

What impact does the GDPR have on employee benefits?

The General Data Protection Regulation (GDPR) came into effect in May 2018. Within this new regulation, there are wide-reaching changes for the public, businesses, and bodies that deal with personal information - including employers that provide employee benefits.



The GDPR at a glance

The GDPR is Europe's new framework for data protection laws, and replaces the 1995 EU Data Protection Directive. The [regulation's](#) ultimate goal is to provide citizens of the EU and EEA with greater control over their personal data.

Who does the GDPR apply to?

The regulation applies to organizations that hold and process personal data relating to citizens of the EU/EEA - whether they're your employees or clients. Organizations don't have to be located in the EU/EEA to be bound by the GDPR. **Employers that offer employee benefits** will also need to ensure the brokers and insurers they partner with are GDPR compliant.

What are the GDPR fines?

Organizations that breach the GDPR must comply with the GDPR or face the risk of **massive fines**. The fines follow a two-tiered structure as follows:

An upper level fine of up to **EUR 20 Million, or 4% of the organization's worldwide annual revenue** for the most serious infringements

A lower level fine of up to **EUR 10 Million, or 2% of the organization's worldwide annual revenue** for minor infringements

The GDPR and its implications for HR and employee benefits

Processing employees' personal data

If you offer employee benefits, many risks can come with processing employee data, such as sending employees' personal data through insecure channels (e.g. without the right encryption methods), and sending employee data to multiple places.

Responsibility for employee data

In offering employee benefits your organization is deemed a data controller, which under the GDPR means that your business may be jointly liable for any mishandling of personal data by third parties (e.g. employee benefits providers).

Global employee benefits plans

Even if your company is not based within the EU/EEA, if you offer employee benefits that include EU/EEA touchpoints (e.g. European staff), you will need to ensure that their plans are GDPR compliant.

How can your business mitigate GDPR risks?



Be transparent about the employee data you collect and process



Restructure your employee benefits by splitting the contract between non EU/EEA employees and EU/EEA employees



Partner with a GDPR-compliant employee benefits provider, like [Pacific Prime](#)

Want more in-depth insights on the GDPR and employee benefits?

The information presented here merely presented a cursory overview of the insights divulged in Pacific Prime's **GDPR and Employee Benefits Guide**.

Download your **FREE** copy of the guide to unlock all the insights today.

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