



GLOBEX UPDATE

Health & Benefits

Events, developments, and opportunities in the international marketplace

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SOUTH AFRICA TO REMOVE EXPAT TAX EXEMPTION

Under current legislation, South African expats who work abroad for more than 183 days were able to benefit from an “expat tax exemption,” which made it possible for South African expats to earn income free of the South African taxation. However, starting March 2020, South Africa plans to terminate that law, which as a result will require those employees to pay tax in South Africa of up to 45% of their foreign employment income once it exceeds a threshold of R1 million (approximately \$75,000) per year. The cash equivalent of employee benefits such as accommodation, cars, flights and school fees for children will be considered earnings for expats, which would increase the overall cost of employing South Africans. Employers are expected to bear the responsibility of these additional costs since it will be more difficult for expatriate employees to accept assignments without the tax exemption.

SAUDI ARABIA ANNOUNCES RESIDENCY PROGRAM FOR EXPATS

Saudi Arabia recently approved legislation which would provide permanent residency for some foreign nationals. Those eligible would be able to apply for an indefinite stay or a one-year renewable residency in Saudi Arabia. The law is designed to ensure that expats who have been living and working in Saudi Arabia can continue to participate in the economic growth of the country without incurring some of the stiff penalties that are imposed on foreign workers. Prior to the new law, many expats are subject to very restrictive residency rules, including the need for a local sponsor and permission to leave the country. With more than 12 million foreign nationals in the Kingdom, the law would benefit multinational corporations that are currently operating in Saudi Arabia or those looking to enter the market. The previous legislation was often viewed as a deterrent for expats because of the possibility of losing one's job and sponsorship to stay in the country, even if they have been living there for decades. The new scheme can offer expats more security and stability.

Success Stories

- Kicked off a new Benefits Assessment for multinational technology company with operations in 13 countries.
- Assisted with setting up and implementing local benefits package for manufacturing firm in Vietnam.
- Implemented group US benefits plan for large Canadian firm.

TAIWAN EXPECTED TO APPROVE SAME-SEX MARRIAGE

Taiwan is poised to become the first country in Asia to grant equal marriage rights to same-sex couples. Taiwan's parliament is expected to vote by late May, to confirm a ruling in 2017 that same-sex couples could legally wed. Many large multinational corporations support the measure as a way to promote diversity, equality and non-discrimination to the workplace. Supporters have argued that the benefits of same-sex marriage will include increased productivity, greater labor mobility and less stress in the workplace over perceived discrimination. The legislation also could help boost the Taiwan economy by making it more attractive for multinational companies to invest in the country.

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.

GLOBEX BROKER SERVICES

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