



Foundation in International Employee Benefits
Assignment 2 Notes

Recommended Time: 1 Hour

1. Identify the key parties within a multinational company that may be involved in employee benefit provision.

10 marks

As the question asks for identification and carries 10 marks it is expected only approximately 2 marks would be awarded per party mentioned below:

- International Benefits Manager
- Finance department, including - Financial controller, Treasury department
- Human resources department, including compensation and benefits managers and industrial relation managers (who might deal with the works council)
- Risk department
- Employee representatives

2. Identify the main objectives of an international benefits manager.

10 marks

Answer should cover:

- Ensuring benefit provision is in line with business objectives
- Ensuring benefit plans run smoothly
- Compliance with regulatory requirements
- Actuarial issues and Funding for Defined Benefit pension plans
- Accounting issues for plans
- Managing pension and investment risk
- Appointing third party advisers
- Member communication and disclosure

3. Explain the purpose of an international benefit strategy and outline the factors that need to be taken into account when designing such a strategy.

10 marks

Answer should cover:

Ensuring consistency in benefit strategy is crucial and various factors must be considered in meeting this challenge including.

- Structural & Organisational
- Corporate vs Local Management
- Design Considerations
- Financing and Funding Alternatives
- Risk Management and Control
- Operations
- Professional Advisers

4. Outline the purpose and identify the main responsibilities of a works council.

5 marks

Answer should cover:

A works council is a body that represents the interests of its workers (either located at a single site, company or industry).

Its responsibilities include:

- Protecting Employee Rights
- Reducing workplace conflict
- Efficiency of negotiation of terms and conditions

5. Outline the purpose and identify the main responsibilities of a local regulator.

5 marks

Answer should cover:

The key objectives of the regulator are to:

- Protect Employee and Member Rights through ensuring compliance with all legal requirements
- Ensure transparency of the benefit arrangements operated by employers
- Avoid the abuse of tax incentives

6. Explain the main types of risk that must be managed by the risk function of a multinational organisation.

10 marks

Answer should cover:

The main types of risk that must be managed include:

- Benefit Payment Risk
- Currency Risk
- Legislative and Compliance Risk
- Investment Risk
- Reputational Risk
- Operational Risk
- Talent Risk