Employee Stock Ownership Trust in the United States

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In Japan, a number of Employee Stock Ownership Plans are established. They mostly are the monthly investment tipes, but have a little encouragement to promote them.

The Employee Retirement Income Security Act of 1974 (ERISA) introduced the term Employee Stock Ownership Plan (ESOP). An ESOP is a stock bonus plan designed to invest primarily in employer stock for later distribution of stock to the employees. It benefits the national economy by affording corporate employees an equity interest in the employer's business, thus creating new incentives for employee efficiency and productivity.

As one material for encouraging Employee Stock Ownership in Japan, the paper examines the function of ESOP including ; favorable tax treatment, statutory requirement and problems that may arise.