



Experience.

Employee Services Case Studies

International Pension Plans

A major oil services company employs nationals from North America, Europe and Asia and operates in the Middle East where local pension provision for expatriates is rare.

Using their American parent's 401(k) plan as a template the Middle Eastern company designed a defined contribution plan with employees choosing a level of monthly contributions and the employer providing a basic level of contribution plus a partial match of the employee contribution.

Jersey Trust Company is trustee and administrator of the plan and the investment choices are Luxembourg based regulated mutual funds which themselves hold both regional and global equity and bond funds. Specialist software and a dedicated database are used to track each strand of contribution and the investment units purchased.

The employees receive regular statements by e-mail every three months and can check the value of their retirement savings via a dedicated company branded website.

Employee Share Incentive Plans

A UK high street retailer operating throughout the UK wants to encourage employees to own part of the company. The company establishes a share incentive plan and gifts each employee shares valued at £1,500. These are put into a trust of which Jersey Trust Company is the trustee. The company also offers employees the opportunity to purchase further shares in the company up to a value of £125 per month. In addition, the company buys an equal number of shares in respect of those employees.

Jersey Trust Company administers this plan through coordination with the company's payroll department and uses specialised software and a dedicated database to track the contributions made by the employees and the shares purchased on their behalf. Employees receive regular company branded statements.

Long Term Incentive Plans (LTIP)

A major FTSE250 company operates in the UK and wants to install an incentive system to align the interests of its senior executives with those of the shareholders.

Using remuneration consultants the company designs a long term incentive plan where shares are contingently awarded dependant on the total shareholder return over the following three years.

The shares are placed in trust for the potential benefit of the executives and at the end of a determined time period the shares are released to the executives if the performance criteria have been met.

Jersey Trust Company provides trustee services and administers the plan in accordance with the rules.

Employee Share Ownership Plans

An engineering consultancy organisation, originally a family business, had passed on the ownership of the business to its employees in the 1980s.

Over the years the business grew, however, the ownership of the business did not widen at the same pace. With many of the original employee owners nearing retirement they decided to pass ownership to the whole of the employee base. Rather than attempt numerous small transactions, it was decided to establish an employee benefit trust to own the business and to maintain and widen the partnership culture that characterised the business.

Jersey Trust Company has provided the independent trusteeship since the establishment of the employee benefit trust.

Company Share Option Plans

An AIM listed company grants options to its employees six months after joining the company. The number of options is equal to the salary of the employees. The exercise price of the options is the market price on the date of grant. The options vest at 25% per year and can be exercised any time thereafter.

Jersey Trust Company administers the plan on behalf of the company by recording the options and dealing with the exercises after vesting.

Deferred Compensation Plans

A leading UK financial services company awards cash bonuses each year to chosen employees. The bonuses are deferred for three years and are conditional on specified financial targets being met. The value of the bonuses is placed in trust and they are released to employees at the end of the specified period of time if the targets have been met.

Local Pension Plans

A major oil services company employs local nationals in the Middle East where local pension provisions are currently not generous. The company, as part of a global employee benefits strategy, decided to establish a pension plan for these employees.

Jersey Trust Company is trustee and administrator of the plan. Specialist software and a dedicated database are used to track each strand of contribution and the investment units bought.

The employees receive regular statements by email every three months and can check the value of their retirement savings via a dedicated company branded website.