

TGS Partners Pty Ltd – Chartered Accountants

Checklist for Employee Share Plans

If you have had any shares, rights or options issued to you by your employer during the year, or if you have *exercised* during the current year, any rights or options granted to you in a previous year, you need to provide TGS Partners Pty Ltd with some information about the plan in order to ensure the correct tax treatment.

Note: there are tax rules *other than the CGT rules* that apply to shares, rights or options issued under these plans. These rules can apply *at the outset*, that is, in the year when the shares, rights or options are granted.

The following is a list of the information we require:

- The name of the company in which the shares, rights or options are issued (Note: this is not always exactly the name of your immediate employer)
- The number of shares, rights or options granted and in the case of rights and options, any conditions that are attached to their exercise.
- The price you are required to pay (if any) for the shares, rights or options. And, in the case of rights and options, the amount you are required to pay (if any) upon their exercise.
- Whether the above-mentioned price is less than the market value of the shares, rights or options at the time they were granted.
- Whether there are any restrictions attached to the sale of the shares, rights or options.
- Whether the plan is one that is offered to all employees or only a particular class.
- How the purchase of the shares, rights or options will be financed
- Whether the shares, rights or options have been issued in your name or an associate.

The tax rules applicable to employee share plans are complex and there is an important election that is available to minimise the tax cost for employees in some circumstances. It is therefore in your interests to ensure that you understand *at the outset* how these rules apply to you and your employer's particular scheme.