



GLOBEX UPDATE

HEALTH & BENEFITS

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Events, developments, and opportunities in the international marketplace

SWEDEN TO END TAX BREAKS FOR PRIVATE EMPLOYEE HEALTHCARE

A new government proposal scheduled to go into effect July 1, 2018 would terminate existing tax breaks for private employee healthcare provided by employers. This proposal would increase costs for both employers and employees. According to the legislation, healthcare provided by employers would be subject to the new benefit tax. For example, an employee earning approximately 30,000 kroner (\$3,600) a month on the lowest tax threshold who benefits from health insurance worth 5,200 kroner annually would pay an additional 1,560 kroner per year. A higher-earning employee in the 50 percent tax bracket with similar insurance would pay an extra 2,600 kroner. In addition, employers' costs would rise by about 2.5 percent. The Swedish government states that new plan will boost public health budgets and help to shorten queues in the public health system and create more equality in the field of healthcare. However, opponents suggest that approximately more than 100,000 people will lose their private health benefits, believing that more employers will opt out of providing health insurance, and any additional tax revenues are likely to be used up by patients and higher costs in the public sector, which would lead to higher loads on the public health system.

EMPLOYEE BENEFITS CHALLENGES FACING UK EMPLOYERS

According to a recent benefits survey and study, almost two-fifths of employer HR departments are unaware of the amount their firm spends on employee benefits. The survey found that some of the biggest concerns among UK employers is the rising cost of employee benefits, with 35 per cent of employers either expressing anxiety that they will not have the budget to make benefits changes and another 40 percent of firms expressing that they did not know what they currently spend on their benefits programs. Further challenges that employers face with their employee benefits programs include a lack of sufficient data to measure results of employee health risk information, changes to statutory benefits, and the absence of an appropriate technology solution to deliver benefits. Based on the survey results, employers plan to review their benefits strategies over the next three years to find solutions to better manage costs and influence employee engagement.

Success Stories

- Implemented competitive group benefits plan to help start-up office of multinational technology company recruit and retain key talent.
- Helped rapidly growing tech company establish a multinational pooling arrangement in order to take advantage of global economies of scale for cost savings.
- Assisted multinational client in reviewing benefit plan options for employees in Canada that will result in

SALARY COMPENSATION EXPECTED TO REMAIN LEVEL IN THAILAND

A recent health solutions survey was conducted in Thailand showing that salaries are expected to remain stable in 2018 while employers are expecting employee turnover rates to increase. The turnover rate in 2017 increased to 16.6% from 16.3% and is said to be driven by a growing job market and a younger workforce. The survey also concluded that 45% of organizations provide financial wellness as a benefit to employees at all levels. Three key areas of focus that companies will look to enhance their benefits programs are in investment planning, retirement planning, and tax planning for employees. Employers are also looking beyond salary as a main benefit to engage their employees, they are also considering opportunities for career advancement, learning and development and other special benefit programs that align with their employees' aspirations.

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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