

EMPLOYEE SHARE OWNERSHIP PLAN (ESOP*)



Investment
Capital Branch

*Employee Investment Act (EIA)



PROGRAM INFORMATION

- 20% tax credit to eligible employees
- up to \$2,000 in ESOP tax credits annually; no lifetime limit
- RRSP eligible
- non-refundable
- payroll deductible



ELIGIBLE EMPLOYEES

- B.C. residents
- work 20 or more hours per week
- not existing major shareholders of the company



ELIGIBLE COMPANIES

- Canadian companies that pay at least 25% of wages to B.C. residents
- together with affiliates, less than \$500 million in total assets



ESOP SHARES

- equity shares issued from treasury or transferred* (*succession planning)
- must be held for 3 years (in escrow)
- no guarantee of return



ESOP PLANNING

- retirement succession planning
- employee engagement
- employee recruitment and retention
- financing growth