.05%
Travel & Leisure	19.64%
Food Producers & Processors	17.81%
Support Services	15.69%
Construction & Materials	14.01%
General Industrials	13.15%
Electricity	11.86%
Industrial Transportation	10.96%
Media	10.85%
Technology Hardware & Equipment	10.25%
General Retailers	6.79%
Mobile Telecommunications	4.88%

**Average partnership shares participation rate by sector (top five from 2018)**

<b>Sector name</b>	<b>Average Partnership Shares Participation Rate in 2018 (% to 2 Decimal Places)</b>
Oil & Gas Producers	82.21%
Life Insurance	65.00%
Real Estate	63.52%
Beverages	63.16%
Mining	55.59%

**Average monthly partnership share purchase value by sector (highest to lowest)**

<b>Sector name</b>	<b>Average monthly partnership share purchase value per employee during 2019</b>
Real Estate	£133.85
Pharmaceuticals & Biotechnology	£133.00
Fixed Line Telecommunications	£128.48
Oil & Gas Producers	£127.68
Personal Goods	£119.21
General Financial	£118.55
Chemicals	£114.85
Household Goods	£113.20
Media	£112.46
Industrial Engineering	£112.31
Food Producers & Processors	£107.18
Electronic & Electrical Equipment	£106.00
Electricity	£103.48
Beverages	£97.70
Mining	£97.24
Insurance (non-life)	£94.18
Aerospace and Defence	£93.80
Technology Hardware & Equipment	£92.75
Banks	£92.42
Software & Computer Services	£91.37
Health Care Equipment & Services	£90.31
Gas	£87.32
Construction & Materials	£87.25
Tobacco	£87.20
Support Services	£85.60
Mobile Telecommunications	£83.69
Automobiles & Parts	£77.83
Industrial Transportation	£74.60
General Industrials	£73.24
General Retailers	£73.00
Travel & Leisure	£63.02
Life Insurance	£59.00
Food & Drug Retailers	£47.19

The average monthly partnership share purchase value per employee was highest in 2019. Equity Investment Instruments, with the highest average in 2018, has dropped to the middle of the table in 2019.

**Average monthly partnership share purchase value by sector (top five from 2018)**

Sector name	Average monthly partnership share purchase value per employee during 2018
Equity Investment Instruments	£227.82
Industrial Engineering	£220.99
Oil & Gas Producers	£171.11
General Financial	£147.92
Real Estate	£138.81

**Weighted average monthly amount contributed during 2019**

- The weighted average monthly investment has fallen to **£76.89**, from £98.52 in 2018; £87.70 in 2017 and £89.30 in 2016.
- Details of gender were provided by 6 (from 8) administrators in 2018 (5 in 2018; 2 in 2017). Data for both participation (by gender) and monthly contributions (by gender) was requested.
- From 136,177 participants known to be female, the weighted average monthly contribution in 2019 was **£66.15**.
  - In contrast, in 2018 (from 94,077 females) the weighted average monthly investment was £53.65, and in 2017 (from 67,182 females) the weighted average monthly investment was £53.65.
- From 250,930 participants known to be male, the weighted average monthly contribution in 2018 (from take-up at the end of 2019 - including any/all elements offered) was **£81.91**.
  - In contrast, in 2018 (from 94,077 males) the weighted average monthly investment was £87.07, and in 2017 (from 82,085 males) the weighted average monthly investment was £87.07.

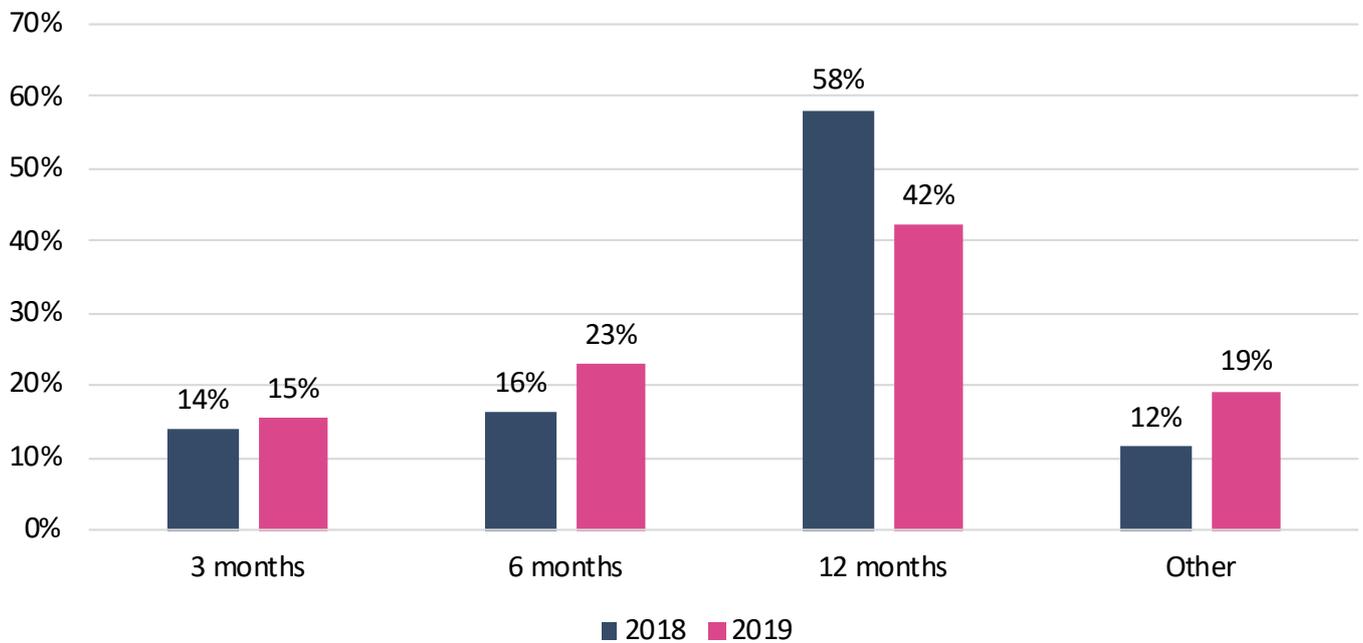
**Average monthly investment**



## Monthly purchase or accumulation period

From the 26 companies (43 in 2018; 38 in 2017; 40 in 2016; 45 in 2015; 46 in 2014; 83 in 2013) operating an accumulation period (other than monthly / 4 weekly) in 2019, the breakdown of the number of companies using each type of accumulation period is as follows:

### Accumulation period

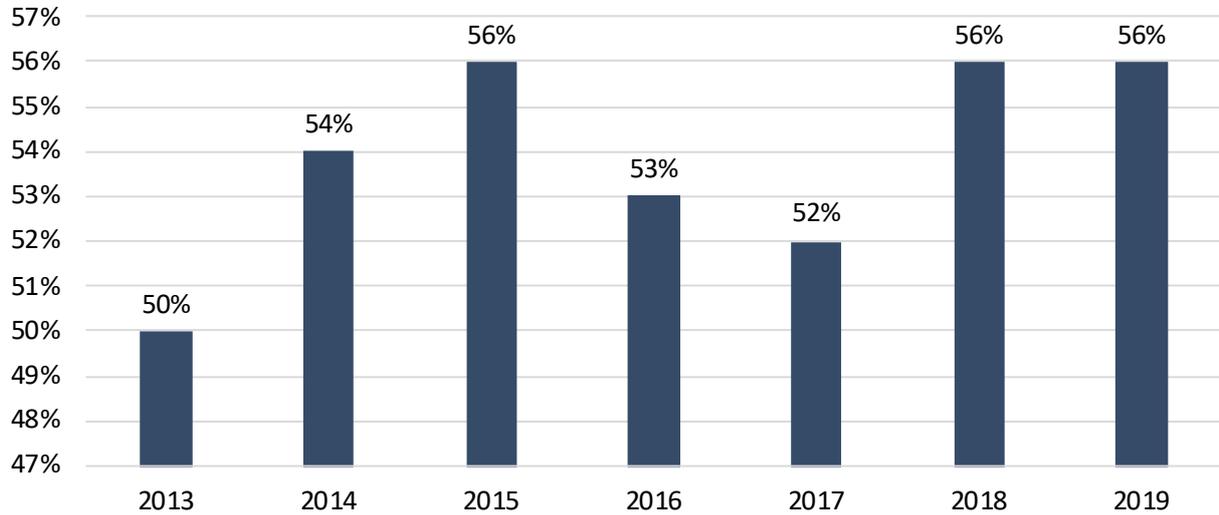


- Companies using monthly contribution in 2019 = **306** (298 in 2018; 266 in 2017; 300 in 2016; 305 in 2015; 321 in 2014).
- Companies using percentage of salary in 2019 = **23** (53 in 2018; 34 in 2017; 43 in 2016; 39 in 2015; 71 in 2014).
- Companies using monthly purchase in 2019 (The number of companies who buy shares on a monthly basis) = **215** (259 in 2018; 292 in 2017; 268 in 2016; 249 in 2015; 279 in 2014).
- Companies using accumulation fund in 2019 (The number of companies who buy shares over a different period) = **28** (38 in 2018; 38 in 2017; 40 in 2016; 45 in 2015; 46 in 2014).

## Matching shares

The percentage of companies in the 2019 survey offering Matching Shares remains at 56% in 2019, increasing from 52% in 2017.

### Percentage of companies offering matching shares



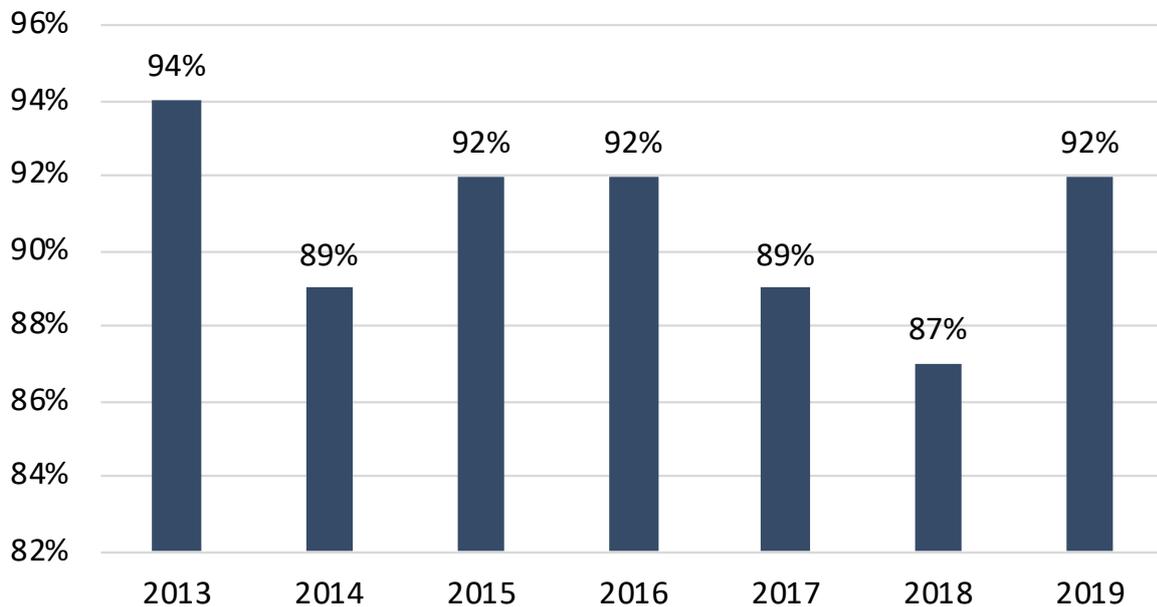
## Matching shares - forfeiture

A total of **170** companies offered matching shares in 2018 (238 in 2018; 215 in 2017; 225 in 2016).

**10** companies have a holding period of more than 3 years (14 in 2018; 20 in 2017; 23 in 2016).

**92%** of companies (from the total number of companies offering matching shares in 2019) incorporated forfeiture conditions attached to their Matching Shares in 2019. This figure has increased following a steady decrease between 2016 and 2018.

### Plans with forfeiture conditions

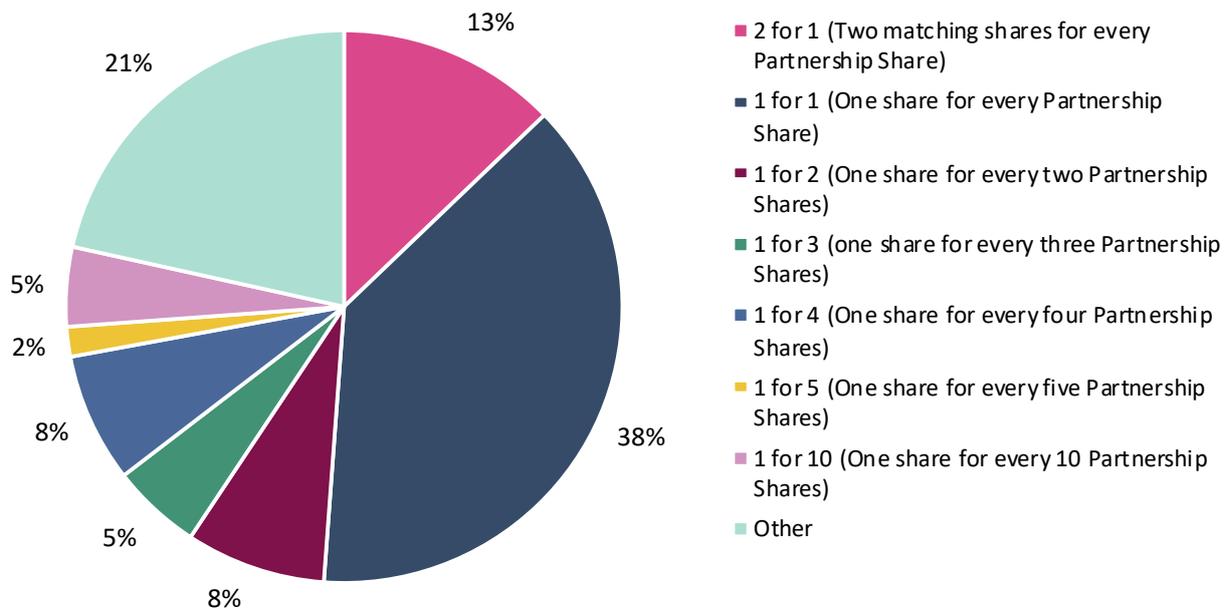


## Matching shares - basis for match

As found in 2018, the most popular match in 2019 is 1:1 (One Matching Share for every Partnership Share purchased), followed by 1:2.

- In 2018, 30% of SIPs offered 1:1, 10% 2:1, and 9% offered 1:2.

### 2019 Matching shares: basis for match



## Average Partnership: Matching share ratio by sector and administrator

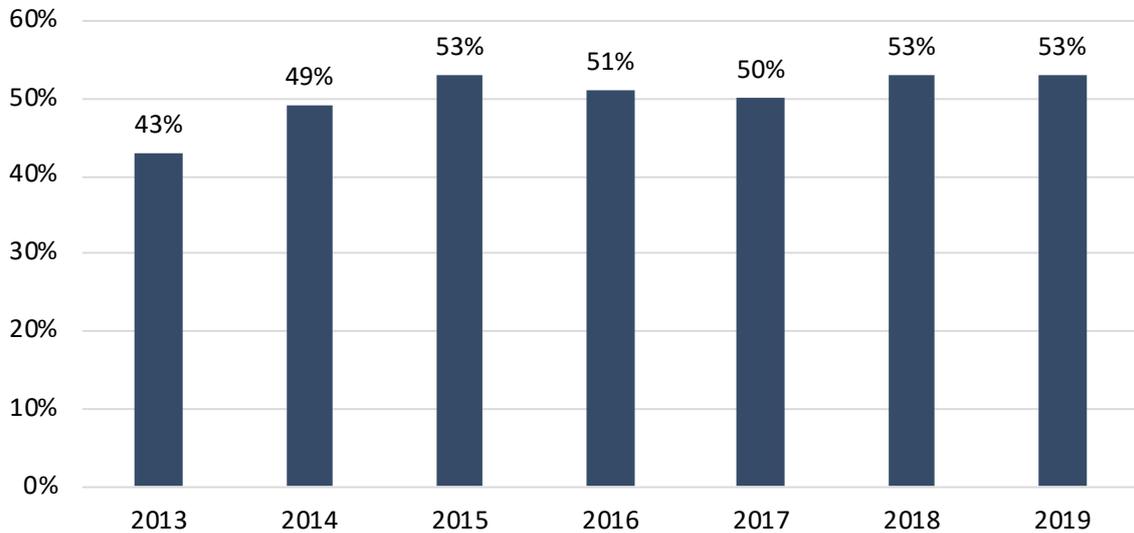
Where it was possible, administrators provided the average Partnership share ratio by industry. Not all administrators were able to provide data, but the table below gives a general picture of what was found from the data available.

Sector name	Administrators (six of eight providing data) average Partnership: Matching share ratio 2019					
Aerospace and Defence						1:3
Banks	1:1	1:1			1:1	2:1
Beverages		1:2				1:1
Chemicals			1:1	1:4	1:1	
Construction & Materials				1:2	1:1	
Electricity	1:2				1:1	
Electronic & Electrical Equipment	1:5			1:1		
Equity Investment Instruments			1:1	1:1		
Fixed Line Telecommunications				1:1		1:1
Food & Drug Retailers				1:6		
Gas						1:3
General Financial			2:1	1:2	1:1	1:1
General Industrials					1:1	
General Retailers					1:1	
Health Care Equipment & Services					1:1	
Household Goods					1:1	1:1
Industrial Engineering					1:2	1:1
Industrial Transportation					1:1	1:5
Insurance (non-life)				1:10	1:1	
Life Insurance	2:1			1:4		
Media	1:6			1:5	1:1	1:1
Mining					1:2	1:1
Mobile Telecommunications					1:1	
Oil & Gas Producers		2:1		2:1	1:1	1:1
Personal Goods					1:7	
Pharmaceuticals & Biotechnology				1:1	1:1	1:1
Real Estate	2:1					1:1
Software & Computer Services				1:2	1:3	
Support Services				1:3	1:4	1:2
Technology Hardware & Equipment					1:1	
Travel & Leisure		1:1		1:3	2:1	1:1

## Dividend shares

In 2019 **53%** (163 companies) offered Dividend Shares. In 2018, 226 companies (53%) offered Dividend Shares.

### Companies offering dividend shares



- Companies offering compulsory DRIPS in 2019: **59** (110 in 2018; 136 in 2017; 135 in 2016; 152 in 2015; 144 in 2014; 130 in 2013; 127 in 2012).
- Companies offering voluntary DRIPS in 2019: **95** (121 in 2018; 72 in 2017; 80 in 2016; 69 in 2015; 74 in 2014; 64 in 2013; 60 in 2012).
- The average percentage take-up of dividend reinvestment where this is voluntary was **47.31%** in 2019 (54.25% in 2018; 38.5% in 2017; 44.12% in 2016; 40.88% in 2015; 37.5% in 2014; 59% in 2013; 48% in 2012).
- Companies with an existing SIP that introduced a DRIP in 2019: **1** (1 in 2018; 2 in 2017; 6 in 2016; 6 in 2015; 6 in 2014; 8 in 2013; 2 in 2012).

## General administration

### Withdrawals from SIP in 2019 (all participants)



In the 2019 survey administrators reported 235,389 **(29.91% of SIP participants)** (331,741 in 2018; 33.58%) withdrawals in the last 12 months (sales and transfers).

### **Voluntary withdrawals**

- **120,742** employees **(15.34% of SIP participants)** made voluntary withdrawals in 2019 (208,986 in 2018, 21.16%)
  - This figure was 216,111 in 2017; 230,727 in 2016; 145,241 in 2015; 180,989 in 2014 and 223,559 in 2013.
- Details of gender were provided for 119,007 participants making voluntary withdrawals in the 2019 survey (124,156 in 2018; 90,507 in 2017). 52.44% of these participants are female and 47.56% male.
  - Female employees making voluntary withdrawals in 2018 accounted for 41.83% (58.17% male). In 2017, female employees making voluntary withdrawals accounted for 34.35% (65.65% male).

### **Good leavers**

- **41,096** employees **(5.22% of SIP participants)** made withdrawals as good leavers in 2019 (48,994 in 2018, 4.96%).
  - This figure was 52,008 in 2017; 52,193 in 2016; 59,371 in 2015; 52,170 in 2014 and 45,712 in 2013.
- Details of gender were provided for 38,450 participants making withdrawals as good leavers in the 2019 survey (30,693 in 2018; 29,020 in 2017). 41.73% of these participants are female and 58.27% male.
  - Female employees making voluntary withdrawals in 2018 accounted for 41.6% (58.4% male). In 2017, female employees making voluntary withdrawals accounted for 38.28% (61.72% male).

### **Bad leavers**

- **33,799** employees **(4.29% of SIP participants)** made withdrawals as bad leavers in 2019 (50,132 in 2018, 5.07%).
  - This figure was 50,294 in 2017; 49,873 in 2016; 35,676 in 2015; 47,606 in 2014 and 49,057 in 2013).
- Details of gender were provided for 32,510 participants making withdrawals as bad leavers in the 2019 survey (31,381 in 2018; 26,259 in 2017). 40.03% of these participants are female and 59.97% male.
  - Female employees making voluntary withdrawals in 2018 accounted for 40.56% (59.44% male). In 2017, female employees making voluntary withdrawals accounted for 42.97% (57.03% male).

### Withdrawals that were at least 5 years old in 2019

- **125,348** employees (**15.93% of SIP participants**) made withdrawals that were at least 5 years old in 2019. This includes: the number of times participants that withdraw shares that were at least 5 years old in 2018 - shares that were 5 years & 1 month & shares that are 5 years & 2 months were counted as 1 withdrawal, not 3.
  - In 2018, 173,804 employees (18.52% of SIP participants – 7 of 8 administrators provided data) made withdrawals after 5 years in 2018.
  - In previous years this was 168,148 in 2017; 113,599 in 2016; 98,561 in 2015; 109,637 in 2014 and 180,194 in 2013.
- Details of gender were provided for 115,489 participants making withdrawals that were at least 5 years old in the 2019 survey (54,956 in 2018; 42,626 in 2017). 37.76% of these participants are female and 62.24% male.
  - Female employees making voluntary withdrawals in 2018 accounted for 47.16% (52.84% male). In 2017, female employees making voluntary withdrawals accounted for 47.63% (52.37% male).

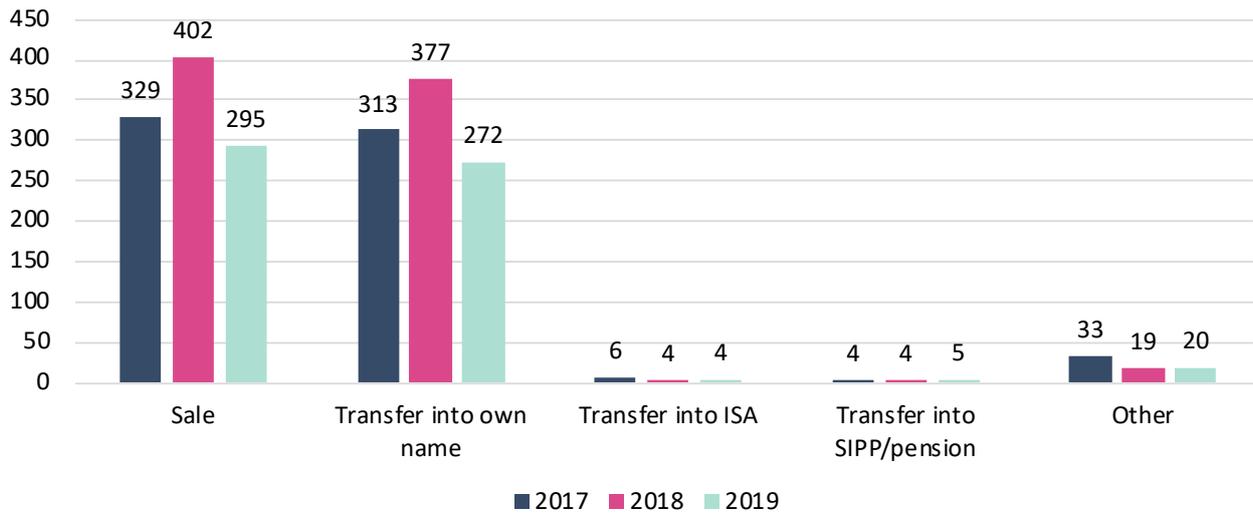
### Withdrawal of shares after 3 years but before 5 years

- There were known to have been **90,952 (11.56% of all SIP participants)** (152,076, 16.2% of all SIP participants in 2018) participants who withdrew shares after 3 but before 5 years.
  - Previous figures include 162,079 in 2017; 137,969 in 2016; 123,655 in 2015; 126,459 in 2014 and 158,467 in 2013).
- Details of gender were provided for 86,435 participants making withdrawals between 3 and 5 years, in the 2019 survey (80,861 in 2018; 79,569 in 2017). 40.11% of these participants are female and 59.89% male.
  - Female employees making voluntary withdrawals in 2018 accounted for 46.18% (53.82% male). In 2017, female employees making voluntary withdrawals accounted for 39.57% (60.43% male).

### The 5-year tax-free period

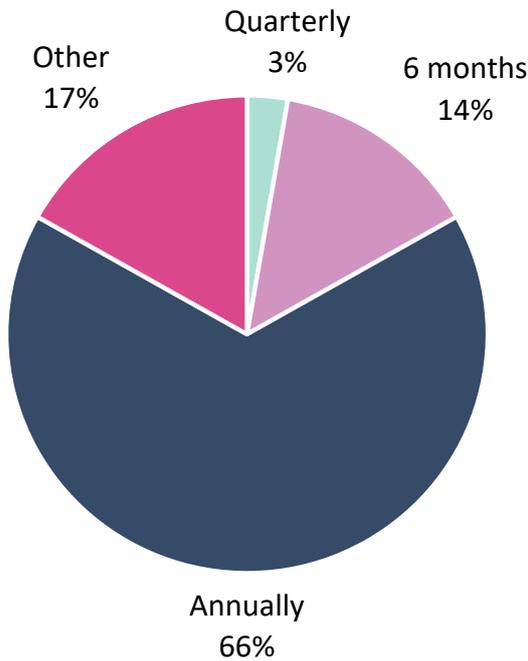
- **298,191** employees (**37.89% of SIP participants**) (300,765, 32.05% in 2018) were known to have reached the 5 year tax free period.
- Details of gender were provided for 285,344 participants in the 2019 survey (119,623 in 2018; 84,712 in 2017). 36.22% of these participants are female and 63.78% male.
  - Female employees making voluntary withdrawals in 2018 accounted for 37.59% (62.41% male). In 2017, female employees making voluntary withdrawals accounted for 35.31% (50.05% male).

### Choices offered to employees on leaving



Findings remain similar to 2017 and 2018. The above data does not necessarily mean that communication is sent out after 5 years but it could appear on a statement, or the information may be provided on request.

### Regularity of statements sent out in 2019



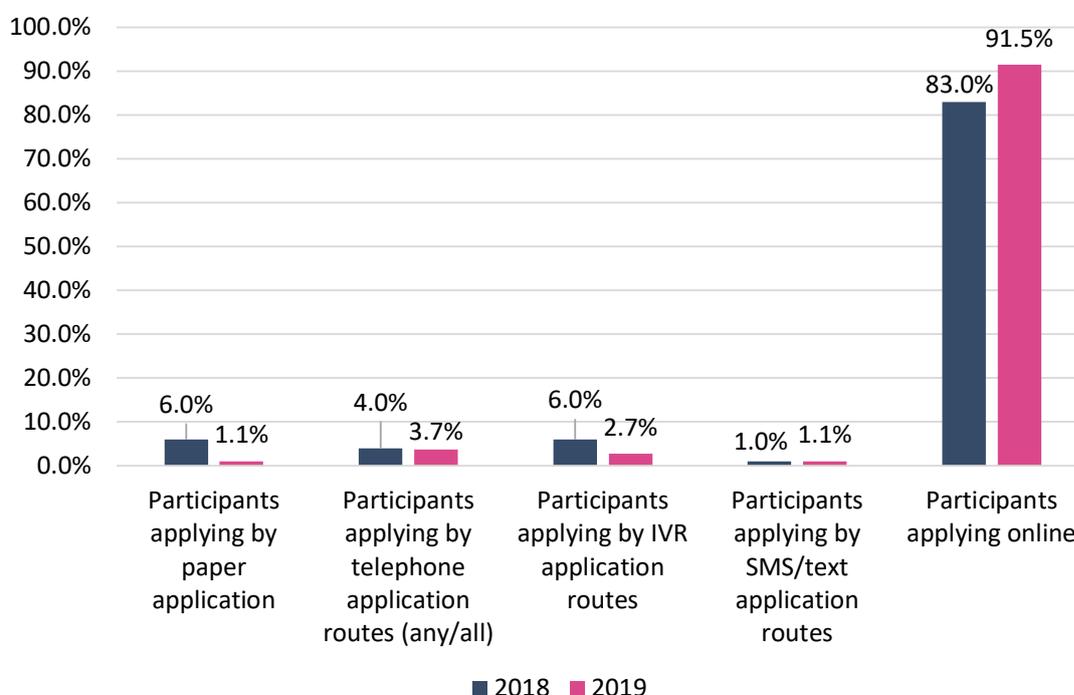
6 administrators provided data on the regularity of statements sent out in 2019. As found in 2018, no companies in 2019 were reported to be issuing statements monthly or every two months.

- **14%** (17% in 2018; 29% in 2017; 21% in 2016; 28% in 2015; 28% in 2014 and 30% in 2013) issue statements with a breakdown of their SIP accounts every 6 months and **66%** (75% in 2018; 61% in 2017; 67% in 2016; 58% in 2015; 60% in 2014 and 51% in 2013) issue statements annually.
- In 'other' administrators reported that employees had 24/7 access online.

### SIP application facilities

- The number of companies offering paper applications in 2019 was **18 (5.88%)**. This was 70 (16.51%) in 2018; 77 (18.47%) in 2017; 131 (30.8%) in 2016; 152 (35.3%) in 2015 and 169 (38.3%) in 2014.
- The number of companies offering telephone application routes (any/all) in 2019 was **40 (13.07%)**. This was 40 (9.43%) in 2018; 11 (2.64%) in 2017; 18 (4.2%) in 2016; 22 (5.1%) in 2015; and 51 (11.6%) in 2014.
- The number of companies offering IVR application route in 2019 was **39 (12.75%)**. In 2018, 41 (9.67%); in 2017, 42 (10.07%), and in 2016, 50 companies (11.7%), offered an IVR application route.
- The number of companies offering SMS/text application route in 2019 was **2 (0.65%)**. In 2018, 2 (0.47%), in 2017, 4 (0.96%) and in 2016 5 (1.2%) companies, offered SMS/text application routes.
- The number of companies offering online applications in 2019 has risen to **249 (81.37%)**. This was 334 (78.77%) in 2018; 298 (71.46%) in 2017; 252 (59.2%) in 2016; and 239 (55.6%) in 2015.

### Paper, telephone, sms/text, IVR and online applications in 2019

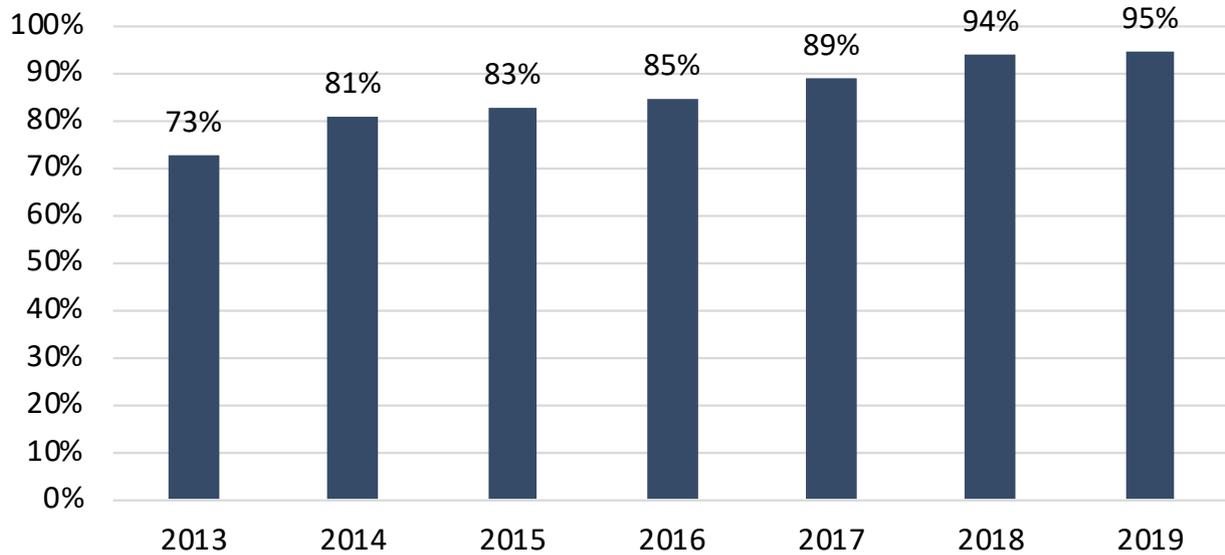


The number of participants applying online fell from 89% (74,743 participants) in 2017 to 83% (72,060 participants) in 2018. In 2019, this has increased to 91% (69,226 participants). The percentage of participants applying using telephone and based methods and IVR application routes remain at a similar level to 2018. There is a decrease in paper applications, from 6% in 2018 to 1% in 2019.

- The number of participants applying by telephone application routes (any/all) in 2019 was 2,835. This was 5,498 in 2018; and 2,095 in 2017.
- The number of participants applying by IVR application route in 2019 was 2034: In 2018 this was 5,048; and in 2017 this was 3,376.
- The number of participants applying by SMS/text application route in 2018 was 801. In 2018 this was 450; and in 2017 this was 609.
- The number of participants applying by paper application in 2019 was 795. This was 3,730 in 2018; and 3,535 in 2017.
- The number of participants applying online in 2019 was 69,226. This was 72,060 in 2018; and 74,743 in 2017.

### Online SIP access

In 2019 online access to holding information for employees increased to **95.42%** (424 companies) from **93.87%** (424 companies) in 2018, and 89.4% (373 companies) in 2017. In previous years this figure was: 85% in 2016; 83 % in 2015 and 81% in 2014.



- The number of companies extending SIP to overseas employees in 2019: **8** (8 in 2018; 6 in 2017; 9 in 2016; 19 in 2015; 10 in 2014 and 14 in 2013).
- The number of companies extending SIP to US employees in 2019: **6** (6 in 2018; 7 in 2017; 5 in 2016; 6 in 2015; 6 in 2014 and 3 in 2013).
- The number of companies extending SIP to EU employees in 2019: **7** (7 in 2018; 8 in 2017; 9 in 2016; 8 in 2015; 8 in 2014 and 6 in 2013).
- The number of companies extending SIP to other overseas employees in 2018: **8** (8 in 2018; 9 in 2017; 6 in 2016; 19 in 2015; 13 in 2014 and 13 in 2013).

### Support Offered by Companies / Plan Administrators to Employees

- Companies offering manned telephone helpline: **303** (422 in 2018; 411 in 2017; 415 in 2016).
- Companies offering recorded telephone help: **61** (93 in 2018; 184 in 2017; 30 in 2016).
- Companies offering webchat: **37** (31 in 2018; 79 in 2017; 80 in 2016).



# ProShare

**October 2020**

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