
INTERNATIONAL 2: MANAGING INTERNATIONAL EMPLOYEE BENEFITS

SYLLABUS

Aim:

To build on the material covered in International 1: Foundation in International Employee Benefits to develop an understanding of the following issues:

- The employee benefit objectives of a multinational company
- The funding and risk management aspects of providing employee benefits
- Management of risk benefits
- Pensions and employee benefit provision in Brazil, China, India and Russia and a regional overview of Africa, Asia and Latin America to highlight the different practices of pensions and employee benefit provision
- Benefits for internationally mobile employees
- The employee benefit implications of mergers and acquisitions
- Trends in employee benefit provision

The candidate must be able to:

1. **outline** the employee benefit objectives that multinational companies have and the factors taken into account in the development of an international employee benefit strategy
analyse each of the following:
 - *summary of benefit objectives*
 - *factors to take into account in the formulation of a benefit strategy*
 - *typical elements contained within a benefit strategy*
 - *measures of effective benefit strategies*
2. **describe** the funding and risk management aspects involved in provision of retirement benefits, in particular defined benefits arrangements.
explain each of the following:
 - *what elements are covered when considering the funding and financing policy*
 - *differences between funding and accounting valuations and choice of funding method approaches and vehicles for retirement benefit funding*
 - *elements taken into account in the risk assessment and management of employee benefits including investment, mortality and other risk elements*
3. **describe** the importance of managing risk benefits and outline the activities that are carried out
analyse the aspects related to the insurance of benefits including assessment of risk, choice of benefits to insure, choice of provider, multinational pooling and captives
4. **describe** typical pensions and employee benefit practice and environment and **outline** the factors influencing benefit design in the selected countries and regions
analyse each of the following:
 - *economic and employment background*
 - *social security benefits and financing*
 - *compulsory benefits and voluntary plans*
 - *delivery of benefits*
 - *funding and financing of benefits including investment of plan assets*
 - *regulatory and tax framework*
 - *administration of benefits*

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5. **explain** the issues relating to internationally mobile employees in respect of their pensions and employee benefits and **describe** the possible solutions to the different challenges in mobility of employees
analyse each of the following:
- *types of transfers of employees*
 - *social security issues*
 - *occupational pension issues*
 - *European Union regulations and influence*
 - *home country, host country, international plan approaches*
 - *legal, taxation and financing issues*
 - *other benefit provision*
6. **demonstrate an understanding** of the pensions and employee benefit issues in respect of mergers and acquisitions
outline the general features of mergers and acquisitions and the employee benefit implications
explain the general international and potential country specific problem areas
analyse pensions and employee benefit policy and strategy in respect of mergers and acquisitions
7. **outline** the current and likely future global trends in pensions and employee benefit provision
analyse each of the following:
- *key trends and pressures influencing pension and benefit provision*
 - *economic, social, demographic and labour market changes and their impact on benefit provision*

EXAMINATION NOTE: Candidates for International 2 are expected to be familiar with the material covered in International 1: Foundation in International Employee Benefits. It is therefore recommended that

- candidates attempt International 1 before International 2; and
- candidates note that examination questions may apply the principles covered in International 2 to the context of the case study countries covered in International 1 as well as those covered in International 2.