



**Pensions  
Management  
Institute**

### **Managing International Employee Benefits**

**Thursday 18th April 2024                      12-3 PM**  
**Time Allowed:                                      3 Hours**

**Pass Mark - 55**

- 1.**        Answer **ALL** the questions.
- 2.**        Type all your answers in the answer box provided.
- 3.**        It is suggested to allocate your time according to the proportion of marks each question attracts.

**Question Number: 1**

Explain how the broad policies established for Corporate Governance impact on the management of international employee benefits, with specific focus on the decision-making process at local, regional, corporate and board level.

**Marks****15****Question Number: 2**

You are a member of a workgroup in charge of reviewing the funding policy of your company's DB Pension Scheme. Explain:

- the main business objectives for your corporation (5)
- how different funding policies address these (3)
- the risks and opportunities in overfunding and underfunding a DB pension scheme (3)
- the recent trends and developments in pension funding (4)

**Marks****15****Question Number: 3**

"You have been recently appointed to review your company's global Risk Employee Benefits funding strategy, which includes an underperforming multinational pooling arrangement, with significant accrued losses. Explain:

- (i) the different systems, risk charges and choice of loss treatment system for dealing with losses (10)
- (ii) the principal ways in which captives are used to support the provision of employee benefits (5)
- (iii) the advantages of a captive approach"(5)

**Marks****20****Question Number: 4**

Your company is considering establishing an international pension plan for your globally mobile employees, and you have been asked to prepare a feasibility report. Your report should focus on:

- Key objectives (5)
- Domicile considerations and options (5)
- Design of an international pension plan (15)
- Advantages and disadvantages of a EU-based IORP versus an offshore IPP (5)

**Marks****30**

**Question Number: 5**

As your company's International Employee Benefits Specialist, you are meeting with the newly appointed General Manager of your company's Chinese subsidiary, a corporate executive about to move to Shanghai.

- Explain the employee benefits he is entitled to as an expatriate employee (10)
- Explain the employee benefits that should be offered to the local employees of the subsidiary (10)

**Marks****20**