SOVEREIGN INTERNATIONAL RETIREMENT & SAVINGS SCHEME

CASE STUDY: INTERNATIONAL SCHOOLS SECTOR

PROFILE

An International School Group

CIRCUMSTANCES

This group has several schools based in Asia. They have a mix of local and expatriate teachers, normally on 2 year contracts. They also have a loyal senior management team.

AIM

Employer

They have a successful business that is results-driven and they want to continue to attract and retain the best teachers. However they operate in a very competitive market and so they need to go that extra mile to differentiate themselves.

They also have a duty of care to help their staff save for their future whilst they are overseas and not paying into their home country pension.

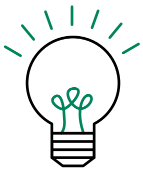
Employee

"As a teacher "in demand", I must look at all my options to decide what works for me. Part of my decision-making process is whether my employer will look after me.

I intend to work for at least ten years in the international schools' sector and it is important I make the most of my time overseas. That is why I am impressed when my Employer offers me an occupational savings plan and will contribute regular contributions if I complete each contract.

I can also add additional voluntary contributions from my payroll and I am able to save a lot of money as I live cheaply. It means that once I do go home, I have a deposit for a house and greater career experience."

SOLUTION



The Company uses the Sovereign International Retirement & Savings Scheme to deliver their aim. The Company provides a harmonised benefit for each of their different levels of employee, wherever they are based.

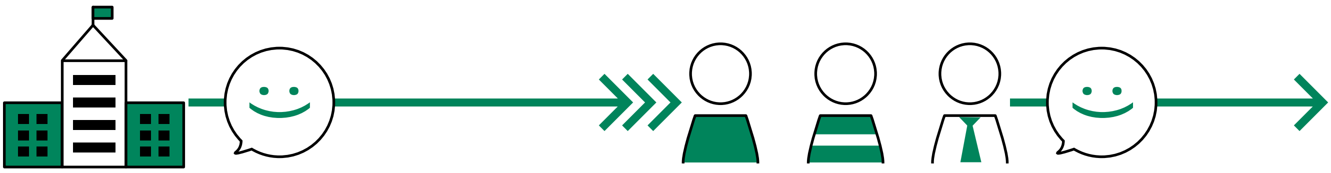
The School pay in a contract completion bonus of $3K once the teacher joins. The teacher can invest it and once they complete their contract, the money “vests” and they receive the rights to the value.

The School also pays 10% of the employee’s salary into the member’s account rather than into their bank account. They will have access to this money when they either leave the Group or retire. The employee can opt out, however they need to sign a waiver to say they understand the consequences for their future retirement.

The employee can pay in voluntarily from payroll to save for medium term goals such as marriage, house purchase, education or rainy day fund. They can have access to this money when they need it.

As all the expatriate teachers are in one plan, they can move to different schools within the group which provides greater flexibility for the employer and employee.

Each school runs their own payroll but Sovereign can accept multiple pay-points for one plan and take in the payroll feed for each school.



The **School Group** is happy, as they have an established and stable teacher and management population, with the added flexibility that they can move their resources around the group with minimal impact.

They are providing a duty of care as an employer and they value their staff.

It is simple and easy to administer and provides good economies of scale.

The **Employees** are happy as they are benefiting from a cost effective and efficient savings plan. They have heard stories of expensive individual products that have high penalties if surrendered early, so they much prefer this flexible group solution.

They are happy to stay and complete their contract, as they know they will benefit from the full value of their employer contributions if they do, which is a meaningful benefit and will help them towards their financial goals for being overseas.