

Reward and Retirement Provision

Assignment 3

*(Part 3 - Flexible Benefits and Salary Sacrifice
Chapter 1 – Company Share Plans
Chapter 2 – Flexible Benefits)*

Recommended Time: 3 hours

1. Explain why a company might consider operating an approved save as you earn share option plan. **15 marks**
2. Analyse the advantages and disadvantages of a flexible benefits plan. **15 marks**
3. Explain what approved share incentive plans are and how they operate. **10 marks**
4. As the Benefit Consultant your client has asked you to prepare a report for presentation to the Board regarding the introduction of an unapproved share plan. Your report should include:
 - The reasons why a company may operate an unapproved share plan
 - Who they are designed for
 - The characteristics of the types of unapproved plans
 - Typical conditions to be met before employees are entitled to shares
 - The taxation position when employees become entitled to shares.**35 marks**
5. Explain how a DC arrangement could be incorporated into a flexible benefits plan. **15 marks**
6. Outline the eligibility, savings and duration restrictions that apply to approved save as you earn share option plans. **10 marks**