



**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 Brazil 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 Brazil 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