



GLOBEX UPDATE

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Events, developments, and opportunities in the international marketplace

EMPLOYERS IN THAILAND SEE HIGH TURNOVER RATES

A recent survey conducted on total compensation benefits revealed that turnover rates are especially high among junior managers and supervisors across all industries in Thailand. The high turnover rates could be a direct correlation to these employees struggling to maintain high levels of performance, and these expectations could be having a negative impact on junior managers and supervisors who are struggling with the transition. With more favorable opportunities available from other companies and narrow growth opportunities, employers have begun to look at methods to properly equip these employees by focusing on learning and development initiatives along with generous compensation as a way to combat attrition.

PENSION PLANS IN CANADA UNDERGO EXPANSION

The Canada Pension Plan (CPP), a national pension plan in Canada, is being expanded and enhanced. This past month the province of British Columbia has added its support to the federal government's plan for the CPP expansion which means nine of the country's ten provinces are in support of the new plan. The new deal would introduce the following changes to the current CPP:

- Under the current CPP, employers and employees each contribute 4.95% of income between \$3,500 and \$54,900. The maximum CPP benefit is \$13,110. The average annual payment is \$7,974.84.
- Under the new deal, the upper earnings limit would rise to \$82,700 by 2025.
- The current CPP deal is meant to replace 25 per cent of earnings up to the ceiling, while the new plan would aim to replace one third of income up to the new, higher ceiling.
- Once fully phased in, CPP premiums would rise by 1% each for employers and employees. Self-employed Canadians must pay both the employee and employer premiums.
- The enhanced portion of employee CPP contributions would be tax deductible

A national approach certainly has advantages over separate strategies at the provincial level, but the CPP enhancement may pose a challenge for some businesses, says Mark Dowdell, Vice-President of Retirement & Investments at Accompass. Companies operating in Canada need to be aware of the pending changes and the impact it will have on their bottom line.

Success Stories

- Conducted Mexican benefits assessment for US based technology company.
- Initiated partner desk to help multinational technology company analyze and manage their local benefits and vendor relationships around the world.
- Conducted market review for multinational mining company establishing operations in Africa.

IRC 402(b) GLOBAL AND MOBILE INTERNATIONAL RETIREMENT PLANS

International enforcement of U.S. Tax Compliance by the Foreign Account Tax Compliance Act took effect on July 1, 2014 and for the OECD it begins in 2017. These changes, which will affect more than 130 countries, will have a dramatic effect on the way employers establish and administer international pension plans for expatriate and globally mobile workers. These challenges are addressed by installing an IRC 402(b) compliant global and mobile international retirement plan. Offering this International Retirement Plan is one of the most effective differentiator of all because tax deferred income and remuneration credential status globally is what Multinationals value to address their domestic and international employee retirement plan needs through a one-stop single source of contact. This foreign government regulated, registered and recognized occupational retirement plan delivers tax and regulatory compliance recognized in the USA, OECD, including Canada, Mexico, the E.U. and throughout Asia. We can provide direct touch access to international retirement plan experts with specialist deferred compensation lawyers to outsource your global retirement plan needs without staffing requirements. Contact Globex to learn more.

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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