



Law and Policy Group

Global Legislative Update

March 2020

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welcome to brighter

In this document

Mercer's Global Legislative Update covers legal developments affecting retirement, health, executive rewards, talent, diversity and inclusion, and other HR programs that impact local and/or expatriate employees. Links to developments with upcoming effective dates covered in past updates are also included to remind employers of impending deadlines. These icons indicate whether employer action is required.



Employer action required



Potential implications for employers



Developments to monitor

Please note: Mercer is not a law firm and therefore cannot provide legal advice. The commentary and recommendations in this report should be analyzed with legal counsel before any actions are taken.

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1 Highlights

Americas

Argentina	Compulsory life insurance, insured amount and premiums have increased.
Bermuda	Pension scheme changes take effect.
Peru	Government decree clarifies mandatory insurance coverage for employees.
United States	Supreme Court settles dispute over ERISA statute of limitations. National Labor Relations Board issues rule clarifying joint-employer standard. New Jersey expands mass layoff law and severance entitlement. Cincinnati's salary history ban takes effect.

Asia Pacific

Australia	Bills propose more flexible paid parental leave and permanent tax relief for merging "super" funds.
Hong Kong	Proposal would prevent harassment of breastfeeding women.
India	Ban on discrimination against transgender persons takes effect.
Malaysia	Employee Provident Fund contribution reduced during COVID-19 outbreak.
Philippines	Employer's duty for mental healthcare expands.
Singapore	Budget boosts jobs, reduces reliance on foreign workers.

EMEA	
European Union	Commission launches digital strategy and consultations.
Denmark	Collective industry agreement extends parental leave; revised early retirement pension for certain workers take effect.
Ireland	Pensions Authority assesses scheme governance and risk reforms.
Kenya	Parliament annuls pension changes.
Netherlands	Certain employers must give advance notice of workers posted to jobs in country.
Norway	Equity, equality reporting requirements take effect.
South Africa	Budget flags pension, health, pay and finance initiatives.
Spain	Pension fund supervision strengthened to comply with European Union IORP II.
United Kingdom	Government changes termination payment costs, issues tax guidance on guaranteed minimum pension equalization, confirms start of off-payroll working and expands statement of employment terms in Great Britain.

2 Americas

Argentina (new)

Status  Currently effective

Development [Health](#)

Compulsory life insurance, insured amount and premiums increased

From 1 Mar 2020, employers in Argentina will pay increased premiums of AR\$19.03 for compulsory life insurance for employees. The insured amount will increase to AR\$92,812, calculated on a multiple of the minimum wage. The compulsory insured amount for workers in rural areas also will increase to AR\$92,812.

Resources graciela.magonza@mercermarshbeneficios.com
[Government release \(Spanish\)](#), 2 Sep 2019

Bermuda (previously covered, newly effective)

Status  2 Mar 2020

Development [Wealth](#)

Pensions scheme revised

Certain changes to Bermuda's National Pension Scheme became effective on 2 Mar 2020. Highlights include:

- Expatriate employees working in Bermuda for periods exceeding 12 months must enroll in a Bermuda-registered pension plan, but US citizens enrolled in a 401(k) plan are exempt. Under the old law, only Bermudians and their spouses had to enroll.
- The vesting period has decreased from two years to one year.
- Members and former members who have reached the normal retirement age and retired can withdraw a lump sum up to 25% of the value of their pension account or the commuted value of their benefits.
- Employers are subject to new recordkeeping duties for payroll and pension information.
- Employers and pension administrators face tougher sanctions for non-compliance.

Resources graham.stone@mercero.com
[GRIST](#), 6 Jan 2020

Brazil (upcoming effective date)

Development [Wealth](#)

- [CNPJ registration duty on pension entities imposed](#) — Key date: 31 Dec 2021

Peru (new)

Status  Currently effective

Development [Health](#)

Mandatory insurance coverage for employees clarified

A supreme decree issued by the government clarifies an employer's duty to provide insurance coverage for its workforce, including transitional arrangements for certain employees during 2020. An emergency decree published in December 2019 specified that employers must provide life insurance for all employees, regardless of their length of service. The former law required insurance coverage for employees after four years of service. Highlights of the supreme decree include:

- The requirement to provide insurance coverage for employees is backdated to 1 Feb 2020. Insurance companies are currently developing policies to fulfill the new legal obligations.
- A supplementary decree sets out transitional arrangements applicable during 2020.
- Employers can provide partial insurance to cover accidental death or total and permanent disability due to an accident for employees with less than four years of service.
- Employers must provide full insurance coverage to all employees who currently have or will complete four years of service by 31 Dec 2020. From 1 Jan 2021, employers must provide full insurance coverage for all employees, regardless of their length of service.
- The decree provides a formula to calculate benefits for beneficiaries of employees who completed fewer than 30 days or three months of employment at the time of their death. Employers must register insurance policies with the labor ministry.

Resources carmen.acosta@marsh.com
[GRIST](#), 18 Feb 2020

United States (new)

Status  Currently effective

Development [Wealth](#)

Supreme court settles dispute over ERISA statute of limitations

In a highly anticipated decision, the US Supreme Court has unanimously ruled that an employer's disclosure of an alleged fiduciary breach isn't enough to start ERISA's three-year statute of limitations (*Intel Corp. Inv. Policy Comm. v. Sulyma*, No. 18-1116 (U.S. Feb. 26, 2020)). Instead, the three-year period starts when the plaintiff actually learns of the alleged breach. The decision, which resolves a decade-long split in the US circuit courts of appeals, may be unwelcome news to some employers. In anticipation of potential future litigation, employers might consider ways to confirm employees have received and read plan disclosures. For example, if providing electronic disclosures, employers could request an electronic acknowledgement before letting participants read the document. Such an acknowledgement still might not conclusively show an employee had actual knowledge of all of a document's contents, since there's no guarantee — especially with a long document like a summary plan description — that the employee had read the entire document. But employers may want to consider these or other measures, since the Supreme Court said in its opinion that these types of circumstantial evidence are relevant to determining if an employee had actual knowledge of information.

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[GRIST](#), 2 Mar 2020

United States (new)

Status  27 Apr 2020

Development [Career](#)

Final rule clarifying joint-employer standard issued

A final National Labor Relations Board rule addresses joint-employer status under the National Labor Relations Act. Highlights include:

- A business is a joint employer of another employer's employees only if the two employers share or codetermine the employees' essential terms and conditions of employment.
- Essential terms and conditions include wages, benefits, hours of work, hiring, discharge, discipline, supervision and direction.
- To be a joint employer, a business must possess and exercise such substantial direct and immediate control over one or more essential terms and conditions of employment for another employer's employees to warrant a finding that the business meaningfully affects matters relating to the employment relationship.
- Evidence of indirect and contractually reserved — but never exercised — control over essential terms and conditions, and over mandatory bargaining subjects other than essential terms and conditions may show joint-employer status, but only to the extent that it supplements and reinforces evidence of direct and immediate control. Joint-employer status can't be based solely on indirect influence or a contractual reservation of a right to control that has never been exercised — a joint employer must exercise substantial direct and immediate control.
- Key terms are defined, including what constitutes "substantial direct and immediate control" of each essential employment term. The rule makes clear that control exercised on a sporadic, isolated, or de minimis basis is not "substantial."
- Routine elements of an "arm's length" contract cannot turn a contractor into a joint employer.

Resources [GRIST](#), 28 Feb 2020

United States — New Jersey (new)

Status  19 Jul 2020

Development [Career](#)

Mass layoff law, severance entitlement expanded

New Jersey employers will face new workforce-reduction requirements, including guaranteed severance pay for employees affected by a layoff or a transfer of operations. Highlights include:

- The law will apply to employers with 100 or more employees, regardless of their tenure or part-time vs. full-time status, if the workforce reduction affects 50 or more employees working at or reporting to an establishment operated by the employer for three or more years.
- Layoffs or transfers of operations that occur within a continuous 30-day period at any location in the state — or within a 90-day period if the employer can't prove that the terminations have occurred for different reasons — must be aggregated to determine if the law applies.
- Employers must give at least 90 days' notice of the transfer of operations or mass layoff before terminating the first employee.
- Employees — including part-time workers — laid off under the new law will be entitled to one week of severance pay for each full year of employment. Employers that provide fewer than 90 days' notice will have to pay an additional four weeks of pay.
- Covered employers include "the direct employer and others who act directly or indirectly in the interest of the employer in relation to an employee."
- A covered establishment includes all of an employer's locations in New Jersey, meaning that employers will have to aggregate terminations across all locations within the state to determine if the law applies.
- Employees will be allowed to waive their right to severance only if approved by the Labor and Workforce Development commissioner or a court.

Resources [GRIST](#), 25 Feb 2020

United States — Cincinnati (previously covered, newly effective)

Status  Effective March 2020

Development [Career](#)

Salary history ban takes effect

Cincinnati city government and private employers in the city with at least 15 employees can no longer ask about or rely on job applicants' salary histories. The salary history ban (83-2019) amends the Cincinnati Municipal Code and aims to reduce gender pay disparity and discrimination. Highlights include:

- Employers cannot inquire about job candidate's prior salary history; use an applicant's current or prior wages, benefits or other compensation or salary history in screening candidates; use an applicant's prior wages, compensation and benefits to satisfy minimum or maximum criteria; rely on an applicant's salary history to decide about extending a job offer or to set salary, benefits or other compensation during the hiring process or employment contract negotiations; or refuse to hire or retaliate against applicants for not disclosing their salary history.
- Employers making a conditional offer of employment will have to give applicants the position's pay scale upon reasonable request.
- The ban doesn't apply to an applicant's voluntary or unprompted disclosure of salary history; an employer's initiatives to verify a candidate's disclosure of information unrelated to salary, including background checks; internal employee transfers or promotions; employees rehired by a company within five years of their most recent termination, provided the employer already has prior salary history; collectively bargained salaries and benefits; or employers that have within the previous three years received certification — based on external review — that their hiring practices don't include salary history.
- Violators — including companies, employment agencies, employees and agents — may be liable for compensatory damages, reasonable legal fees and other equitable relief. Lawsuits must be brought within two years of the date the alleged violation occurred.

Resources [GRIST](#), 8 Apr 2019

United States — New Jersey (previously covered, newly effective)

Status  1 Mar 2020

Development **Health**

New Jersey employers must offer pretax transit benefits

New Jersey employers with at least 20 employees in the state must begin offering pretax transportation fringe benefits covering commuter highway vehicle and mass transit. Highlights include:

- The benefit applies to employers and employees covered by the state's unemployment insurance law. Employers covered by a collective bargaining agreement (CBA) are exempt until any current CBA expires.
- The pretax commuter benefit must comply with Internal Revenue Code § 132(f), which allows employers to offer employees a choice between taxable compensation or nontaxable qualified transportation fringe benefits.
- Employers must allow covered employees to elect up to the annually adjusted maximum benefit permitted by federal law (\$270 in 2020).
- The mandate applies to commuter highway vehicles, like vanpools, and mass transit, but doesn't include parking. New Jersey employers can offer parking fringe benefits, but those benefits won't satisfy the New Jersey mandate.
- While New Jersey's law may require employers to offer a pretax commuter benefit, they won't be able to deduct that expense from federal corporate income taxes.

New Jersey companies that haven't previously offered pretax transportation fringe benefits must do so in 2020. Given the increasing popularity of these local laws, multi-jurisdictional employers may want to consider a national program that complies with the federal regulations and offers transit benefits alone or in addition to parking. In some locations, additional posting obligations may apply. Employers will also want to discuss this issue with their tax advisers to determine the impact.

Resources catherine.stamm@mercer.com and cheryl.hughes@mercer.com
[GRIST](#), 5 Mar 2019

United States (upcoming effective date)

Development [Career](#)

- [New York mandates study of women on corporate boards](#) — Key date: 28 June 2020
- [Oregon law protects against workplace harassment, discrimination](#) — Key date: 1 Oct 2020
- [California employers must provide sexual harassment training by 2021](#) — Key date: 1 Jan 2021
- [Colorado's new pay equity law takes effect in 2021](#) — Key date: 1 Jan 2021

[Career](#) — [Health](#)

- [Connecticut enacts paid family and medical leave](#) — Key date: 1 Jan 2021

[Wealth](#)

- [FASB completes deliberations on retirement plan disclosures](#) — Key date: 15 Dec 2020

3 Asia Pacific

Australia (new)

Status  Proposal

Development [Career — Health](#)

More flexible paid parental leave proposed

Proposals that would increase paid parental leave options for employees feature in a bill introduced into Australia's parliament on 6 Feb 2020. The Paid Parental Leave Amendment (Flexibility Measures) Bill 2020 aims to increase the employment rate for women, but wouldn't change the duration of paid parental leave.

Employees currently must take paid parental leave in a single continuous block of 18 weeks within the first 12 months after a child's birth or adoption. The bill proposes to let parents divide their parental leave entitlement into two blocks over a two-year period. The first 12 weeks would have to be taken continuously within 12 months after a child's birth or adoption. Employees could take the remaining six weeks of leave as a single block or in increments at any time up to two years after a birth or an adoption. The new measures would apply to children born or adopted on or after 1 Jul 2020, but employees would be able to apply for leave from 1 Apr 2020.

Resources [GRIST](#), 24 Feb 2020

Australia (new)

Status  Proposal

Development **Wealth**

Permanent tax relief for merging superannuation funds

A bill introduced into the Australian Parliament on 12 Feb 2020 would make the tax rollover relief for merging superannuation funds permanent from 1 Jul 2020. The measure, which removes a potential impediment to fund mergers, was announced in the 2019–20 Budget and will be implemented by Schedule 2 of the Treasury Laws Amendment (2020 Measures No. 1) Bill 2020.

The temporary arrangements for loss relief and asset rollover — to alleviate capital gains tax liabilities for superannuation funds after fund mergers and transfer events — are due to expire on 1 Jul 2020. The temporary measures were implemented in 2008 and have been extended several times. The superannuation industry has called repeatedly to make the relief permanent, and the government's Productivity Commission made the same recommendation in its 2019 report on the efficiency of the system.

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GRIST, 28 Feb 2020

Australia (upcoming effective dates)

Development **Career — Wealth**

[Australian guidance explains modern slavery disclosures](#) — Key date: 31 Dec 2020

Health

- [Private healthcare premium to increase](#) — Key date: 1 Apr 2020

Wealth

- [Guidance on superannuation investment fees and investment fees and cost disclosures updated](#) — Key date: 30 Sep 2020
- [Australia increases consumer protection for financial products](#) — Key date: April 2021

Hong Kong (new)

Status  Proposal

Development [Career — Health](#)

Proposal to prevent harassment of breastfeeding women

Breastfeeding women would be protected from harassment under a bill introduced 12 Feb 2020 into the Hong Kong Legislative Council. The bill, which would amend the Sexual Discrimination Ordinance (Cap 480) (SDO), is one of eight priority recommendations flagged by the Equal Opportunities Commission. The new bill reflects scrutiny by parliament, which first considered measures in the Discrimination Legislation (Miscellaneous Amendments) Bill 2018. Highlights include:

- The definition of harassment would expand to include both sexual harassment and harassment of breastfeeding women.
- An additional section would clarify what constitutes harassment on the grounds of breastfeeding.
- Other changes would update various SDO references to sexual harassment to also cover harassment of breastfeeding women.

Resources [GRIST](#), 6 Feb 2020

India (new)

Status  Currently effective

Development [Career](#)

Transgender persons protected from discrimination

Transgender persons in India can now claim enhanced protection under the Transgender Persons (Protection of Rights) Act 2019 that took effect 10 Jan 2020. Highlights include:

- A transgender person is defined by the law as a person whose gender doesn't match the sex assigned at birth, including trans men and women, persons with intersex variation, gender-queers, and persons with sociocultural identities like "kinnar" and "hijra."
- Transgender persons are protected from discrimination, including unfair treatment in employment, education, and healthcare and denial of access to goods, facilities, or opportunities available to the public.
- Organizations must designate a complaints officer for addressing violations of the law and provide facilities as may be prescribed in the future.
- Transgender individuals are entitled to enhanced health services, including separate HIV centers, sex reassignment surgeries and hormonal therapy counselling.
- Transgender persons can request a new identity certificate that specifies their transgender status.
- Sanctions for violations include six to 24 months' imprisonment and fines for violence against or abuse of transgender persons. Employers generally won't face sanctions for failure to appoint a complaints officer, but they could be ordered to comply and may pay fines if an individual makes a successful legal claim.
- A new National Council for Transgender Persons will advise the central government on the impact of policies and legislation regarding transgender people and will address their grievances. Council membership will include key ministers, state governments, representatives from the transgender community and five experts from nongovernmental organizations.

Resources [GRIST](#), 12 Feb 2020

India (upcoming effective date)

Development [Career](#)

- [Parliament passes wage protections](#) — Implementation dates will likely vary.

Malaysia (new)

Status  Currently effective

Development [Health — Wealth](#)

EPF contribution reduced during COVID-19 outbreak


The Malaysian government has reduced the minimum statutory employee contribution rate to the Employee Provident Fund (EPF) by 4% — from 11% to 7% — due to the economic impact of the COVID-19 outbreak. However, employees can choose to maintain the current 11% contribution rate if they wish. There is still no contribution is required for employees aged 60 years or older. The revised rate will be effective from 1 Apr 2020 until year-end.

Resources caryn.tan@mercer.com
[Government release, 27 Feb 2020](#)

New Zealand (upcoming effective date)

Development [Career](#)

[New Zealand expands temporary agency employee rights](#) — Key date: 27 Jun 2020

Philippines (new)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Employer’s duty for mental healthcare expanded</p> <p>Private-sector employers, including organizations that deploy Filipino nationals to work abroad, must publish a mental health workplace policy and program to raise awareness, promote well-being, prevent discrimination and provide support for employees with mental health issues, under Department of Labor and Employment guidelines effective 26 Feb 2020. Highlights include:</p> <ul style="list-style-type: none"> • Management and workers’ representatives must jointly prepare company mental health policies, which could be incorporated into collective bargaining agreements, where appropriate. • Mental health programs must provide advocacy, information, education and training, as well as the enhancement of employees’ well-being. Programs must include nondiscriminatory policies and practices; disclosure of medical or mental conditions by employees to their employers; recordkeeping and confidentiality; reasonable accommodations to support employees with mental health conditions (such as flexible leave arrangements and work hours); treatment, rehabilitation and referral through the company’s assistance program and any other mental health programs; monitoring and evaluation; and benefits and compensation, among other elements. • Company health policies must specify counseling arrangements for employees with mental health conditions, as well as counseling arrangements for families or groups impacted by those employees. • Payment of diagnostic, treatment and rehabilitation costs for employees with mental health conditions will be determined by the current health benefit packages under PhilHealth, the Employees’ Compensation Committee or the social security system. • Companies using third-party healthcare providers should ensure that their health packages include mental health services.
Resources	<p>pauline.cardenas@mercer.com</p> <p>GRIST, 25 Feb 2020</p>

Singapore (new)

Status  ProposalDevelopment [Career — Wealth](#)

Budget to boost jobs, reduce reliance on foreign workers

Singapore's 2020 budget features several labor market initiatives to boost workforce skills, increase the employment rate of older workers and improve job opportunities for nationals. Highlights include:

- Wage offsets of up to 8%, depending on the age of employees, to help employers with increased wages and Central Provident Fund contributions
- Introduction of a Senior Employment Credit from 2021
- Grants for employers that formalize part-time reemployment arrangements
- A new SkillsFuture Mid-Career Support Package and expansion of the SkillsFuture work-study program
- A reduction from 20% to 15% in the number of S Pass visas for foreign workers in the construction, marine shipyard and processing sectors, to be phased in over two years starting 1 Jan 2021
- A reduction in S Pass visas available to manufacturing employers when the economy improves
- Initiatives to match skilled Singaporean nationals to job openings, although levy rates for hiring foreign workers will not change in 2020
- Grants of S\$500 to Singaporean nationals aged 25 years or older help finance continued learning
- SkillsFuture Enterprise Credits of up to S\$10,000 per employer to defray 90% of the out-of-pocket costs associated with business transformation, job redesign and skills training
- Expansion of the government's job redesign consultancy services and training to organizations with extended supply chains comprising small- and medium-sized firms

Resources [GRIST](#), 20 Feb 2020

Singapore (upcoming effective date)

Development [Career — Health](#)

- [Singapore expands work injury insurance protections](#) — Key date: 1 Sep 2020

South Korea (upcoming effective dates)

Development [Wealth](#)

- [South Korea slates retirement act reforms to take effect](#) — Key date: 30 Apr 2020

4 Europe, Middle East and Africa (EMEA)

European Union (new)

Status  Proposal; two consultations open through 19 and 31 May 2020

Development [Career](#)

Commission launches digital strategy and consultations

On 19 Feb 2020, the European Commission launched its overall strategy for shaping Europe's digital future for the next five years. The commission issued two documents for consultation: the communication on a European strategy for data and a white paper on artificial intelligence (AI). The commission is considering specific initiatives to regulate online platforms; align competition rules with the digital market; reduce the technology sector's environmental impact; and establish a governance framework that enables individuals to exercise rights over their data. The commission also addressed two employment-related concerns:

- Data strategy, better protection for gig workers. The commission's European data strategy details several planned initiatives, including a proposal due in 2021 that would strengthen employment protections for gig platform workers. Input is invited through 31 May 2020.
- White paper on artificial intelligence, fundamental rights. The commission offers options to create a legislative framework for "trustworthy AI" and invites comments through 19 May 2020. The commission warns that fundamental rights require protection, and that individuals must be protected against "biases in algorithms or training data" that result in "unjust and discriminatory outcomes" for individuals. Proposals to address safety, liability, fundamental rights and data will be published in Q4 2020.

Resources [GRIST](#), 28 Feb 2020

European Union (upcoming effective dates)

Development [Career](#)

- [Directive strengthens employment rights for posted workers](#) — Key date: 20 Jul 2020
- [Final CRD V revises remuneration principles](#) — Key date: 28 Dec 2020
- [Directive expands whistleblower protections](#) — Key date: end of 2021
- [Revised rules will impact participating companies, employees](#) — Key date: 1 Jan 2022
- [Law strengthens rights of 'nonstandard workers'](#) — Key date: summer 2022

[Career](#) — [Health](#)

- [Work-life balance measures, including leave finalized](#) — Key date: summer 2022

[Wealth](#)

[ESG agenda, capital markets union progress](#) — Key date: 10 Mar 2022

Belgium (upcoming effective date)

Development [Career](#) — [Health](#)

- [Constitutional court annuls 'cash for car' system](#) — Key dates 31 Dec 2020

Denmark (new)

Status  Currently effective

Development [Career — Health](#)

Collective industry agreement extends parental leave

Danish parents covered by the Collective Agreement for Salaried Employees in Industry are entitled to 16 weeks of parental leave, of which eight weeks is earmarked for fathers. The three-year, cross-industry collective agreement — which covers an estimated 6,000 companies and 230,000 employees — was signed by the Confederation of Danish Industry and the Central Organization of Industrial Employees on 9 Feb 2020. The agreement took effect on 1 Mar 2020 and expires on 1 Mar 2023. Other measures include changes to the “optional pay account,” increased minimum wage rates, more flexibility with regard to time off, extended paid sick leave and improved pension arrangements for certain workers.

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[GRIST](#), 24 Feb 2020

Denmark (new)

Status  Currently effective

Development **Wealth**

Early retirement pension for certain workers revised

Long-service employees in Denmark who have reduced work capacity could be eligible for a new type of early retirement disability pension scheme — the Senior Pension. The scheme, which took effect on 1 Jan 2020, allows certain individuals to retire up to six years before the normal retirement age (currently, age 65-1/2 years but gradually increasing to age 68 by 2030) due to poor health. The Senior Pension replaces the Senior Disability Pension scheme that had stricter eligibility requirements and allowed retirement up to five years before the normal retirement age. Highlights include:

- Eligibility criteria. Individuals who have worked 27 or more hours per week for a minimum of 20 to 25 years in a mentally or physically demanding occupation could be eligible for the Senior Pension.
- Incapacity assessment. An employee must be formally assessed by a medical practitioner and deemed permanently incapable of working more than 15 hours per week in his or her current or most recent job. The Senior Pension could be suspended if the individual later works more than 15 hours per week or has annual earnings (own or spouse) that exceed certain limits.
- Application and assessment. Municipalities are currently responsible for processing Senior Pension applications and assessing applicants. Those responsibilities will pass in 2021 to the Arbejdsmarkedets Tilloegspension (ATP) Group that administers the mandatory earnings-related pension.

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[GRIST](#), 18 Feb 2020

Ireland (new)

Status  Assessment

Development [Wealth](#)

Pension scheme governance and risk reforms assessed

The Pensions Authority — which regulates occupational pension schemes in Ireland — recently commenced an engagement process to assess how pension schemes are meeting governance and risk-management obligations.

The engagement is currently limited to “large defined benefit and defined contribution multi-employer schemes,” but its scope will likely extend to all schemes in the future. Scheme trustees must complete a detailed governance and risk-management questionnaire and supply documentary evidence. The Pensions Authority will meet with trustees to discuss the questionnaire and will report its observations and recommendations for improvement.

The Pensions Authority’s engagement with schemes on governance and risk management precedes the introduction of legislation to implement the European Union’s IORP II Directive. However, the Pensions Authority is committed to initiating a “forward-looking and risk-based approach” to pension scheme supervision in line with the directive’s core principles. This approach may prompt schemes to address these issues before IORP II legislation.

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[GRIST](#), 26 Feb 2020

Ireland (upcoming effective date)

Development [Wealth](#)

- [Ireland updates auto-enrolment pension system implementation](#) — Key date: expected by 2022

Kenya (new)

Status  Currently effective

Development **Wealth**

Pension changes annulled by parliament

The Kenyan parliament annulled measures to prevent terminated employees from withdrawing their employer's contributions — or investment income on those contributions — to defined contribution plans prior to retirement age. Employees now can withdraw up to 100% of their own contributions and 50% of their employer's contributions and investment income.

The measures — which would have amended The Retirement Benefits (Occupational Retirement Benefits Schemes) Regulations, 2000 — were challenged on a number of grounds, including the absence of public consultation.

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[GRIST](#), 11 Feb 2020

Mauritius (upcoming effective date)

Development **Career — Health**

- [Retirement gratuity fund start date delayed](#) — Key date: 1 Apr 2020

Netherlands (new)

Status  Currently effective

Development [Career](#)

Posted workers subject to advance notification

From 1 Mar 2020, employers in the European Economic Area (EEA) and Switzerland that send an employee to work temporarily in the Netherlands must notify the Dutch government in advance of the posting. The government launched an online notification portal and published a checklist to help employers and self-employed persons comply with the requirement. Employers that breach the notification duty could face a fine. The notification requirement is part of the government's efforts to implement the European Union's directive on the posting of workers. Highlights include:

- The notification requirement applies to companies with employees in the EEA and Switzerland that post an employee to work in the Netherlands; agencies sending temporary employees; self-employed persons; or employers that bring their own staff to the Netherlands.
- Contracting parties in the Netherlands must ensure that the correct notifications have been made (the online system notifies the contracting party when notifications are filed). Contracting parties can be fined if posted employees aren't registered.
- Notification information is shared with the Dutch social affairs and employment inspectorate, the social insurance bank, and the tax and customs administration.

Resources [GRIST](#), 3 Mar 2020

Netherlands (upcoming effective date)

Development [Career — Health](#)

- [Dutch government increases paid paternity leave](#) — Key date: 1 Jul 2020

Norway (new)

Status  Currently effective

Development [Career](#)

Pay equity, equality reporting required

Employers with 50 or more employees in Norway must report biannually on their progress toward achieving gender pay equity and gender equality. Smaller organizations — those that regularly employ between 20 and 50 employees — would have to report if requested by employee representatives but otherwise could decide to report voluntarily. The reporting requirement features in the Equality and Anti-Discrimination Act, which took effect on 1 Jan 2020. Employers must publish their reports but currently won't face sanctions for noncompliance. Highlights include:

- The report must include the employer's pay analysis of gender pay differences across organization's roles and levels.
- Employers must identify the risks that could prevent the organization from achieving gender pay equity and gender equality, take remedial measures to address these risks, and report on their impact.
- Employers must also report on progress made in improving gender equality across the organization; employees' uptake of their parental leave entitlement and the duration of leave taken; and the status of part-time employment in the organization, including the organization's use of involuntary part-time work.
- The Norwegian Equality and Discrimination Ombudsman will publish guidelines and electronic forms, with the aim of simplifying employer reporting duties. Further regulations could standardize the reporting format for employers to follow.
- Employers must make the report available upon request to employees, their representatives, the Norwegian Anti-Discrimination Committee, the Equality and Discrimination Ombudsman, and researchers investigating allegations of unlawful pay inequality.

Resources aleksandra.moksnes@mercer.com
[GRIST](#), 11 Feb 2020

Oman (upcoming effective date)

Development [Health](#)

- [Oman issues implementation rules for new health insurance scheme](#) — Key date: mid-2020

Poland (upcoming effective date)

Development [Wealth](#)

- [Poland to transfer state mandatory pension funds to individual accounts](#) — Key date: 1 Jul 2020

Russia (upcoming effective date)

Development [Career — Wealth](#)

- [Electronic filing of employment information required](#) — Key date: 30 Jun 2020

South Africa (new)

Status  Proposal

Development [Career — Health — Wealth](#)

Budget flags pension, health, pay and finance initiatives

South Africa's 2020 budget includes several pension, health, pay and finance initiatives. Highlights include:

- Proposals streamlining and replacing the legislative framework for the conduct of financial institutions, which includes retirement funds
- A Treasury bill specifying the levies to cover the operating costs of the Prudential Regulation Authority, the Financial Sector Conduct Authority and the ombudsperson
- Proposals centralizing the handling of unclaimed pension benefits, including the establishment of a central registry for all retirement fund members
- Advanced reforms harmonizing all retirement benefits, including provident funds
- Changes revising current procedures that allow individuals who are emigrating to withdraw funds from their pension preservation, provident preservation and retirement annuity funds
- Updates to PAYE processes and legislation to modernize and automate the process for employers
- A bill introducing National Health Insurance (NHI) — this could suggest that the NHI rollout will take place over a longer period of time than previously anticipated
- An increase to monthly medical tax credits to ZAR 319 for the primary and secondary beneficiary and to ZAR 215 for others
- A proposal to raise the tax-free savings account contribution limit to ZAR 36,000, up from ZAR 33,000

Resources susana.dasilva@mercermarshbenefits.com
[GRIST](#), 2 Mar 2020

Spain (new)

Status	 6 Aug 2020
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Development [Wealth](#)

Pension fund supervision strengthened to comply with European Union IORP II

A Spanish decree implementing the European Union (EU) directive on the supervision of institutions for the occupational retirement provision (IORP II) took effect on 6 Feb 2020, but organizations will have until 6 Aug 2020 to adjust to the new requirements. The decree aims to set conditions for cross-border activity of pension funds, increase the protection of scheme members and strengthen prudential supervision. Highlights include:

- Pension funds must issue more transparent documentation for all phases, especially with regard to accrued pension rights and the amount of retirement benefits members can expect to receive.
- Funds must fulfill certain governance requirements, including risk management and internal audit arrangements appropriate to the fund's size and complexity, and can outsource certain functions.
- Pension fund committees must publish their long-term investment strategy and implement an appropriate remuneration policy for (i) all staff performing key functions within the managing entity and (ii) staff with who have a significant impact on the fund's risk profile. The remuneration policy must be in line with the organization's size, nature, scale and complexity.

Resources	juanluis.alonso@mercer.com GRIST , 25 Feb 2020
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Switzerland (upcoming effective date)

Development [Career](#)

- [Switzerland issues gender pay audit criteria, deadlines](#) — Key date: 1 Jul 2020

United Kingdom

Status  6 Apr 2020

Development [Career](#)

Termination payment costs to change

From 6 Apr 2020, United Kingdom employers will have to pay National Insurance Contributions (NICs) of 13.8% on any part of an employee's termination payment exceeding £30,000. Employers currently pay only income tax on termination payments exceeding £30,000. The government announced the introduction of NICs on termination payments in 2017 but postponed implementation from 2018 until 2020. Employers should adjust their payroll processes — and factor in the change — when negotiating termination payments after 6 April.

Resources [GRIST](#), 10 Feb 2020

United Kingdom (new)

Status  Currently effective

Development **Wealth**

Tax authority issues guidance on guaranteed minimum pension equalization

The United Kingdom HM Revenue & Customs (HMRC) has issued limited guidance on the tax implications of Guaranteed Minimum Pension (GMP) equalization. In the past, defined benefit schemes could partly contract out of the state benefits system, granting GMP benefits instead. Last year, the High Court ruled that pension schemes must equalize benefits to address the inequalities arising from different GMP entitlements for men and women between 17 May 1990 and 5 April 1997.

GMP equalization raises many tax-related questions. This initial HMRC guidance relates to benefit adjustments arising solely from GMP equalization and addresses the annual allowance, lifetime allowance and members with any of the historical lifetime allowance protections.

The guidance is very limited and does not cover the “conversion” approach that converts benefits to non-GMP rights. The guidance also doesn’t cover the tax implications of equalization resulting from the payment of death benefits, transfers or total commutation. Further HMRC guidance is expected, but no timeframe has been announced.

Resources glyn.bradley@mercer.com
[GRIST](#), 3 Mar 2020

United Kingdom (new)

Status  6 Apr 2020

Development [Career](#)

Government confirms off-payroll working start

A government review launched in January responded to concerns about major changes to off-payroll working. The review confirmed that the new rules (also called IR35) will take effect on 6 Apr 2020, as originally intended. However, the government said it will apply a “light touch” toward penalties in the first year of implementation, except in cases of deliberate noncompliance.

The new rules aim to ensure that someone working as an employee — but through a company — pays similar taxes to other employees. Medium and larger organizations will be responsible for determining the tax status of their contractors.

Resources [Government release](#), 27 Feb 2020

United Kingdom — Great Britain (new)

Status  6 Apr 2020

Development [Career](#)

Expanded statement of employment terms required

Employers in Great Britain will have to provide new employees and workers an expanded statement of their employment terms on or before the first day of their employment. The changes feature in The Employment Rights (Employment Particulars and Paid Annual Leave) (Amendment) Regulations 2018. Employers currently have to provide a statement of terms — sometimes called a “Section 1 Statement” — within two months of an employee’s start date, but the new law will require employers to provide more information. Since the law only applies to Great Britain (England, Wales and Scotland), employers in Northern Ireland aren’t affected. Highlights include:

- Employers will have to include employment rights information in one written document. Limited types of information — for example, sick leave and pay, and leave in addition to vacation entitlement — could be included in an employee handbook or on the intranet, if easily accessible by the individual.
- Employers must provide additional information, including the days to be worked; variable working hours; leave entitlement and any corresponding payment (for example, maternity and paternity leave) that is in addition to vacation entitlement; duration and applicable conditions of any probationary period; and any training entitlement, including an indication if training is required and any costs paid by the worker/employee.
- Employees and workers employed before 6 Apr 2020 can request an updated statement of terms, and employers must provide it within one month of the request. Employers may also have to provide a statement of change if terms are changed.
- Employees and workers will be allowed to make a referral to an employment tribunal for a declaration of their employment terms if their employer doesn’t provide the required information, and awards could be between two and four weeks of pay.

Resources [GRIST](#), 11 Feb 2020

United Kingdom (upcoming effective dates)

Development [Career](#)

- [Hourly wage increases announced](#) — Key date: 1 Apr 2020
- [Agency workers entitled to pay parity](#) — Key date: 6 Apr 2020

[Career](#) — [Health](#)

- [New bereavement leave for parents advances](#) — Key date: 6 Apr 2020

[Wealth](#)

- [Pension schemes face new investment and disclosure rules](#) — Key date: 1 Oct 2020

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