



International 2: Managing International Employee Benefits

EXAMINATION PAPER

April 1st 2019, 9.30am – 12.30am

Fill in these particulars:

Centre Name

Candidate Number

Your full name:

There is element to the question paper.

This contains several short answer questions. Attempt **ALL** questions in the green answer booklet **in pen**.

The total marks for this paper are 100.

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Three hours are allowed for this paper. Answer all parts of all questions. In a multi-part question when the marks are not equally divided a guide to the available marks for each part is shown. A small number of marks may be awarded for appropriate and relevant communication and formatting.

The total marks for this examination are 100.

Please make sure that you answer these questions in the green answer booklet in pen.

1. You are Global Benefits Director for a multinational. State (with examples) how decision making should be split between yourself, the Global Benefits Committee, and the company's Board of Directors.
(5 marks)
2. Describe the key themes and features of employee benefits provision in Asia Pacific.
(5 marks)
3. Provide key details on India's mandatory employer-sponsored Provident Fund system.
(5 marks)
4. Describe some of the recent trends and developments in pension funding. Your answer should include examples for at least three different countries.
(10 marks)
5. You are the Pensions Manager for a multinational construction company. The newly appointed CEO has asked you to review a Sale Agreement that has been drafted for a proposed sale of a European based business. Draft a short paper outlining the key points regarding employee benefits that you would expect to see covered in such an Agreement, including some country specific examples.
(10 marks)
6. You are the International Employee Benefits Manager of an IT company with operations in Brazil, China, Russia and Switzerland. It is your company's intention to make best use of financial and organisational synergies within the field of insurances. Your CFO has asked you to draft a paper outlining the following aspects:
 - a) Overview of risk benefits in the four countries mentioned (8 marks)
 - b) State which types of risk benefits can be placed with insurers (2 marks)
 - c) Explanation of a multinational pooling and of a captive approach (5 marks)
 - d) Discussion of advantages and disadvantages of multinational pooling and a captive approach, in order to decide how to best finance risk benefits (5 marks)

(Total: 20 marks Total)

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7. You are the Pensions Manager for a multinational company and you are developing a new governance framework for your company's Defined Contribution ("DC") pensions globally.

Draft a memo for the Global Benefits Committee describing:

- the key risks that the company faces relating to DC pensions;
- the key elements of DC pension arrangements that should be assessed on an ongoing basis;
- activities that could be carried out by the Global Benefits Committee in respect to DC pensions globally;
- key features of typical DC plans in Switzerland, China and Brazil.

(20 marks)

8. You are global benefits adviser to the EMEA regional headquarters of a global bank.

The bank has 30 employees in London that will, from the end of the year, work in either France or Germany. Some employees will move under an international assignment for a limited period of time; others will move permanently; and others will still be based in the UK but travel to their new location on a regular basis as a business traveller.

You have been asked by the Global Human Resources Director to provide recommendations on the future approach for pension and medical benefit provision (including social security) for each group of employees.

Write a report covering the above points for the Global HR Director. (25 marks)

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