

BT Sharesave Maturity success



Overview

BT is one of the world's leading providers of communications services and solutions, serving customers in more than 170 countries. Its principle activities include the provision of networked IT services globally; local, national and international telecommunications services to its customers for use at home, at work and on the move; broadband and internet products and services and converged fixed/mobile products and services. BT consists principally of four lines of business; BT Global Services, BT Retail, BT Wholesale and Openreach.

The maturity in August 2012 (known as SavaShare) was one of BT's largest sharesave maturities involving 20,000 BT employees. With an option price of 68p and a market price of 218p per share, employees stood to make substantial gains and BT wanted to offer employees a range of maturity choices.

Challenges

- Ensuring employees understood Capital Gains Tax and the maturity options available to them
- The existing ISA maturity choice required employees to complete a separate ISA opening application. It was clear from previous BT maturities that employees often did not complete the ISA opening procedures, resulting in delays in transferring their shares

Our Approach

A BT Employee survey was conducted before the maturity, highlighting some important facts that informed our approach and assisted maturity planning

- 14% joined the plan for a tax free way of saving
- Over 18% planned to transfer shares into an ISA
- 28% of employees planned to sell all the shares on maturity
- Over 70% planned to keep some or all of the shares

The decision was made to take a proactive stance to inform employees about their choices at maturity. Equiniti Creative and Xafinity Skillbase ran focus groups to identify the information and communication channels employees would most benefit from.

Key Tasks Required

- Identify key dates
- Agreeing choices to be offered
- Communications Strategy

Our Service

Following a review of the ISA application process Equiniti developed additional ESP Portal functionality to integrate the ISA application into the maturity process enabling employees to complete both the maturity instruction and ISA application in one place, simply and efficiently.

BT and Equiniti Creative worked together to develop an employee communication plan aimed at improving employee understanding and helping them to make informed decisions. This consisted of:

- Personalised targeted emails and intranet news articles including
 - Reminders of the 2012/13 annual ISA limits and CGT exemption limits
 - CGT exemption working examples of what transferring to an ISA, spouse and pension would mean
- Explanations of how to calculate CGT

- BT and Equiniti subject matter experts hosted live chats on the BT intranet including:
 - How to make maturity choice(s)
 - Capital Gains Tax
 - ISA's/SIPPs
 - Helpsheets
 - FAQ's
 - Maturity booklet

Delivered

- 83% of employees gave their instructions over 95m shares
- More than 3 million shares transferred to over 800 ISA accounts
- ESP Portal ensured smooth, straight through process for employees cutting out additional paperwork
- 2,800 employees used the multi-choice options
- 98% satisfaction for application process

Frances O'Mahony, BT's Head of Employee Share Plans and Share registration said "Given the size and the potential gains in this plan, we had a large number of people who were potentially liable to Capital Gains Tax if they sold all their shares straight away. The ESP Portal made it much easier for people to maximise the Capital Gains Tax advantages of transferring shares to an ISA and transferring shares to a spouse/civil partner"