



The American Benefits Institute is the education and research affiliate of the American Benefits Council. The Institute conducts research on both domestic and international employee benefits policy matters to enable public policy officials and other stakeholders make informed decisions. The Institute also serves as a conduit for global companies to share information about retirement, health and compensation plan issues.

SUMMARY OF INTERNATIONAL BENEFITS COMMITTEE MEETING

The American Benefits Council's International Benefits Committee met in Edinburgh, Scotland in May in conjunction with the IBIS Academy. The Committee covered a wide range of topics and included a roundtable forum in which attendees exchanged information on global benefits issues commanding their attention. Forging bonds with corporate colleagues around the globe is one of the most positive features of holding the International Benefits Committee meeting outside the United States once a year.

CHALLENGES AND INNOVATIONS

The Committee opened its meeting by talking about the most significant challenges and innovations affecting companies and their benefits programs. Richard Polak, President and CEO of IBIS Advisors led the discussion, integrating the types of multinational organizations with types of employees, different regions of the world, diverse cultures and core benefit programs. Many global challenges confront companies today, Polak noted, including: aging populations, expanding the global talent base,

compliance and governance on a global basis, stressed medical and pension systems around the world and an emphasis on saving money. He then discussed innovations designed to meet these challenges such as global benefits management, global wellness, flex programs, retirement readiness, de-risking, asset pooling and turnover.

ROLE OF THE GLOBAL BENEFITS DIRECTOR

The Committee then turned its attention to a discussion of the business outcomes of the global benefits director. Tami Graham (Intel) and Fred Thiele (Microsoft) responded to a series of questions posed by Amol Mhatre (Aon Hewitt) designed to explore the business outcomes of the benefits director's role and the metrics used to measure the business value delivered. The presenters discussed the importance of employee reaction to various benefits programs offered and the importance of ensuring that benefits have a greater value to participants than just the money spent in providing them. The session examined the importance of employee connection, and the use of polls and employee communications to build better understanding about the features of programs.

This discussion also delved into the value of building ties with local offices in the countries in which the company is operating and examined how to build efficiency into the company's benefits system. Obtaining the right data from local offices was identified as one of the toughest challenges, but one that can help the most in reaching this objective. Some meeting participants noted that they used outside systems to track this data. Others have developed or are developing their own tracking systems. Committee members discussed significant concerns about retirement eligible employees and how best to facilitate retirement and/or to retain key talent.

RETIREMENT PLAN OF THE FUTURE

The session concluded with a presentation by Matti Leppala of the European Federation for Retirement Provision (EFRP) and Francesco Briganti of the European Association of Paritarian Institutions (AEIP) about the current challenges facing retirement programs in Europe. Lepalla provided information on the spread of defined contribution plans in Europe, his perspectives on some of the challenges they are currently facing and the growing interest in hybrid solutions. Briganti examined the sustainability and adequacy of pensions in Europe (e.g. retirement age, labor market reforms, the shift from defined benefit to other formulas) and examined obstacles affecting the mobility of workers within the European Union including: coordination of different pension systems, cross border pensions, portability of social rights, and the need for safeguarding the pension rights of the workers.

The Council, EFRP and AEIP have developed a valuable working relationship, collaborating over several issues this year including Dodd Frank Act- related issues affecting derivative investments as well as the Foreign Accounts Tax Compliance Act (FATCA). For example, EFRP joined the Council and our member companies for a meeting with the Commodity Futures Trading Commission on swaps issues and the business conduct rules. In addition, AEIP, EFRP and the Council co-authored a comment letter to the U.S. Department of Treasury on FATCA.

FORUM FOR EXCHANGING ISSUES

The Committee discussion provided a forum for exchanging ideas about corporate priorities. Topics included: global travel, offshore retirement plans, global wellness programs, cross-border pensions and pooling challenges, conversion issues in different countries, emergency and other health care issues, pay for performance and use of employee stock plans. There was further discussion on how best to obtain accurate information about what is going on locally, getting “buy in” from local offices, as well as setting up appropriate metrics and analysis for aligning benefits programs with employee needs and business goals. This discussion served as an opportunity for companies to connect with one another on similar challenges and to share successful solutions to those challenges. Members noted that they will use the Council to continue information sharing on an informal basis between scheduled committee meetings.