

let's talk
next steps



Case Studies:

Managing Your Benefits Globally

Edward Cha, VP Global Benefits Practice Leader

Case Study 1

A firm has little knowledge of their benefits outside the US and wants to get their arms around what is being offered and whether it is competitive – where to start and what is a good process?

Step 1: Global Benefits Inventory

Step 2: Global Benefits Benchmarking

Step 3: Coordination of Quotations

Step 4: Implementation

Case Study 1

Step 1: Global Benefits Inventory

Key Data to Focus On:

- Core Supplemental Benefits (generally, the most expensive discretionary cost)
 1. Medical/Healthcare
 2. Life Insurance
 3. Short-term disability
 4. Long-term disability
 5. Retirement
- Gather material plan information, e.g.:
 - Plan design (2x base annual salary, 60% of salary, etc.)
 - Insurer/Provider
 - Renewal Date
 - Premiums, Commissions or Fees
 - Notice Periods to Cancel
 - Cost-sharing percentage, if any

Case Study 1

Step 2: Global Benefits Benchmarking

Key Data to Focus On:

- Core Supplemental Benefits
 1. Medical/Healthcare
 2. Life Insurance
 3. Short-term disability
 4. Long-term disability
 5. Retirement

High-level Global Benchmarking

	Below Market
	Slightly Below Market
	Generally At Market
	Slightly Above Market
	Above Market
	Requires further information

Core Benefits that are Supplemental/Discretionary/Company Provided

Region	Country	Total Headcount	High-level Recommendation (\$)	Provided Medical / Typical Market	Provided Life / Typical Market	Provided Short-term Disability / Typical Market	Provided Long-term Disability / Typical Market	Provided Retirement / Typical Market
Americas	Canada	28	Possibly add dependent life cover and a retirement plan. With over 20 employees, it will be common to provide a retirement plan and may become an attraction and retention issue in the future.	Private Medical Insurance / Private Medical Insurance	1x annual salary with 1x AD&D, no dependent life / 1-3x annual salary with 1-3x AD&D & Dependent Life	75% salary / 66.7% salary	75% salary / 66.7% salary	None / Varies, but around 3-5% into a defined contribution (DPSP/RRSP)

Case Study 1

Step 3: Coordination of Quotations

Step 4: Implementation

E.g. for Ireland:

- Obtain Irish Company's name and address
- Obtain Company contact – name, email, phone (whether local or in Ireland)
- Decide on subsidy (cost share) level for employees and dependents
- Complete application forms for new members
- Complete bank mandate
- Present via web conference or in person at client's office

Case Study 2

What supplemental benefit options are available in a given country for employers to provide and how does a company decide what the best options are for them?

Case Study 2

Options to explore:

1. Allowance/Cash Stipend
2. Reimbursement
3. Locally placed insurance products (e.g. local medical insurance)
4. Global insurance products

Case Study 2

Allowance/Cash Stipend

Pros

- Easy to facilitate (inform the payroll provider)
- Easy to manage (you only manage the amount provided)

Cons

- Generally not tax efficient (no tax breaks)
- No guarantee the employee will actually use the money for benefits (e.g. purchasing medical insurance or life insurance)

Case Study 2

Reimbursement

Pros

- You know the employee is securing benefits

Cons

- Depending on how it's done and individual country tax laws, it may or may not be tax efficient
- You may not have control over the level of benefit or plan design.
- Cumbersome to administer (obtain invoices, pay invoices)
- Possibly dealing with multiple individual plans

Case Study 2

Locally Placed Insurance Products

Pros

- If tax breaks are available, employer/employee would be eligible.
- Benefit plan design is controlled by the employer
- If the population is large enough for a group plan, medical underwriting may be waived.
- Can utilize a local broker to manage

Cons

- Setting up benefits takes time, money and effort.
- Continual monitoring and management, even with a local broker in place – there are items the employer must handle.

Case Study 2

Global Insurance Products

Pros

- Benefit plan design is controlled by the employer, can have multiple plan designs.
- Easy to administer and enroll employees and dependents
- No medical underwriting for groups larger than 20 employees across any number of countries. E.g. 1 employee each in 20 countries. Typically this would be 20 individual plans.

Cons

- Generally not tax efficient (no tax breaks)
- Typically not admitted insurance (does not comply with local laws and legislation)
- Generally more expensive (but not always)

US Citizenship Test Trivia Question

What territory did the United States buy from France in 1803?



US Citizenship Test Trivia Question

Answer = The Louisiana Territory

QUESTIONS?

THANK YOU!

Merci

Danke

Dank u

どうもありがとう

Asanteni

Chokran

شكرا

Dankie

Siyabonga

Ndiyabulela

Ke a leboga

Ndza nkhensa

Ndi a livhuwa

Ngiyathokoza

Grazie

Grazia

Cheers

Ke a leboga