



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.

COUNCIL DISCUSSES INTERNATIONAL BENEFITS AT METLIFE SYMPOSIUM IN D.C., IEBA CONFERENCE IN BELGIUM

SYMPOSIUM OFFERS OPPORTUNITY TO DISCUSS GLOBAL BENEFITS MANAGEMENT

The Council again joined with MetLife for its [9th National Benefits Symposium](#) in Washington, D.C. on March 18, 2013. This year's event, "New Forces at Work," focused on the changing role of benefits in a global environment. One session, "Navigating the Global Benefits Landscape," was devoted to covering the wide range of international benefits issues. The session began with a discussion of what it means to be "truly global" from a benefits perspective and the importance of developing and implementing a global benefits strategy that supports the company's ability to meet the varied needs of all of its employees.

Three panelists – Marianne McManus of IBM, Jeff Shapiro of Walt Disney Company and Sheri Verani of Air Liquide – shared their experiences in managing global benefits on behalf of their employers. In laying the foundation for the discussion, moderator Lynn Dudley, the Council's Senior Vice President for Retirement & International Benefits, provided a brief overview of importance of "global governance" in

maintaining a global benefits strategy. In that capacity, the panelists discussed the processes and structures a multinational company might use to exercise corporate oversight and control over strategic decisions affecting the program design, financial management and operation of benefits. Several references were made to the [2012 global governance survey and study](#) that the American Benefits Institute conducted last year in partnership with Aon Hewitt.

The panelists fielded a series of questions about how to gather and track benefits inventory and build networks for resources and information. They addressed inquiries about working with differing cultures and managing diverse and ever-changing rules including the evolving tax compliance landscape with respect to mobile employees. Panelists noted that one of the keys to success in this regard is having a system for tracking data and regulatory changes and monitoring global compliance. Learning the local networks of information can be extraordinarily beneficial to those managing benefits in a region in which their company has not previously operated and incorporating and leveraging service providers is helpful in this endeavor. Panelists observed that for those new to the global benefits scene, one of the biggest challenges is taking inventory of the benefits currently provided and engaging local country employees in that effort to gain their support.

Addressing rising costs and managing global risk are core challenges that are driving efforts to centralize governance. The panelists discussed the importance of centralizing governance in establishing a benefits strategy more closely aligned with the overall business and corporate philosophy. They also addressed questions about filling gaps in benefits when operating globally, how and when to standardize benefits for particular areas and how philosophy can vary when the headquarters sits outside the United States versus within the United States.

The panelists also explored the challenges of emerging markets relative to more developed markets and how a benefits strategy may have to be completely restructured to address the realities of a particular area or population, whether it is basic infrastructure, health issues or political volatility. The panelists noted that sometimes the most significant thing that needs to be done is to address immediate or chronic health situations and asserted that the global benefits strategy must accommodate that imperative. Flexibility in the benefits strategy is essential. The panelists also considered the impact on companies and the complexities arising from mergers, acquisitions and divestitures as well as some of the tools used to control financial risk – a key to effective management of global benefits.

COUNCIL PROVIDES U.S. PERSPECTIVE AT INTERNATIONAL BENEFITS CONFERENCE

Council President James Klein addressed the International Employee Benefits Association's [13th Annual Conference](#) in Brussels, Belgium on March 14, 2013. The [IEBA](#)

is an organization of several hundred employee benefits professionals, primarily based in Europe, who have international benefits responsibilities for their multi-national companies. This includes primarily non-U.S. based companies but also some companies whose headquarters are in the United States but whose operations are global.

Conference attendees were especially interested in better understanding the components of U.S. benefits policy – mandatory government programs such as Social Security and Medicare and the employer-sponsored system – and the principal policy changes that may lay on the horizon. Klein addressed current U.S. fiscal challenges and the types of proposals that are being contemplated with respect to both public entitlement programs as well as private employer-sponsored plans. He also discussed some of the key strategic questions large U.S. employers are examining as the date for full implementation of the Patient Protection and Affordable Care Act approaches. There were a number of questions posed from the audience focusing on U.S. tax policy, accounting rules and the role of employers as sponsors of benefit programs.

Other sessions at the conference of interest to U.S. employee benefits professionals with global responsibilities included: “How Technology is Helping Manage Employee Benefit Plans,” “De-risking Defined Benefit Plans,” “New Defined Contribution Plan Models,” “Undertaking Merger & Acquisition Carve-Outs in the EMEA Region,” and “Global Wellness Strategies.” Copies of the presentations, including Klein’s, are available on the IEBA’s [conference website](#).

The Council has experienced a pronounced increase in interest from our U.S.-based member companies about international benefits developments. This is now being mirrored by inquiries from benefits professionals from large companies based outside the United States who are seeking to better understand the changing benefits landscape in the U.S. as well as how U.S.-based companies are managing global benefits strategies.