



GLOBEX UPDATE

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Events, developments, and opportunities in the international marketplace

EMPLOYEE MEDICAL COSTS IN ASIA EXPECTED TO RISE

According to a recent study, medical costs for employers are expected increase by almost 12% with the highest cost increases expected in Vietnam, Malaysia and Indonesia. The study found that the costs were driven by high claims associated to employee lifestyle choices such as smoking, lack of exercise and poor diet. The majority of claim costs were for disease of the circulatory system, cancer, respiratory conditions and gastro-intestinal disease. The research provided can assist employers to develop better healthcare plans for their employees to reduce costs. Wellness programs, education of the impact of lifestyle choices and the redesign of medical insurance plans are all options that employers have to gain better control over long-term medical plan costs. The research also shows that employers that implement such programs can help employees live a healthier life, improve their productivity, reduce absences and increase employee engagement.

KUWAIT IMPOSES NEW CHANGES FOR EXPATS

Kuwait officials are looking to impose new legislation to reduce the number of foreign national employees. Expats in Kuwait already have several disadvantages, for example, expats are not permitted to attend public schools, must pay KD 50 a year to receive public healthcare and are subject to institutional separation, with separate opening hours for expats in hospitals and government departments. The plan is to set a strict limit on expat population growth through specific government restrictions such as limits on expat jobs in the country which would include stringent screening systems such as checking bank accounts and income levels to ensure only the best candidates were allowed into the country. Even if candidates passed all the tests and paid the required fees, there will still be restrictions that the Kuwaiti government will look to enact such as separate hospitals solely for expats, imposing health insurance on visiting visas to tackle the problem of medical tourism and there are also discussions around setting up an independent healthcare system to focus on expatriates under a specialized medical insurance scheme for foreign nationals.

Success Stories

- Launched Mexican benefits assessment project for multinational mining company.
- Set up new benefits plans in UK and Australia for local national employees of multinational technology company.
- Completed successful remarketing exercise for large technology firm.

BAHRAIN PLANS TO IMPROVE PENSION AND RETIREMENT PLANS

The Kingdom of Bahrain has plans to implement a new retirement benefits system in an effort to address the pensions and retirement planning for Bahraini citizens. In a recent conference, private and public sector employers and leading employee benefits consultants discussed how to create more options to supplement employees' existing pensions system. The goal is to raise awareness in order to bring the Middle East to the standard of developed countries, with pensions encompassing three sectors: the government sector providing the first layer of pension provision to citizens; the corporate sector providing a second layer of workplace pension savings to employees; and individuals themselves providing a third layer of personal savings to augment their standard of living in retirement. This three-pillar pension format is in line with the World Bank's recommendations for an integrated pension infrastructure, but it also can be highly effective in promoting employee retention and loyalty which enhances productivity levels for 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



GLOBEX INTERNATIONAL GROUP 101 Maple Ave.
Phone 908-879-1150 E-Mail globex@globexintl.com

Chester, NJ 07930
Fax 908-879-1160