**Managing International Employee Benefits**

**Notes on Mock Exam**

**Recommended Time: 3 hours**

**1.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.

**2. As an international benefit consultant, prepare a summary report for a client that is considering expanding its business into India that covers 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 Indian country summary.

**3. 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

**4.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

**5. 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

**6. 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

7. **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