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Managing International Employee Benefits Notes on Mock Exam

*Recommended Time: 3 hours*

# You are employed by a large multinational company, which operates across the world in a highly competitive sector. Explain the factors that should be considered in developing an international employee benefits policy for the company.

**20 marks** A full answer would include a brief explanation of an international benefits policy.

The factors include:

* + Strategic considerations
	+ Corporate and employer objectives
	+ The labour market
	+ Market positioning
	+ Cross border consistency
	+ Other factors may be relevant and these could be explained in a full answer

As this question is asking for an explanation and carries 20 marks it is seeking a reasonable level of detail for each of the factors. An example would also be helpful.

# As an international benefit consultant prepare a summary report for a client that is considering expanding its business into Russia that covers:

* **An overview of the broad economic and employment climate;**
* **Typical pension and risk benefit provision.**

**20 marks**

As this question asks for a report a small number of marks (2 or 3) are available for producing an answer in a more formal report format.

The detail is contained in the Russian country summary.

# You are the benefits manager for 123 Company that has just acquired a business with a DB plan. Draft a briefing note for the Finance Manager of 123 Company that outlines some of the recent developments that may help to manage and reduce

**the associated risks.**

**20 marks**

It should include brief discussion of the risks. The note should contain discussion of the various ways to reduce risks, including:

* + Use of swaps, derivatives
	+ Incentivisation

# Write notes on the impact of multinational business on corporate governance and employee benefits.

**10 marks**

As this question asks for notes and carries only 10 marks, the following should be covered:

* + How multinational business requires differing governance structures
	+ An outline of these structures and how they meet the challenges

# Write notes on the management of employee benefits via a global benefits committee.

**10 marks**

As this question asks for notes and carries only 10 marks, the following should be covered:

* + Identification of the reasons for setting up a committee
	+ The typical terms of reference for such a committee

# Write notes on the provision of medical benefits in China.

**10 marks**

As this question asks for notes and carries only 10 marks, the following should be covered:

* + Brief survey of the Chinese situation in this area

# Write notes on the impact of a sale or merger transaction on employee benefits.

**10 marks**

As this question asks for notes and carries only 10 marks, the following should be covered:

* + transaction may impact employee benefit plans directly, and their insurance or other financing vehicles
	+ Insurance policies may have been issued on a Group-wide basis, or be subject to specially agreed terms
	+ Is it possible to maintain membership of multi-employer benefit plans (carve-outs, transfers, cross-subsidies, lack of control)?
	+ Increases or reductions in benefits
	+ Restructuring