

Market and Benchmark Insight Report for Belarus – 2021

Competitive benefit norms for mid-market employers in Belarus

Introduction

MAI CEE group was founded in Hungary in 1991, and for 30 years, has provided insurance solutions and employee benefits consulting across Eastern Europe, the Commonwealth of Independent States, and the Caucasus region. With steady growth, MAI CEE now provides insurance advice and services to the 29 countries in the region while having a physical presence in 25.

Today, MAI CEE is the leading insurance broker in the region and enjoys strong and long-lasting ties with its associate Partners. The company prides itself on delivering excellent service with the highest levels of integrity to its clients and partners.

It has specialist divisions to assist multinational businesses as brokers with specific expertise in employee benefits, construction and real estate, cyber, marine and logistics, and claims. MAI-CEE's employee benefits consulting services include:

- A separate Employee Benefits Department Personal Manager for each client
- Significant staff experience ranging from three to 20 plus years in employee benefits management
- Effective resolution of all disputed issues during the insurance period, contract follow-up support, and advocacy for clients' interests
- Complimentary review of clients' existing insurance coverage and recommendations to improve financial and medical efficiencies
- Ongoing contract review to maintain quality and ensure client satisfaction

MAI CEE is proud to be an Asinta Partner and hopes this document is of use to you.



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1. Belarus Benefits Landscape

Employee benefits are important in Belarus because they help recruit and retain employees and shape an employers' brand. They vary substantially based on a company's attraction and retention goals, culture, and industry.

Three other factors influence the definition of the benefits' design:

- Industry type
- Salary level
- Location

1.1 Industry Type

Benefits vary widely according to industry type. For example, we see generous benefits in the financial, high-tech, and professional services sectors. However, in the retail and hospitality sectors, benefits are far lower. We can provide sector-specific benchmarking and advise on appropriate benefit design for whatever your industry may be.

1.2 Salary Levels

Salary levels will impact benefit provisions. For example, in lower-paid industries, you may find only senior managers receive supplemental employee benefits. However, if you have employees with substantial salaries (where base salary is over 60,000 USD), these staff members may have limitations applied to pension contributions or sums insured for risk coverage.

Please note that in 2020 the average base salary in Belarus was 1248.90 BYN (approximately 500 USD). Considering allowances, extra hours, and bonuses, the average remuneration is near 600 USD.

The minimum salary determined by law is 400 BYN (approximately 156 USD). In 2020 the minimum salary increased from 388.42 BYN.

1.3 Location

Employee location can influence benefit provision and salaries. Costs will be higher in Minsk and, on a slightly lower level, in Gomel.

2. Belarus Benefits Menu

Belarus had one of the world's most generous social security systems at one time. However, the increasingly understaffed and overcrowded medical institutions are shifting retirement provisions and health insurance onto individuals and employers.

Health insurance is the most valued employee benefit in Belarus, followed by life insurance. In addition, companies increasingly offer pension schemes because older employees value them.

There is a continued interest in defined contribution plans. Most of the new schemes are defined contribution plans with the possibility of voluntary individual contributions made by employees.

In addition, other social benefits are more and more valued, such as company cars, co-payments for soft skills courses, and different sports discounts for employees.

The table below shows the range of benefits that are typically available to employees in Belarus.





2.1 Mandatory Employee Benefits

Benefit	Comments
Sick leave	<p>In Belarus, the Fund of Social Protection of Population (FOSPOP) is funded by wage deductions. This fund pays employees' sick leave.</p> <p>The amount of a daily sick leave payment is calculated based on a percentage of the average payment for the working day. However, some organizations have tax benefits (for example, residents of a high-tech park). In such companies, the daily payment is calculated as a percentage of the minimum wage per day for the country. For example, in August 2020, the minimum wage is 375 BYN per month (approximately 150 USD), so the average daily wage is 12.63 BYN.</p> <p>The amount of payments also depends on the type of disease:</p> <ul style="list-style-type: none"> • For general illness or injury, in the first 12 days, the employee receives 80% of the average daily payment (or the minimum payment for the country per day). Following days are paid at 100%. • For pregnancy and childbirth, care for a sick child up to 14 years old, a disabled child up to 18 years old – payouts are 100% of the average daily payment of employee (or from the national minimum daily payment).
Paid Time Off	<p>All employees who have an employment agreement or contract are entitled to at least 24 days of paid leave. The payment amount depends on the average salary and the number of days of vacation. The employer makes payment.</p>
Pension	<p>The FOSPOP funds pensions in Belarus. The retirement age in 2021 for women is 58 years, and for men, it is 62.</p> <p>The amount of the pension depends on:</p> <ul style="list-style-type: none"> • Age • Seniority • Wages during the working age • Disability • The minimum subsistence budget <p>Two components form the pension amount:</p> <ol style="list-style-type: none"> 1. Minimum pension – depends on age + 20% of the average salary in the country 2. Optional payment – based on employment history and salary in the working-age period <p>In August 2020, the average pension was 456.81 BYN (about 178 USD). The minimum pension is 260.29 BYN (about 100 USD).</p>



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<p>Social Leave (to care for a child up to 3 years old)</p>	<p>FOSPOP pays for social leave that can last for a maximum of 3 years. During this period, the child's mother (or another family member who is on this leave) retains a place with their employer.</p> <p>Monthly payments depend on the average salary in the country. The government recalculates this parameter twice a year (in August and February).</p> <p>Social leave payments for the first child are calculated at 35% of the average monthly salary, and payments rise to 40% for second and third children.</p> <p>For example, in August 2020, the average salary was 1248.90 BYN (about 500 USD). So the monthly payment for the first child was 427.84 BYN (about 167 USD). For the second and subsequent child, it was 488.96 BYN (about 191 USD).</p> <p>Belarus also supports the birth rate with a childbirth payment. This payment depends on the subsistence minimum budget – 10 subsistence minimums for the first child, 14 for second and subsequent ones. In August 2020, for example, the childbirth payment for the first child was 2561 BYN (about 1000 USD) and for the second 3585.40 BYN (about 1400 USD).</p> <p>Women registered at the pregnancy clinic for up to 12 weeks receive an additional benefit after childbirth, which also depends on the amount of one subsistence minimum. Currently, that is 256.10 BYN (about 100 USD).</p>
<p>Unemployment Benefit</p>	<p>The Republican budget pays unemployment benefits to unemployed citizens who are unemployed and has registered with the employment service.</p> <p>The benefit amount is 27 BYN to 54 BYN (10 to 22 USD) per month. It depends on the number of weeks of job searching and total work experience.</p> <p>The unemployed, who have children under 14, a disabled child under 18 years, HIV positive child under 18 years of age, or suffering from AIDS have an additional 10% surcharge. In addition, unemployed who have three and more children or two and more disabled children have an additional 20% surcharge.</p>
<p>Free Medical Care</p>	<p>All citizens of the Republic of Belarus have free medical care in public health institutions. The government provides it from the state budget.</p>





2.2 Supplementary Employee Benefits

In addition to the mandatory benefits, employers will often provide a range of supplementary benefits to help recruit and retain employees. The table below highlights the most common benefits.

Benefit	Comments
Psychological support	<p>Employees in Belarus highly desire psychological support benefits, but they are still rarely offered.</p> <p>Psychological support programs help ensure employees' psychological well-being, increase job satisfaction, and improve organizational behavior and productivity.</p> <p>As a rule, employers fully or partially fund these programs. They may include face-to-face consultations with a psychologist or psychotherapist, online consultations or webinars, and training in the company's office.</p> <p>Usually, the program includes 3-6 free face-to-face or online consultations. If the employee needs further psychological support, they can pay for additional support themselves.</p> <p>It is possible to provide employees with a discount for consultations with a psychologist or psychotherapist.</p>
Healthy Lifestyle	<p>Healthy lifestyle benefits are widely used among high-tech companies, especially among professions that require a prolonged sitting position (office workers, programmers). The most popular are:</p> <ul style="list-style-type: none"> • Full or partial payment by the employer for a season ticket to a swimming pool, fitness class, gym, and yoga • Discounts on subscriptions to sports complexes and swimming pools with partner sports clubs • Gyms and meditation spaces in the office <p>Additionally:</p> <ul style="list-style-type: none"> • Check-ups • Office doctor • Massage room in the office
Education and Development	<p>This benefit includes full or partial program payment for improving professional knowledge and skills, soft skills training, language courses, and professional conferences.</p>
Convenience and Comfort	<p>Most high-tech companies pay attention to creating an employee's workplace for improving the efficiency of work. Companies also offer canteens and tearooms or provide discounts for restaurants and cafes.</p> <p>Additional options also include telephone compensation, compensation for transport costs, and parking.</p>
Recreation and Entertainment	<p>This benefit includes organizing corporate events and travel (rare to use).</p>
Discount Program	<p>The company's partners provide discounts to educational centers, sports clubs, and medical centers.</p>
Home Loans	<p>Home loans provided by an employer are rare.</p>

When designing your benefits, you need to consider your sector, employee census data, and objectives. As advisors, we will help you design employee benefits that work for you and are within your budget.



3. Insured Benefits – Design and Typical Costs

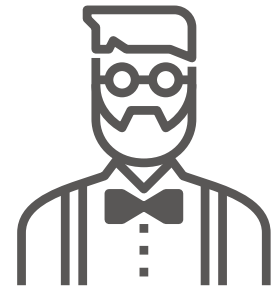
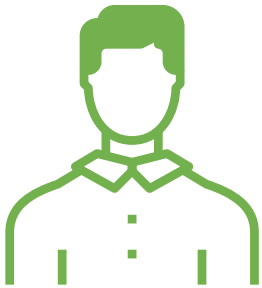
The table below shows the most popular insured employee benefits in Belarus and the typical coverage levels.

Benefit	Comment/Cost	Lower Quartiles Approach	Medium Quartile Approach	Upper Quartile Approach
Medical Insurance	<p>Health insurance support includes assistance to employees if necessary for health disorders, a chronic disease and its exacerbation, or accidents.</p> <p>The insurance program must include outpatient care and is updateable with optional programs, including inpatient or emergency care, dental, or medical treatment.</p> <p>Additional options include options ophthalmology (vision correction), pregnancy and childbirth care, high-tech medical care, preventive medical examination (cancer protection program, men's and women's preventive health screenings, and testing for COVID-19 (new).</p> <p>Payment options include:</p> <ul style="list-style-type: none"> • 100% payment by the employer • Co-financing, for example, 50/50 • Payment by the employer for the basic program, while employees improve the package at their own expense <p>Options for insurance packages widely used by high-tech and multinational companies:</p> <ul style="list-style-type: none"> • A general program for all employees • Individual programs depending on position, work experience 	Only employees are covered.	Family members (spouse and children) can also be covered but at the employee's expense.	All staff and dependents covered at the employer's expense.
Personal Accident	<p>It provides for payment to an employee in the event of a temporary health disorder, disability, or death due to an accident or illness.</p> <p>There are two possible programs:</p> <ul style="list-style-type: none"> • Classic (most popular) – used in case of insured events that occur because of an accident (injury, bite, burn) • Extended – includes causing harm to life or health because of illness. This option package may contain 'critical illness,' which provides a cash payment to the employee in the first case of a diagnosed critical condition (cancer, heart attack, stroke) <p>This benefit is in high demand in industries with a high degree of injury, as well as among high-tech and foreign companies. Accident protection is often offered in conjunction with health insurance.</p>	Only senior staff covered. Sum insured equal to 1 annual salary.	All staff covered. Sum insured equal to 1 annual salary.	All staff covered, including the risk of critical illness. Sum insured equal to 2 annual salaries.



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Pension Plan	Pension plans are typically a defined contribution scheme. Funding is through an insurance contract, and payments come via a lump sum, annuities, or a mix of the two.	Contribution equals 5% or 6% of each employee's salary.	Contribution equals from 8% to 10% of each employee's salary.	Contribution equals more than 10% of each employee's salary.
Employer's Liability	This line may cover all compensations according to a collective agreement. It concerns some personal accidents during work time, in business travel, and in the case of professional diseases. In the absence of a collective agreement, employer's liability insurance may provide additional allowances when mandatory compensations are not enough. For instance, when a critical drug is needed, but the mandatory insurance only covers a domestic remedy.	No collective agreement. Only senior staff covered.	No collective agreement. All staff covered.	Collective agreement in place. All staff covered.





4. Setting Up Policies

The following information highlights how to set up policies in Belarus and the possible restrictions that could apply to them.

4.1 Medical Insurance

- Definition of the plan's design – selection of covers (in-hospital, outpatient, dental, vision, prescriptions, childbirth, and other secondary supplemental covers), its respective annual limits per person, and eligibility.
- It is possible to offer a tailor-made plan regardless of the number of employees.
- Paperwork
 - Employers must complete and sign a specific form and list of insured persons with their personal data (and their dependents, if applicable).
 - Employees must provide a signature verifying their personal data is correct.

4.2 Personal Accident

- Definition of the plan's design – selection of covers (accidental death, accidental disability, treatment expenses, funeral expenses, and other secondary supplemental covers), sum insured per person by a multiple of salary and eligibility.
- Paperwork
 - Employer must complete and sign a specific form and list of insured persons with their personal data.

4.3 Pension Plan

- Definition of the plan's design – amount of the contribution (a percentage of salary).
- Paperwork
 - Employer must complete and sign a specific form and list of insured persons with their personal data.

4.4 Employer's Liability

- The benefit level is pre-determined by a collective agreement or by a defined limit in the absence of an agreement.
- Paperwork
 - Employer must provide an average number of employees per year and the collective agreement copy (if it exists)
 - Employer must provide information about all accidents involving employees for the prior 5 years

5. Onboarding and Policy Administration

Onboarding

In the U.S., for example, great attention is given to the onboarding process and the choices employees have to make. There is far less emphasis on this process in Belarus as for most benefits, there is little choice, and employees are automatically enrolled into policies.

For employee communication, we can support the following approach to meet client needs:

- Staff presentations
- Benefit communication packets, including new employee packets
- Benefit videos
- Independent consultations with a highly-skilled medical doctor:
 - In case of challenges with the insurance company
 - If the employee has questions about the scope of the insurance program
 - To justify medical necessity if the insurance company refuses to pay
- A channel where employees receive important announcements (new medical centers and other news) and can message our consulting doctor



Policy Administration

As advisers, we provide complete policy administration and support that includes:

- Professional advice and support at all stages of interaction with the insurance company when concluding an insurance contract
- Administration of the insurance contract and control over the fulfillment of obligations under it
- Analysis of statistics on the insurance contract and surveying employees
- Our own database with reviews about doctors from our clients' employees, where your employees can also leave a review
- Annual tender and selection of the best insurance conditions

6. Adviser Remuneration

We base our costs on the requirements of the client and the time spent providing that service. Commission payable on insured policies is the typical market practice, but we will be happy to discuss fee or commission options whenever required.

When looking at fees, we consider:

- Time required to set up any new policies
- The total number of policies to manage
- Time required to administer the policies
- Frequency of pre-determined, face-to-face client meetings and conference calls
- Whether there is the need to directly assist your employees
- The size of policies (expected claims volumes) under management

7. MAI CEE Contact



Natalia Zaborovska

Group Network Director
MAI CEE

M:+ 61 44 777 9001

M: +371 292 595 81

n.zaborovska@mai-cee.com



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