



A Boundless Guide

Global Employee Benefits

All permanent employees expect – and oftentimes are entitled to – benefits from their employer.

Employers are obliged to provide certain benefits by law. Others are optional, designed to boost organisations' recruitment and retention efforts by positioning them as progressive, people-centric employers.

Employee benefits straddle many aspects of employees' lives – rewarding loyalty and impressive performance, supporting health, wellbeing, and professional development, and even providing discounts and subsidies for food, leisure, and entertainment.

Your employee benefits tell a story about what kind of business you are and how you value your people. If you get your benefits package wrong, you could miss out on the best hires or lose existing team members to the competition.

But if you're a global employer trying to recruit remote-based workers overseas, you'll quickly find that local expectations and entitlements around benefits differ considerably from one country to the next.

Developing an approach that resonates in each market isn't easy.

In this guide, we'll consider what makes a winning global employee benefits strategy, how to tailor your offering to reflect local market realities, and how best to manage and administer your benefits wherever you operate.

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What are employee benefits?



‘Employee benefits’ is a blanket term that refers to the different facets of your compensation package beyond core salary.

So, whether you’re referring to your employee healthcare plan, childcare vouchers, pension programmes, or subsidised Spotify accounts, these are all components of your employee benefits package.

Non-wage-related protections and perks have grown in prevalence since the middle of the 20th Century, particularly since governments began to get involved and stipulated ‘statutory benefits’ that all permanent employees were entitled to receive from their employers. Today practically every employer offers some form of employee benefits package, comprising a mix of statutory and optional benefits and financial and non-financial rewards.

In fact, if you don’t provide a competitive employee benefits package, you’ll probably find it difficult to recruit anyone. Prospective hires expect their salary to be augmented by various provisions to make the job offer more appealing. Just as important, employees want to feel valued by their employer. The sense that an employer is looking out for their workforce helps strengthen organisational culture.

Hence, employee benefits are vitally important to both recruitment and retention. Your benefits package goes a long way to set you apart in what is an increasingly competitive, increasingly global job market. In the age of remote working and making remote-only hires, you're competing for job candidates against rival companies that could be based anywhere. The chances are that at least one of them will be able to beat you on salary. But they might lose when it comes to employee benefits because benefits convey a greater sense of what you're really like as an employer – they're the part of remuneration where you can get creative about what you offer your workers.

Create the ideal benefit offering for your ideal employee, and you'll find your rivals hard-pressed to match it, regardless of the salaries they're offering.

// In Ireland, employees are exempted from paying tax on one-off benefits in kind that are up to €500 per year.



Why do benefits differ around the globe?

Employee benefits don't just differ from employer to employer. Every government has its own set of statutory provisions that employers are mandated to deliver to full-time staff, and these look radically different depending on the country where you're employing people.

These statutory employee benefits can be far-reaching. For example, in Poland, employers are obligated to co-finance the purchase of corrective eyeglasses for any employees working in front of a monitor at least half of the time (subject to recommendation by an occupational health expert). In Brazil, office-based employees who must commute to and from work by public transport are entitled to a transportation voucher provided by their employer if the cost of transportation surpasses 6% of their monthly wages.

The legal requirements in one country might sound excessive, or even slightly bonkers, to an employer in a country where the benefits landscape looks radically different. But if you're looking to hire people within these countries, you have no choice but to comply with the local regulations.

These requirements also affect how employers think about non-mandatory benefits. The best example is the US, where there isn't a universal healthcare system, making the need for comprehensive health insurance particularly acute amongst employees. Providing an affordable health insurance package isn't mandatory for organisations with less than 50 full-time employees. However, it will be hard to attract and retain staff without one, given that around 50% of the US population already receives this benefit.

The final reason benefits differ globally is culture. Every country has its own cultural norms and preferences around employee benefits – things that aren't mandatory but that most employees tend to expect from their employers as standard. These look vastly different from place to place. In Chile, for example, it is not uncommon for companies to partially or fully cover an employee's housing costs; elsewhere in South America, many Brazilian employees receive food vouchers to be spent at local grocery stores.

// In the age of remote working and making remote-only hires, you're competing for job candidates against rival companies that could be based anywhere. The chances are that at least one of them will be able to beat you on salary. Harmonising benefits could be a way to stand out.

Why invest in a winning global employee benefits package?



As we touched on earlier, the main reason for investing in a winning global employee benefits package is that it will improve recruitment and retention in every market you hire.

Yes, it will cost you money, and it takes time and effort to create a winning package, but it's a genuine investment in terms of the long-term recruitment cost savings and the ROI of having a loyal, productive, and engaged workforce.

Not only that but delivering great benefits tends to be more affordable than continuously raising employees' salaries. This is because organisations can purchase benefits in bulk at a lower cost than individuals, as is often the example with health insurance.

Further, while salary levels indicate how deep your pockets are, your employee benefits package tells a much broader story about your values as an employer, what you're like to work with, and the sort of internal culture recruits can expect when they join.

Employee benefits are a way of bringing your organisation to life before candidates have a chance to experience it for themselves. And, once employed, benefits communicate how much you value your workforce and your commitment to helping them flourish professionally and personally.

But what exactly do we mean by a 'winning' global package?

Well, building a comprehensive benefits package for your workforce is a fine start. But succeeding on the global stage requires more than a one-size-fits-all approach.

Firstly, you must comply with all locally mandated benefits stipulations and provisos wherever you're making hires. But beyond this, the more locally relevant you can make your benefits offering, the more significant the improvement you're likely to see in your recruitment and retention efforts. Local relevance is the key to delivering a winning global employee benefits package. And according to our recent research, more than half of employers admit they need to do a better job of adapting their existing benefits to local market expectations in countries where they have remote workers.

// In Sweden, health and wellbeing benefits such as fitness classes, gym memberships, massages and other are tax free for the first 5,000 kr.



What are the top global employee benefits trends in 2022?

By now, you probably have a better sense of the nuance and complexity of the global benefits landscape. However, for all the regional variances, it's also possible to identify broader benefits trends playing out simultaneously across many different markets.

For global employers, it's well worth keeping an eye on these trends as they're likely to affect most of your workforce, regardless of location. Here are a few of the key trends to follow:

Trend #1: Every little helps

The global cost of living crisis has already hit household budgets hard. As prices continue to increase, employees are understandably turning to their organisations in search of more support.

It isn't necessarily about upping everyone's salary. In many cases, employees just want to feel that their employer is looking out for them during this tough time. Every little helps and benefits are a fantastic way to show that you're on your people's side.

For example, our research found that even in the age of remote and hybrid working, one in five employees want their employers to offer travel and transport benefits – such as travelcards, taxi services, or cycle-to-work schemes.

Similarly, education & training are amongst the most valued employee benefits today – food for thought for employers who don't include this type of support within their global benefits package. You might not be able to give everyone a pay rise within their current roles, but you can help employees to progress in their roles and reach the next level.

Trend #2: Wellness at work and home

Many people saw their mental health and general wellbeing suffer during the pandemic, and the tightening of household finances is only adding to the pressure and anxiety. We found that one in five employees want their employers to offer access to mental health support such as counselling services, psychotherapy, or mindfulness apps. Similarly, one in six want broader wellbeing benefits – from gym membership to vitamin subscriptions and meal boxes.

Taking proactive steps to support workforce wellbeing doesn't have to cost the earth, and can be a smart long-term move, as happy, healthy employees tend to be more engaged and more productive – not to mention less likely to leave.

Trend #3: Switching off

Another way to improve workforce morale is to help people switch off once work is done. From our research, we're seeing more evidence of employees seeking entertainment-related benefits that allow them to unwind at the end of the working day.

Subsidising entertainment – for example, offering streaming services or music subscriptions – is a great option for organisations. It's easy to administer, doesn't cost a lot, and is a timely intervention given the 1,000s of people currently scaling back on non-essential household expenditure. So why not factor Netflix or Disney+ into your global benefits package and combine your 'serious' offerings with a few fun perks to make your employees' eyes light up?

Trend #4: Flexible everything

Flexible working is one of the most sought-after benefits for employees, particularly since the pandemic showed that desk-based workers can carry out their jobs from anywhere, providing they have a laptop and an internet connection. People want more flexibility over their location, rather than being forced into the office every day (or even every week).

They want more flexibility over their work hours, with the ability to shape their roles around their other non-work priorities. They want more paid leave, and the opportunity to go on paid 'workcations.' And, according to our research, more than half of employees would also love for their organisations to adopt a shorter working week.

But it's not just flexible working that employees seek. It's flexible benefits too. People seek the freedom to choose the benefits best suited to their

daily lives. It is quite a dilemma for employers, given that everyone's life is different – according to where they live, their age, role, marital status, children, and so on. And, as we've already established, these demographic differences also have to be aligned with global variance, i.e., 18–24-year-olds in one country may not lead the same lives or desire the same benefits as those in another.

To solve this flexibility challenge, some organisations are considering how they can offer benefits allowances that employees can spend as they please. It's a compelling idea, albeit one that carries a few administrative and tax considerations, while employers also need to be mindful of the storytelling power of benefits. Providing an allowance gives employees more autonomy, but if it's little more than a lump sum, it starts to feel less like a benefits package and more like a salary bolt-on. We'll examine ways that organisations can overcome this dilemma later in our guide.

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The most frequently asked questions about global employee benefits



What's the difference between mandatory, expected, and optional benefits?

As an employer, it's important to get the distinctions between mandatory, expected, and optional benefits clear before you make a hire in a new market. To recap:

Mandatory benefits – mandated by a country's government and are a legal requirement for any businesses operating in that country. Some will apply to all full-time employees; others will be more nuanced. It's your responsibility to get up to speed with the relevant detail, as non-compliance will likely result in both financial penalties and reputational damage.

Expected benefits – non-mandatory benefits that are nevertheless expected by the workforce within a country, generally because of longstanding cultural norms or because this benefit isn't offered by the state. You aren't obligated to provide these benefits, but you might find it difficult to hire if you don't.

Optional benefits – often referred to as ‘perks,’ these are the extra benefits that can help your organisation stand out from the crowd. There’s no obligation – legally or culturally – to provide these optional benefits, so you’re free to choose the benefits you think will best resonate with your target hires.

How can my organisation compete with the sort of benefits offered by the biggest global employers?

For smaller businesses or those looking to recruit overseas for the first time, it can seem daunting trying to offer a benefits package to rival that of a giant multinational.

You might not be able to provide the same breadth of package. But by taking the time to understand local market preferences and what your ideal candidate is looking for, you’ll be able to create a tailored, personalised offering that’s every bit as relevant as that of a larger organisation.

Remember, not all benefits cost a lot of money to roll out – it’s perfectly possible to develop a compelling package from a modest budget.

And remember also, not everyone wants to work for a giant multinational!

How much time does it take to manage and administer a global benefits package?

This depends on how many people you employ and the tools you're using to deliver the package. But if you're handling it all yourself, the answer is 'a lot of time' due to all of the complexities of cross-border benefits delivery and local market nuance. An external partner can add real value and save a huge amount of time, however, conventional third-party benefits providers generally only serve individual countries and can be pretty inflexible. Most don't allow you to personalise the package to suit the needs of different employees, nor do they account for local market preferences and expectations.

So, if you're looking to manage and administer a global benefits package, you'd be better served by moving to a different type of third-party approach - a self-managed benefits platform. More on this later.

How can I ensure that all global employees receive the same benefits?

Many companies want to harmonise their benefits because it's a) fairer on their global teams if everyone receives the same package, and b) it's an administrative headache having to manage and maintain different policies, manuals, and handbooks for each country.

That said, benefits harmonisation is extremely tricky to achieve. To do this, you'll have to meet the various statutory requirements in each country you employ people (and potentially the expected benefits, too), and then use this as the baseline for what you offer to everyone

else. Make no mistake – this is going to be expensive, particularly if you're employing people in countries with generous statutory provisions.

Instead, it might be better to focus your harmonisation efforts on optional benefits and perks, where it's easier to offer the same package – at a similar cost – to every employee, regardless of location. Alternatively, the answer could be a change of emphasis – empowering employees to choose their own benefits rather than creating a preconceived package for everyone.

How much does it cost to deliver a winning global employee benefits package?

The price would really depend on what you may want to include in your package. We recently ran a research project talking to hundreds of HR professionals in UK and Ireland and found out that in the UK, just over one quarter (26%) of organisations allocate a monthly benefits budget of between £101-£150 per employee, with a further quarter allocating £151-£200, and just under a quarter (23%) allocating more than £201 per employee. In Ireland, those numbers are slightly different with 45% allocating €101-€150, 25% allocating €151-€200 and 12% allocating more than €201 per employee.

// In Portugal, benefits that fall under a Family & Home category are taxed only 10%.

How are the global benefits that I provide taxed within different countries?

For the most part, benefits in kind are taxed just as income is. However, many countries have exemptions in some instances for the tax that employees pay for the monetary value of benefits in kind they receive. **Here a few examples:**

- **In Australia and New Zealand**, the Fringe Benefits Tax (FBT) is paid by the employer and not by the employee.
- **In Italy** benefits in kind are tax exempt for up to €258.23 per year, regardless of what the perks are.
- **In Ireland**, employees are exempted from paying tax on one-off benefits in kind that are up to €500 per year.
- **In Sweden**, health and wellbeing benefits such as fitness classes, gym memberships, massages and other are tax-free for the first 5000 krona.
- **In Canada**, employees have a tax exemption on the contribution (employee+employer combined) to a Registered Retirement Saving Plan (RRSP) for up to 18% of their previous year's income.
- **In Portugal**, benefits that fall under a Family&Home category are taxed only 10%
- **In Spain**, meal vouchers or meals in a company canteen are exempt up to €11 per day. The exceeding part is taxable.



Delivering global employee benefits with a managed benefits solution

Delivering global employee benefits isn't easy – at least not if you do it the traditional way and handle all of the management and administration yourself. It's complicated enough trying to administer benefits in one country, let alone multiple countries which all have their own statutory requirements, cultural norms, and employee preferences.

So now might be the right moment to consider a wholesale change to how you run your benefits package and a switch over to self-managed benefits technology such as the Boundless Flexi benefits solution. Using a self-managed flexi benefits platform such as the one we have built, you choose the benefits options you want your employees to have access to and the monthly budget in each country per employee. As you do, you are guided about the taxes that apply and which benefits are tax-free. A wallet is created on the platform, and employees log in to see all benefit options and claim expenses for those they are receiving each month. For employees, it's as simple as a receipt upload; for you, it's a vast reduction in ongoing management and administration because the platform gathers the receipts, which

are then added to the monthly payroll. All you need to do is choose the budget you'd like to allocate per employee.

Letting employees allocate their own budgets rather than choosing from pre-defined options makes a lot more sense for global employers where the local workforce needs may vary significantly from place to place and from month to month.

UK* monthly benefit budgets per employee:

£101-£150 - 26%

£151-£200 - 25%

> £201 - 28%

Ireland* monthly benefit budgets per employee:

€101-€150 - 45%

€151-€200 - 25%

> €201 - 12%

*Research conducted with 200 HR leaders

Finally, using a self-managed benefits platform makes it easier to evolve your package as your employee needs change, gathering ongoing data about the benefits that are proving popular and adjusting what benefit categories employees can claim expenses for.

The reality is that benefits offerings will always need to change and adapt with the times – just think how much the landscape has already shifted from pre-2020 through the pandemic and now to the current cost of living crisis. No one knows what tomorrow will bring or how this will affect employees' personal and professional selves. Whatever happens, employers should be as agile as possible when it comes to offering benefits and be prepared to move swiftly.

Similarly, your competitors won't stand still. They'll constantly be looking at how they can improve their own benefits packages to give their organisation the edge in the market. A self-managed benefits platform won't mean that you can afford to take your eye off the ball. But it will mean that, as and when you spot emerging benefits trends, you can quickly and easily roll them out across your own global workforce, meaning that you never risk getting left behind. Speak to one of our experts today to learn how you can harmonising your flexi benefits everywhere.

Getting started with Boundless

Starting an international employment journey with Boundless is simple and easy.

- 1** Book a call with a Boundless expert to find out more about the countries the company is planning to employ in.
- 2** Sign up on the Boundless platform, select the countries of interest, and fill out basic employee information.
- 3** Sign the necessary employment contracts and other agreements with Boundless, and the worker.
- 4** Get expert guidance throughout the entire setup process.

What our customers say

"Working with Boundless gave me the peace of mind that overseas employees are employed and paid appropriately, never having to put a burden on them to take care of their taxes."

Louise Butler - VP People, CitySwift



Get started now

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