



## WITHOUT

ABC Limited grant Andy £20,000 of options which may be subject to income tax in the usual way



Andy required to pay as much as 45% PAYE when he sells his shares



Andy's shares increase in value to £100,000



So when Andy decides to sell his shares, his net gain is £100,000 - £20,000 = £80,000. This means that Andy's tax bills could be £80,000 x 45% = £36,000 if we assume he pays 45% PAYE.

## WITH

ABC Limited grant Andy £20,000 of options at a pre-agreed value with HMRC. This would not be subject to income tax



With an EMI scheme, Andy pays 10% Capital Gains Tax on any uplift in value of the shares



Andy's shares increase in value to £100,000



So when Andy decides to sell his shares, his net gain is £100,000 - £20,000 = £80,000. This means that Andy's tax bill would be £80,000 x 10% = £8,000. Andy could pay £28,000 less tax with an EMI scheme.