

October 2017

International Benefits Compliance Alert

Brazil

Brazil will be introducing changes to the current labor law.

Legislation – Employment Contracts/Types

Beginning on November 11, 2017, an important change to the labor law will be introduced. The changes are designed to be more business-friendly, with employers likely to see a more flexible job market as they are able to freely negotiate with individuals.

Under the new terms, several types of job relationships will be acceptable:

- Part-time jobs
- Jobs by demand during the month
- Working from home (part-time, by demand, etc.)
- Third party contractors

Additionally, individual job agreements will have empowerment via the law following certain minimum parameters (minimum salary, the 13th month salary, vacation, taxes, etc.) There will also be an extinction of union interference on job agreements, including fixing minimum benefits, minimum annual increases on salaries, etc.

Current employment agreements will not be affected by this law, but benefits will be affected and redesigned for each job category and for employees with multiple jobs.

Woodruff-Sawyer's Integrated Global Consulting Model for All International Benefits Needs:

Accountable Worldwide Network

- Local presence in over 80 countries
- Flexibility to use the best-in-class local brokers and consultants

Unparalleled Service & Support

- Day-to-day access to consultants
- Custom online global data management system
- Comprehensive compliance alerts & news services

Our Service Offerings

- Benefits design, audit & implementation
- Harmonization
- Surveys & benchmarking
- Actuarial services
- Consolidation of insurance: Multinational Pooling

For additional information, contact:

Rick Ortiz

AVP & Account Executive, International Benefits
rortiz@wsandco.com | 415.399.6369

(continued on page 2)

Germany

Germany is looking to implement a new law for the introduction of a purely defined contribution pension scheme.

Legislation – Pensions

The legislative procedure of the Occupational Pension Improvement Act (Betriebsrentenstärkungsgesetz) is completed. The new law will be effective on January 1, 2018. Some details are still being debated, especially the introduction of a purely defined contribution pension scheme.

The aim of the bill is to set up German occupational pensions into a “real” DC setup rather than current DB or hybrid schemes where the investment risk lies with the employer. Therefore, the payable benefits will depend on the investment performance.

Israel

Legislation – Retirement Age

Recently, the minimum retirement age in Israel for women born after July 1959 has increased to age 64. This is the age from which a female employee may choose retirement without the agreement of the employer. The employer may impose retirement, for both men and women, only starting at age 67. Employees may retire early from age 60 with the agreement of the employer.

Korea

Retirement – Company and Private Pensions

Previously, the Korean cabinet amended legislation to allow all employed persons (including the self-employed) to participate in individual retirement plans with effect from July 26, 2017. Before then, only employees whose employers had set up a retirement benefit scheme were allowed to have such an account.

Peru

Healthcare – Pre-Existing Medical Conditions

Previously, Congress approved legislation concerning coverage of pre-existing medical conditions. The new law will guarantee the continuity of cover for workers with pre-existing conditions that transfer from an EPS to a private health insurer and vice versa. The law further stipulates that insurers are not permitted to apply individual premium surcharges in these cases.

Romania

Romania is currently undergoing review for private medical networks.

Healthcare – Private Medical Networks

The competition between Private Health Insurers (providers of medical services through voluntary insurance products,) and Private Medical Networks (provider of medical services based on monthly subscription, which is a non-insurance product,) has reached a new development.

Due to the strong lobby made by the Private Medical Networks among the members of Parliament, they have succeeded to get an amendment to the fiscal law issued, through which they have been given the same fiscal advantages the insurance companies were awarded a few years ago.

According to this change of law, the fiscal regime of their products (non-insurance) is going to be similar with the one applicable to the Private Health Insurance products, through which the expenditure of such products is tax free for both employer and employee up to the threshold of €400 per year per head.

Switzerland

Legislation – Pension

A new plan has taken effect as of October 2017, affecting 1e plans for employees with salaries above CHG 126,900. As a result, insurance providers can offer up to 10 different investment strategies; however, one of them has to be risk-free. When a risky investment strategy delivers poor returns, no minimum level of benefits should be guaranteed if a member is transferring to another provider.

Woodruff-Sawyer is one of the largest independent insurance brokerage firms in the nation, and an active partner of Assurex Global and International Benefits Network. For nearly 100 years, we have been partnering with clients to deliver effective insurance, employee benefits and risk management solutions, both nationally and abroad. Headquartered in San Francisco, Woodruff-Sawyer has offices throughout California and in Oregon, Washington, Colorado, Hawaii and New England.

For more information, call 844.WSANDCO (844.972.6326) or visit www.wsandco.com.