



IEBA

International Employee
Benefits Association

IEBA NEWS

ISSUE 13

MARCH 2019

NEW EU BRANCH OF IEBA



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Foreword from the Chairman

I am delighted to be able to introduce this edition of the IEBA Newsletter which again continues to show the depth and breadth of IEBA.

Frank Gillingham of GeoBlue provides an interesting overview of how expatriates also need to think of their mental health needs when being stationed away from home. And how it's in an employer's own self-interest to provide for such cover – while we in the international employee benefits field rightly focus on individual employee's requirements in terms of benefits, one should always remember that there is a real business challenge and risks that need to be addressed in what we do.

In January we held a meeting of the refocused Belgium branch meeting now known as the IEBA European Affairs Branch with Dr Francesco Briganti providing a thoughtful overview of the new Pan-European Pension Plan (PEPP) structure.

My own efforts as chairman of IEBA in the last two years have been to boost the branches, and this new structure I believe is another step in the right direction. My view is that all members and especially corporate members are very keen to know about pan European solutions and how the EU will affect future legislation in all areas of benefits.

In respect of the Swiss branch, I am delighted to welcome Bharat Parekh as the new President of the Swiss branch. The Swiss branch is one of the stars in the firmament of IEBA branches and has been highly successful in developing its brand and network. I wish Bharat further success in his role along with the new Swiss committee members.

Last but most definitely not least, we have an article on the US Branch who had a meeting in New York. Jim Mellon gave an interesting talk on longevity: it seems that if I want to live the longer life I need to drink

more red wine and eat less. I think I can be persuaded to sort of follow this approach. In addition there was a talk by Frank Gillingham on mental health coverage. My thanks to Mark Azzarello and the American Benefits Council for helping to arrange the meetings.

Lastly I would like to thank Geoffrey Furlonger who is stepping down as Secretary for all his work over the years supporting IEBA as secretary and as a former Chairman. I and the committee wish him well for the future. ❖

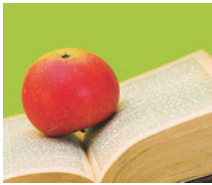
**Peter Devlin
Chairman, IEBA**

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Peter Devlin



FOOD FOR THOUGHT

The column "Food for Thought" aims to stimulate creative and innovative thought in the field of international employee benefits reflecting the fundamental values of IEBA knowledge sharing and educational opportunity.

Mental Health Treatment around the World

In the iconic movie "One Flew Over the Cuckoo's Nest," released in 1975, Jack Nicholson portrays a convict who agrees to confinement in a mental hospital in lieu of prison. The blockbuster provides an unflattering snapshot of mental health care of the era – a time when medication options were few and the institutionalized were managed with electric shock therapy and brain lobotomies. Fortunately, the treatment of the mentally ill in the United States has progressed dramatically in the last forty years, but has the rest of the world kept pace?

It was not that long ago that two dozen men burned to death in a mental hospital in India, unable to escape the flames because they were chained to their beds. In Russia, a young pregnant woman confined for mental illness was required by the government to abort her child, while in Africa it is still a common practice to seclude the mentally ill without treatment other than primitive rituals.

"China for example, averages only one psychiatrist for every 83,000 people"

Despite the fact almost one fourth of the world's population suffers from some type of mental illness during a lifetime, the World Health Organization estimates that less than two percent of global healthcare spend is for mental health treatment¹. A quick infusion of money would not solve the problem, as a dramatic lack of resources cannot be corrected overnight. China, for example, averages only one psychiatrist for every 83,000 people – approximately one-twelfth of the ratio in the U.S.², and there are fewer than 50 psychiatrists in the entire country of Cambodia, which has a population of 10 million³.

The number of expatriates, business travelers, college students studying abroad and even casual overseas vacationers with some sort of mental illness is growing exponentially. It therefore behooves multinational companies, university study abroad programs, and even travel agents to educate themselves about how to screen, prepare and manage those with mental illness. Companies and schools, in particular, must approach this challenge with the premise of including, not excluding, those with

psychiatric problems. It is critical for the sponsoring entity to provide reassurance that disclosing a history of a mental illness through the health risk assessment process is meant only to help prepare for the assignment, and not to filter out those with a psychiatric history.

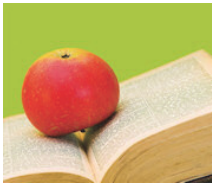
Once identified, those with a history of mental illness should be encouraged to obtain an evaluation by a mental health professional to make sure:

- Medications are available at the patient's destination country
- Suitable mental health resources (e.g. therapists, psychiatrists, mental health facilities) are identified locally
- Travel health insurance providing mental health benefits and medical evacuation for psychiatric problems is secured
- The patient is aware and prepared for the unique stresses of travel that trigger decompensation
- The mental health professional at home is available for consultation, if required (e.g. text messaging, Skype, WhatsApp, etc.)

In addition to helping those with a history of mental illness prepare for an extended period of time in a foreign country, it is also important to recognize that many individuals without a prior history of mental illness may become anxious, depressed, or even suicidal after moving overseas. According to the International Journal of Mental Health, in a report published in 2011, employees living and working as expatriates experience more than a two-fold increase in risk for developing mental health and substance use disorders than their U.S. counterparts. The study further identifies increased work hours, concerns over performance, isolation from family and support groups, inability of a spouse to find work, and the general effects of "culture shock" as contributing factors.

"The unexpected onset of mental illness is one of the major reasons that expatriate and study abroad assignments fail"

Sources: 1. World Health Organization, *Investing in Mental Health: Evidence for Action*, 2013. 2. *Mental Health in China: Challenges and Progress*, The Lancet, 2012. 3. TPO Cambodia



FOOD FOR THOUGHT

Mental Health Treatment around the World *continued*

The unexpected onset of mental illness is one of the major reasons that expatriate and study abroad assignments fail. The dearth of local resources to manage acute psychiatric problems in some non-Western locations has historically led to the discontinuation of overseas assignments and repatriation for treatment.

Such failures can be extremely costly, but there are steps that can be taken to mitigate the risk:

- Enroll supervisors/foreign study advisors in mental health first aid programs
- Identify local mental health resources. Even arrange for management to meet with a local mental health professional to get a “lay of the land”
- Become familiar with online vendors that provide virtual treatment, some of which do so at no cost (e.g. Woebot, Wyso, Tess, Karim, ePsychiatry.com)
- Consider cultural training or even virtual reality training prior to departure for all participants.

The good news is that over the last few years, even in places such as the Far East where psychiatric problems have historically been grossly misunderstood, there has been a growing acceptance of mental illness as a genuine medical problem with a chemical-based etiology amenable to treatment. As such, travelers to foreign countries should see local resources catch up to demand. In the meantime, preparation remains key and overwhelmingly cost effective. ❖



Frank Gillingham

Frank Gillingham, M.D.
Chief Medical Officer
GeoBlue, USA

Disclaimer: The content of articles appearing in the column “Food for Thought” reflect the views of the individual and do not necessarily reflect the views of IEBA.

New IEBA Professional Accreditation

The new IEBA Certified Practitioner accreditation is expected to be open to applications between now and the summer.

The Certified Practitioner accreditation aims to give international employee benefit specialists a practitioner certification which formally validates their on the job knowledge and experience. The accreditation is made available to professionals who have been working in the international employee benefits space for at least three years and see value in an independent formal recognition of their expertise in this area.

For more information see <https://www.ieba.org.uk/Education-accreditation.asp>



IEBA European Affairs Branch

Following some past successful EU related events held by the IEBA Branch in Belgium it was decided to re-orientate the focus of the IEBA Branch there towards EU activity and at the same time give the Branch a new identity, namely the IEBA European Affairs Branch.

A first event of the new branch was held on 17 January followed by the Annual Dinner. The event was supported by the IEBA Main Committee which met in Brussels earlier on the same day.

The first event featured a session on Cross Border Pensions conducted by Dr Francesco Briganti, Secretary General of the Cross Border Benefits Alliance - Europe (CBBA - Europe) and Chairman of the new IEBA European Affairs Branch.

Francesco reviewed the main critical issues affecting cross border activity according to the EU pension funds directive (IORP Directive), namely :

- compliance with national social and labour law of the host state,
- confusion between prudential (home state) and labour law rules (host state),
- different national taxation formulas,
- notification procedures between national authorities when a cross border initiative starts,
- fully funded requirements in case of cross border activities of pension funds,
- disputes between national authorities (procedures; timing; mutual mistrust),
- lack of the possibility to make transfers of existing cross border activities from one pension fund to another, and finally
- national protectionism.

He then went on to address the whole area of the pan-European Personal Pension Product (PEPP) initiative, currently under discussion from an EU legislation standpoint. He explained that the European Parliament Economic Committee Report on PEPP was voted in late September and that now a process of "Trialogue" would take place across the Commission-Parliament-Council, and that there would be a good chance that approval would be reached in early 2019. Since the IEBA European Affairs branch meeting, the Council have indeed, on 13 February, now confirmed agreement on the PEPP. The official press release announced:

"EU ambassadors today endorsed the agreement reached between the presidency and the European Parliament on 13 December on the proposed 'pan-European pension product' (PEPP), a new class of personal pension scheme.

The draft regulation is aimed at providing greater choice for people who wish to save for their retirement, and at the same time boosting the market for personal pensions. According to the Commission, only 27% of Europeans between 25 and 59 years of age have subscribed to a pension product.

Population ageing in Europe creates new challenges. One of them is how to make sure that people put enough money aside to live well after they retire. Pan-European pension products will create a new opportunity to put aside long-term savings using capital markets and thus relieving the pressure on public funding. PEPPs will also have the huge advantage of pooling all savings, wherever in Europe they have been made, in one single personal pension plan."

*Eugen Teodorovici
Minister of Finance, Romania*

The Cross Border Pensions meeting, hosted in Brussels by GEB, Generali Employee Benefits, was attended by 27 participants, including some who had travelled from Netherlands, Germany and France, proof that the subject matter of the new branch will have appeal for IEBA members in other IEBA branches outside Belgium.

A follow up session on Cross Border Healthcare is planned by the IEBA European Affairs branch for later in 2019. ❖

Hugh Gallagher
IEBA



Hugh Gallagher and Dr Francesco Briganti



IEBA Switzerland: A hard act to follow...in more ways than one

2018 saw another great year for IEBA Switzerland, with three well attended meetings under the theme of “getting more bang for your buck”, but also a lot of change. More on that later.

Our first meeting in May, in Lausanne, continued the successful partnership with the Groupement des Entreprises Multinationales (GEM) to look at “Adapting benefits to the future – the gig economy”.

Following a welcome introduction from Hugh Gallagher, the IEBA Main Committee, we heard from Justin Szwaja and Tobias Sattler of EY on new technologies that are driving changes in how and where we work, what is done and by who. It was no surprise to hear that the workforce is changing rapidly and becoming more diverse in terms of background, skills, expectations and demands, and so companies need to adapt if they want to hire people with the right skillset who can be inspired to innovate and drive success. One of the core areas they could do this is performance and rewards, including employee benefits.

Jean-Michael Baudequin of Capital Group then shared an initiative to look at introducing unlimited annual leave and flexible time-off. While ultimately not adopted for a variety of reasons, this led to a lively discussion on how employees perceive such benefits and the likely costs, risks, etc. introduced.

We concluded the meeting with an excellent presentation by Marc Ruede, senior HR advisor at JTI, who shared his observations on how benefits management had evolved over time, and his thoughts for the future, based on his considerable experience gained over more than 20 years in the field.

Our second meeting in August, hosted by PWC in Basel, looked at “Agile Benefits – The world we see / boost the ROI of benefits”. We started with a presentation

from Yves Corne and Geert Coene of Aon on how they had observed benefits changing over time to become more “agile” or, in other words, take a more proactive approach in meeting the needs of a diverse workforce.

Ivan Brustlein, founder of Swibeco, then shared thoughts on how to boost the financial and perceived ROI of benefits, in the context of the Swiss market, through choice and communication. An excellent dinner allowed us to continue our discussions long into the summer evening.

Our last meeting, in Winterthur saw a strong turnout to hear about “Employee Benefits and Captive Solutions”. Following a welcome introduction from Isabelle Amschwand, President of IEBA Switzerland, and our hosts Maxis GBN, Barry Perkins of Mercer presented on how HR and risk managers are working more closely in defining how employee benefit risks are financed. We heard in particular, that, while the use of multinational pools is still a good option for many organizations, employee benefits captive numbers are growing significantly among companies willing to retain the risk.

Marine Charbonnier, of AXA XL, then shared her perspective as a provider on growth in the captive market, commenting on the major differences with P&C captives that are already widely used, the relative pros and cons compared to other financing methods, and the not inconsiderable challenges in managing a captive.

After a much needed coffee break, Claude Breutel and Angela Benedetti, of Syngenta, shared their perspective on captives as an early-adopter client. Echoing many of the comments that we had heard earlier, they explained how the captive had evolved to include employee benefit risks and stressed the importance of clear governance to achieve “best in class” outcomes. The meeting concluded with a lively panel discussion by the presenters.

We ended the year with our AGM, reflecting on what had been achieved over the year. 2018 will be a hard act to follow, but a challenge for a new team, as we also said our thanks to Pascal Dudli, Chris Stoeckli and Isabelle Amschwand who stepped down from the Executive Committee after many years of helping to build IEBA Switzerland to what it is today.

We were fortunate to field more candidates than places, and welcomed Jean-Luc Bragger, Thomas Witzig and Dag Zwicker as newly elected committee members. I am grateful and honored to have been nominated and confirmed as the new President of IEBA Switzerland, and look forward to another stellar year ahead! ❖

Bharat Parekh
President, IEBA Switzerland



Bharat Parekh



IEBA US - branch meeting in New York

On November 7th, 2018, the US branch of IEBA held an important meeting in New York at the offices of Deloitte on Avenue of the Americas.

The meeting was held in conjunction with an 'in-person' meeting of the Global Benefits Committee of the American Benefits Council. Around 43 people attended the meeting, most of whom held global benefit responsibilities for multinational companies. IEBA were represented by Mark Azzarello who is the Chairman of IEBA in the US, Marco Giacomelli, Hugh Gallagher and Geoffrey Furlonger.

The American Benefits Council was represented by its President Jim Klein, Senior VP Lynn Dudley and Senior Counsel in charge of health policy Kathryn Wilber. The meeting also welcomed among its special guests Tiffany Ulbing who is Director of Educational programmes from the International Foundation of Employee Benefit Plans.

The meeting covered a variety of subjects ranging from an update on IEBA given by the IEBA representatives present, to an Open Forum where everyone present participated in discussion of topics as diverse as improving global benefits administration and trends in wellness programs to international privacy standards and collective defined contribution plans. However, of special interest were the two presentations given by the guest speakers Dr Frank Gillingham who is Chief Medical Officer of GeoBlue, and Jim Mellon, Chairman of Juvenesence (*inter alia*) who attended the meeting together with Anthony Chow, CEO of Juvenesence.

Dr Frank Gillingham gave an important and fascinating account of mental health issues which may arise in connection with

expatriate employees and he also made recommendations for the correct response by managers responsible for international assignments. His presentation was so good in fact that as editor of this newsletter I asked him if he would supply an article for the '*Food for Thought Column*' for this edition of IEBA News; he very kindly agreed, and I would highly recommend that readers study his article.

Jim Mellon is a British entrepreneur and investor with a remarkable record of investment success. He has been described as the UK's answer to Warren Buffet. Jim has identified longevity and increasing populations' health span as both beneficial to humanity as well as representing the 'next big thing' in the world of investment, comparable to the tech boom.

He began his presentation by identifying places in the World renowned for longevity such as Okinawa in Japan and Sardinia in the Mediterranean. Explanations for longevity in Okinawa include the fact that they appear to consume fewer calories than the rest of Japan (i.e. they eat less) and one explanation for longer life- span in Sardinia is that Sardinians consume red wine as part of their Mediterranean diet. The latter approach might gain more favour with IEBA members in Europe than the former.

Jim went on to explain the extraordinary successes in increasing longevity with tests of promising drugs on animals. For example, removal of senescent cells (which have ceased to divide) in mice appears to increase longevity by 35% with a dramatic increase in health span. Even more impressive is that aged mice appear to undergo rejuvenation when senescent cells have been removed (*Baker et al, Nature 2016*).

Jim concluded his presentation by explaining some of the various anti- ageing therapies and drug development projects which his company Juvenesence is supporting. He pointed out that the current market for anti- ageing treatments including dubious skin creams is currently worth \$140 billion annually. Imagine, he said, how much the market will be worth when anti-ageing therapies actually work?

Delegates at the meeting were supplied with copious food and beverages, including an excellent dinner the night before the meeting at a New York restaurant to reward delegates who had travelled from far flung corners of America and Canada as well as Europe and Asia to attend the meeting.

IEBA wishes to thank the American Benefits Council and Mark Azzarello for their generosity and excellent organisation as well as Deloitte for kindly providing a venue in New York for the meeting. ❖

Geoffrey Furlonger
General Counsel and Secretary, IEBA



Geoffrey Furlonger





2018 IEBA Diploma testimonial

Christiane Ward, Sr Manager International Benefits, Edwards Lifesciences, was the exam performance prize winner for 2018. Here's her testimonial :

I'm an experienced HR professional working at Edwards Lifesciences, the global leader in patient-focused medical innovations for structural heart disease.

Previously working as HR Manager for our German and Austrian region, I always enjoyed the employee benefits aspects of my HR duties.

In 2016, the opportunity to join our International Benefits Team came up and I was very excited to enroll and start.

The new role would manage Benefits Programmes in more than 40 global locations and I searched for a recognised education to expand on the practical experience I was gaining.

The Diploma in International Benefits developed by PMI and the International Employee Benefits Association was exactly what I was looking for.

The syllabus is very relevant to my day to day job and has helped me tremendously to learn and grow in this global role.

A nice extra was the great network of people I could build by attending the revision courses organised by PMI.

I highly recommend this course to HR Professionals that want to grow in the area of HR Benefits.

The knowledge I gained is invaluable in my daily conversations with all stakeholders—employees, management, insurers and brokers. ❖

Christiane Ward
Sr Manager International Benefits



Christiane Ward (Dip. IEB)

This edition of IEBA News has been edited by Geoffrey Furlonger, Secretary and General Counsel of IEBA.

Enquiries should be sent to admin@ieba.org.uk