



# GLOBEX UPDATE

## HEALTH & BENEFITS

Volume 175

Visit us at: [www.globexintl.com](http://www.globexintl.com)

September 2015

*Events, developments, and opportunities in the international marketplace*

### MULTINATIONALS IN UAE CONSIDER OFFERING RETIREMENT SAVINGS PLANS

Employers in UAE are starting to consider offering retirement plans for their expat employees as a way to stay competitive in the marketplace. Employees in the private sector are not eligible to a state pension, however, if employers are willing to set up their own retirement program, they would have the ability to retire and take a lump sum worth approximately 14 to 25 times their salary. Currently, the UAE does not have a pension system in place for expatriates, so those who choose to retire are not entitled to any form of financial retirement savings. Employers typically provide a standard end-of-service pay option but it is largely viewed as insufficient, with the closing amount being mostly dependent on the employee's basic salary and length of service. However, if multinationals are willing to establish their own retirement scheme, it can help employees grow their end-of-service compensation while benefiting from higher employee engagement and productivity. As more expatriates seek to work and live in the UAE for longer periods, more companies are becoming interested in offering their employees some form of savings vehicle as a method to retain and attract key talent.

### TANZANIA IMPOSES RESTRICTIONS ON EXPAT HIRES

Foreign investors and multinational companies looking to expand operations in Tanzania are now facing challenges with new labor and employment laws as the government intends to cut down on the employment and engagement of expatriate employees with the aim of providing more job opportunities to the local citizens. This new Act, which was passed by the Parliament of Tanzania this past summer, introduces tougher rules for multinational companies recruiting expatriate employees into Tanzania. It is hoped that the Act will aid the Government's efforts to increase employment across mainland Tanzania, where Immigration authorities are cracking down on illegal expatriate employees.

### INDONESIA SETS NEW REGULATIONS FOR FOREIGN WORKERS

Indonesian lawmakers recently issued new procedures for the hiring of foreign employees by multinational companies. Previously, it was stipulated that employers must employ 3 Indonesian employees for every 1 foreign employee, however, the laws were not clearly regulated, except for representative offices. Under the new regulation, an employer of foreign nationals must now have at least 10 Indonesian employees for each expatriate hired. The law does grant exceptions for Directors and commissioners of an Indonesian company, expatriates employed for emergency and urgent work and expatriates employed for temporary work. In order for an expatriate to be employed in Indonesia, they must first satisfy a list of requirements which include but are not limited to having appropriate educational qualifications for the position, providing evidence of an insurance policy with an Indonesian insurance entity and being enrolled in the National Social Security System if they have been working in Indonesia for more than 6 months.

#### Success Stories

- Secured BOR in Germany and Canada for benefits program for engineering firm.
- Implemented new French medical & dental plan to help multinational client boost their recruiting and retention capabilities in this demanding market.
- Implemented benefits program for finance firm in Singapore

*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](mailto:globex@globexintl.com)

**Chester, NJ 07930**  
Fax 908-879-1160