

Argus Consulting Ltd

1997 International Employees Retirement Plan Survey

Summary of Results

Participants and Methods

100% of the firms contacted responded with completed surveys. The participants included;

- Care
- Catholic Relief Services
- Christian Children's Fund, Inc.
- Save the Children
- PLAN International
- World Vision International

Follow-up interviews with each participant provided additional details.

Demographics

The survey group included over 1,300 international staff members with approximately 400 US Citizens and 900 non-US Citizens. Average age, service and pay for the group are as follows;

Employee Group	Average		
	Age	Service	Pay
US Citizens	40.4	4.1	\$44,500
Non-US Citizens	37.9	4.5	\$35,300
Total	38.7	4.5	\$38,700

All the organizations operate throughout the world in very similar regions.

Retirement Plans

Participants offer a variety of retirement plans to their international employees. For US Citizens, the participants follow typical retirement plan practice for US non-profits. For Non-US Citizens, all participants have struggled with how best to deliver retirement income given the difficult tax status. This struggle produced five unique solutions - each participant taking a different approach.

For US Citizens, all participants offer a 403(b) plan with most adding an employer match or a base contribution with the maximum employer contribution varying from 3 - 8% of pay. One participant has recently implemented a 401(k) plan due to the new tax rules allowing these plans for non-profit organizations. Three participants also provide a defined benefit plan that will provide an income of approximately 40% of pay after 25 years of service.

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For Non-US Citizens, each participant provides a different vehicle for the retirement plan. The five unique retirement programs include;

- 403(b) plan
- Offshore defined contribution plan
- US based defined contribution plan that is not tax qualified (i.e. does not follow any of the generally applicable IRC Sections 401(a), 401(k), 403(b))
- US based post-tax annuity program
- Benefit plans in each local country

Except for the local country benefit program, these plans generally mimic the US program in terms of employer contribution level and options. No participant adjusts contributions for Non-US Citizens to recognize for any differences in social security payments. One company also provides tax advice to their Non-US Citizens at time of payment of retirement income.

Overall, after a career of 25 years, employees should expect retirement income of about 50% of pay from their employer. The highest employer-provided percentage was 70% and the lowest was 40%. Combined with the employee savings opportunities, the average retirement income for employees should be between 70 - 80% of final pay.

Other Information

Current issues facing the majority of the participant group include;

- employee communication
- plan specific communication
- general investment education
- getting financial information to your employees

All forms of communication are used by the group including e-mail, regular mail, fax and face-to-face meetings. No form is used exclusively.

No participant provides information about other offshore investment vehicles (mutual funds, etc.) to Non-US Citizens.