



*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 MEMBERS DISCUSS CHALLENGES, PRIORITIES AT GLOBAL BENEFITS COMMITTEE MEETING

The American Benefits Council held its [Global Benefits Committee meeting](#) in Chicago this fall, providing member companies that have multinational operations with an opportunity to discuss their experiences with regard to providing employee benefits to global populations.

Committee meeting co-chairs Michael Seay, executive director, global benefits for Avon Products, Inc., and Ken Gulick, vice president, global benefits solutions for Fidelity Investments, began the meeting by leading a discussion of global benefits priorities. Committee members largely focused on strategic operational challenges that come with global expansion, particularly in emerging markets, and increased mobility. Clearly, obtaining information and implementing governance strategies remain top challenges.

## **IEBA US BRANCH MEETING DISCUSSION**

Geoffrey Furlonger, secretariat for the International Employee Benefits Association (IEBA), based in Brussels, Belgium, provided an overview of IEBA's educational program and Diploma in International Benefits designation (including the possible addition of a Practicing Certificate based primarily on experience). He also discussed the various IEBA branches and the upcoming IEBA Annual Conference to be held in Brussels in March, 2015.

IEBA, founded in 1994 in the U.K., entered into an affiliation with the Council in 2013. Council members may join IEBA (at no cost to the member) through their membership in the Council. This relationship has grown the membership of IEBA significantly. The sizeable number of members in the United States suggests the value of a U.S. branch to match the active and future branches in Germany, France, Belgium, the Nordic countries and elsewhere. The meeting served as the official launch of the activities of the U.S. branch.

All IEBA members are entitled to attend branch meetings and most branch meeting presentations are available on [the IEBA website \(http://www.ieba.org.uk\)](http://www.ieba.org.uk).

## **THE ROLE OF THE COUNCIL IN GLOBAL BENEFITS MATTERS**

A principal objective of the meeting was to identify the Council's specific role regarding global benefits both within and outside of the United States. The discussion was broken into two parts: an examination of available opportunities and the goals of engaging in those activities; and an open forum on topics identified by committee members to be considered for further action.

The companies discussed three areas for greater Council activity: information sharing, regulatory advocacy and helping plan sponsors more effectively obtain value from service providers' expertise. All three were of interest to meeting participants as ways to meet the challenges they are facing. In discussing their desire to engage further on global benefits issues, participants described challenges related to knowledge and awareness, governance and controls, and cost management.

In examining the elements of information exchange that would be most useful, committee members suggested:

- Best practices to execute global benefits policies
- Knowledge of statutory benefits – including government retirement and wellness programs

- “Gap Analyses” assessing the differences between current and desired levels of benefits
- Knowledge of trends in supplemental benefits
- Information allowing better support for companies’ “local” employees outside the United States
- How to engage locals to enlist support for company initiatives and programs
- Information about health and welfare challenges in various regions; Brazil, Russia, India, China and South Africa were cited as examples
- Information about available investment products for retirement programs
- Information on ways to improve governance

When discussing the role of the Council in advocacy, the Council staff highlighted ongoing activities with the Organization for Economic Cooperation and Development (OECD) and the networking provided through the relationship with IEBA (see discussion above on IEBA).

Richard Hinz, senior advisor to the Council and former Chair of OECD’s Pension and Insurance Committee, provided an overview of the Council’s activities with OECD so far.

The Council serves as a private-sector advisor to the United States’ delegation to the OECD. Hinz attended the recent OECD on behalf of the Council. Global Committee members discussed the Council’s working group on OECD issues and our past and current attendance at the meetings. Committee members explored other possible advocacy opportunities – such as with the European Insurance and Occupational Pension Authority (EIOPA), and ideas for possible advocacy in other regions of the world outside of Europe, such as Latin America and Asia.

Committee members also discussed aligning with other groups as a way of being more effective, identifying several possible organizations that may be interested in receiving input from Council members. It was noted that the Council currently participates in the Global Pension Alliance (which includes Pensions Europe and the Federación Internacional de Administradoras de Fondos de Pensiones, two of the organizations mentioned that would be worthwhile approaching for further collaboration).

The committee discussed the Council weighing in with a focus on the impact of proposed regulatory changes on businesses operating globally, particularly with regard to matters that impose inappropriate costs.

There was a robust discussion of the Council's potential role in better accessing information and support from service providers, with several recommendations emerging, including:

- Obtaining more information about the availability of asset management and insurance products
- Making available benchmarking data
- Obtaining educational materials regarding approaches that work effectively in different countries
- More information and input in global technology platforms

The group acknowledged that some issue areas fall between information and advocacy, such as mental health and wellness. They also acknowledged there are some challenges to creating an environment in which the type of exchange desired would be successful given proprietary concerns.

During the open forum, in which we solicited discussion on topics of particular interest to those companies present, committee members cited the following:

- Derisking
- Tax efficient vehicles for accumulating savings
- Addressing mergers and acquisitions
- Ways to simplify/streamline governance
- Financial education on a global level
- Decumulation/distribution options
- Investment deregulation
- Cross border pooling
- Data privacy

- Deregulation of investment products
- Emerging market trends – infrastructure and investment developments
- Foreign Account Tax Compliance Act (FATCA)
- Workforce health issues (adjusting to different geographic locations)
- Interactions with European work councils

In concluding the open forum discussion, committee members determined there were several specific ways the Council could be helpful:

- An email list of interested members (listserv)
- Pulse surveys
- Using the Council as a share-point through webinars, forum discussion, case studies (for example - integration of benefits following corporate transaction)
- Network development through OECD and other organizations that are influential with industry or have advocacy activities
- Further development of the United States IEBA Branch – share information with other branches
- Tapping into service provider expertise

## **HEALTH CARE TRENDS AND DEVELOPMENTS**

The Committee heard a presentation from Sandeep Patel, CEO of Cigna TTK Health Insurance Co. LTD, on “Health Care Access and Health Care Financing.” Patel traveled from Mumbai, India, to meet with the committee.

BRICS (Brazil, Russia, India, China and South Africa) and MINT (Mexico, Indonesia, Nigeria, and Turkey) countries represent the fastest-growing emerging markets and constitute 50 percent of the world’s population. BRICS countries are developing or newly industrialized G-20 members distinguished by their large, fast-growing economies and significant influence on regional and global affairs. The four MINT countries are also part of the “Next Eleven” countries list, which are estimated, along

with the BRICS, to have the potential to become the world's largest economies in the 21st century.

Most of the BRICS and MINT countries are in various stages of exploring or implementing universal health care access models utilizing a combination of financing and delivery-based systems. Quality and access to care varies significantly across the countries and is not necessarily aligned to current economic status.

While some countries have become regional importers for medical tourism, such as Brazil, India, Mexico and South Africa, others are *exporters* of patients for medical tourism, such as China, Indonesia and Nigeria. As urbanization and prosperity grow, health care financing, access and wellness are evolving to meet the different demands of lifestyle diseases as opposed to infectious diseases.

Committee members discussed with Patel, and with each other, how business operations in these countries are affected by the growth in these countries' economies and by the developments in healthcare.

## CONCLUSION

Overall, the committee covered a number of retirement and health and welfare topics and provided vital guidance to Council staff on how the Council can best be a source of information and assistance and fill unmet needs regarding global benefits operations, strategies and public policy.