



GLOBEX UPDATE

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Events, developments, and opportunities in the international marketplace

FLEXIBLE BENEFITS NOT AS POPULAR IN HONG KONG

As more and more employers in Asia are exploring flexible benefits as a tool to attract and retain employees, Hong Kong appears to be less inclined to provide flexible benefit schemes. According to a recent survey, 14% of companies in Hong Kong with more than 250 employees offer flexible benefits, compared to over 50% in Singapore and other Asian countries. Flexible benefits schemes have gained momentum as a way to boost employee value proposition by allowing staff to purchase any benefit they wish from a set list of provisions that are paid for by the company. This is seen as much more viable option for both employers and staff as employees can select the benefits relevant to their particular needs as opposed to benefits that they may never use. One of the reasons that Hong Kong employers have been more resistant than other countries could be due to the initial set-up costs and the capital needed to invest in automation tools, hire consultants, and spend time and effort enquiring with various insurers. Another reason could be around the income tax rates. In Europe, the income tax rate is between 30% and 40%, so exchanging a higher salary for more benefits means employees don't have to pay as much taxes, while still having necessary funds to take vacation holidays and purchase luxury items. However, in Hong Kong, where the income tax rate averages a much lower 15%, there is no significant advantage to give up cash for benefits, making flexible benefits options less attractive.

SINGAPORE SEES GROWTH IN TECH SECTOR

In a recent report conducted by a international recruitment consultancy, Singapore is experiencing a growth surge in the IT/Tech industry. While many employers across Asia have relaxed their hiring activities, there seems to be a rising demand for IT professionals within Singapore, mostly due to rise of tech start-ups in Asian countries. Industry growth can also be attributed to continued investment in the local tech markets from the Singapore government, as more firms transition from tradition retail operations to e-commerce. These factors have created a high demand for local talent with employers doing more to invest and attract both local and Singaporeans based internationally. The government outreach program, Balik Kampung, is an initiative to attract Singaporeans abroad that may be interested in a move back to their home country in an effort to share market research, insights and apply career skills in the job market in Singapore.

Success Stories

- Assisted US partner broker win BOR for new multinational client by demonstrating global benefits expertise and capabilities.
- Conducted RFP review of Global EAP vendors to help US based multinational enhance their benefits offerings around the world.
- Secured group travel medical policy for manufacturing firm in UK.

MULTINATIONAL FIRMS INVESTING MORE IN IRELAND

Ireland has seen an increase in the number of foreign firms establishing offices over recent years. Northern Ireland in particular is seeing much of that increase and the region is the best performing part of the UK in terms of attracting foreign investment. Industries such as software/tech, legal and financial services are the sectors experiencing much of the foreign investment and are promoting a new culture of rewarding staff through generous and creative employee benefits packages, going above and beyond what would be considered a "traditional" benefits offering. Benefits such as staff discounts at pubs and beauty salons, extra day off for birthdays, providing an on-site GP and dentist, and an employee allowance to travel and see the world are just a sample of some of the creative offerings that are being used by employers to attract and retain key talent. With a third of potential employees considering perspective benefits and perks among their priorities when seeking employment, companies are investing more in staff rewards as a way to build loyalty, boost productivity and improve retention rates.

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.

PLEASE NOTE OUR NEW TELEPHONE AND FAX NUMBERS



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