HMRC - ETASSUM34140 - Temporary Postponement Of Contributions

From the 1 September 2018, the terms of the Prospectus allow an employee to delay the payment of monthly contributions, by up to twelve occasions in total, without causing the savings contract to be cancelled prematurely. But if the participant fails to make a contribution on the due date for a thirteenth occasion the employee is treated as if he had given notice of intention to stop making contributions permanently.

Employees with savings contracts that started before 1 September 2018 can also delay the payment by up to twelve monthly contributions in total.

Temporary postponement of contributions will put back the 3 or 5 year maturity date of the savings contract, and the rights of option exercise linked to it, by up to twelve months.

If companies grant options at the same time each year, an employee’s temporary postponement of contributions under an existing savings contract may affect the extent to which he can enter into a new savings contract, and therefore the extent to which he may apply for options under the next offer of options.

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