

Budget 2026

Make your employee share scheme work harder for your business.

Reward your people. Support your growth. Plan your succession.

From 6 April 2027, proposed changes to EMI and EMI2 (the new name for CSOP) could give your business more scope to attract, retain and reward key employees.

What this could mean for your business

These changes could mean you can offer larger equity packages, retain talent for longer and continue delivering tax-efficient incentives as you grow beyond traditional EMI eligibility thresholds.

They will be paraticularly important if you are:

- Recruiting or trying to retain key people.
- Approaching or exceeding EMI eligibility limits.
- Building your next generation of leaders.
- Planning growth, an exit or succession.
- Exploring employee ownership.

Importantly, the new statutory limits and flexibilities are unlikely to apply automatically to existing arrangements.

This means many businesses will need to review and potentially update their incentive plan documentation to take full advantage of the changes.

Prepare for April 2027

Existing schemes could benefit too.

Some changes will apply to options already granted, while others may require amendments to existing plan rules or option agreements.

Jurit can help you assess eligibility and review existing awards and structure incentives with your business ambitions in mind.

Changes are proposed from 6 April 2027 and are subject to legislation and qualifying conditions. EMI and EMI2 have separate limits and rules. Option values are not guaranteed payouts; tax may arise when shares are sold.

Key Opportunities

What is changing	What it means
Doubling of the EMI2 option limit	The individual EMI2 option limit will increase from £60,000 to £120,000, enabling businesses to make significantly larger tax-advantaged awards to key employees.
Combining EMI and EMI2 more effectively	EMI2 awards will no longer count towards an employee's existing £250,000 EMI limit. Subject to the relevant conditions, employees could receive tax-advantaged options with a combined grant-date value of up to £370,000, creating powerful new possibilities for management incentivisation.
Longer period to realise value	The maximum tax-advantaged exercise period for EMI2 options will increase from 10 years to 15 years, giving participants more time to benefit from future growth and providing greater flexibility around exits and liquidity events.
Greater protection following disqualifying events	The period for exercising EMI options while retaining favourable tax treatment will extend from 90 days to 180 days, reducing the risk of valuable tax benefits being lost.
Support for employee ownership transitions	Businesses moving towards Employee Ownership Trust (EOT) structures are expected to have greater flexibility to continue granting EMI options during the transition process.

How we can help

Now is the time to review your equity incentives.

We can help you explore the Budget opportunities and assess whether EMI, EMI2 or both could support your growth, retention and succession goals.

Get in touch

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