



GLOBEX UPDATE HEALTH & BENEFITS

Events, developments, and opportunities in the international marketplace.

Recent Successes

- **Kicked off new Partner Desk arrangement to help rapidly growing manufacturing company manage and control their local and global employee benefits programs worldwide, replacing Lockton**
- **Implemented group expatriate medical policy for large multinational construction firm**
- **Helped global manufacturing company explore business travel coverage options for cross-border commuters into Mexico**
- **Secured expatriate benefits package for aircraft manufacturing company**

Netherlands



The Netherlands are moving towards a new pension system under The Future of Pensions Act (WTP), which came into force on July 1, 2023. As of the January 1, 2028 deadline, all occupational pensions will be defined-contribution, and existing defined-benefit schemes will have until that date to change the scheme to comply with the new legislation. Contributions to schemes open to new members on or after January 1, 2028 must be made at the same rate regardless of member age, and tax limitations will apply to contributions rather than to pension accruals. The new legislation will also affect certain aspects of the survivors' pensions and

eligibility age for scheme participation, among other things. While the January 1, 2028 deadline for transition may seem safely distant, implementing these changes will require a lot of effort from all parties involved, and employers should begin their transition planning well in advance.

South Africa

The South African government is introducing a new two-pot retirement system, scheduled to take effect on September 1, 2024. This system aims to improve financial security and flexibility for South African retirement fund members. Final details are still being ironed out, but once the new system takes effect, existing retirement savings will be placed in a "Vested Pot" which will follow current rules. For new contributions moving forward, two-thirds will go into the "Retirement Pot" which cannot be accessed until retirement, and the remaining one-third of new contributions will go into the "Savings Pot" which can be accessed before retirement for emergencies.



Chile

A new law went into effect on April 26, 2024, amending the Labor Code to gradually reduce the weekly working hours limit from 45 to 40 hours, without reducing employee wages. This reduction, which applies to all jobs regulated by the Labor Code, will take effect over a period of five years: In 2024, the limit will be reduced to 44 hours; on April 26, 2026 it will drop to 42; and



then to 40 hours as of April 26, 2028. These changes are intended to address employee concerns about work-life balance, increase employee productivity, and align Chile's labor regulations more closely with international standards. Managers, administrators, attorneys with administrative powers, and all other employees who work without immediate supervision will remain excluded from these working hour limits. Some other classes of employees which had previously been excluded from working hour limits, such as remote workers and traveling sales personnel, will no longer be excluded under the new legislation.

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