

COMPENSATION [WIREHOUSES](#)

## UBS holds the line on advisor pay

By Andrew Welsch   December 14, 2020, 3:03 p.m. EST   1 Min Read



An illuminated UBS logo sits on display at a UBS AG branch in Zurich, Switzerland, on Monday, Oct. 14, 2019.

UBS won't be making changes to its advisor pay plan next year.

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“In this year of stress, not changing is a safe move, particularly if only minor tweaks would likely be considered anyway,” compensation consultant Andy Tasnady said in an email. Advisors love “no change” years, he adds.

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Jason Chandler, UBS’ head of wealth management USA, nodded to months of coronavirus-related tumult in his compensation memo to advisors last week.

“As we come to the close of this challenging year, I am extremely proud of how you have remained focused on doing the best for our clients and business,” Chandler wrote last week in the memo, which was seen by *Financial Planning*.

Historically, wirehouses have tweaked their compensation plans each year, adding new bonuses or changing the grids that determine payouts. Last year, for example, [UBS tweaked a key bonus and raised grid thresholds](#). In previous years, other firms have taken similar measures by stretching grids, cutting payouts and [upping requirements to earn bonuses](#).

“That is one of the downsides of working at a large wirehouse,” recruiter Mark Elzweig says. “They change the grids a lot, they change all kinds of incentives. It’s like someone rearranging the furniture in your living room without asking you.”

So far this year, wirehouses are bucking the trend. Like UBS, [Merrill Lynch largely left its comp plan unchanged](#) though it cut payouts on small household accounts. That mirrors changes at other big wealth managers.

“I think it’s clear that if you work at a wirehouse, they want you to work with households with at least \$250,000,” Elzweig says.

Unlike its rivals, [Wells Fargo did alter its pay plan for 2021](#). Compensation changes included higher monthly pay hurdles that advisors have to meet in terms of the monthly revenue they generate. It also added two new bonuses, upped thresholds for deferred compensation, and tightened its policy on payouts for small accounts, among other alterations to its 2021 comp plan.

Morgan Stanley has yet to unveil its 2021 comp plan.

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