

UBS Leaves Advisor Comp Plan Intact for 2023 | Barron's

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[UBS](#) is making no changes next year to its compensation plan for its U.S.-based financial advisors, according to a company memo seen by Barron's Advisor.

That's likely welcome news to financial advisors, who typically have to adjust to tweaks to their annual compensation plans.

Robert Caplin/Bloomberg News

"Most advisors prefer no changes whatsoever unless you're going to introduce a new bonus," Andy Tasnady, a compensation consultant, told Barron's Advisor last week.

Plus, the wirehouses have increasingly moved toward a fee-based revenue model from primarily a transactional one. This year markets have tumbled and so have wealth managers' assets under management. At UBS, total assets for its Americas wealth unit declined to \$1.5 trillion for the third quarter from \$1.7 trillion for the same period a year ago; fee-based assets fell to \$742 billion from \$848 billion, [according to the company's recent earnings report](#).

Like their counterparts at rival brokerage firms, UBS advisors' compensation plan consists of cash and deferred pay. The core of the compensation plan is a grid that determines payouts based on how much revenue an advisor generates. UBS advisors can also earn bonuses based on their growth.

The wirehouses typically make annual tweaks to their compensation plans to drive advisor growth and behavior. Last year, for instance, [UBS sweetened](#) a bonus for advisors who form teams.

The company's strategy this year contrasts with Merrill Lynch which is overhauling its compensation plan for 2023. Merrill Lynch, which is the larger of the two firms by headcount, is [increasing the grid thresholds](#) which advisors have to meet to qualify for larger payouts based on the revenue they generate. A Merrill Lynch advisor may have to generate higher revenue next year to earn the same amount of money.

Last month, [Wells Fargo](#) unveiled its 2023 compensation plan for advisors, making small tweaks but leaving core payouts [unchanged](#).

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