



# GLOBEX UPDATE

## Health & Benefits

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

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### ASIA SEES MEDICAL COSTS RISING IN 2020

A recent medical trend report showed that medical costs in Asia saw an average rise of 10% in 2019. Insurers expect medical costs to remain constant or increase for 2020. The top health concerns among employer sponsored medical plans are metabolic and cardiovascular risk, dietary risks, and emotional/mental issues. However, the main cost drivers are prescription drugs, new diagnostics and procedures, and overprescribing of low-value health tests and procedures. With the rising cost of medical benefits, employers have tough decisions to make as they try to find opportunities for implementing cost saving plan designs. Some suggestions for HR managers would be to ensure that the plan design being chosen encourages the right behavior from employees. Also, consider alternative treatment options such as telemedicine or virtual doctors instead of having employees utilize emergency rooms for medical care.

### EMPLOYERS IN SAUDI ARABIA SEE RELIEF ON FOREIGN WORKER TAX

The Saudi Government announced that effective October 1, 2019, for a period of five years, it will waive the tax imposed on industrial companies that have foreign workers. These fees were meant to raise non-oil revenue for the country, as well as encourage more employers to hire local Saudis. Many companies have voiced that the fee was burdensome given that hiring foreign employees has been a cost saving measure. Since the fees have been levied, it has led to a huge number of foreign workers leaving Saudi Arabia leaving employers having to plan. The decision to pause the tax comes after -- earlier this year -- the Saudi Government approved a \$3 billion dollar plan to reimburse some companies and assist with economic revival. However, employers have complained those measures did not go far enough.

#### Success Stories

- Secured 8 country Partner Desk for large hospitality firm
- Established expatriate benefits package for business services organization
- Conducted local benefits review for large storage company in Canada

### EXPATS IN UK FACE DECISION SURROUNDING BREXIT

With all the uncertainty surrounding what will happen after Brexit, many expats are considering their options in terms of moving to the UK because of the tax concerns once the United Kingdom leaves the EU. Although it is not yet clear what the tax implications will be for expats moving to the UK after Brexit, expats moving from another European country can expect to be protected from dual taxation due to the double tax treaties that were agreed upon between the European Union and the UK. Those treaties are expected to remain intact after Brexit. Other countries like Canada, China, India, the US, and Japan, also have tax treaties with the UK to reduce the chance of double taxation. Expat employees are advised to seek proper tax advice from a qualified professional to determine their potential status should moving to the UK be on the horizon.

*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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