



network news

October 2021



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Employee Benefits in the Nordics

A Comparison between Finland, Norway and Sweden

“The Nordics are a heaven for employees” is a phrase you often hear as Finland, Norway and Sweden have some of the most highly developed welfare systems in the world.

But what are the differences in employee benefits between these 3 countries? What do you as an employer need to know to attract and retain talent, what is covered by social security, what is the impact of the collective agreements and what is the typical market practice?

Regulatory Framework

Finland

The Social Security system can be divided into two parts, namely income security (providing income in case of old age, illness, pregnancy, unemployment, or work-related injuries) and social services (childcare services, family aid and last resort living allowances).

A distinctive feature characterizing Finnish social insurance is that, although the insurance cover is obligatory and mandated by law, it is - in practice - run mostly by private insurance companies, funds, and foundations. The State is responsible for legislation and for the supervision.

Norway

The National Insurance Scheme provides old-age pension, survivors' pension, disability benefit, basic benefit and attendance benefit in case of disablement, technical aids etc., work assessment allowance, benefits for occupational injury, benefits to single parents, cash benefits in case of sickness, maternity, adoption and unemployment, medical benefits in case of sickness and maternity and funeral grant.

Many benefits from the National Insurance Scheme are determined in relation to a basic amount (BA). This amount is annually adjusted and is equal to NOK 106,399 (approx. USD 12,350) per January 1, 2021.

Sweden

“The World's most generous general welfare system at the price of the world's highest tax burden.”

The Swedish social security system is an integral part of the country's welfare system which aims to embrace everyone. Generally, most Swedes seem content with the balance between the taxes and benefits. Swedish social security benefits are compulsory and generally cover all residents and individuals working in Sweden. The benefits can be divided into Residence-based benefits (healthcare, dental care, benefits for families with children, guarantee pension, elderly care etc.), and Employment-based benefits (sick leave payment, parental leave, unemployment payment, income pension etc.). Sweden also offers fully tax-financed education and heavily tax-subsidized health care.

Sweden's social security system is primarily funded by statutory contributions, from the employer and employees, under the national basic pension and insurance plan. In terms of contributions to the welfare system, the employer pays 31.42 % of gross earnings while the employee pays 7% of salary up to SEK 550,700/year (approx. USD 63,960).

The Importance of Collective Agreements

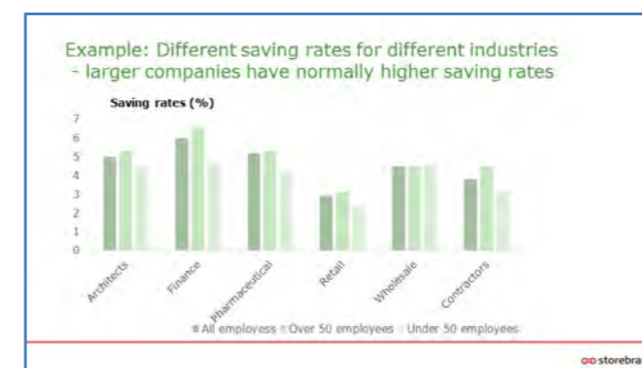
Finland

The mandatory benefits are agreed with a trilateral agreement between the representatives of the employee and employer unions and the government. Therefore, mandatory benefits are similar to all employee groups regardless of the industry or if the employer sector is private or public.

Norway

All employers in Norway are required to set up a pension plan for their employees. A mandatory occupational pension scheme (OTP) is the minimum requirement that all employers must have for their employees. The contribution rate is 2 per cent of salary. Most defined benefit schemes are now closed

and the typical contribution to a defined contribution scheme will vary from industry to industry:



In addition to the mandatory pension, around 50 % of the employees in the private sector get additional old age pension benefits through a contractual retirement plan (AFP), which may be mandated under collective bargaining agreements. AFP is a lifelong supplementary pension scheme which can be taken out from the age of 62 and is financed partly by the employer and partly by the national insurance.

Defined benefit schemes in the public sector are still active. The AFP in that sector covers an early retirement plan between age 62-67.

Sweden

Collective agreements are predominant in Sweden, both for white- and blue-collar workers and within all lines of businesses. The agreements mandate employers with membership of any of the trade unions to provide insurance (including pension, group life, group sickness, and work injury insurance) to their employees according to the existing collective agreements.

Employers who are not a member of any of the trade unions can voluntarily offer this type of group benefits to their employees. However, the level of pension savings, LTD and waiver of premium benefits is often more or less equivalent.

In both cases, these benefit plans typically include:

- Retirement Benefits
- Disability Benefits
- Widow's and Orphan's Pension
- Occupational Group Life Insurance (TGL)
- Workman's Compensation (TFA)

These plans are fully financed by the employer.



Occupational Benefits Benchmarking: Typical Market Practice

FINLAND		
IT Company		
Low salary	Mid Salary	High Salary
E.g. data analyst	E.g. engineer	Executive
USD 45,000	USD 80,000	USD 150,000
Mandatory Employer Contributions (% of salary)		
23% ¹		
Mandatory Old Age Pension Level (average of last salary)		
55%	50%	40%
(USD 24,750)	(USD 40,000)	(USD 60,000)
Supplementary Group Benefits		
<u>Life:</u>	<u>Life:</u>	<u>Life:</u>
1 x annual salary	1-2 x annual salary	2 x annual salary
<u>Retirement:</u>	<u>Retirement:</u>	<u>Retirement:</u>
5%	10%	10-15%
Manufacturing Company		
Low salary	Mid Salary	High Salary
E.g. Assembler	E.g. Supervisor	E.g. Executive
USD 30,000	USD 50,000	USD 100,000
Mandatory Employer Contributions (% of salary)		
24% ¹		
Mandatory Old Age Pension Level (average of last salary)		
55%	50%	40%
(USD 19,250)	(USD 25,000)	(USD 40,000)
Supplementary Group Benefits		
<u>Life:</u>	<u>Life:</u>	<u>Life:</u>
-	-	1-2x annual salary
<u>Retirement:</u>	<u>Retirement:</u>	<u>Retirement:</u>
-	-	10-15%

NORWAY		
IT Company		
Low salary	Mid Salary	High Salary
E.g. data analyst	E.g. engineer	Executive
USD 59,500	USD 83,500	USD 115,250
Mandatory Employer Contributions (% of salary)		
14.1%		
Average State Old Age Pension		
66% of salary (max. 6x BA ²)		
(USD 39,270)	(USD 55,110)	(USD 74,100 - max)
Supplementary Group Benefits		
Old age pension:	5% of salary between 0 BA to 12 BA 10% of salary between 7.1 BA to 12 BA	
Disability pension:	66% of pensionable salary including National Insurance Payable until age 67 3% of Pensionable salary between 1-12 BA 4% of Pensionable salary up to 6 BA (supplementary coverage for employees with children).	
Group Life:	20-40 times BA in case of death and partial disability cover	
Manufacturing Company		
Low salary	Mid Salary	High Salary
E.g. Assembler	E.g. Supervisor	E.g. Executive
USD 36,630	USD 48,800	USD 62,240
Mandatory Employer Contributions (% of salary)		
14.1%		
Average State Old Age Pension		
66% of salary (max. 6x BA)		
(USD 24,180)	(USD 32,200)	(USD 41,080)
Supplementary Group Benefits		
Old age pension:	Minimum requirements (mandatory) 2% of salary between 1 BA to 12 BA	
Group Life:	10-20 times BA in case of death and partial disability cover	

SWEDEN		
IT Company (no collective agreement)		
Low salary	Mid Salary	High Salary
E.g. data analyst	E.g. engineer	Executive
USD 42,000	USD 63,000	USD 111,600
Mandatory Employer Contributions (% of salary)		
31.42%		
Average State Old Age Pension		
USD 24,500		
Supplementary Group Benefits		
<ul style="list-style-type: none"> • Work injury • Group Life (TGL): Tax free lump sum based on standard schedule which on average is approx. USD 32,400 • LTD: 10% of salary up to 7.5 PBA² + 65% of salary between 7.5–20 IBA² + 32.5% of salary between 20-30 IBA • Retirement benefits 		
Cost: 4.92% of gross pay (up to USD 61,380/month) ³ +31.73% of gross pay (> USD 61,380/month) ³		
Avg Cost: USD 167/month	Avg Cost: USD 338/month	Avg Cost: USD 1,603/month
Manufacturing Company (collective agreement)		
Low salary	Mid Salary	High Salary
E.g. Assembler	E.g. Supervisor	E.g. Executive
USD 42,000	USD 63,000	USD 111,600
Mandatory Employer Contributions (% of salary)		
31.42%		
Average State Old Age Pension		
USD 24,500		
Supplementary Group Benefits		
<ul style="list-style-type: none"> • Work injury • Group Life (TGL): Tax free lump sum based on standard schedule which on average is approx. USD 32,400 • LTD: 10% of salary up to 7.5 PBA² + 65% of salary between 7.5–20 IBA² + 32.5% of salary between 20-30 IBA • Retirement benefits 		
4.92% of gross pay (up to USD 61,380/month) ² +31.73% of gross pay (> USD 61,380/month) ²		
Avg Cost: USD 167/month	Avg Cost: USD 338/month	Avg Cost: USD 1,603/month

Salary amounts are annual amounts and are expressed in USD.

¹ There is a small difference in percentages as the occupational accident insurance premium is slightly higher for manufacturing companies

² BA = Base Amount = NOK 106,399 (approx. USD 12,350) | PBA = Price Base Amount = SEK 47,600 (approx. USD 5,440) | IBA = income base amount = SEK 68,200 (approx. USD 7,800)

³ SEK 42,625/month

Employee Benefits Trends

Finland

Although historically, prevalence of voluntary occupational schemes and private pension savings was low due to the dominance of the existing compulsory pension scheme in the country, voluntary employee benefits are becoming more common in Finland due to the recent changes in the Social Security provisions. During the past years, the financial and demographic situation has led to a necessary decrease in the statutory benefit levels. Statutory employment pensions do not have any salary ceilings, which is very unusual compared to other statutory pension systems in other countries. However, due to the review of this benefit, the pension level is decreasing in the future, and the retirement ages are increasing according to the life expectancy coefficient.

Corporations have started to top up the benefit level with supplementary benefits. It is very common to have a supplementary pension and life cover at least for the top managers. The increasing retirement age has also generated a need to prepare for aging employees and has led to arrangements where employers secure more flexibility in retiring.

Rewarding methods and tools are becoming increasingly attractive in retaining employees during the economic boom. Personnel funds are an efficient tool for flexible and tax efficient rewarding. In addition, pension and life insurance policies are an important part of the total rewards package, especially for key personnel.

Norway

Norway has a long history and traditions in creating healthy and safe workplaces. Measures to prevent and reduce absenteeism, strengthen job presence, improve the working environment, and prevent exclusion and dropout from work are a strong focus for companies in Norway.

Supplementary retirement benefits may also be provided through a "top hat" plan for executives and/or high earners (although top hat plans are decreasing in popularity due to unfavorable taxation treatment).

Sweden

Many employers provide group insurance with complementary insurances on voluntary enrollment for the employees, such as life insurance, disability, private medical (strong trend) and extra coverage for the family. Occupational pensions have become increasingly important, particularly for higher salary levels.

Due to the relative decreasing level of the state pension, and the fact that ITP1 provides less benefits than ITP2³, the importance of occupational pension has become even more significant. The ITP level is set as a benchmark and particularly among companies without a collective agreement, it is becoming increasingly common to offer benefits exceeding the ITP benchmark.

³ ITP is the pension plan based on collective agreements for white-collar workers. ITP1, introduced in 2007, is defined contribution in nature and covers all employees born in or after 1979. ITP2 is the old defined benefit plan and covers all employees born before 1979.

There has been a very strong trend among employers to offer private healthcare to the employees, due to the increasing waiting period to get medical treatment in the public healthcare system. From July 1, 2018, the government changed the tax conditions for benefits of medical treatment outside the public system to become a taxed benefit. This includes the premium cost for medical insurance.

Due to the tax burden on incomes, slightly weaker state pension and increasing longevity, many employers now offer Salary Exchange (switch of salary to additional pension). Employers now also tend to offer regular group information sessions to the employees, as part of their "employer branding", with the aim to help employees choose the right coverage and feasible savings in terms of risk levels and fees.

Your Best Choice in the Nordics

IGP has the unique advantage of being represented by a market-leading local insurance carrier in each market in which we operate. IGP's Network Partners are selected for their leadership and stability: they are predominantly S&P A-rated companies and many offer the highest ESG ratings.

Mandatum (Finland), Storebrand Livsforsikring (Norway) and SPP (Sweden) are all reputable market leaders in their own country. They offer a customer-centric, personalized service, attractive products and first-class investment returns, with sustainability built into their core of their business.

Do you want to discuss an employee benefits offer in the Nordics that meets the trends and needs and is in line with the market practice within your industry? Get in touch with your IGP Account Manager, or:

Finland

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Network Partner News: Ireland

Irish Life Launches New Rehabilitation and Intervention Programs



Irish Life has been providing rehabilitation programs to their Income Protection customers for twenty-five years. Their range of programs cater to individuals experiencing mental illness, musculoskeletal conditions, cancer, fatigue, pain, and brain injuries amongst others. These programs are set up individually with expert providers to ensure the best possible outcomes for employees. Irish Life employs a full-time Rehabilitation Specialist to liaise directly with employees, providers and employers. Details on two of the programs can be found below.

Recently, Irish Life launched two COVID-19 rehabilitation programs that were designed to assist individuals suffering from Long COVID or some of its shorter-term side effects.

Dealing with COVID-19 can be a very difficult experience for some people. While many people recover in a relatively short period of time, some people will take longer. How long it takes to recover from Coronavirus is different for everybody. Many people feel better in a few days or weeks and most will make a full recovery in 12 weeks.

However, some people have symptoms that can last longer. The chances of having some prolonged symptoms does not seem to be linked to how ill a person is when they first get the virus. People who

had mild symptoms at first can still have continuing problems.

There are many symptoms and ongoing difficulties that may be associated with COVID-19. Some people may be impacted by one, or two, while other people may suffer from many.

Some of the symptoms can include: fatigue, shortness of breath, concentration difficulties, feeling unwell, mental health problems and headaches. Some people may suffer from other symptoms not listed here.

The rehabilitation programs are tailored to individual needs and are designed to help improve the quality of the person's life and assist with their transition back to work.

Short Program

This program is for people who are experiencing side-effects that are expected to be of a shorter duration..

This program consists of a number of steps involving a variety of treatment approaches.

- The initial assessment is carried out by an Occupational Health Physician who will explain the program, address any concerns the individual might have and provide ongoing support.
 - Three sessions of Cognitive Behavioral Therapy (CBT) are a central part of the program.
 - One session with a nutritionist is provided.
 - There are six sessions with a physiotherapist.
- Ongoing Reviews and Support
 - The Occupational Health Physician will review the individual's progress at the end of the program.
 - An Occupational Health Nurse will manage the individual's appointments.

Long Program

For some people, Coronavirus (COVID-19) can cause symptoms that last weeks or months after the infection has gone. This is sometimes called post COVID-19 syndrome or 'Long COVID'. To support people suffering from Long COVID, Irish Life has created this rehabilitation program to help with any prolonged symptoms.

This program consists of a number of steps involving a variety of treatment approaches.

- The initial assessment is carried out by an Occupational Health Physician who will explain the program, address any concerns the individual might have and provide ongoing support.
 - Six sessions of Cognitive Behavioral Therapy (CBT) are a central part of the program.
 - Two sessions with a nutritionist are provided.
 - There are 12 sessions with a physiotherapist.
- Ongoing Reviews and Support
 - The Occupational Health Physician will review the individual's progress at the end of the program.
 - An Occupational Health Nurse will manage the individual's appointments.

How is this program paid for?

The cost of the program is fully covered by Irish Life.

Why is Irish Life providing this service?

This rehabilitation program is provided to help people improve the quality of their life and achieve a successful return to work.

Where does the program take place?

The program is run from four different locations in Ireland – Dublin, Cork, Galway and Limerick.

How does the program begin?

The program is run by **Medmark Occupational Healthcare** in association with Irish Life. If someone wishes to participate in the Rehabilitation program, Irish Life will ask them to complete a consent form first.

This authorizes Medmark Occupational Healthcare to contact them and arrange an initial assessment. Irish Life's Rehabilitation Specialist will be available to discuss any aspect of the program with them further.

Confidentiality

Medmark Occupational Healthcare will only disclose information about an individual to Irish Life's Chief Medical Officer. Reports from the program will be used by the Income Protection Claims team in the management of a claim or to assist with early intervention management of an individual's absence from work.

Early Intervention Service

Irish Life is proud to announce its new nurse led Early Intervention Service that launched for all their Corporate Income Protection clients this summer.

Irish Life's internal nurse team is available to help employers get the best outcomes for their absent employees through signposting services and helping to manage them with returning to work. The nurses work directly with the employees and employer, and the service is available from day 1 of an absence. Rehabilitation services are included.

The service is available for all insured members covered in the employer's Income Protection policy.

For more information...

About Irish Life's COVID-19 Rehabilitation Programs or Early Intervention Services, please contact: Mr. Shane Goggin, Senior Technical Manager, Shane.Goggin@irishlife.ie

Spring Back Program

Those unfortunate enough to suffer chronic pain often develop secondary social complications which can include: prolonged disablement, loss of income and family discord.

Evidence shows that if someone can understand, control and predict their pain with achievable strategies this will result in a successful positive outcome. With this in mind, Irish Life has developed the Spring Back Program in conjunction with the **Blackrock Clinic** which aims to improve a person's pain and lifestyle situation.

The Spring Back Program consists of a combination of the following:

- Education
- Guided Exercise
- Goal Setting

Assessment

The first step is a detailed assessment of the individual. The individual's personal goals are agreed upon and from this information, the program is tailored. This initial assessment takes place in the Blackrock Clinic.

Next, a local physiotherapist, who will carry out the program, will design and discuss a clear plan with the individual. On completion of the rehabilitation, the individual will be reassessed in the Blackrock Clinic.

Graded Exercise

Many people with persistent pain become debilitated and unfit, and lose strength and conditioning. This program starts to correct this problem with gentle exercise that increases as the individual improves.

The aim is to enable people to carry out the ordinary activities of daily living comfortably. The exercise will be tailored and paced to suit the individual.

Relaxation training and stress management

Experiencing stress might have an impact on a person's condition. The relaxation training and stress management aspects of the Spring Back Program aim to teach people how to cope with stress and explore whether this has an effect on their pain. The individual will learn how to relax in stressful situations and move in a more relaxed way.

Education

The education component of the program is designed to help the person understand the workings of their body and to give them a greater sense of control over it. The goal is to empower people to progress even after they have completed the program.

Goal Setting

Goal setting is an essential part of the program. To apply for the program, the individual must consider in what direction they want to go and be ready to take gradual steps with a view towards returning to a full and active life and work. Returning to work, whether on a phased basis, part-time or full-time, is discussed when appropriate.

Motivation – A will to succeed is essential

The program will foster a desire to resume a full and active lifestyle. The Spring Back Program is designed to help individuals learn how to help themselves regain control over their life and health. For the best outcomes, the aim should include a return to work and the best possible management of the person's condition.

After the Program

At the end of the program, the person will be reassessed and advised how best to continue to progress at home. The possibility of returning to work and any other problems will be discussed at this time. The individual will learn strategies to self-manage any return of symptoms.

Who will be invited to participate?

Irish Life will invite people to attend and in doing so look at the following factors:

- Does the person have chronic pain?
- Has the problem been thoroughly investigated?
- Does the pain affect quality of life?
- Does the person want to return to work?

Individuals are advised to consult their own doctor before attending this program. Reports from the program will be used by the Income Protection Claims team in the management of their claim.

The cost of the program is fully covered by Irish Life.

Irish Life Assurance plc: Your Best Choice

Irish Life has been the established market leader in the life and pensions business in Ireland for over 70 years, with over 1,000,000 personal policyholders and over 300,000 pension scheme members. It is one of Ireland's largest investment managers with assets under management of approximately EUR 69 billion (USD 79 billion).

Irish Life Corporate Business (ILCB) is a separate division within Irish Life Assurance that is solely focused on the provision of group employee benefit arrangements to employers. ILCB's scale and experience in this business allows it to offer the full range of value-added services. ILCB's main strategic focus is to deliver excellent customer service, and this has been facilitated by the retention of experienced staff through continuing employee satisfaction and engagement programs, and through continuous investment in cutting-edge administration technology.

- **Market leader** in the provision of life, pension and investment products and the largest provider of pension, life assurance and income protection to companies & affinity groups throughout Ireland.
- **Clear, honest and straightforward language in all customer communications**
First financial services institution in Ireland to be awarded the Honesty Mark for its full range of product literature.

- **Free Personal Finance Review**
A complete assessment of finances including: life cover, investments, pensions, savings, personal loans and mortgages.
- **Customer Information Line**
A dedicated phone line 24 hours a day, 7 days a week.
- **'Right first time, right every time'**
Efficient and best possible service and administration for all pension schemes.
- **Pensionplanetinteractive**
Online tools to facilitate management and administration.
- **Smartphone App 'Irish Life EMPOWER'**
Allows customers to view their fund value, investment choices and future projections.
- **Unbeatable Income Protection Claims Service**
Not only limited to claims payment but also support to get employees back to work.
- **Customer Service Index**
Performance tracking of 12 key services areas and a turnaround time on a monthly basis. Available at scheme, broker or corporate level.
- **Commitment to Innovation**
Irish Life was the first to introduce enhanced underwriting initiatives such as "Once and Done" and "Freedom Plan" to the Irish market. Rather than looking elsewhere within Ireland for trends, Irish Life looks at global developments and assesses the best new techniques developing in the largest markets.
- **2019 Winner of the Customer Experience Award** in the *All Ireland Marketing Awards*

For more information on Irish Life's products and services, please contact your IGP Account Manager or...

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 Irish Life

Network Partner Update: Japan

The Dai-ichi's New Health Promotion Program: The healthier the employees, the lower the insurance premiums!



The Dai-ichi Life Insurance Company has created “health promotion-style” group insurance, whereby discounts are applied in response to a company’s initiatives for “Health and Productivity Management®”.

Dai-ichi's Non-participating General Welfare Group Term Insurance with Discounts for Group Health Exams

Key Features of the Plan:

- Supports employee benefit schemes such as those for condolence money, pre-retirement death benefit, etc.¹
- Affordable insurance premiums: Insurance premiums may be discounted based on the results of health exams²

- Renewed annually and can be revised according to the actual status of the company (group)³
- Only requires health declarations from the company (group) without need for a doctor’s diagnosis⁴
- The premiums are tax deductible⁵
- Easy administrative procedures via DI-i Office (internet-based administrative services)³

Notes:

¹ There may be cases in which insurance money cannot be paid out, such as those designated in the exemption clause, and so forth. Please be sure to read the “Preliminary Policy Summary/Policy Provisions” for details.
² There are certain terms and conditions that apply regarding how the discounts are applied.
³ There are also certain terms and conditions that apply regarding how this is handled. Please inquire with a sales representative for details.
⁴ In some cases, employees may be unable to be enrolled (or get increased insurance amount) depending on the condition of their health.
⁵ In principle, the total amount of insurance premiums borne by the company (group) are posted as deductible expenses. In addition, as a general rule, income tax is not imposed on employees.

Tax treatment is based on laws and regulations as of August 2020 and is subject to change in the future. Should any changes arise, please be aware that the stipulations following the changes will apply. Please check with a licensed tax accountant or the tax office with jurisdiction in your area for details.



2. Body-mass index (BMI) is used to indicate one’s degree of obesity. However, in the event that no BMI readings are included in the health exam results, The Dai-ichi Life will calculate this using the following formula: BMI = Weight (kg) ÷ Height (m)²
3. As an alternative to blood tests that do not measure HbA1c levels, a sugar content of less than 100 mg per deciliter of blood is considered healthy.

Company Health Report

The Company Health Report alone can be used free of charge.

The Dai-ichi’s company health report makes it possible to comprehend the current health conditions of, and predict future health risks for, the company (group).

Judgments on whether employees are in good health can be also made with regards to BMI, blood pressure, and blood sugar levels based on criteria established by The Dai-ichi Life.

Predictions can be made of the percentage of employees who are at the risk of developing cardiovascular diseases within the next ten years. (Determined based on future estimates for the risk of cardiovascular diseases developed by the National Cancer Center Japan.)

Those companies (groups) that would like to use the company health report preparation service are asked to provide the following information in such a way that individuals cannot be identified: date of birth, gender, date of health exam, height/weight, BMI, blood pressure, and blood sugar level

Optional items can be included such as: diagnostic items from regular health exams and the like other than the above that are based on the Industrial Safety and Health Act.

Following this, they are asked to upload these items of information to the “outsourcing contractor” (NTT Data Corporation). The contractor cannot be informed of which individuals the uploaded information pertains to. The information from the results of the health exams will only be used to prepare the company health report, and will not be used for any other purposes. After the company health report has been prepared, the information about the results of the health exams will be deleted by the contractor.

Group Health Exam Discounts

With group health exam discounts, based on the results of health exams for companies (groups) employees, insurance premiums are calculated in accordance to the rate of employees in good health¹ every year at the conclusion or renewal of the insurance contract. In order to determine the discounts, specified company health reports must be submitted every year.

Criteria for Determining Employees in Good Health

Those who fall under every category per age range in the table below are determined to be in good health.

Test Items	39 years old or younger at the time of the exam	40 years old or older at the time of the exam
Body Mass Index (BMI)²	Between 18.0 and 27.0	
Blood pressure	Minimum blood pressure reading of less than 85mmHg and Maximum blood pressure reading of less than 130mmHg	
Blood test (blood sugar levels)	No criteria	HbA1c is 5.5% or below ³

1. Rate of people in good health = Number of people in good health/Number of people enrolled in the insurance (If the number of people enrolled in the insurance is at or below the number of people subject to judgments in the above table, then the calculation will be: Number of people in good health/number of people subject to medical judgments)

Structure of the Insurance Policy

A new type of group insurance designed to raise employees' awareness about their health while preparing them against eventualities.

This is a group insurance product with universal enrollment where a company (group) serves as the policyholder, and if an executive or employee were to pass away, or if they became disabled from a prescribed disability, insurance money is paid to the surviving family members of the executive or employee. In the case of a disability, the insurance money is paid directly to the employee.

Scope of the Insured Persons

Must be an employee of the company (group) working in a normal manner, or a person within a scope of those defined by the company (group), at the time of enrollment. The person must also consent to becoming an insured person.

Consent of the Insured Persons

All of those who are eligible for enrollment must be informed of and understand the contents of the insurance, and they must consent to the enrollment. Those who do not consent to enrollment cannot be accepted as insureds.

Age Range for Enrollees

The insurance age of the enrolled can be between 15 and 85 years old (in the case of renewal of a policy, insurance coverage can continue up to the insurance age of 85).

Number of Insureds

100 persons or more (as a general rule, all executives/employees need to be enrolled). If the number of insureds is less than 100, please check with a sales representative.

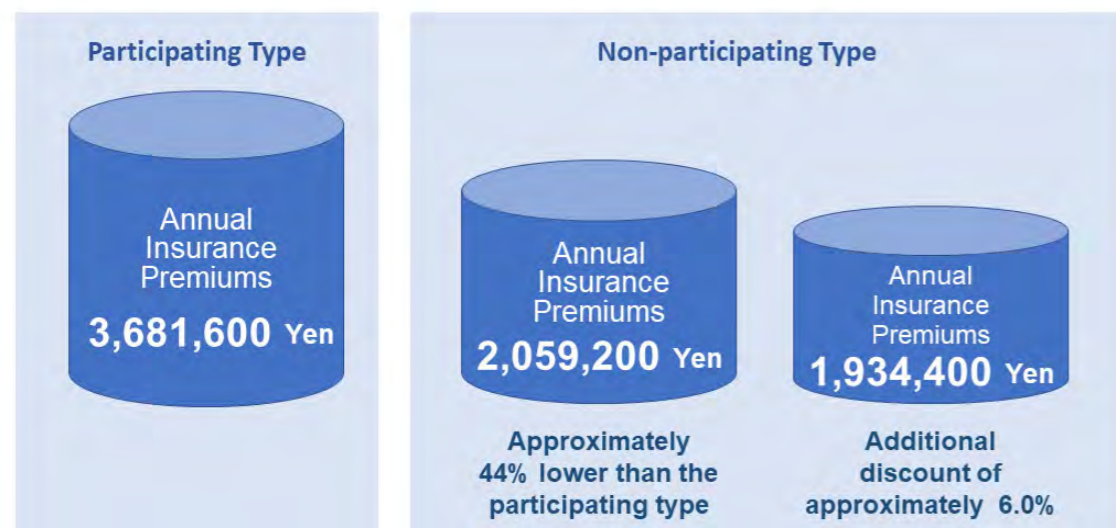
Duration of the Insurance Contract

One year (automatically renewed thereafter).

Other

- Additional enrollments of insured persons are accepted in every month.
- Insurance premium payment method: monthly payments or annual lump-sum payments.
- Benefit payments are made based upon the eligible company's rules and regulations, and there may be cases where the benefit amount actually paid out may fall below the set insurance amount.

Sample Insurance Premiums



The illustration above is based on the following:

- Number of insured persons: 500 (350 full-time, 150 long-term part time)
- Monthly premium payments
- Average Age: 40 years old
- Amount of Insurance Money: 7 million yen for full time, 1 million yen for long-term part time.
- Discounts are based on the result for the company with 60% to 45% of insureds in good health.

Dai-ichi's Non-participating Group Lump-Sum Medical Insurance with Discounts for Group Health Exams

Overview of Group Lump-Sum Medical Insurance

This product offers a simple coverage where a "lump sum" payment is done in case of hospitalization. It also offers attractive benefits such as "Claims via smartphone" and "Group health exam discount".

Key Features of the Plan:

- Employees can claim benefit payments from their mobile phones! Benefit payment claim procedures can be completed digitally. Employees can easily complete the procedure from their smartphones or PCs, either from the hospital or home.
- When "hospitalized for 1 day or more" to treat illness or injury, the lump-sum benefit will be paid.
- Lump sum payment is between 10,000 to 300,000 yen. (Can be set in units of 10,000 yen. Number of payments: 1 payment per hospitalization. Total limit: 100 times 2)
- Renewed annually and can be revised according to the actual status of the company (group)
- Enrollment /continuation age is from 15 to 85 years old based on Insurance age.
- Easy administrative procedures via internet-based administrative services.

Notes:

¹ "One day or more hospitalization" also includes "One-day hospitalization". "One-day hospitalization" is a hospitalization where the date of admission and the date of discharge are the same. Dai-ichi Life will decide whether or not a hospitalization corresponds to the one eligible for the benefit payment based on whether or not the basic hospitalization fee has been paid etc. (for example, Dai-ichi will check the receipt of the medical institution etc.).

² "One-time hospitalization" - If an insured is hospitalized on two or more occasions for a hospitalization that corresponds to the grounds for payment of the lump sum medical benefit, then any hospitalizations that began within 120 days starting from the day after the date of their discharge for the final hospitalization for which the lump sum medical benefit is to be paid shall be regarded as a "single hospitalization", regardless of whether or not this hospitalization is attributable to the same cause. For example, even if the first cause of hospitalization is illness, and the other is injury, it is still considered as "one hospitalization".



The insurance premiums may become even more affordable based on the results of the employees' health exams.

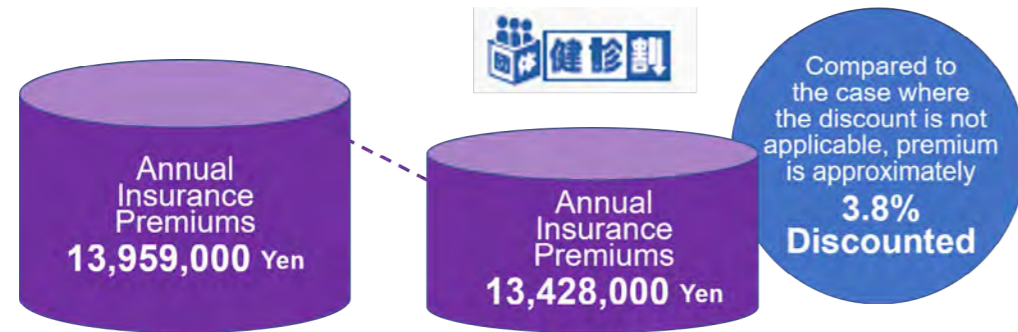
The image on the facing page is designed to make it easy to understand the differences of each product, and difference of insurance amounts, and does not necessarily correspond to the scale in the image.

In addition, the annual insurance premiums for the participating type do not include dividends. As for the actual amount borne by customers, with favorable balance on insurance cash flow, there may be cases where actual amounts with regard to the non-participating type will be higher than the actual amount of participating type general welfare group term insurance (the amount after deducting dividends from the annual insurance premiums).

The insurance premiums, which are more affordable relative to those from participating type general welfare group term insurance, can become even more affordable by boosting the rate of employees in good health conditions and achieving a specified criteria as a result of company's (group's) initiatives to promote the health of its employees

Sample Insurance Premiums

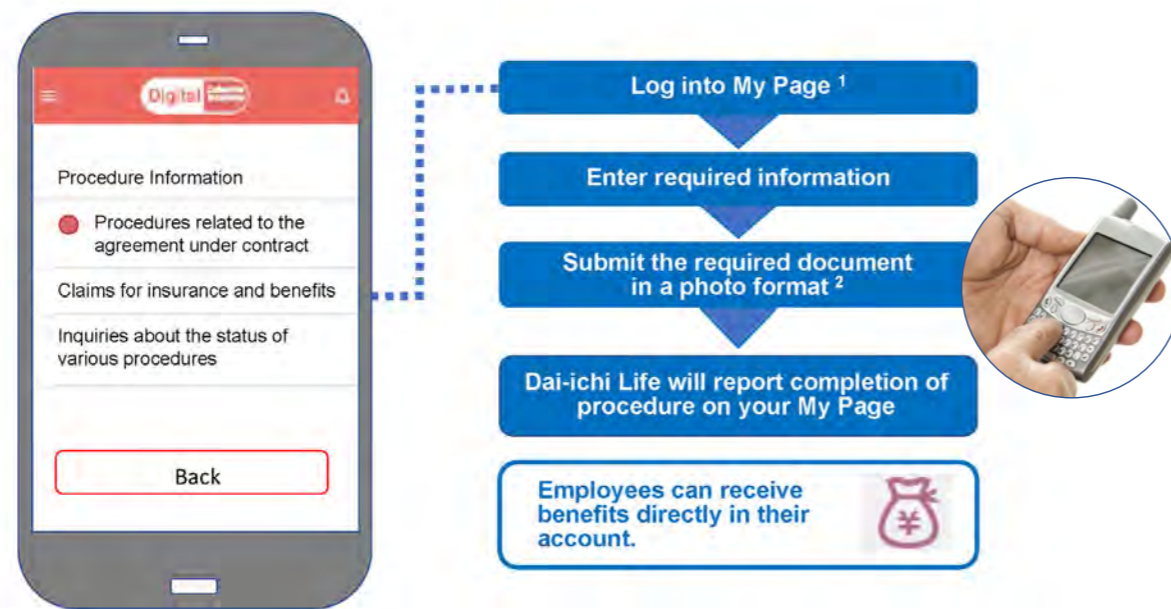
A case where the discount is applied to a company with 500 insured persons, between 45% and 60% of whom are in good health.



The illustration above is based on the following:

- Number of insured persons: 500
- Discounts are based on the results for the company with 60% to 45% of insureds in good health.
- Male-female ratio 50%:50%
- Premium Payment Options: Monthly Payment
- Average Age: 40 years old
- Amount of Insurance Money: 300,000 yen

Payment Claim Procedure with SmartPhone



¹ The person in charge of the company (group) will notify the employees of the URL, ID and password required for the login.

² Approval of the person in charge of the company (group) is required.

Dai-ichi Life Insurance Company: Your Best Choice in Japan

The Dai-ichi Life Insurance Company, Limited, founded in 1902, is the third-largest life insurance company in Japan, with total assets of JPY 63.5 trillion (USD 578.1 billion), and ANP (Annualized New Premium) from policies in force of JPY 4,730 billion (USD 43.0 billion).

The Dai-ichi is a leading underwriter of group retirement and severance benefit plans, as well as group term life insurance. The Dai-ichi is also known for its sophisticated financial services. It has a strong presence in the Japanese insurance and asset management markets through business alliances with Sompo Holdings, AFLAC Japan, and the Mizuho Financial Group.

Since 2016, the Dai-ichi has had an A+ rating from Rating and Investment Information, Inc. (R&I) for its claims-paying ability. R&I is the largest rating agency headquartered in Japan.

The Dai-ichi has been an IGP Network Partner since 1971.

Experience

One of the leading life insurance companies in Japan, with more than 100 years experience. Focusing on unique services for subsidiaries of multinationals through the IGP Network since 1971.

Financial Stability

The 3rd largest life insurance company in Japan, with a stable financial structure and strong solvency margins.

Flexibility

Flexible administration services for IGP clients, including coverage from the first day of employment, maximum coverage up to JPY 100 million per participant, etc.

"By Your Side, for Life"

Dai-ichi's philosophy since its foundation – Since the foundation in 1902, the Dai-ichi Life has always put the customer first, committed to contribute to local communities by passing on peace of mind through providing life insurance and related services.

Quality Services

Comprehensive services and information, including detailed consulting services for management and welfare systems.

For more information, please contact your IGP Account Manager or...

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DAI-ICHI LIFE

Country Update: Mexico

Historic Reform to Public Pensions and Retirement Savings



With the goal of increasing access to retirement benefits, the Mexican government approved reforms to the public pension system. Effective January 1, 2021, these changes effect those covered by the Mexican Social Security Institute (IMSS) 1997 Law, which applies to employees who began working on or after July 1, 1997.

Background

The Mexican Institute for Social Security (IMSS) was established in 1943 to administer to the health, social security and pension needs of the general public.

In 1997, the pension portion was reformed, changing from a pay-as-you-go defined benefit system to a mandatory private defined contribution scheme based on the Chilean model.

These privately administered pension funds are known as “Administradoras de Fondos de Retiro” (Retirement Funds Administration Companies) or AFORES. AFORES are private financial institutions selected by workers to manage their pension funds. They are regulated by CONSAR the National Commission of the Retirement Savings System.

Employees who began working prior to January 1, 1997 could choose between the old and new law, whichever was the most advantageous for the employee.

The changes effective January 1, 2021 effect those covered by IMSS 1997 Law, which applies to employees who began working on or after July 1, 1997.

Summary of the Reform

The intention of the reform is to increase participation in the system, particularly among lower-paid workers, by making sure that the system provides an adequate pension. The amount of income replaced under the system prior is low as compared to other developed countries.

	Current Pension Contribution Rate	New Pension Contribution Rate
Employer	5.150%	5.150% Until 1/1/2023 Gradually increasing to 13.875% over a period of 8 years
Employees	1.125%	1.125% (no change)
Government	0.225% for workers making less than 15 UMA	8.724% for workers making the minimum wage, or 1.798% for workers earning up to 4 UMA

UMA (Unidad de Medida y Actualización) is a unit used to calculate government payments, etc. The value is updated annually.

Contributions

- Beginning January 1, 2023 and over a period of eight years, employer contributions for the individual account advanced and old age pension will gradually increase from 5.151% to 13.875% of pensionable salary.
- Employee contributions will not increase.
- Beginning in 2023 and over a period of eight years, the government’s contribution to the individual account will gradually increase from 0.225% to 8.724% of pensionable salary for employees earning the minimum wage.

For employees earning up to 4 UMA, the government contribution will increase to 1.798%.

Contribution Period

- The number of weeks of contributions required to receive the advanced and old age retirement pensions was temporarily reduced from 1,2500 to 750 weeks, effective January 1, 2021.

But after 2021, the number of weeks will start increasing by 25 weeks a year, until reaching 1,000 weeks in 2031.

Increase to Guaranteed Minimum Pension

- To assist lower paid employees, the amount of the guaranteed pension will be calculated based on the employee’s average contribution salary during his or her working career, weeks of contributions and his or her age of retirement.

This change will be gradually implemented between 2023 and 2030. Prior to the reform, the guaranteed pension was a fixed amount based on the minimum wage.

Payout Options

- Instead of taking their pension benefit as either a lifetime annuity or in programmed withdrawals, retirees will have the option to do a combination of both.
- Employees will be able to withdraw their voluntary savings at any time. The six-month waiting period to make withdrawals is eliminated.
- Pensioners or survivors are able to claim the remaining balance on their individual account ten years after the pension becomes payable.

Management Fees Capped

- Management fees charged by Retirement Fund Administrators (AFORES) will be capped. Lower management fees will create savings that can accrue to the account.

Considerations for the Employer and Employees

Employers will need to advise their employees about the changes to the number of weeks needed to access a pension and make any necessary adjustments to their private employee benefits plans.

While employers will absorb most of the increase in contributions and not the employee, there is still the possibility that the employee will not have enough saved in their AFORE to meet their needs in retirement.

Life insurance can be used to complement the benefits provided via an AFORE, and Seguros Monterrey New York Life can assist.

Premiums paid for employee life insurance are tax deductible.

A Solution: Seguros Monterrey's Visualiza

Visualiza is an insurance product aimed at companies, allowing each of their employees to manage their contributions individually.

During the productive age of the employee, they can make contributions to build savings for their retirement, participating in attractive performance alternatives according to their age and time of life.

In addition, the employee will have life insurance that, in the event of death, will help their beneficiaries meet immediate expenses. Seguros Monterrey's expert advisors will work with employees to complement their retirement strategy and help prepare them for the future.

Visualiza works through Life Insurance, so all the contributions made are considered as contributions for the payment of premiums; in this way, the contributions made to the retirement plan will not be capped.

Visualiza offers the possibility of forming and increasing retirement savings through various performance options:

Visualiza 5

Suggested for those who are very close to their retirement stage. It offers an investment in short-term, low-risk instruments.

Visualiza 10

Suggested for people between 41 and 50 years old. It is a medium-term option that allows the individual the potential to maximize performance within ten years.

Visualiza 20

Suggested for people between 31 and 40 years old. This fund includes an equity component that may allow for better returns for employees with a longer investment horizon of up to 20 years.

Visualiza 30

Created for young people under 30 years of age, who have a longer time to reach their retirement age and have a higher risk tolerance.

The description of Visualiza is for informational purposes only and not intended as a substitute for professional advice.



Seguros Monterrey New York Life: Your Best Choice

Seguros Monterrey New York Life, S.A. was founded in 1940, is one of the leading life and health insurance companies in Mexico and the second largest in the individual life insurance market. It offers a broad range of products and services including comprehensive life, accident, and medical insurance.

Seguros Monterrey is part of **New York Life International**, one of the largest providers of life insurance in the United States with nearly 175 years of experience.

- **Extensive Office Network**
Main operations in Mexico City, Monterrey and Guadalajara with 24 offices and 14 virtual offices located throughout Mexico.
- **Financial Advisory Professionals**
Employing the largest insurance sales force in the country with the highest percentage certified by the American College (Financial Education for Securities, Banking & Insurance Professionals).
- **Ready for Solvency II**
Strongest solvency margin in the market with 179%.

- **Pioneer**
Seguros Monterrey introduced the concept of experience-rated health insurance to Mexico and founded the first company in Mexico for the administration of health plans.
- **Customer Information Line**
A dedicated phone line, available 24 hours a day, 7 days a week.
- **Online Technology**
Easy access to information and services, which allows for the delivery of policies, certificates and cards.
- **Competitive Benefits**
Carefully selected benefits can help reduce costly employee turnover, boost morale and, in turn, help assure your company's stability and productivity.
- **Alfa Medical**
A flexible and reliable insurance with extensive coverage of hospitals and physicians nationwide. Three levels of cover available: Maximum - Optimal - Standard.
- **MiSeguroMty**
Mobile app that provides comprehensive information and digital features for Major Medical policyholders.

Support for COVID-19

All Seguros Monterrey life insurance products cover death from coronavirus. COVID-19 is covered with Major Medical Expenses policy (Alfa Medical, Alfa Medical Flex and Alfa Medical Internacional), in the same way that any upper airway infection caused by a virus is covered.

For more information, please contact your IGP Account Manager or...

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