

Deferred compensation plans



What are they?

In their simplest form, a deferred compensation plan is an arrangement under which a portion of an employee's income is paid out at a date after that on which the income is earned.

A key component of many compensation packages, they are used to recruit and retain employees in a competitive international talent pool. Depending on the structure, they may be used for tax, retirement and/or estate planning.

Typical plan designs include:

- Deferred bonus plans, with or without an employer match (in cash or shares)
- Notional bonus deferrals or 'phantom' arrangements
- Co-investment plans
- EBTs with sub funds or individual accounts
- Local savings plans (directed by regulations in a particular jurisdiction).

Often serviced through an employee benefit trust (EBT), these plans typically involve the allocation of cash or notional awards. Often contributions are invested in a diverse portfolio of funds over a defined 'vesting period'. The length of the vesting period varies depending on e.g. the company's remuneration strategy and the requirements of local regulators.

Our services

With more than 14 years' experience, RBC cees is a market leader in deferred compensation plan trusteeship, administration and investment services. Our clients range from small, unlisted companies to large multi-national entities and are drawn from a variety of industry sectors including financial services and retail.

Specific services include:

Implementation

- Project management
- Employee communication and seminars
- Investment portfolio selection, including standard and 'open architecture' investment solutions
- Technical IT infrastructure (including online switching and investment preference selection)
- Provision of hedging and award 'claw-back' mechanisms.

Annual plan management and administration

- Record keeping
- Ongoing receipt and investment of contributions
- Employee communication
- Project management
- Distributions (including tax withholding) and loans, where applicable
- Regular investment performance monitoring
- Reporting.

Additional services

- Access to RBC cees Online for participants to manage their investment and switching preferences
- Access to RBC Wealth Management services, which include specialist investment capabilities, private wealth expertise, tax consultancy and credit facilities.

Why choose us?

Strength. RBC cees is part of RBC Wealth Management, a division of one of the top five banks in North America and Canada's largest bank, RBC. RBC is one of the world's largest financial institutions and is consistently regarded as a stable institution with high quality balance sheet, proactive risk management strategy and a strong liquidity position.

Expertise. We have a highly qualified and experienced multi-disciplinary team. Our teams are formed of lawyers, accountants and chartered secretaries, as well as individuals who have extensive practical experience as administrators or project managers. We are able to draw on the broader experience of RBC, including investment and private banking professionals.

Experience. We have experience of all types of employee benefit plans, including very bespoke executive arrangements and multi-jurisdictional, complex plans. A number of our team have previously held senior positions in professional services firms and/or in industry, allowing us to add value to our clients through our technical awareness, practical knowledge and experience. Our senior team members have, on average, been with us for over 14 years.

Flexibility. Our plan management solutions adapt and develop as your objectives and requirements evolve. We begin by working closely with you to define your needs, and then adapt our processes to best support you wherever possible, without compromising our systems and processes.

Dedication. Our specialist team structure provides a personal and tailored service to you and your employees. We work in close partnership with clients and their technical advisers, to develop practical solutions for operating employee trusts, administering benefit plans, and creating value.

Technology. We are committed to ongoing investment in technology, and release regular enhancements to our systems. Corporate users and plan participants can access their plan details via RBC cees Online, which offers online reporting, straight-through processing, execution to dealer and secure data collection.

Credibility. RBC cees is committed to quality and continuous improvement. We were the first corporate business of our kind to achieve the international quality standard ISO9001:2000. We undergo ISO surveillance visits every six months and/or annual external audits at which we need to demonstrate continuous improvement of our processes in order to retain our accredited status. We are always enhancing our technology, for maximum efficiency, and have been awarded the best practice technology standard, TickIT ISO 9000-3.

Ethics. RBC has long believed in the importance of corporate responsibility. Our business is governed by integrity, all employees are encouraged to provide a supportive workplace, contribute to communities and promote environmental sustainability.

We would be delighted to talk to you in detail about how we could help you meet your specific needs. Please feel free to contact us at any time:

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→ **Email** cees@rbc.com

→ **Or visit** www.rbccees.com



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