



# Looking to incentivise and retain key staff with shares?

Cash bonuses certainly work well to reward past performance but how can your business motivate and incentivise your team of key employees for the future?

Offering share-based rewards allows employer to incentivise key employees with the opportunity to participate in the future growth of the business, including performance-based rewards and a share of proceeds on the sale of the company. With a share-based element of reward, the individual employee's package is more closely aligned with the success of the business as a whole for the long term.

There are many ways that shares and share options can be provided to employees. This range of offerings is immensely flexible and can provide employers with cost-effective, tax-efficient incentives for their staff without giving up control over the business.

## How we can help

We have a specialist share scheme team who will work with you to design and implement a share scheme that meets your strategic goals, ensuring that the scheme is as tax efficient as possible for both the company and the employee.

## Design

Every share scheme is bespoke, so we invest the time with our clients to model and assess the entire life of the scheme. For a share option scheme, we would model from the outset at the grant of the option, to exercise of the option when the shares are acquired and then into the future, an exit through sale of shares. Considering each step along the way, we can help ensure there are no nasty surprises along the way.

Where your company qualifies, an Enterprise Management Incentive (EMI) scheme can be the most attractive share scheme for all parties, as it benefits from tax advantages and approvals from HMRC relative to other share options. It is specifically designed for trading companies with growth potential to help them recruit, motivate, and retain key individuals.

An EMI scheme provides significant flexibility as to the number of shares over which the share option is granted, who is included in the scheme and the employee-specific conditions for exercise which could be relate to time, specific events or personal performance.

Where an EMI scheme does not meet your needs or the conditions for EMI cannot be met, we would be happy to advise on alternative share-based employee schemes, including:

- ▼ Non-tax advantaged share option schemes
- ▼ Issuing growth shares or hurdle shares
- ▼ Restricted Share Agreements
- ▼ Company share option plan (HMRC approved)
- ▼ Share incentive plan (HMRC approved)

We are confident that we can work with you to design and implement a scheme which achieves your objectives at a whole company level and for individual employees.

## Implementation

We work closely with our in-house valuations team who can carry out any share valuations needed for the implementation of any share scheme.

In addition, we would project manage your share scheme implementation, liaising with your legal advisers to ensure that the share scheme moves forward and the process from design to implementation to notification is managed smoothly.

We know that shares and share options are complicated and it can be hard to explain to employees why the share scheme is a good idea for them and for the business. We are happy to produce summary information for employees and come to employee meetings if requested.

### **Our Business Tax Advisory team can also advise on:**

As an entrepreneurial business, we would also be happy to talk to you about and advise on the following key areas where tax necessarily forms an important part of your decision-making process:

- [Succession planning and exit strategies](#)
- [Corporate reorganisations](#)
- [Capital allowance planning](#)
- [Mergers and acquisitions](#)
- [Research and development tax credits](#)

We would like to help you make confident decisions about the future and maximise relief available to you. We look forward to working with you.

### **For more than accountancy, business and financial advice.**

**Call:** +44 (0)330 124 1399

**Email:** [enquiries@krestonreeves.com](mailto:enquiries@krestonreeves.com)

**Visit:** [www.krestonreeves.com](http://www.krestonreeves.com)

### **Our team of specialist tax advisors**



**Sam Jones**

Corporate Tax Senior Manager  
[sam.jones@krestonreeves.com](mailto:sam.jones@krestonreeves.com)



**Zhen Bailey**

Corporate Tax Senior Manager  
[zhen.bailey@krestonreeves.com](mailto:zhen.bailey@krestonreeves.com)



**Nadia Pfeffer**

Corporate Tax Manager  
[nadia.pfeffer@krestonreeves.com](mailto:nadia.pfeffer@krestonreeves.com)



**Gem Hutchinson**

Private Client Tax Assistant Manager  
[gem.hutchinson@krestonreeves.com](mailto:gem.hutchinson@krestonreeves.com)