



## IAFP “E” REVIEW

March 2010 selection

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### - AEOA (IAFP)

#### ***My Business: Selling shares to your employees***

International research suggests that employee owned businesses grow faster and are more profitable than conventional firms. In the February, 2010 edition of *My Business* magazine ([www.mybusiness.com.au](http://www.mybusiness.com.au)), Stuart Frost, the co-founder of CAD Partners (<http://www.cadpartners.biz/>), recounts his experiences in structuring an employee share scheme in his business.

It provides valuable insights to other business owners looking to exit their business through a sell down to their staff.

As one of CAD Partners employees - Daniel Cadart - says: “Apart from dividends and capital growth, this creates a great sense of belonging to something. Whether it’s family, a tribe, a group or community – society is evolving and finding new ways to work together. It makes me feel part of this community. It provides motivation to invest yourself in the business.”

### - AGP (IAFP)

#### **AGP News**

##### **Deferred compensation for employee share ownership**

Planned change in the law brings significant financial benefits for companies and employees.

[>> more](#)

##### **Productive Partnership in business and economics**

60. Annual Meeting of the AGP e.V. in Munich.

[>> more](#)

##### **AGP-STAR 2010**

The AGP Partnership Award for Corporate Culture 2010th

[>> more](#)

### **What helps the companies in crisis**

Hessian series of seminars for businesses: Employee as a tool to stabilize business and employment.

[>> more](#)

### **- SNPI (IAFP)**

#### **Employee Participation Meeting on March 25, 2010 in Leiden**

The economic crisis has the debate around high rewards of your people to flare up. This is a thorough search for alternatives, so you as the employer remains attractive for your staff. Employee participation is a good alternative.

Recent research from Radboud University Nijmegen has revealed that (company wide) financial participation by employees has a positive impact on the performance of the company.

[De Clercq](#) (Lawyers, Notaries, Tax) and **SNPI** (Dutch Foundation Participation Institute) will organize on Thursday, March 25, 2010 a meeting on employee participation. This is held in the office of De Clercq, the High Rijndijk 306 to Leiden. We invite you from above.

The meeting is designed for companies interested in employee share ownership and employee-participation firms already in use. Other parties (consultants, lawyers, NGOs, etc.), interested in the subject can contact the organizing parties to make an individual appointment.

At a glance, we have the investigation of Radboud University Nijmegen. Using examples from practice, we also consider legal forms of employee participation, the major focus for you as an employer, and tax issues.

Everything you always wanted to know about employee involvement, but was afraid to ask, on March 25 as will be discussed. This is your chance to a (still) better get out of your company. e like to know whether your visit should be counted. Subscribe by e-mail [participatie@declercq.com](mailto:participatie@declercq.com). For further information please email or contact the organizing parties.

Sincerely,

Drs. Pascale Jansen-Nieuwland  
Advisor SNPI  
070-3554413

### **- Employees benefits.co.uk (UK)**

**The process of communication planning and implementation is often the key factor determining the effectiveness and performance of your employee benefits scheme.** Yet many organisations underestimate the role that targeted, accessible and relevant communications can play in building, nurturing and growing employee engagement.

As we manage the fall-out from the recession and enter a phase of recovery, we all need our employees engaged and motivated, and most experts and studies will highlight the critical importance of leadership, people and communication in building engagement. And when it comes to employee benefits specifically, without effective, expertly managed two-way communications, reward and benefit programmes will rarely achieve their maximum potential.

This white paper seeks to understand how today's organisations and HR professionals are tackling the issues of effective benefits communication. It reviews the reality of benefits communication in organisations today, as well as the landscape of future benefits communication. By surveying and talking with employers and key industry experts we discuss the key issues companies are facing, including the growing popularity of total reward. Patrick Langlois, Managing Director  
Accor Services

[more.....](#)

### **- ifsProshare (IAFP)**

#### ***ifs ProShare Employee Share Plans Conference & Exhibition 2010***

This year's event will take place on Wednesday 13 October 2010 at the British Museum, Great Russell Street London.

Further information will appear here over the coming weeks and months, please check back again soon!

### **IPA (IAFP)**

This month the IPA submitted its response to the consultation on the EU 2020 strategy, the successor to the Lisbon strategy. The document suggests a focus on jobs, innovation and increased productivity as a way for Europe to grow its way out of recession. But the IPA raised concerns about the absence of the workplace in this picture.

The Lisbon strategy has largely been seen as a failure. At a recent conference in London, EU competition commissioner, Joaquín Almunia admitted that there had been no mechanism in place to ensure that lofty ideals were delivered on the ground. The IPA commented in the response that commitments to increased productivity, better jobs, and improved innovation were unlikely to occur without policy measures directed at the workplace.

The IPA suggested four ways in which the EU 2020 strategy could improve in this regard: Give greater consideration to the workplace and workplace level policy; use the European Commission as a means of knowledge transfer, spreading best workplace practice between members states; use EU funding to incentivise and support member states to develop long-term workplace innovation schemes; use the European Commission as a cultural leader in good work and employee engagement. The Commission could use its role as employer and policy maker to help bring attention to these concepts.

You can read the full IPA response to the EU 2020 strategy [here](#).

### **New figures show hidden effects of recession**

Britain faces significant underemployment, high levels of inactivity and a creeping rise in long-term unemployment according to labour market figures released by the ONS this month.

Although UK unemployment is somewhat lower than expected, the latest figures suggest that many people are underemployed; taking part-time work when they would prefer to be in full-time work. In the three months to December there were 1.04 million employees and self-employed people working part-time because they could not find full-time work.

The TUC expressed concern that the unemployment figures were encouraging an overly optimistic view of the labour market. Brendan Barber said:

‘a closer look suggests that thousands of people are taking part-time or temporary jobs because they cannot secure full-time positions. A growth in insecure and low-paid employment at the expense of secure work is not good news for them or for the economy.

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### **The monthly IPA e-bulletin**

The IPA e-bulletin is a monthly newsletter delivered straight into your inbox. It features the latest news and information from the IPA including news stories, relevant articles and viewpoint pieces, legal updates and details of the IPA's activities and programme of events

- NCEO

Corey Rosen

March 1, 2010

### ***Conservatives in UK Now Want to Expand Worker Ownership to All Public Sectors***

In the last few months, the Conservative Party in the United Kingdom has called for privatization of health services into employee-owned companies, using the employee-owned John Lewis Partnership as a model. Now the Conservative Party is proposing that employees in any public service organization, including schools, be able to reorganize as an employee-owned company. The Labor and Liberal parties have also endorsed the idea for health services, but have not yet responded to the newest proposal. Details of the proposal can be found [at this link](#) (PDF format).

### ***New NCEO Data Looks at Frequency of Broad-Based Option and Stock Purchase Plans***

There is no easy way to find out how many companies have broad-based option plans (plans offered to most or all employees) or ESPPs. There is no required government registration for these plans, so the only practical way to find out is to look in the benefits section of their careers page on the Web or, in some cases, in their 10-K filings (many companies do not

provide all of this information there, however). So the NCEO has been painstakingly going through a list of over 2,000 large public companies to compile who has plans and who does not. We will also soon have data on other kinds of broad-based equity plans (restricted stock, stock appreciation rights, and phantom stock). So far, we have found that about 12% of the companies have broad-based options and about 30% have ESPPs. The list will be completed in the next two weeks and will be available for purchase. My next column will provide more details on that.

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**A Brief Overview of Employee Ownership in the U.S.**

As of 2009, we at the National Center for Employee Ownership (NCEO) estimate that, among companies that have stock, about one-third of the work force own stock in their employers through one kind of plan or another. Those 25 to 30 million employee owners represent an astonishing growth over the last 40 years, when probably not more than one million employees owned stock in their employers. This ownership comes in several forms, ranging from stock purchase plans in public companies, broadly granted stock options and similar kinds of equity awards, and employee stock ownership plans (ESOPs), a company sponsored ownership plan that holds stock in the employer for employees. The table below shows our current (2009) estimate of the extent of employee ownership in the U.S. (note that some employees may be in more than one plan, especially option and stock purchase plans).

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**- PSCA (IAFP)**

February 26, 2010

TO THE MEMBERS OF THE UNITED STATES CONGRESS:

This week is “America Saves Week,” which is meant to spotlight the importance of all savings. In the wake of current concerns about retirement security, the undersigned organizations believe it is valuable to highlight one of the true successes of retirement savings – the private employer-provided system.

Therefore, on behalf of the millions of workers for whom we provide retirement benefits, we urge you to maintain and strengthen the voluntary, flexible employer-provided retirement system.

The employer-provided retirement system has been overwhelmingly successful in providing retirement income.

Private employers spent over \$200 billion on retirement income benefits in 2008 and paid out over \$460 billion in retirement benefits. According to the Bureau of Labor Statistics, in March of 2009, 67 percent of all private-sector workers had access to a retirement plan at work, and 51 percent participated.

For full-time workers, the numbers are 76 percent and 61 percent, respectively. Eighty-three percent of workers in private-sector firms with 100 or more workers are covered in an employer provided retirement plan and 68 percent participate.

Because some workers, such as those under age 18 or 21, or those waiting to meet a minimum service requirement, are often not eligible to participate in a plan, these statistics actually underreport the success of employer-provided retirement plans.

As plan sponsors and service providers, we support the current system and encourage Congress to maintain the flexibility that allows employers to provide benefits tailored to their workforce.

Depending on the size, industry, and demographic of their workforce, private-sector employers participate in a wide variety of retirement arrangements: traditional pension plans, cash balance plans, pension equity plans, profit-sharing plans, 401(k) and similar plans, money purchase pension plans, 403(b) plans, multiemployer plans, and multiple employer plans. In addition, the federal government and other public employers offer their employees both a defined benefit and a defined contribution plan.

This variety demonstrates the need for flexibility to meet the needs of various workforces.

The past year has put America's entire economy to a test.

However, plan sponsors remain committed to providing workers with retirement benefits that will allow them to prepare for a secure retirement.

We are committed to working with Congress and the Executive branch to ensure that the current voluntary and flexible employer-provided retirement plan system continues to flourish and benefit American workers.

Sincerely,

( some 204 corporations signed the above letter)

## **- One Stop ESOP blog (USA)**

Friday, February 26, 2010

### **[U.S. Labor Department rules to improve retirement security announced as part of White House Middle Class Task Force's year-end report](#)**

The DOL [announced](#) two new rules. One rule is designed to help workers obtain unbiased advice about how to invest in their IRAs and 401(k) plans and the other establishes new guidelines on disclosures for multiemployer retirement plans:

*Washington – Today, at a White House forum hosted by Vice President Joe Biden, the U.S. Department of Labor announced two new rules designed to enhance retirement security and transparency for the millions of workers covered by 401(k), pension and other retirement arrangements. The announcement was part of the White House Middle Class Task Force's year-end report, which the vice president released at this morning's event.*

*During the past year, the Middle Class Task Force has focused on solutions to the challenges facing America's middle class - including retirement security and the need for high-quality jobs for middle class workers. The report details the year's work of the task force, and it includes a proposed rule on investment advice. The department also is announcing the publication of a final rule on multiemployer plan transparency.*

*"A secure retirement is essential to workers and the nation's economy. Along with Social Security and personal savings, secure retirement allows Americans to remain in the middle class when their working days are done. And, the money in the retirement system brings tremendous pools of investment capital, creating jobs and expanding our economy," said U.S. Deputy Secretary of Labor Seth Harris. "These rules will strengthen America's private retirement system by ensuring workers get*

*good, objective information. When that happens, workers make the kind of decisions that are good for their families and the nation as the whole."*

*The first of the two rules would **ensure workers receive unbiased advice about how to invest in their individual retirement accounts or 401(k) plans.** If the rule is adopted, it would put in place safeguards preventing investment advisors from slanting their advice for their own financial benefit. Investment advisors also would be required to disclose their fees, and computer models used to offer advice would have to be certified as objective and unbiased. The department estimates that 2 million workers and 13 million IRA holders would benefit from this rule to the tune of \$6 billion.*

*The second rule announced today **establishes new guidelines on the disclosure of funding and other financial information to workers participating in multiemployer retirement plans - those collectively bargained by unions and groups of employers.** It will ensure transparency by guaranteeing workers can better monitor the financial condition and day-to-day operations of their retirement investments. **The rule will go into effect in April 2010.***

## **- EUROFOUND**

### **Workplace social dialogue essential in bringing European companies out of the recession**

Six out of ten employees (63%) are covered by a recognised institution of employee representation, according to Eurofound's *Second European Company Survey* of 27,000 public and private companies across Europe. The survey paints a positive picture of robust practices of workplace social dialogue, but also point to limitations and to important differences across Europe. The findings of the European-wide establishment survey, which also sheds light on working time and flexibility strategies, variable pay and financial participation schemes, as well as human resource practices in European companies, will be presented at a seminar organised with the **Spanish MEP Alejandro Cercas** in the European Parliament in Brussels on 3 March 2010. Members of the European Parliament and representatives from European social partner organisations are among the participants, and **László Andor, European Commissioner for Employment, Social Affairs and Inclusion**, is a keynote speaker.

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Although these results point to the strength of traditional workplace social dialogue in Europe, a number of limitations exist. A third of representatives receive infrequent information on the economic and financial condition of the organisation, at most once a year, and in a great number establishment, employee representation is limited to health and safety control or is organised in an informal way. One in six employee representatives (17%) are not entitled to take any paid time off to carry out their duties. There are also big differences between countries in northern and southern Europe.

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Three out of four establishments indicate that the need for further training is periodically checked in a systematic way. However, training is not equally distributed among all workers. While almost two out of three establishments (64%) check the need for further training in a systematic way for permanent employees in skilled or high-skilled positions, only about every



second enterprise (52%) does this for permanent employees in low-skilled or unskilled positions. In other words, permanent staff have much better access to training than temporary staff.

The [overview report of Second European Company Survey](#) is available

### **- International Labor Organisation**

[Firms can thank crisis for more loyal workers](#), Reuters, 9 March 2010

[OECD, WTO and UNCTAD renew calls to G20 to resist protectionism](#), Organization for Economic Cooperation and Development, 8 March 2010

[Employers' organizations responding to the impact of the crisis](#) (Interview with Jean-François Retournard, Director of the [ILO Bureau for Employers' Activities](#))

### **- ETUI**

Statutory worker involvement in company decision-making strengthens a democratic, social and competitive Europe

Involving workers in company decisions not only represents an important element of the European Social Model but also makes good economic sense in modern economies. Against this background the EU has committed itself to the aim of promoting strong workers' rights to information, consultation and participation at all levels of the company.

[worker-participation.eu](#) gives you access to what is happening at European level in this field and provides you with information on the national background to industrial relations in each of the 27 EU member states.

A service of the [European Trade Union Institute \(ETUI\)](#)

**END**

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