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Moving pensions forward

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THE PENSIONS MANAGEMENT INSTITUTE

QUALIFYING EXAMINATION 2018

INTERNATIONAL 2: MANAGING INTERNATIONAL EMPLOYEE BENEFITS

Notes: *Three hours are allowed for this paper. Answer all parts of all questions. In a multi-part question when the marks are not equally divided a guide to the available marks for each part is shown. A small number of marks may be awarded for appropriate and relevant communication and formatting.*

1. Within the Middle East levels of benefits provision vary extensively. Describe benefits in the region. (5 marks)
2. (a) State the barriers that a multinational may face when establishing regional or global insurance policies. (4 marks)
(b) What is the European Union (EU) 'Freedom of Services' principle in relation to life insurance. (1 mark)
3. Your company is considering acquiring a business whose core operations are split between Germany and USA.
(a) Outline the key benefits points that should be defined in the sale agreement. (8 marks)
(b) List possible benefits challenges when acquiring a company with operations in Germany and the USA. (2 marks)
4. You are benefits adviser to an international company. The company's Reward Manager has asked you for guidance on alternative forms of retirement provision for expatriate who cannot join or remain in local retirement plans. Prepare a short

briefing paper; summarising three alternative options.

(10 marks)

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5. You are the International Employee Benefits Manager for an energy company. They have recently hired a new CFO, who has asked you to provide an overview on multinational pooling. Draft a short paper for her describing: what a multinational pool is; what a multinational account includes; and the circumstances in which a dividend would be paid. (10 marks)

6. You work in the HR department of a global technology company. The HR Director has asked you to prepare a paper outlining the current global benefit trends facing benefit managers, and how should take into account these trends in its benefit strategy development. (16 marks)

He has also specifically asked you include some current benefit trends in China and India where your company has large operations. (4 marks)

Prepare a paper to send to the HR Director.

7. You are the pensions manager of a multinational IT company which is looking to expand to Brazil and the Russian Federation. To support business success, it is key for your company to be attractive to well-qualified local IT engineers.

Draft a report to your Global Head of HR that:

- (a) Compares the complementary pension regime of Brazil with Russia's Pillar Two pensions system; (14 marks)
- (b) Outlines options for your company to enhance the attractiveness of the benefits package in the field of occupational benefits, medical and other benefits in both countries. (6 marks)

8. You are working for a multinational that is based in Brazil, China, India, Hong Kong, Malaysia, Russia, Singapore, Switzerland and United Arab Emirates (UAE). The multinational is establishing a Global Benefits Committee.

Draft a report setting out:

- (a) A recommendation for activities for the Committee to carry out on a regular basis in order to oversee and manage its defined contribution plans around the world.
- (b) A table summarising the key features for employer-sponsored defined contribution plan provision in each location (the table should have no more than two lines per country).

(20 marks)

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