

Examiners Report: Managing International Employee Benefits-October 2024

Summary

The script for the Autumn 2024 exams session included four questions calibrated according to the curriculum material for this session, comprising of the 2024 IEBA Manual.

The overall outcome of the exams session is that out of two candidates, none were marked as passes.

This is a particularly poor outcome overall, both in terms of number of candidates attempting the MIEB exam, and the quality of their responses to the questions.

Whilst some submitted responses indicated a degree of prior knowledge of the subject matter, acquired either through professional practice or independent studies, in general even the scripts rated with comparatively higher marks indicated a poor familiarity with the curriculum and comprehension of each question's content.

It is worth remarking however that the current marking structure of the MIEB exam appears to be designed in order to reward more one's ability to memorise certain key words in the curriculum, rather than a broader understanding of the subject matter.

Question Number: 1	
Your group is set to acquire a competitor company to consolidate its market leadership. Write a briefing note for your Head of M&A that:	
<ul style="list-style-type: none"> a) Lists the various issues to consider that may impact employee benefits as a result of the transaction (6 marks) b) The areas of focus of 'Due diligence' from the perspective of employee benefits (6 marks) c) As part of the 'Sale agreement', the key points in respect of employee benefits (6 marks) d) the issues to consider 'At and After Closing' (2 marks)" 	
Marks (Nominal Marks and Total Available Marks, including number of marks awarded for communication/format if applicable):	Available marks 22 (includes 2 bonus marks for format) Total Marks 20
Syllabus Section	IEBA Manual

Manual Section	Part 9, Chapter 1
Page numbers	Pages 152 - 162
Examiner's Comments	
Some degree of practical knowledge of the subject, as well as basic understanding of the M&A process. Very little evidence of actually having reviewed and comprehended the relevant section of the curriculum and the specific impact of an M&A transaction on a company's employee benefits strategy.	

Question Number: 2	
Describe the available options for managing and funding Risk Benefits for global employers. Your description should include the following for each of the three funding options:	
<p>a) The definition</p> <p>b) Potential advantages (3 marks for each funding option)</p> <p>c) Possible disadvantages (3 marks for each funding option)</p>	
Marks (Nominal Marks and Total Available Marks, including number of marks awarded for communication/format if applicable):	Available marks 24 Total Marks 20
Syllabus Section	IEBA Manual
Manual Section	Part 6, Chapter 1
Page numbers	86 - 94
Examiner's comments	
<p>Comparatively higher marks for both candidates, which indicate a higher degree of practical knowledge of the main forms of coordinated multinational employee benefits programs.</p> <p>Clearer format of the answers and richer content, although not sufficiently reflective of the curriculum.</p>	

Question Number: 3

Your company has asked you to prepare a feasibility study for the transition from its current DB pension scheme to a new pension fund. The feasibility study should cover the following:

- a) The common risks associated with the current DB pension scheme. (6 marks)
- b) The different types of financing approaches for the pension fund, and their advantages. (14 marks)
- c) The business objectives for each funding policy. (15 marks)
- d) Some of the recent trends and developments in pension funding. (5 marks)

Marks (Nominal Marks and Total Available Marks, including number of marks awarded for communication/format if applicable):	Available marks 43 (includes 2 bonus marks for format) Total Marks 40
Syllabus Section	IEBA Manual
Manual Section	Part 5, Chapter 1
Page numbers	68, 69, 70, 74, 75, 78, 79
Examiner's comments	
Consistently well organised structure of the response, but poor in content and cohesiveness. A deeper comprehension of the curriculum would have allowed the candidates to achieve a significantly higher mark.	

Question Number: 4	
Your company is considering opening three regional offices in Hong Kong, Mexico City and Dubai, to oversee its growing operations in	
<ul style="list-style-type: none"> a) Asia Pacific b) Latin America, and c) the Middle East. 	
You have been asked to draft a report that summarises the common provisions in each region in terms of retirement, employment and risk benefits.	
Marks (Nominal Marks and Total Available Marks, including number of marks awarded for	Available marks 22 (includes 3 bonus marks for format)

communication/format if applicable):	Total Marks 20
Syllabus Section	IEBA Manual
Manual Section	Part 11, Chapter 2
Page numbers	189 - 191
Examiner's comments	
Clear structure and format, with different depth of knowledge between the two responses, which in both cases however shows a degree of prior working knowledge and/or independent research.	