



International Benefits Committee

June 3, 2008 – New York City

The International Benefits Committee (IBC) met in New York City; participants included:

Accenture	Faegre & Benson	MetLife
Aetna Global Benefits	Global Benefits Associates	NBA
AIG	Hewitt	NFTC
All Net/Allianz	HRS Group	Norfolk Mobility Benefits
Alston & Bird	IBIS Advisors	Orange Business Services
AOL	IMS Health	Pfizer
Aon Consulting	Insurope	Proskauer Rose
ARINC	Johnson & Johnson	Prudential Financial
Birches Group	LMG Benefits	Tiffany
Bristol-Myers Squibb	Lockton Companies	Tyco Electronics
Bunge	McKinsey	Watson Wyatt
Combined Services	Medtronic	Wyeth

Open-Forum Discussion:

The meeting commenced with participants providing updates on issues and projects they are working on which included:

- **Canada**– looking at establishing a DC plan.
- **Chile**– pension law changes implemented in March 2008.
- **China** – reviewing adequacy of benefit plans for local National staff.
- **Czech Republic** – looking at establishing a DC plan.

Expatriate Savings Plan Designed for non-U.S. expatriates through an offshore trust which allows participants to direct their investments.

Global Wellness Strategy what are the issues outside the U.S.

Global Talent Management need to understand what motivates employees in different countries so as to tailor benefit and compensation plans that are appropriate.

Governance reviewing worldwide benefits and compensation programs.



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Greece looking at introducing a DC plan.

Multinational Pooling Focus shifting to more effective management. More activity on the use of corporate “captives”.

Mexico – recently closed a DB plan and opened a DC plan.

Saudi Arabia – recent clarification on health insurance coverage requirements for expatriates.

BRIC Countries – in some major cities there is virtually zero unemployment so there is more pressure for comprehensive benefits and compensation plans to attract and retain local staff.

India working on benefits and compensation plans for a 10,000 employee organization.

Japan trying to implement a DC plan which requires 2/3 employee acceptance.

Mexico introducing a broad-band DC plan.

Mexico working on wellness programs.

Mexico reviewing broker, administration, and insurance relationships.

New Zealand the “Kiwi Saver” has been introduced by several U.S.-based MNC’s.

Singapore working on supplemental pension plan as distinguishing feature for attracting and retaining talent in tight labor market.

South Africa introduced stop loss to multinational pool as reflection of high incidence of HIV/Aids.

South Korea employees pushing for enhanced benefit plans while employee is stressing compensation (which can be adopted in bad or good times).

UK employees in a recently acquired business are being moved into a “mirror” DC plan.

Pan European Pensions Dr. Reinhardt Schink provided an update on Pan European Pensions. At this time it is possible to combine assets across borders but member countries still maintain own tax and regulatory system. The drivers for a Pan European



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Pension facility are cost, consistency, and reduced complexity. Dr. Schink then described the steps that occur as:

- Pooling Assets
- Outsource Administration
- Fund Externally
- DB to DC plans

Lastly he pointed out plan design risks including: longevity, financial markets, inflation, taxes, overall health.

International Benefit and Compensation Plan Governance Case Study Paul Garner of Hewitt and Melba Vasti of MetLife, provided an overview and case study on a global governance review. Underlying the review is an understanding of risks facing an employer, which are:

- Strategic
- Operational
- Regulatory
- Financial

A critical step is getting the involvement of local county colleagues. To do that they need to see the value to them.

Remuneration Data In “Emerging” Markets Warren Heaps of the Birches Group provided an overview on total compensation data that is available for “emerging” or developing countries where the shortage of managerial and technical talent still command strong packages. The provided examples from Indonesia, Kazakstan, Kenya, and Nicaragua.

The next International Benefits Committee (IBC) meeting
will be in New York City on October 8, 2008.