

International 1: Core Unit 1B – Foundation in International Employee Benefits

Summary

Following a significant change to the study material and layout the Examiners were pleased to note several high-quality scripts scored good marks. In addition to commentary on the April 2021 questions below, general guidance for candidates who didn't achieve high marks is provided at the end of this report.

Question 1

In relation to global total rewards, outline the differences between Compensation and Benefits, and define the term "Employee Benefits".

(10 marks)

- The Examiners were pleased to note that this question was well answered with most candidates achieving high marks.
- The more detailed comparisons of Compensation and Benefits demonstrated a good understanding of the core themes of this section of the study manual.

The relevant section of the study manual - Study Manual 1: Part 1, Chapter 1.1 (Page 2)

Question 2

Write a short note on Employee Savings Plans in Mexico

(5marks)

- Candidates who provided information specific to Employee Savings Plans in Mexico tended to score higher marks than those candidates who provided general information on Employee Savings Plans.
- Whilst some candidates were able to score highly, some answers lacked detail for which marks were available. For example, many answers mentioned matching contributions but did not include further detail on the relevant limits, tax treatment and amounts.

The relevant section of the study manual - Study Manual 1: Part 4, Chapter 5.2 (Page 50)

Question 3

As the International Benefits Manager (IBM) for your company, you have been asked by the Finance Director to write a brief paper setting out (a) the overriding objectives at the corporate level for an IBM, and (b) how these objectives translate into advantages for local operations/offices.

(10 marks)

- Whilst a few candidates were able to achieve high marks for this question, unfortunately this question was poorly answered by several candidates.
- The question references Section 3.2.2 of Study Manual 1: Part 7, which consists of a list of bullet points relevant to each part of the question.
- Candidates who had studied this section were able to clearly set out the same points the Examiners were expecting, and therefore achieved high marks as a result.
- Candidates who scored low marks provided answers that were more general about the objectives of an IBM, with some candidates providing information from the preceding section (3.2.1) for which few marks were available.
- It was pleasing to note that a good number of candidates formatted their answers as directed by the question, and as a result were able to take advantage of the bonus format mark available. Candidates should look out for key instructions in the questions, in order to obtain available bonus marks.

The relevant section of the study manual - Study Manual 1: Part 7, Chapter 3.2.2 (Page 91)

Question 4

Write a short note on the Netherlands health care system, including wellbeing, prevention and costs mitigation options. (10 marks)

- Overall, this question was poorly answered by most candidates, with a small number of candidates not attempting the question.
- Most candidates were able to state that all residents are required to have health insurance to a minimum standard, with a few able to further describe the operation of the Netherlands health care system.
- However, candidates who had not studied Section 8.3.1 were not able to provide the requested detail from this section on wellbeing, prevention, and costs mitigation options. This resulted in low, or no marks being awarded.
- Some candidates wrote at length about wellbeing, however as this was only part of the information requested in the question, limited marks were available for their effort.
- Candidates are reminded to read the question carefully to determine to which section of the study manual the question relates

The relevant section of the study manual - Study Manual Section 2: Part 1, Chapter 8.3.1 (Page 68)

Question 5

Describe the funding vehicles and typical investment profile for defined contribution arrangements/schemes in the United States of America (including voluntary individual savings plans) (10 marks)

- This question was generally poorly answered by the majority of candidates.
- Most candidates were able to provide a general description of funding vehicles for defined contribution arrangements
- A few candidates were able to set out the typical investment profile but did not identify the % allocation to each asset class, so did not score full marks.
- Candidates are reminded to read the question carefully to determine to which section of the study manual the question relates

The relevant section of the study manual - Study Manual 2: Part 1, Chapter 6.2.2 (Pages 48 and 50)

Question 6

Explain the key features of the European Union Life Insurance and Solvency II Directives. (5 marks)

- Several candidates were able to score good marks by providing the requested information. These candidates demonstrated a good understanding of the various pillars and the disclosure requirements for Solvency II.
- However, there were some candidates who either scored no marks or low marks. It was evident that they had not studied the relevant section of the study manual.
- Candidates are reminded that questions can be set on any area of the study material identified as in scope for the subject

The relevant section of the study manual - Study Manual 2: Section - Part 2, Chapter 1.5 (Page 112)

Generally, candidates are reminded to:

- Read the question carefully to determine to which area of the study manual the question relates to.
- Take note of instructive words given in the question – for example “list” indicates that a list of key items is required, rather than a block of descriptive text
- Note that of the number of marks available can be used to indicate the level of detail required in an answer.
- Remember to include any dates, limits and figures detailed in the relevant section of the study manual to add sufficient detail to your answer to score full marks.
- Take advantage of any bonus marks available for format.
- Avoid spending too much time providing information which has not been asked for specifically in the question, or which is not described in similar detail in the Study Manual.
- An important part of the CU1B syllabus is to test candidates’ knowledge of benefits in different countries, and much country specific information is given in the manuals. Where a particular country or jurisdiction is specified within a question, higher marks will usually be achieved by providing information from the section that is specific to that country rather than generic information on the topic from another area of the study manual.