



GLOBEX UPDATE HEALTH & BENEFITS

Events, developments, and opportunities in the international marketplace.

SWEDEN INTRODUCES TAX MEASURES THAT HAVE IMPACT ON MULTINATIONAL COMPANIES



The Swedish government has introduced several measures to help companies mitigate the economic effect of Covid-19 within the country. One such measure includes reducing employer-paid social security contributions in connection with the Covid-19 outbreak. In Sweden, social security contributions are typically around 31% of the gross salary paid and consist of a number of fees, including health insurance and parental insurance fees. The new proposal would reduce employer paid social security contributions to only the retirement pension fee, which is approximately 10.21% of the gross salary. The measure would be applicable to all corporations, however, some restrictions would apply. For example, the reduction is limited to 30 employees, so corporations with more than 30 employees can apply the rules to that number of its employees. Additionally, the reduced rate of 10.21% of gross salary paid is limited to compensations of 25,000 kronor per employee and month and the reduction is only valid for payments between March 1 and June 30, 2020.

JAPAN IMPLEMENTS CHANGES TO GOVERNMENT PENSION SCHEME

Japan recently revised a law that would allow more part-time, and other non-regular employees to join the employee pension program as well as allow eligible recipients to choose to start receiving benefits from the age of 75. Prior to the revision, part-time employees could only join employee pensions programs when they work 20 hours or more a week for companies with more than 500 employees.

The changes will allow for the collection of more premiums for higher pension payouts. The new law also raised the maximum age people can start receiving benefits to 75. Currently, the Japanese government requests for people to begin receiving their pensions at 65 but also gives them the flexibility to receive pension benefits at age 70 to encourage people to work longer. Employees who delay receiving pension benefits for five years from the current limit, the monthly amount would be approximately 84 percent more than when they do so at 65.



MULTINATIONAL EMPLOYERS INCREASE BUDGET FOR WELLNESS BENEFITS



Wellness programs have seen an increase in utilization as employers and employees deal with workplace changes amid the Covid-19 pandemic. A recent study has shown that budgets for corporate well-being platforms have increased approximately 36% in 2020 as many employees have experienced stress and anxiety in coping with the transition. Examples of commonly offered mental/emotional wellness benefits include teletherapy, stress management, caregiver, new parents and child care support, while other wellness benefits such as those that help improve sleep are up 25% from 2019.

Recent Successes

- Implementing competitive new group benefits package for Costa Rica staff of multinational tech company
- Secured 20 country Partner Desk for large consulting client
- Implemented global EAP program for multinational software company

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.

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