

Budget Day Sharesave win for employees on maternity leave

In today's Budget the Chancellor of the Exchequer, Philip Hammond, included provisions to increase the Sharesave contribution 'holiday' period from six months to twelve months. This will be particularly beneficial to employees participating in Sharesave who need to take a payment break during a period of maternity leave. Under the old rules, only six months' break from monthly Sharesave contributions was permitted, despite the fact that employees are entitled to take a period of up to twelve months' maternity leave. This meant that until now, many women who could not afford to keep their contributions going during maternity leave had to allow valuable Sharesave options to lapse, due to outdated legislation.

The new extended month contribution 'holiday' will allow all Sharesave participants to take a break from contributions of up to twelve months without their option lapsing. They will be able to re-start contributions on their return to work, and continue to participate in the scheme until its deferred maturity date.

Gabbi Stopp, Head of Employee Share Ownership at ProShare said:

"I'm delighted that the Chancellor has listened to our Budget representations and to the many MPs who supported us on this change. Millions of UK employees who are eligible to take part in their employers' Sharesave schemes will now be able to participate without being effectively financially penalised for starting or adding to their family. This will help them build a meaningful stake in their employers' shares, to save and invest for their futures and those of their families."

ENDS

Notes to editors

Sharesave or Save As You Earn ('SAYE') is a tax-advantaged all-employee share scheme. Employees may save up to £500 per month deducted from net pay via their employer's payroll, over a three or five year term. When they start saving, they are granted an option over their employer's shares. At the end of that term, they may take their savings back or use them to buy shares under the option that was granted to them. The legislation currently provides for participants to take up to a six month break from monthly contributions and then restart saving without their option lapsing. If they miss a seventh monthly contribution, their option lapses and they may only take their savings back.

ProShare's Annual SAYE & SIP report analyses the UK market for all-employee share plans. The latest version issued in May 2017 found that:

- 1.4 million employees participated in Sharesave
- The average monthly contribution to Sharesave per participating employee was £156
- That's an average of £218 million saved in total each month.

ProShare is the voice of the employee share ownership industry in the UK. It was established in 1992. For further information visit www.proshare.org.