



GLOBEX UPDATE

HEALTH & BENEFITS

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Events, developments, and opportunities in the international marketplace

SWEDEN LOOKING TO IMPOSE TAX ON EMPLOYEE HEALTH BENEFITS

The Swedish government is proposing legislation that would end existing tax breaks for private employee healthcare provided by employers. The legislation, which is set to go into effect July 1, 2018, would increase costs for both employers and employees. Currently, about 650,000 Swedish employees pay into private health insurance plans, of which 470,000 benefit from employer funding. The proposed legislation would likely decrease this number approximately 25 percent. Under the new rules, all healthcare provided by employers, would be subject to a "benefit tax," which is applied to certain benefits provided to employees. The proposal is under scrutiny as the government suggests the new plan would boost public health budgets and make the existing system of taxation more equitable. The government also argues that the proceeds of the new tax will help to shorten queues in the public health system and create more equality in the field of healthcare. Opponents of the new law contend that employees who are offered health insurance by their employer will be ones targeted the most. They feel that many employees are likely to opt out of insurance due to increased costs, while companies are likely to reconsider whether to offer it since the proposal will increase employers' costs as much as 2.5 percent.

INDIA LEADS APAC COUNTRIES IN EMPLOYEE BENEFIT OFFERINGS

According to a recent survey, companies in India lead APAC nations when it comes to employee benefits. The survey concluded that companies in India offer more and better benefits to their employees than those in the Asia Pacific region. Approximately 70% of companies in India provide more choice and flexibility around employee benefits, compared to 50% for the rest of the companies in the APAC region. Companies looking to be a choice employer to attract potential employees are becoming increasingly competitive in their benefit offerings. Employees are looking for companies that offer flexible benefit plans that include benefits like health and wellness, parental coverage and childcare. and elderly care, which are among the areas that employers in India are heavily investing in. The study also concluded that over the next three years, there will be a 30% increase in prevalence of child care benefits, and 12% increase in employee discount programs and wellness programs like chronic disease management and lifestyle risk management.

Success Stories

- Implemented group expat medical program for large manufacturing client.
- Help Desk client had very complicated medical plan in Russia. Worked with local broker to vastly simplify the plan design and administration. Employees were very pleased with the outcome and enrollment has increased dramatically. Client very pleased with cost savings and streamlined administration..
- Assisted multinational client in reviewing France benefits and pension options.

EMPLOYEES IN SINGAPORE NOT SATISFIED WITH COMPANY BENEFITS

A recent study of employee benefits in Singapore determined that approximately 55% of employees are unsatisfied with workplace benefits, however, 63% of employers believe their staff value the benefits being provided. Additionally, the study mentioned that companies are likely to mismanage budgets because 35% of employers don't know how much they spend on employee benefits while 26% spend more than a fifth of payroll on employees. Employees noted that the problems with the benefit offerings are the lack of flexibility, choice and diversity with their benefits packages. The study concluded that over the next three years, companies in Singapore are considering evaluating the effectiveness of their benefits packages to determine what they can do to be able to better provide for the needs of their employees.

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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