

MERCER

Consulting. Outsourcing. Investments.



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN



Managing your Global Benefit Programs

Mark S. Allen, Tyco Electronics
Raymond J. Brusca, Stanley Black & Decker
Kathleen A. Wilkinson, AECOM
Sue Bertone, Mercer
Marc-Andre Paquette, Mercer

Managing your Global Benefit Programs

Workshop Objectives

- Share and gain perspective from peers on strategies for responding to key factors and global benefit program considerations, such as:
 - governance
 - plan design / total rewards
 - member experience
 - administration
 - financing
- Participate in interactive polling related to your experience while managing benefit programs globally



Introductions

Global Benefits Journey

Where are you? What are your priorities?

Access to Information

- How many employees are there in each country?
- What are employee demographics like?
- What benefits do we offer in each country?
- How much are we paying for the benefit programs?
- What are the statutory and market practices for each country?

Governance and Compliance

- What are the latest legislative and regulatory changes?
- Are our benefit plans in compliance?
- How competitive are our benefits within our industry by country?
- What is the framework for decision making?
- How can I avoid surprises?
- How can I ensure consistency?

Cost Effectiveness

- Are the benefit plans cost-effective?
- Are we financing our benefit programs in the most efficient way?
- Do we have the most competitive deal with the insurance provider?
- Do we leverage our global size and negotiation power?

Competitive Advantage

- Do I constantly have access to up-to-date information?
- What are the employee benefits enrollment and utilization statistics?
- Do I manage risk appropriately?
- How can I improve productivity?
- Do employees value our benefits? Are we getting the ROI?

Managing benefits globally Challenges



Having proper **governance** framework and processes in place, including compliance



Having access to **complete and up-to-date information** on benefits globally, including competitive market information



Integrating benefit design into **total rewards** structure, and ensuring it will work effectively under different economic realities



Through successful **member communications** strategy and campaigns, maximizing employee engagement



Managing **third party supplier** fees and services around the world, and proactively leveraging global presence and size



Understanding and proactively managing **cost and risk drivers** impacting benefit plan financials

Managing benefits globally

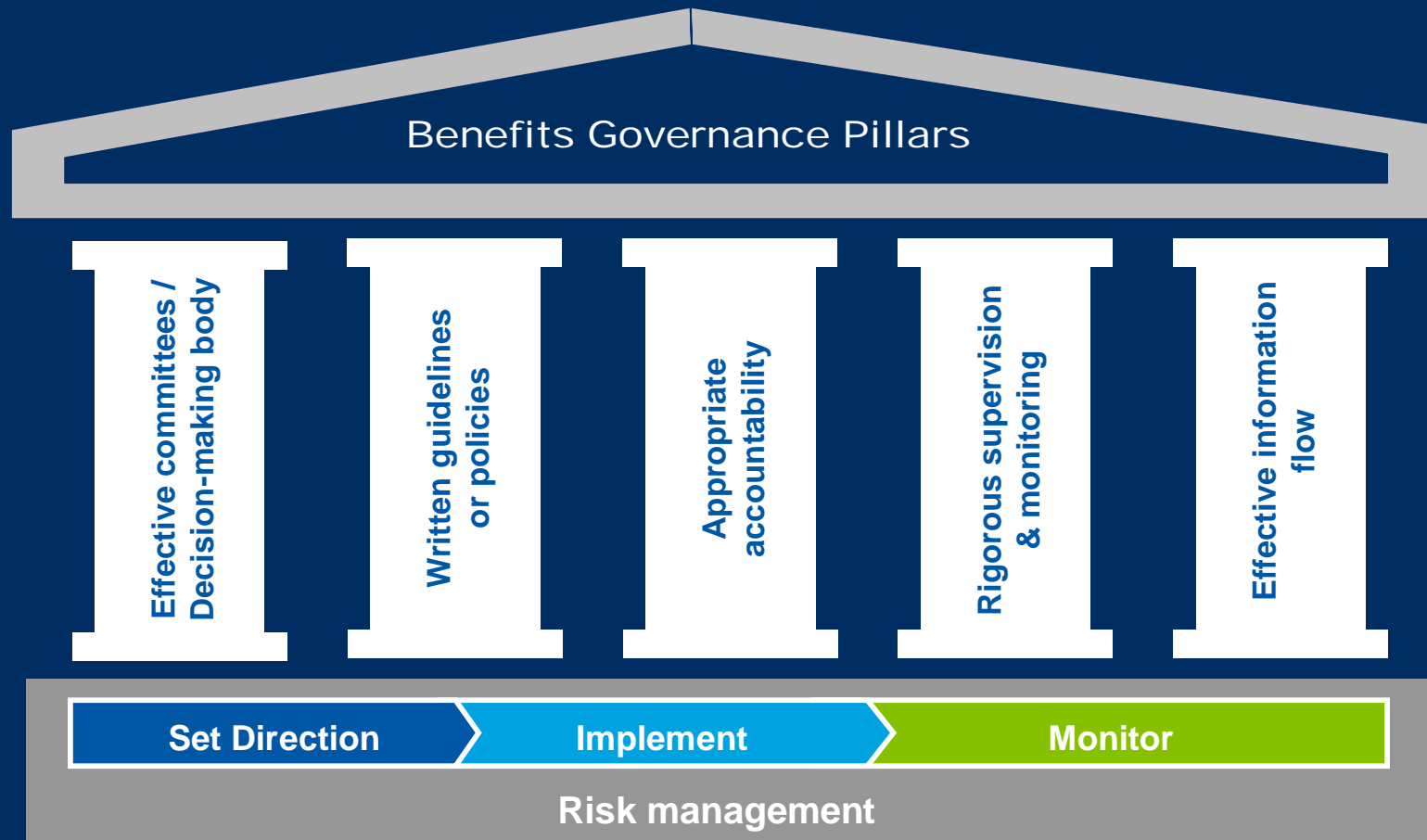
An integrated framework





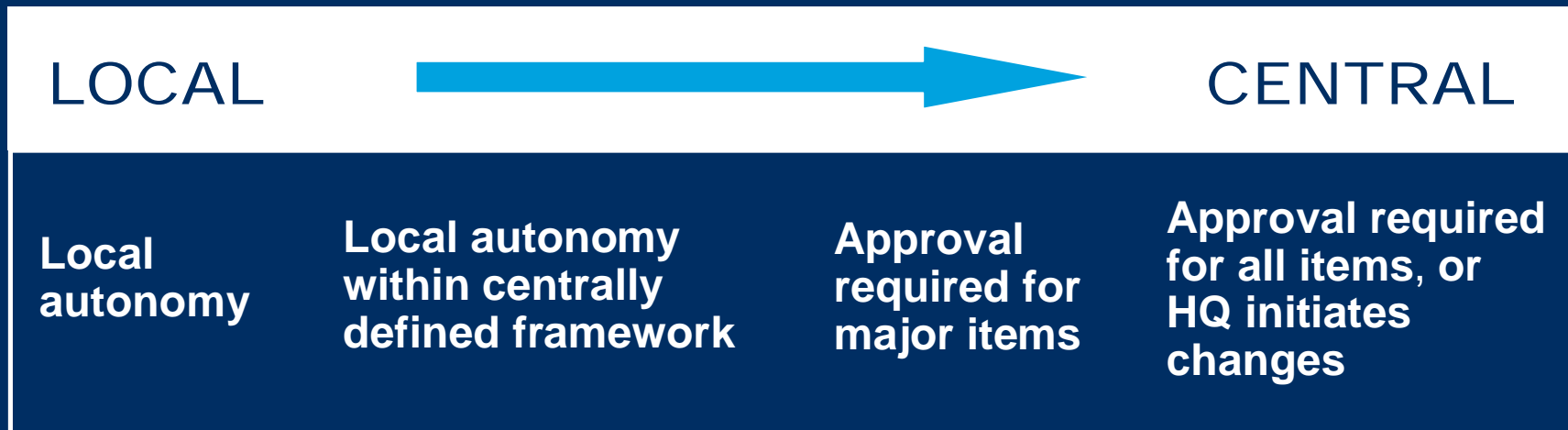
Governance

Benefits governance A working model



The articulation of objectives and the implementation of a framework of principles, guidelines and processes to ensure there is management of key risks and appropriate assignment of responsibility to deliver the desired level of control globally

All Models Are Not Alike



Sharing of Responsibilities between Local and Headquarters

Where are you? Where do you want to be?

	1 Local	2	3	4 Headquarters
Design	Local: Makes all benefit design decisions.	HQ: Sets headline policy; approves executive plans. Local: Initiates all design changes, referencing the global policy.	HQ: Sets detailed policy; approves new plans and material plan changes. Local: Implements policy; reports to HQ on compliance.	HQ: Sets prescriptive policy; approves all new plans and changes. Local: Implements policy; reports to HQ on compliance.
Communication	Local: Sets and implements communication strategy.	HQ: Sets broad global strategy and policy. Local: Sets and implements communication strategy, referencing global strategy and policy	HQ: Sets policy with some minimum requirements. Local: Sets and implements complementary local strategy; reports to HQ on compliance.	HQ: Sets detailed policy; issues some communications globally. Local: Implements policy; reports to HQ on compliance
Administration	Local: Sets standards for administration; selects vendors	HQ: Defines broad global standards. Local: Sets standards for administration, referencing global standards; selects vendors and/or administers plans.	HQ: Defines global standards; administers executive plans. Local: Selects vendors and/or administers plans within standards; reports to HQ on compliance.	HQ: Sets detailed policy and establishes preferred vendors. Local: Implements policy; reports to HQ on compliance.
Cost / Funding / Expense	Local: Makes all funding decisions; sets assumptions.	HQ: Sets broad funding principles; approves cost of executive plans; sets policy on accounting assumptions. Local: References policy when making funding decisions.	HQ: Sets detailed funding and expensing policies; approves cost of executive plans. Local: Implements policy; reports to HQ on compliance.	HQ: Sets detailed policies; approves costs, funding bases and actuarial assumptions for material plans; approves cost of executive plans Local: Implements policies
Investment	Local: All decisions taken at local level.	HQ: Sets broad statement of investment principles. Local: Policy referenced in decisions; reporting to HQ on performance.	HQ: Sets detailed statement of investment principles. Local: Implements policy; reports on compliance.	HQ: Sets detailed investment policy; establishes global preferred providers or pooling vehicle. Local: Implements policy; reports to HQ on performance.
Adviser Selection	Local: Establishes requirements and selects own advisers and providers.	HQ: Sets guidance on adviser requirements; appoints global adviser. Local: Guidance referenced in local adviser selection and monitoring.	HQ: Sets guidance on adviser requirements; appoints global adviser; indicates preferred advisers. Local: Implements guidance; uses preferred local advisers;	HQ: Appoints a single adviser globally. Local: Appoints global adviser locally; reports to HQ on compliance.



Design / Total Rewards

Total Rewards Framework

Employer perspective...

Money		Careers	Work/Life
Compensation	Benefits		
Base pay	Retirement	Performance and accountability	Time off
Guaranteed "bonuses"	Savings	Career opportunity and pathing	Wellness programs
Short term incentives	Medical / Dental / Vision / Prescription Drug, etc.	Mobility	Dependent care
Long term incentives	Life insurance	Leadership	Workplace flexibility
Financial allowances	Short and long term disability	Experiential rewards	Non-financial and status recognition
Financial recognition programs	Accident coverage	Talent development	Commuter programs
Deferred compensation			Workplace facilities and perquisites

Employee perspective...

Fixed pay	Secure retirement	Learning	Leave practices
Variable compensation	Protection	Opportunities	Flexibility



Member Experience: Communications & Education

Sharing of Responsibilities between Local and Headquarters

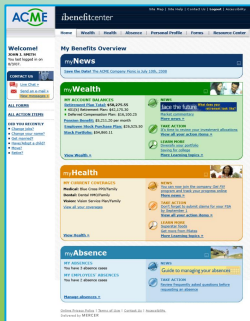
Where are you?



Employee engagement

Critical touchpoints

Online



- Tailored for your company and benefits program
- Personalized with targeted messaging
- Easy to navigate
- Providing education and support tools

Print and E-mail



- Customized for your company and your benefits program
- Personalized with simple messaging and clear action steps
- Targeted to drive action

In person



- Face-to-face and by webinar
- Targeted workshops
- One-on-one support
- Offering proactive, unbiased guidance
- Drive employees to make effective benefits decisions

Contact Center



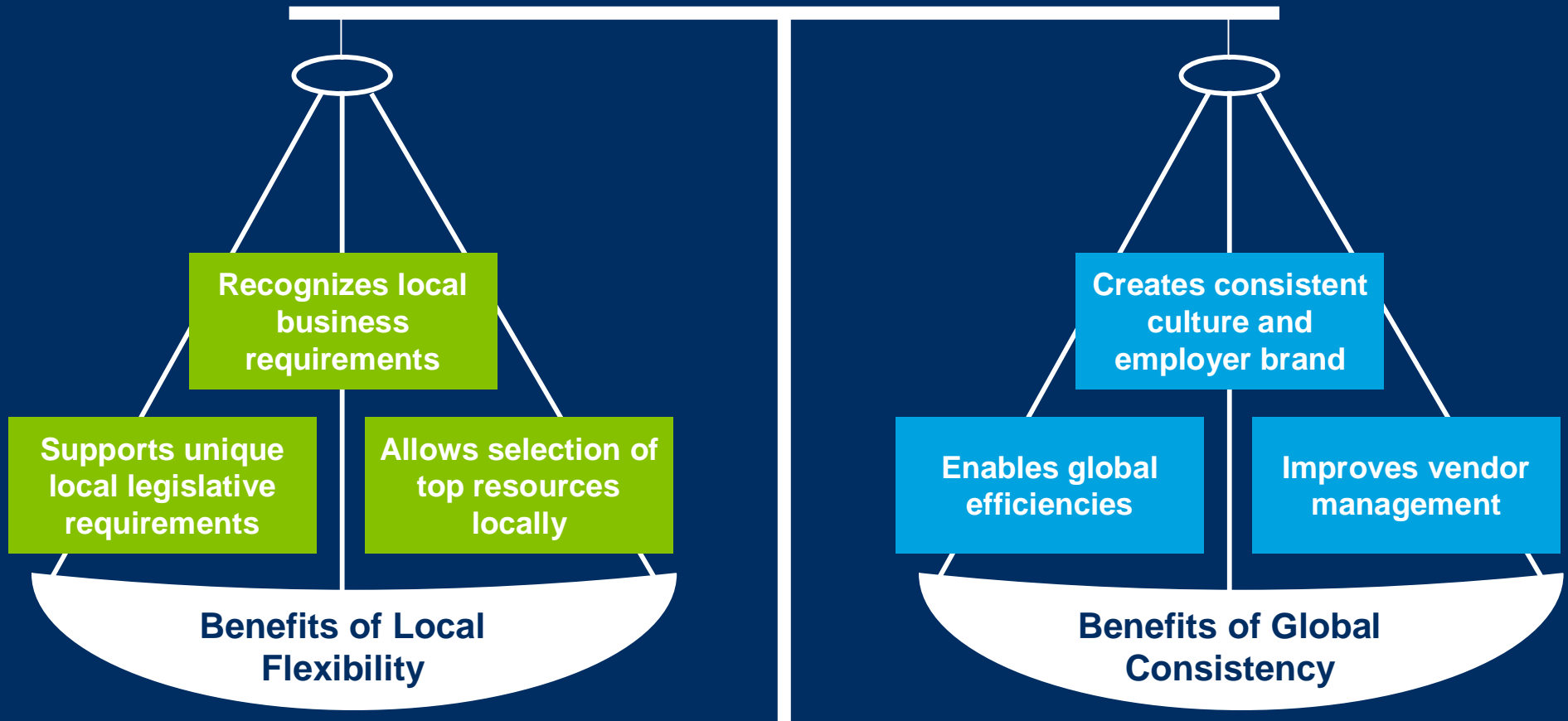
- Customer service focused
- Act as an extension of your HR team
- Certified and licensed as required
- Offering proactive, unbiased guidance



Administration

Managing your Global Benefit Programs

Administration: the local/global balancing act





Financing

Wrap Up



MERCER



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN