



Reward & Retirement Provision

Assignment 3 Questions

(Part 3 – Flexible Benefits and Salary Sacrifice)

(Chapter 1 Company Share Plans - Chapter 2 Flexible Benefits)

- 1. Explain why a company may wish to provide a share plan for its employees.**

5 marks

- 2. Outline the eligibility, savings and duration restrictions that apply to approved save as you earn share option plans.**

20 marks

- 3. A new employee is looking at joining your company's Share Incentive Plan (SIP) and has asked for information on the shares that can be purchased through the SIP. Prepare an email to the employee confirming the different ways shares are purchased, any restrictions that apply on the values purchased, and the tax implications.**

20 marks

- 4. As your company's Benefit Consultant, you have been asked to prepare a report for presentation to the Board regarding the introduction of an unapproved share plan. Your report should include:**

 - a) The reasons why a company may operate an unapproved share plan**
 - b) Who they are designed for**
 - c) The characteristics of the types of unapproved plans**
 - d) Typical conditions to be met before employees are entitled to shares**
 - e) The taxation position when employees become entitled to shares.**

30 marks

- 5. Outline the advantages and disadvantages of a flexible benefits plan.**

10 marks



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6. Outline what a Lifetime Individual Saving Account is and how it works.

5 marks

7. Outline the key stages of a communication strategy for rolling out new flexible benefits.

10 marks