



GLOBEX UPDATE

Health & Benefits

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EMPLOYERS IN SINGAPORE FACE CHALLENGES WITH FLEXIBLE BENEFITS

Flexible benefits that employers offer to employees as a way to retain and attract key talent have recently come into conflict with the main benefit offering in Singapore, the Central Provident Fund. The Central Provident Fund (CPF) is a comprehensive social security system that enables working Singapore Citizens and Permanent Residents to set aside funds for retirement. It also addresses healthcare, home ownership, family protection, and asset enhancement. Flexible benefits can include health screenings, gym membership, festive bonuses and on some occasions, groceries. However, these benefits can be subject to payment of CPF and many employers failed to make the appropriate contributions, assuming that any reimbursements to employees based on receipts and actual spending do not qualify for CPF payments, when in fact, CPF payments are required if the flexible benefits are made as cash payments to employees for expenditures that were not incurred on behalf of the employer. These errors can end up being costly for employers, as auditors have levied heavy fines of up to S\$10,000. Employers need to pay close attention and internally review all benefits made to employees to ensure compliance with the CPF.

MULTINATIONALS CONSIDER FINANCIAL WELLBEING BENEFITS

As companies look for ways to structure benefit packages for employees, financial wellbeing is an area that many are targeting as a way to differentiate themselves from other employers. While more multinational companies are implementing broad wellbeing services, however financial wellbeing is often overlooked. In a recent survey that reviewed wellbeing strategies provided by multinational firms, 34% offered wellbeing services to employees but only 14% of those services included some type of financial wellbeing option. As many people stress over debt and other financial concerns, companies are seeing advantages to offering employees services that focus on financial wellbeing and retirement planning. Those advantages include lower healthcare spending and improved retirement outcomes for employees. Insurers and retirement firms are looking at ways to better understand the financial challenges that customers are facing as a way to offer better solutions and employers are seizing on this opportunity to provide employees with benefit offerings that can help address their financial issues, as well as grow their business by having more engaged employees.

Success Stories

- Secured group travel medical policy for large distribution firm
- Implemented global security program for educational institution
- Implemented Partner Desk for manufacturing firm in Singapore, Hong Kong, and China

WORK-FROM-HOME EMPLOYEES IN INDIA COULD RECEIVE EMPLOYEE BENEFITS

A recent ruling by India's Supreme Court has granted pension benefits to women who work from home for a major garment firm. The ruling could affect millions of employees that were not given employee status because they work from home by giving them access to staff benefits. While this practice is commonplace within India's garment sector, the Supreme Court ruled that the firm must make pension payments to those employees, saying that just because they worked from home does not make them ineligible for the benefit. With approximately 37 million work-from-home employees in India, having access to minimum wages, social security and medical benefits from employers will have a huge impact on various industries across India.

Recruiting and retaining key talent around the world remains a formidable challenge for HR management. More and more, a company's success depends on the ability to offer a competitive benefits package while remaining within budget. Globex Partner Brokers can offer their clients access to a range of products, capabilities and resources custom-tailored to helping multinationals optimize their employee benefits around the world. Contact any member of the Globex Health & Benefits Team to learn more.

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