

HEALTHY, WEALTHY, WISE

Newsletter by: Global Financial Brokers Limited & Total Benefits Specialists Limited



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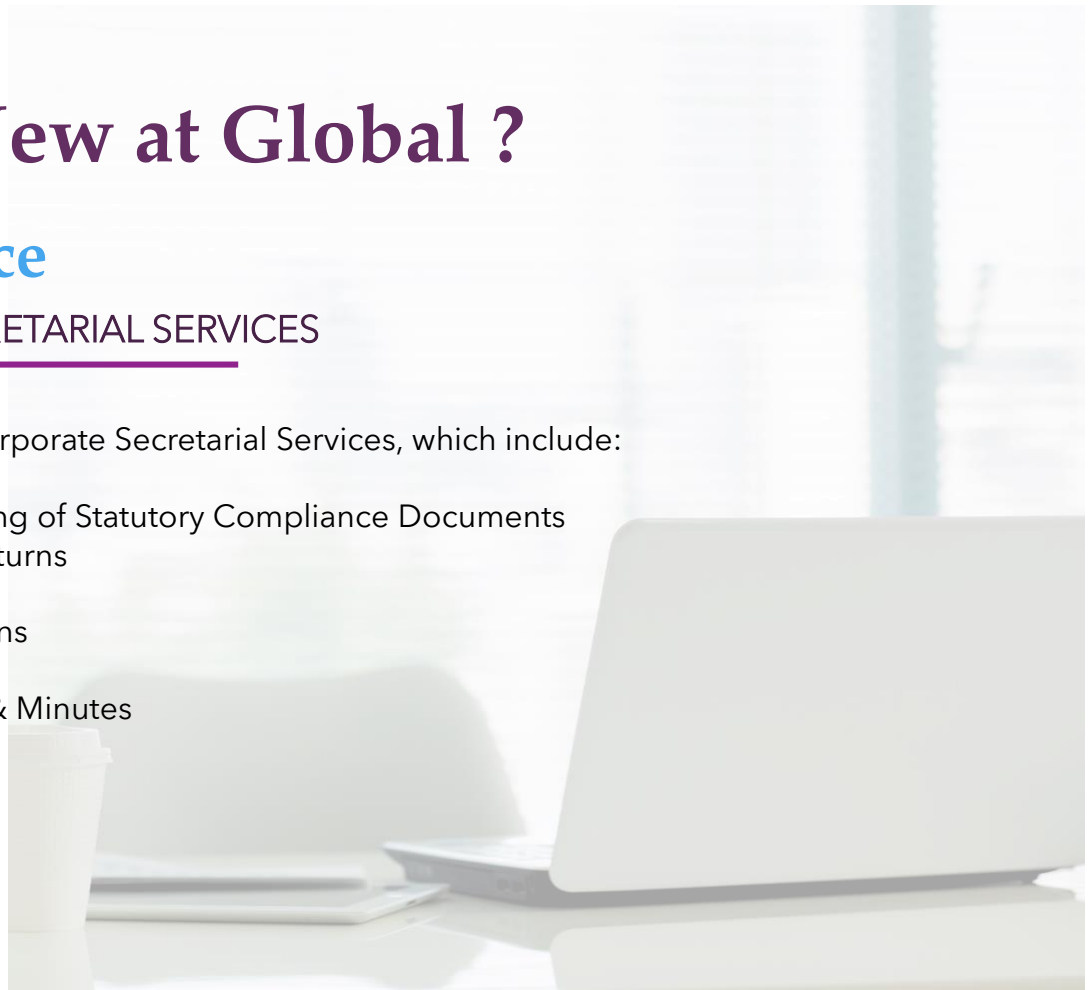
What's New at Global ?

New Service

CORPORATE SECRETARIAL SERVICES

Global now offers Corporate Secretarial Services, which include:

- Preparation & filing of Statutory Compliance Documents
 - Annual Returns
 - Notices
 - Declarations
- Board Support
 - Agendas & Minutes
- And **more**



Q VSEP vs Redundancy

Q.	What is VSEP?
A.	Voluntary Separation Enhancement Plan (VSEP) is a package usually offered by an employer to employees to reduce the size of the workforce. Employees have the option, but NOT obligation , to accept these termination packages.
Q.	How is VSEP calculated?
A.	There is no fixed calculation for VSEP packages. These plans are designed and offered at the discretion of the employer .
Q.	Is VSEP subject to Tax?
A.	Yes - VSEP is deemed to be emolument income and as such subject to 25% tax.
Q.	What is Redundancy?
A.	According to the Retrenchment and Severance Benefits Act Chap 88.13, ' Redundancy ' means the existence of surplus labour in an undertaking for whatever cause.
Q.	What is Retrenchment?
A.	According to the Act, ' Retrenchment ' means the termination of employment of a worker at the initiative of an employer for the reason of redundancy .
Q.	How are redundancy / retrenchment packages calculated?
A.	<ul style="list-style-type: none"> (i) Employees who served more than one (1) but less than five (5) years of continuous service = two (2) weeks pay at basic rate x each year of service (ii) Employees who served more than five (5) years of continuous service = (two (2) weeks pay at basic rate x four (4) years) <i>plus</i> (three (3) weeks at basic rate from year 5 and every year thereafter) (iii) Employee who served less than one (1) year service will be paid on a pro rata basis
Q.	Are redundancy packages subject to tax?
A.	<ul style="list-style-type: none"> (i) Payments less than \$500,000 are EXEMPTED from tax - effective 30th Nov 2018 (ii) Payments over \$500,000 but under \$1,000,000 are subject to 25% tax. (iii) Payments over \$1,000,000 are subject to 30% tax

A

Financial Wellness – Why Now?

*“Financial wellness may be one of the “hottest” areas of employee well-being. More than **64%** of employers will be investing more into improving the financial health of their employees” - The 2020 Employee Wellness Industry Trends Report by Wellable.*

More and more we are seeing Financial Wellness programs become more prevalent with employers and employees focusing on its highly valued benefits. However, **the world has changed**, and at Global, we believe that there is greater urgency now as a result of the **COVID-19 pandemic**.

The Observation:

- Employees are being **laid-off**
- Roles are becoming **redundant**
- Reduction of **income and benefits**
- Total reliance on **employment benefits**
- Unpreparedness for **loss of income**
- Highly volatile markets and **anxious investors**

The Oversight:

- Several persons are struggling financially and living ‘pay-check’ to ‘pay-check’
- Trade-offs between paying for their children's education or planning for retirement
- The average person is not prepared for emergencies such as loss of income, unexpected medical bills, or home repairs.
- Some companies are paying above-market salaries or providing generous benefits
- BUT there is **‘gap’** between what a company pays to you and what you need
- That gap is **Financial Wellness**

The Solution:

- It is time to prioritise and **invest in yourself**.
- Financial Wellness is NOT ‘one-size-fits-all’. It is complex and ever-changing, and requires **continual learning and development**.

Visit www.finwisett.com to get started on your journey to Financial Wellness!



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