



GLOBEX UPDATE

HEALTH & BENEFITS

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Events, developments, and opportunities in the international marketplace

QATAR MAKES HEALTH INSURANCE MANDATORY

New laws in Qatar are now insisting that expat workers are to be covered by private health insurance rather than relying on state care, in an effort to control growing costs and manage the strain on public systems. All private companies will be legally mandated to pay premiums for their expat employees by the end of 2015. The Qatari government will pay premiums for all local nationals, while private companies will be eligible for foreign workers and their families. Additionally, employers will not be able to deduct premiums from their employees. These new regulations are scheduled to be rolled out in stages, as white collar workers will be covered by in the first quarter of 2015 and blue collar workers must be covered by the end of next year.

UAE EXPATS MAY SOON HAVE ACCESS TO PENSION SCHEMES

Expats living and working in the UAE may soon be eligible for the state pension scheme. Pension plans are already offered for UAE nationals and some expats of various nationalities by a small number of private banks and financial firms, however, the government is now exploring launching a federal contributory pension which would include all expats. Research conducted by some consulting firms have shown a steady increase in the number of companies that offer a defined contribution pension or savings plan for employees and while it is not uncommon for international firms to offer pension plans, contributory pension schemes are now also starting to be implemented more regularly. Not all companies are happy about this new direction, many are still very reluctant to offer pension plans to foreign employees. Due to the fact that pension contributions are more difficult to "claw back" should an employee be terminated and the financial burden that companies are exposed to with pension schemes, many companies are hesitant to offer pension benefits. These firms believe that pension schemes for expat workers are a long term strategy and would not be effective for expats, given the short-lived expat culture.

Success Stories

- Launched helpdesk for multinational technology client.
- Secured local Canadian benefits package for retirement group.
- Placed group benefits plan in India for multinational investment company.

FRANCE LOOKING TO CUT BENEFITS FOR FAMILIES

The French government may be looking to cut key family benefits in an effort to reduce spending. France has very generous benefits for families such as free post-natal care, subsidized daycare, and allowances for each child born (prime de naissance). The government is looking into measures that would reduce some of these family benefits to save more than 700 million Euro. If successful, benefits such as parental leave, childcare assistance and the "prime de naissance" (a bonus the government pays out for the birth of a second child) will be cut. Currently mothers are allowed to take two and half years' parental leave while fathers are eligible to take a further six months. The new proposed legislation will cut parental leave for mothers to 18 months, with fathers also being eligible for the same amount of leave. Although the changes have been billed as a way of promoting equality by encouraging fathers to take a greater role in child-rearing, the expectation is that most men won't take up the option, which would enable the government to save up to €500 million.

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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