

Law and Policy Group

# Global Legislative Update

**By Stephanie Rosseau and Fiona Webster**  
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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 affect 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. Please consult legal counsel before taking any actions based on the commentary and recommendations in this report.

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## 2

# Global

### Coronavirus (COVID-19) pandemic

**Status**  **Ongoing initiatives**

**Development** [Career — Health — Wealth](#)

#### **Countries take action to address workplace issues as result of COVID-19 pandemic**

The World Health Organization (WHO) declared COVID-19 a pandemic on 12 Mar 2020, and employers continue to address the severe implications on working practices and adjust their employment and benefit policies accordingly. Countries have enacted legislation and provided regulatory guidance related to workforce protections, leave and layoff procedures, employment subsidies and changes to existing enforcement procedures. To help multinational employers continue to address worksite, economic and associated travel issues, Mercer is providing analysis on workforce and investment implications and compiling information from organizations, government websites and other resources and news articles.

**Resources** [Roundup: COVID-19 resources for employers](#) (regularly updated); [Stay informed on coronavirus](#) (regularly updated)

# 3

## Americas

### Argentina (new)

**Status**  **Currently effective**

**Development** **Health — Wealth**

#### Monthly salary thresholds for social security contributions revised

Revised monthly salary thresholds used for calculating social security apply to salaries earned after 1 Dec 2020. The minimum threshold is ARS 6,411.08 and the maximum amount is ARS 208,357.30. The revised amounts feature in Resolution No.433/2020 published on 15 Dec 2020.

**Resources** [Resolution No. 433/2020](#) (Spanish) (Government, 15 Dec 2020)

### Brazil (new)

**Status**  **Currently effective**

**Development** **Career**

#### Minimum wage increases

The 2021 budget approved by the Brazilian National Congress on 16 Dec 2020 includes a measure to increase the monthly minimum wage to BRL 1,088, up from BRL 1,045.

**Resources** [2021 Budget](#) (Portuguese) (Government)

### Brazil (upcoming effective date)

**Development** **Wealth**

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



## Canada (new)

**Status**  **Currently effective**

**Development** **Career — Health**

### **New monetary penalties for federal labor code violations**

Federally regulated employers face new monetary penalties for violations of health and labor standards, such as workplace harassment, violence prevention and workplace safety protections, following the recent proclamation of the new Part IV of the Canada Labour Code. The final regulations required to enact Part IV were published on 23 Dec 2020, and Part IV became effective on 1 Jan 2021. The Administrative Monetary Penalties regime includes penalties of up to \$250,000 for noncompliance, review and appeal procedures, and publication of the names of noncompliant employers. Monetary penalties for administrative violations — for example, record keeping and reporting requirements — will not be imposed until 1 Jan 2022.

**Resources** [kristin.smith@mercer.com](mailto:kristin.smith@mercer.com)  
[News Release](#) (Government, 23 Dec 2020)

## Canada (previously covered, newly effective)

**Status**  **Currently effective**

### Development **Career**

#### **Employers face workplace harassment prevention rules**

As of 1 Jan 2021, federally regulated employers must have developed a workplace harassment and violence prevention policy. Highlights are:

- Employers with 300 or more employees will conduct the workplace risk assessment with the policy committee; employers with 20 to 299 employees will conduct the assessment with the workplace committee; and employers with less than 20 employees will conduct the assessment with their health and safety representative. Internal and external workforce risk factors must be identified. Employers must develop preventive measures within six months.
- The required elements of a workplace harassment and violence prevention policy are outlined, and the procedures employers must implement to respond to incidents. While policies can differ, all must include certain components. The policy must be made available to all employees and updated at least every three years. Employers must also keep records on every incident of harassment and violence in the workplace and report them annually to the Labour Program.
- Employers must conduct training specific to the culture, conditions and activities of the workplace that includes certain specified components. Existing employees should have received training by 1 Jan 2022. New hires must receive training within three months of starting employment. Retraining must occur at least every three years or when there is an update.

**Resources** [GRIST](#), 29 Jun 2020

## Canada (previously covered, newly effective)

**Status**  **Currently effective**

### Development **Wealth**

#### **Retirement plan limits for 2021**

The 2021 money purchase limit is \$29,210; the 2021 defined benefit limit is \$3,245.56; the 2022 registered retirement savings plan limit is \$29,210; the 2021 deferred profit sharing plan limit is \$14,605; and the maximum pensionable earnings for 2021 is \$61,600.

**Resources** [Canada Revenue Agency Table](#)

## Canada — (continued)

**Status**  **Consultation closed on 14 Jan 2021**

**Development** **Wealth**

### **Consultation launched on strengthening pension plans**

The Federal Department of Finance has launched a major consultation (Consultation on Strengthening Federally Regulated Pension Plans) on potential short-term solvency funding relief options for 2021, and longer-term measures to strengthen the framework for federally regulated pension plans. The consultation comprises a series of questions on each topic and invites other relevant comments by 14 Jan 2021.

Additionally, the consultation follows the government's commitment to consult with stakeholders on options to provide additional solvency funding relief in 2021 as necessary, and includes several other proposals to support the sustainability of defined benefit pension plans and enhance retirement security. Consultation topics include pension plan governance, solvency reserve accounts, variable payment life annuities and ministerial guidelines on special funding relief.

**Resources** [kristin.smith@mercer.com](mailto:kristin.smith@mercer.com)  
[GRIST](#), 7 Dec 2020

## Canada — Alberta (new)

**Status**  **Currently effective**

**Development** **Wealth**

### **Alberta allows for electronic pension beneficiary designation**

The Alberta pensions regulator has released EPPA Update 20-07 Electronic Beneficiary Designation, which highlights the recent legislative amendment that permits the electronic signature and filing of the designation of persons to receive a benefit under a pension plan, a Locked-In Retirement Account, and a Life Income Fund as long as the process complies with the requirements of Alberta's Electronic Transactions Act.

**Resources** [sunita.chowdhury@mercer.com](mailto:sunita.chowdhury@mercer.com)  
[EPPA Update 20-7](#) (Superintendent of Pensions, 10 Dec. 2020)

## Canada — British Columbia (new)

**Status**  **Currently effective**

**Development** **Wealth**

### **British Columbia provides short-term funding relief for target benefit plans**

The Government of British Columbia (BC) has amended the Pension Benefits Standards Regulation to offer short-term funding relief to target benefit plans. Administrators may elect an exemption from the requirement to fund the Provision for Adverse Deviation for a period that begins on a review date during the period from 31 Dec 2019 to 30 Dec 2022 inclusive, and ends before the following review date. The BC Financial Services Authority has provided guidance on this relief in Pens 20-005 issued on 18 Dec 2020.

**Resources** [Pens 20-005](#) (Financial Services Authority, 18 Dec 2020)

## Canada — Manitoba (new)

**Status**  **Currently effective**

**Development** **Wealth**

### **Manitoba issues temporary pension funding relief**

The Manitoba government has permitted a moratorium on unfunded liability and solvency deficiency special payments with respect to the 13 months from December 2020 to December 2021 under the Special Payments Moratorium Regulation issued on 17 Dec 2020.

**Resources** [jared.mickall@mercerc.com](mailto:jared.mickall@mercerc.com)  
[Special Payments Moratorium Regulation](#) (Government, 17 Dec 2020); [Update 20-02](#) (Office of the Superintendent, 18 Dec 2020)

## Canada — New Brunswick (new)

**Status**  **Currently effective**

**Development** **Wealth**

### **New Brunswick requires pension plans to have written governance policy**

Pension plans in New Brunswick are required to establish, adopt and follow a written governance policy under a recent amendment to the General Regulation under the Pension Benefits Act that came into effect on 22 Oct 2020. New Brunswick's pensions regulator has released guidance that outlines what must be included the new requirements. The policies do not have to be filed with the regulator but must be submitted upon request — no requests will be made before 31 Dec 2021.

**Resources** [lori.park@mercer.com](mailto:lori.park@mercer.com)  
[Government Bulletin](#) (Financial and Consumer Services Commission, 4 Dec 2020)

## Canada — Québec (new)

Status  Currently effective

### Development **Wealth**

#### **Québec allows for implementation of target benefit plans**

The National Assembly of Québec adopted Bill 68 on 11 Dec 2020, allowing the implementation of target benefit pension plans (TBPs) in Québec. The legislation follows two years of consultations with major trade unions and employers' associations and is aimed at addressing the decline in traditional defined benefit (DB) pension plans. Highlights include:

- TBPs will be available in union or nonunion environments, on a single-employer or multiemployer pension plan basis, but may not cover employees outside of Québec, except under exceptions to be described in regulations.
- Contributions will be predictable and fixed for both employers and members. Funding will be on “going concern” basis and will include a stabilization provision.
- Monthly life pensions, without being guaranteed, may be estimated in advance according to a predetermined formula. The pension amount may increase or decrease depending on the plan's financial strength.
- Benefits cannot be based on an “average of the last” or highest salaries and cannot provide for early retirement subsidies depending on years of service. However, guaranteed indexation after retirement will be allowed as long as it is based on a fixed formula (not related to an index such as in inflation). Investment and longevity risks will be pooled among all active and retired members.
- DB-type provisions will not be permitted in TBPs, such as for service prior to the TBP implementation date. In addition, a DB pension plan cannot be converted to a TBP for past service. However, it will be possible to convert a defined contribution pension plan or a multiemployer negotiated contribution pension plan to a TBP, subject to the regulatory provisions.

**Resources** [fhubert.tremblay@mercer.com](mailto:fhubert.tremblay@mercer.com)  
[GRIST](#), 8 Jan 2021

## Canada — Québec (previously covered, newly effective)

**Status**  **Currently effective**

**Development** **Career — Health**

### **More parental insurance plan flexibility measures now effective**

Certain legislative measures to provide parental insurance plan flexibility took effect on 1 Jan 2021. They include:

- Additional weeks of benefits for parents who share a minimum number of weeks of parental or adoption benefits. The payment amount will depend on if it is the basic or special plan.
- Additional weeks of parental or adoption benefits for each parent in the event of a multiple birth or adoption. The payment amount will depend on if it is the basic or special plan.
- Increased leave period for taking paternity, parental or adoption benefits (from 52 weeks to 78 weeks).
- Increased maternity benefits (from 18 weeks to 20 weeks).
- Exclusive adoption leave and benefits for each parent. The maximum number of weeks of benefits depends on if it is the basic or special plan.

**Resources** [camille.pillière@mercier.com](mailto:camille.pillière@mercier.com)  
[GRIST](#), 4 Dec 2020

## Canada (upcoming effective dates)

**Development** **Career**

- [Revised pay equity transparency measures issued](#) — Key date: 2021 reporting period

## Colombia (new)

**Status**  **Currently effective**

**Development** **Career**

### **Monthly minimum wage increases**

The monthly minimum wage in 2021 is COP 877,803, up from COP 828,116. The increase is equivalent to 2.2% on the 2020 rate.

**Resources** [Press release](#) (Spanish) (Government, 26 Dec 2020)

## Costa Rica (previously covered, newly effective)

**Status**  **Currently effective**

**Development** [Career](#)

### **Minimum wage increases**

As of 1 Jan 2021, the minimum wage increases by 0.30% for all categories of employees in the private sector, and by 2.33% for domestic employees. The national wages committee also announced that it will review the socioeconomic situation in Costa Rica no later than April 2021, with a view to adjusting the minimum wage rate.

**Resources** [Press release](#) (Spanish) (CNS, 28 Oct 2020)



## Mexico (new)

**Status**  **Effective dates vary**

### Development **Wealth**

#### **Reforms of state pension law to increase employers' costs**

Changes to Mexico's pension law, signed by the president on 9 Dec 2020, aim to strengthen the pension system and improve employees' financial well-being in retirement. The reforms will increase retirement benefits to eligible workers under the Social Security 1997 Law, and will increase the total contribution amounts to levels comparable with other OECD countries.

The reforms began on 1 Jan 2021. Changes to contribution amounts, the calculation of, and the eligibility for, guaranteed pensions will be phased in over an eight-year period. Highlights include:

- The social security quota for retirement will increase employers' contributions from 6.5% to 15% by 2030. The increase will be phased in starting in 2023.
- The increased amount of the Minimum Guaranteed Pension (MGP), aimed at 40%, will be paid to eligible employees.
- The number of contribution weeks required for MGP eligibility decreased to 750 weeks (equivalent to 15 years of contributions), down from 1,250 weeks, on 1 Jan 2021. However, the minimum number of contribution weeks required for MGP eligibility will increase gradually by 25-week increments to 1,000 weeks (equivalent to 20 years of contributions) in 2031.
- The amount of commissions charged by pension fund administrators is reduced, effective 1 Jan 2021.

The reforms will result in a three-fold cost increase for employers, depending on the applicable salary structure. Companies should analyze their compensation structures to minimize the cost increases, and consider optimizing the use of private retirement plans to improve their employees' financial wellness.

**Resources** [fernando.curriel@mercero.com](mailto:fernando.curriel@mercero.com) and [itzel.gonzalez@mercero.com](mailto:itzel.gonzalez@mercero.com)  
[GRIST](#), 6 Jan 2021

## Mexico (new)

**Status**  **Currently effective**

**Development** **Career**

### Minimum wage increased

The National Wage Commission announced new minimum wage rates, effective 1 Jan 2021. The daily minimum wage rate increased to MXN\$141.70 up from MXN \$123.22 in 2020 — a 15% increase. The daily minimum wage rate payable in the Free Economic Zone of the Northern Border increased to MXP\$213.39, up from MXN\$185.56.

**Resources** [Bulletin No. 15/2020](#) (Spanish) (Government, 16 Dec 2020)

## US (new)

**Status**  **Currently effective**

**Development** **Wealth**

### Virus aid legislation offers help for retirement plans, student loans

The massive year-end appropriations and coronavirus relief package signed into law December 27 (Pub. L. No. 116-260) contains several provisions to help retirement plans and participants through the pandemic. The measure includes a five-year extension of earlier relief that allows employers to repay a portion of employees' student loan debt on a tax-free basis. However, the legislation omits pension funding relief and a number of proposed technical corrections to the Coronavirus Aid, Relief and Economic Recovery (CARES) Act (Pub. L. No. 116-136). Many proposals left out of the year-end package could be addressed next year by the 117th Congress and the Biden administration.

**Resources** [brian.kearney@mercer.com](mailto:brian.kearney@mercer.com), [margaret.berger@mercer.com](mailto:margaret.berger@mercer.com) and [geoff.manville@mercer.com](mailto:geoff.manville@mercer.com)  
[GRIST](#), 6 Jan 2021

## US (new)

### Status



The final rule is effective 15 Jan 2021 and applies to proxy voting and other exercises of shareholder rights after that date. However, certain provisions aren't applicable until 31 Jan 2022. The new prohibited transaction exemption (PTE) is effective 16 Feb 2021.

### Development **Wealth**

#### **More fiduciary investment guidance finalized**

The Department of Labor (DOL) recently issued two significant and highly anticipated pieces of fiduciary investment guidance. On 11 Dec 2020, DOL issued its final rule on ERISA fiduciaries exercising proxy voting for stock held by a plan. The final rule, like the original proposal, makes clear that fiduciaries aren't required to vote all proxies. But the final rule significantly revises the standards that fiduciaries must follow when deciding whether to vote.

On 18 Dec 2020, DOL published a new final class PTE allowing investment advice fiduciaries to receive certain compensation for their advice — including advice to roll over ERISA-plan assets — that would otherwise result in a prohibited transaction under ERISA and the Internal Revenue Code. The PTE also allows investment advice fiduciaries to engage in “covered principal transactions” (i.e., the purchase or sale of certain securities and other investments) with ERISA plans and individual retirement accounts (IRAs). The PTE applies to SEC- and state-registered investment advisors, broker-dealers, banks and insurance companies that are investment advice fiduciaries under ERISA.

### Resources

[brian.kearney@mercerc.com](mailto:brian.kearney@mercerc.com) and [margaret.berger@mercerc.com](mailto:margaret.berger@mercerc.com)  
[GRIST](#), 22 Dec 2020

## US (new)

### Status



Currently effective

### Development **Career — Health**

#### **Department of Labor issues guidance on electronic posting of labor notices**

In response to the increased use of remote working, the Department of Labor's (DOL's) Wage and Hour Division (WHD) issued guidance (Field Assistance Bulletin 2020-7) on when electronic posting by employers — via email or an internet or intranet website — will satisfy the notice requirements for employees and applicants of their rights under the federal Fair Labor Standards Act, the Family and Medical Leave Act, the Employee Polygraph Protection Act, and the Service Contract Act. In most cases, the electronic notices supplement, but do not replace, the requirements to post a hard copy notice. The guidance responds to the DOL's "ongoing commitment to provide the workforce critical information about flexibilities that allow employers and employees to better navigate the uncharted waters brought on by the coronavirus' effects on the workplace." Highlights include:

- If laws and the applicable regulations require a notice to be continuously posted at a worksite, the WHD, in most cases, will only consider electronic posting to be an acceptable substitute if all employees: exclusively work remotely, customarily receive information from the employer via electronic means, and have readily available access to the electronic posting at all times. Where an employer has both on-site and teleworking employees, DOL encourages both methods of posting.
- If laws and applicable regulations permit delivery of notices to individual employees, electronic delivery could fulfill notice requirements only if the employee customarily receives information electronically from the employer. This criteria is consistent with WHD's existing regulations.
- Electronic notices must be as effective as a hard copy posting. Determining whether affected individuals can readily see an electronic notice depends on the facts. For instance, the affected individuals must have the ability to access and view the notice without having to request permission to view a file or access a computer. WHD gives several examples of when an electronic notice is insufficient.
- The guidance covers the posting requirements for the above-mentioned laws and regulations and specifically explains how electronic notices will comply.

### Resources

[GRIST](#), 4 Jan 2021

## US (new)

**Status**  **Currently effective**

### Development **Health**

#### **Guidance issued on telemedicine and serious health conditions under the FMLA**

The Department of Labor's Wage and Hour Division issued Field Assistance Bulletin 2020-8 that addresses the criteria necessary for a telemedicine visit to be considered an "in-person" visit for the purpose of establishing a serious health condition under the Family Medical Leave Act (FMLA). To be considered an "in-person" visit, the telemedicine visit must include an examination, evaluation or treatment by a health care provider; be permitted and accepted by state licensing authorities; and generally, should be performed by video conference.

**Resources** [Field Assistance Bulletin 2020-8](#) (DOL, 29 Dec 2020)

**US (new)****Status****Currently effective****Development** **Health****Supreme court upholds state law regulating pharmacy benefit managers**

The Supreme Court has ruled that the federal law ERISA doesn't preempt a state law that regulates how pharmacy benefit managers (PBMs) reimburse pharmacies. The case centers on an Arkansas law requiring PBMs to reimburse a pharmacy for generic drugs at a price at least equal to the wholesale invoice amount that the pharmacy paid for the drug inventory. The law also mandates that PBMs use updated "maximum allowable cost" (MAC) lists and permit appeals. In addition, pharmacies have a "decline to dispense" option when a particular transaction would cause them to lose money. After a PBM industry association sued to block the law, the 8th US Circuit Court of Appeals held that the law is preempted because it interferes with the nationwide uniform administration of ERISA health plans. In a unanimous ruling, the high court overturned the decision, finding "ERISA does not preempt a state law that merely increases costs." The statute regulates only the relationship between PBMs and pharmacies. The law does not make "reference to" or have an impermissible "connection with" ERISA plans. Nor does the statute regulate plans themselves or their relationships with PBMs, pharmacies or plan participants. Citing a 1995 case, the court said "creating inefficiencies alone is not enough to trigger ERISA preemption."

Since the Arkansas law's enactment, many states have taken action to regulate PBMs. Some impose additional requirements beyond pharmacy reimbursement. Plan sponsors will need to work with PBMs to determine to what extent, if any, a given state's PBM standards may apply to a self-insured plan. The Arkansas law has three major components. Under two key provisions, a PBM must work with pharmacies to ensure its MAC list reflects the latest pricing and must provide a means for pharmacies to appeal reimbursement. The third component gives network pharmacies the right to refuse to fill a prescription if their reimbursement won't cover their cost for the drug. Plan sponsors will need to ensure their PBMs are working with Arkansas pharmacies to comply with these requirements, without beneficiaries being refused service.

In the longer term, plan sponsors will need to seek protection from increasing claim costs if generic reimbursement rates rise, with cost increases passed along to sponsors. Plan sponsors also will want to understand what the implications are for other states' PBM laws and how this decision might lay the groundwork for future cases affecting healthcare claim costs.

**Resources**

[catherine.stamm@mercer.com](mailto:catherine.stamm@mercer.com) and [kaye.pestaina@mercer.com](mailto:kaye.pestaina@mercer.com)  
[GRIST](#), 10 Dec 2020

## US (new)

**Status**  **Generally effective for investments and monitoring decisions made after 12 Jan 2021, but fiduciaries have until 30 Apr 2022, to make any necessary changes to a plan's qualified default investment alternatives.**

### Development **Wealth**

#### **Rule on selecting employee benefit plan investments finalized**

The Department of Labor has finalized changes to its “investment duties” regulation for ERISA plan fiduciaries that select investments for employee benefit plans. Updates include one change to the regulation’s existing safe harbor on the prudent selection of investments and a new rule establishing minimum requirements for fiduciaries to satisfy their duty of loyalty. As background, the investment duties regulation explains how fiduciaries can satisfy their duty of prudence when carrying out investment activities. The rule is a safe harbor, so fiduciaries that follow it are treated as satisfying their duty of prudence.

**Resources** [brian.kearney@mercer.com](mailto:brian.kearney@mercer.com) and [margaret.berger@mercer.com](mailto:margaret.berger@mercer.com)  
[GRIST](#), 3 Dec 2020

## US (new)

**Status**  **Effective date is currently slated for 8 Mar 2021**

### Development **Career**

#### **Final rule on independent contractor status issued**

The Department of Labor (DOL) issued a final rule on 6 January 2021, to simplify and clarify how to distinguish between employees and independent contractors under the Fair Labor Standards Act (FLSA). The rule is largely similar to the proposal issued in September 2020 and aims to simplify compliance and reduce worker misclassification by making it easier for businesses to identify FLSA-covered employees. However, the future status of the rule is uncertain as president-elect Biden has announced that he will “halt or delay midnight regulations” and other actions taken by the Trump administration that have not taken effect by Inauguration Day. The announcement cited this DOL final rule as an example of one that would be frozen.

**Resources** [GRIST](#), 11 Jan 2021

## US (new)

Status  **Currently effective**

### Development **Career**

#### **Opinion letter related to partial telework and compensation for travel time**

The Department of Labor's (DOL's) Wage and Hour Division has issued opinion letter Fair Labor Standards Act (FLSA) 2020-19, which addresses whether an employee's travel time occurring on a partial telework day under a number of different scenarios is compensable under the Fair Labor Standards Act. The Division concluded that the employee's time was not compensable.

Resources [FLSA 2020-19](#) (DOL, 31 Dec 2020)

## US (new)

Status  **Currently effective**

### Development **Career**

#### **Religious exemption for federal contractors expanded**

The Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) has issued a final rule that expands the ability of federal contractors to claim religious exemptions from federal nondiscrimination and equal employment opportunity laws and regulations. The rule encourages the full and equal participation of religious organizations as federal contractors and clarifies the parameters of the religious exemption in Executive Order 11246 "to provide the maximum legal protection of religious exercise permitted by the Constitution and law, including the Religious Freedom Restoration Act." OFCCP has also provided frequently asked questions on the rule.

Resources [FAQs](#) (OFCCP, 8 Jan 2021); [News release](#) (OFCCP, 7 Dec 2020); [Rule](#) (Federal Register, 9 Feb 2020)



## US (previously covered, newly effective)

**Status**  **Pooled plan providers can offer pooled employer plans starting 1 Jan 2021**

**Development** **Health**

### **Department of Labor (DOL) finalizes pooled plan provider registration requirements**

The DOL has finalized its regulation establishing registration requirements for providers offering “pooled employer plans.” These defined contribution retirement plans are open multiple-employer plans authorized by the Setting Every Community Up for Retirement (SECURE) Act of 2019 (Pub. L. No. 116-94). The final regulation adopts the proposed registration requirements without significant changes, but makes some changes to clarify registration deadlines and simplify reporting requirements. Pooled plan providers can offer pooled employer plans starting 1 Jan 2021.

**Resources** [brian.kearney@mercerc.com](mailto:brian.kearney@mercerc.com) and [margaret.berger@mercerc.com](mailto:margaret.berger@mercerc.com)  
[GRIST](#), 20 Nov 2020

## US (previously covered, newly effective)

**Status**  **Currently effective**

**Development** **Health**

### **Changes to 2021 ACA out-of-pocket maximums, ESR penalties; other changes ahead**

The final Notice of Benefit and Payment Parameters for 2021 adopts many of the Affordable Care Act (ACA) regulatory changes proposed early in 2020 by the US Department of Health and Human Services. The notice addresses federal standards that will apply to the private insurance market starting in 2021, including some affecting employer-sponsored plans. The wide-ranging regulation provides the adjustment factor that determines the 2021 ACA cost-sharing limits — or out-of-pocket (OOP) maximums — and employer shared-responsibility assessments. The notice also clarifies the treatment of drug manufacturer coupons when tracking the ACA’s OOP maximums and addresses health reimbursement arrangements. Other changes to how insurers calculate medical loss ratios and how states report on essential health benefits could have some indirect effects on employer-sponsored plans.

**Resources** [kaye.pestaina@mercerc.com](mailto:kaye.pestaina@mercerc.com), [dorian.smith@mercerc.com](mailto:dorian.smith@mercerc.com), [margaret.berger@mercerc.com](mailto:margaret.berger@mercerc.com)  
[GRIST](#), 3 June 2020

## US (previously covered, newly effective)

Status  Currently effective

### Development **Health**

#### **Health savings account, high-deductible health plan figures now effective**

The Internal Revenue Services' 2021 inflation-adjusted amounts for health savings accounts (HSAs) and high deductible health plans (HDHPs) are now effective. The tax-deductible/tax-free HSA contribution limits and HDHP in-network out-of-pocket maximums will increase for both self-only and family coverage levels, while HDHP minimum annual deductibles are unchanged. The HSA catch-up contribution limit is set by statute and has remained the same since 2009.

**Resources** [dorian.smith@mercero.com](mailto:dorian.smith@mercero.com), [kaye.pestaina@mercero.com](mailto:kaye.pestaina@mercero.com)  
[GRIST](#), 20 May 2020

## US — California (new)

Status  Currently effective

### Development **Career — Health**

#### **Workplace safety standards with leave and testing requirements imposed**

California OSHA's emergency temporary standards (ETS) provide employers with guidance on the detailed elements that must be included in a COVID-19 prevention program. The ETS establish mandatory protocols that require employers to provide cost-free, confidential COVID-19 testing during working hours for employees potentially exposed to COVID-19 in the workplace.

The ETS also require an apparent uncapped amount of paid, protected leave for employees who must be “excluded” from the workplace during a COVID-19 outbreak. An employer may require the “excluded” employee to exhaust paid sick leave benefits before providing exclusion pay, and may offset payments by the amount an employee receives in other benefit payments. The state's FAQs clarify that the ETS doesn't apply to worksites with only one employee who doesn't have contact with other people or employees working from home.

Employers also must notify employees of safety protocols, including where they can obtain testing for COVID-19, such as through the employer's workplace-based testing program or through the local health department, a health plan, or at a community testing center. Marsh Consulting Solutions provides a return-to work overview on California's requirements, including hazard assessments, disclosures, reporting and preventive measures. Marsh has also posted a comprehensive employer compliance guide for businesses with California employees.

**Resources** [catherine.stamm@mercer.com](mailto:catherine.stamm@mercer.com) and [carol.malenka@mercer.com](mailto:carol.malenka@mercer.com)

[News release](#) (Occupational Safety and Health Standards Board, 1 Dec 2020); [Returning people to the workplace safely: California SB 1159, AB 685 COVID-19 Legislation and Cal/OSHA's COVID-19 Prevention Plan Review](#) (Marsh); [Returning people to the workplace safely: A practical guide for managing COVID-19](#) (Marsh)

## US — California (previously covered, newly effective)

**Status**  **Currently effective**

### **Development** **Career**

#### **Employers should have provided sexual harassment training by 1 January**

California employers with five or more employees must have provided at least two hours of sexual harassment training and education to all supervisors and one hour of training to nonsupervisory employees by 1 Jan 2021, under legislation (2019 Ch. 215) signed Aug 30. Online training modules developed by the California Department of Fair Employment and Housing are available. After initial training, training should be every two years.

Employers must provide the sexual harassment training within six months of an employee's hire or promotion to a supervisory position. Seasonal or temporary workers hired for periods of less than six months must receive training within the first 30 calendar days of employment or 100 hours worked, whichever occurs first.

**Resources** [GRIST](#), 11 Sep 2019

## US — Colorado (previously covered, newly effective)

Status  Currently effective

### Development **Career**

#### **Pay equity law becomes effective**

The Equal Pay for Equal Work Act (SB 19-085) now prohibits all employers from discriminating because of sex (including gender identity) — alone or with another protected status — by paying less for substantially similar work in terms of skill, effort and responsibility. Every employer with any employees in the state will have to comply with the law. The Department of Labor and Employment, through its Division of Labor Standards and Statistics (the Division), adopted final administrative rules on 11 Nov 2020 that were scaled back from their proposed rules and limit the scope of the job posting requirement.

The Division will enforce the law, investigate complaints and establish a voluntary mediation service. Employees could also pursue private civil actions and recover up to three years of back pay and double damages. The Division will not accept complaints of violations that occurred before 1 Jan 2021.

Employers can limit liability for damages by showing the act or omission causing the pay violation was made in good faith. In particular, employers that proactively self-evaluate their compensation practices for disparities could use those audits as a partial defense against a pay equity claim.

Resources [GRIST](#), 17 Nov 2020

## US — Connecticut (previously covered, newly effective)

**Status**  **Contributions started on 1 Jan 2021**

### **Development** **Health — Career**

#### **Paid Family and Medical Leave contributions begin**

The paid family and medical leave program that started on 1 Jan 2021, is 100% employee funded, and benefits will first be available in 2022. Covered employees will be able to take up to 12 weeks of paid leave to deal with their own or a family member's serious health condition, donate an organ or bone marrow, bond with a new child, or handle a military exigency arising from active-duty service — or a call to activity-duty service — by the employee's spouse, son, daughter or parent. Additional leave will be available for employees experiencing domestic violence or pregnancy-related complications.

**Resources** [catherine.stamm@mercer.com](mailto:catherine.stamm@mercer.com), [katharine.marshall@mercer.com](mailto:katharine.marshall@mercer.com)  
[GRIST](#), 29 Aug 2019

## US (upcoming effective dates)

### Development **Career**

- [California employers required to file equal pay reports](#) — Key date: 31 Mar 2021
- [Employee data collection delayed due to effects of COVID-19](#) — Key date: March 2021
- [Voters approve \\$15 minimum wage in Florida](#) — Key date: 3 Sep 2021
- [Board director from underrepresented communities required in California](#) — Key date: 31 Dec 2021
- [Gender diverse boards required in Washington state](#) — Key date: 1 Jan 2022

### **Career — Health**

- [Paid family and medical leave approved by voters in Colorado](#) — Key date: 1 Jan 2023

### **Health**

- [Healthcare cost transparency rules and medical loss ratio changes finalized](#) — Key date: 1 Jan 2022
- [Employee-funded long-term care to be established in Washington](#) — Key date: 1 Jan 2022

### **Wealth**

- [Electronic delivery rule for retirement plan notices finalized](#) — Key date: 27 Jul 2021

## 4

# Asia Pacific

### Australia (new)

Status  Proposal

Development **Wealth**

#### Superannuation reforms proposed

The government has published an exposure draft that includes measures previously announced in the federal budget and slated to take effect on 1 Jul 2021. Highlights include:

- Employers would have to contribute to an existing “stapled” fund for new hires who start work after 1 Jul 2021, and have a stapled fund but have not selected a fund to receive contributions. Future regulations would set out the specifications, and employers would be able to ask the Australian Taxation Office to identify existing stapled funds for new hires. Tiebreak rules would apply where an employee has multiple funds. An employer could contribute to a fund of its choice for employees who do not have a stapled fund and who do not choose a fund. Employers exempt from providing employees with a choice of fund could opt in to use the stapled fund rules.
- The Australian Prudential Authority (APRA) would conduct an annual performance test for MySuper products and for other products specified in the regulations. APRA would have stronger powers to direct management of underperforming products and to publish prudential standards for resolution planning by underperforming products.
- Members would be able to use a new YourSuper online tool to compare and select funds.
- Transparency and accountability obligations for superannuation funds would increase. The evidential burden of proof would be reversed and would apply to actions brought by a regulator.

Resources [paul.shallue@mercercorp.com](mailto:paul.shallue@mercercorp.com)  
[GRIST](#), 15 Dec 2020



## Australia (previously covered, newly effective)

Status  Beginning in 2021

### Development **Wealth**

#### **Super funds subject to small business reporting**

Large Australian businesses — including superannuation funds with total annual income exceeding A\$100 million — will have to report, every six months, payment terms and practices for any supplier that is a small business. The measures, which aim to improve payment outcomes for small businesses, feature in The Payment Times Reporting Act 2020 and will generally take effect in 2021. Significant penalties will be levied for failure to file reports under the Payment Times Reporting Scheme — these will not apply until mid-2022. Highlights include:

- Reporting organizations will have to put systems in place by 1 Jan 2021, to identify suppliers that are small businesses, set out the timeframe for invoice payments, and provide any other reporting information required. Smaller organizations could voluntarily decide to report under the scheme.
- Provided information must include the proportion of small business invoices paid by the reporting organization according to various timeframes (such as invoices paid within 21 days, 21 to 30 days, etc.).
- Small businesses will be defined as organizations with less than A\$10 million in annual turnover. This is the same definition used in taxation legislation. The Payment Times Reporting Small Business Identification Tool will help reporting organizations identify their small business suppliers.
- Finalized rules, not yet published, will define small businesses as any organization recognized by the identification tool. Earlier in 2020, the government consulted on rules to address the act's implementation.
- A new regulator — the Payment Times Reporting Regulator — will be established to administer and enforce compliance with the scheme, including instructing reporting entities to undertake independent audits where there is reasonable suspicion of wrongdoing. Reporting entities will have a period of 18 months to apply the new measures, without penalty. Penalties are expected to apply from 30 Jun 2022, and could be levied for failure to report or maintain payment records or for providing false or misleading information.

Resources [paul.shallue@mercero.com](mailto:paul.shallue@mercero.com)  
[GRIST](#), 11 Nov 2020

## Australia (upcoming effective dates)

### Development **Career**

- [Regulator asks for input on revised remuneration standard](#) — Key date: 12 Feb 2021
- [Superannuation pension reform measures in budget](#) — Key date: 1 Jul 2021

### **Wealth**

- [Financial product design, distribution rules postponed](#) — Key date: 5 Oct 2021
- [Australia revises consumer dispute resolution for finance sector](#) — Key date: 5 Oct 2021
- [Australia increases consumer protection for financial products](#) — Key date: 5 Oct 2021

## China (new)

**Status**  **Currently effective**

### Development **Career**

#### **Support for employers on skilled talent evaluation**

In order to improve the training, use, evaluation and incentive system of skilled talent, the Ministry of Human Resources and Social Security has issued a notice outlining support to enterprises to encourage the evaluation of skilled talent.

Notice by the Ministry of Human Resources and Social Security on supporting enterprises to vigorously conduct evaluation of skilled talents.

**Resources** [jingting.zou@mercer.com](mailto:jingting.zou@mercer.com)

[Notice by the Ministry of Human Resources and Social Security on supporting enterprises to vigorously conduct evaluation of skilled talents](#) (Chinese) (Ministry of Human Resources and Social Security, 7 Dec 2020)

## China (new)

### Status



Currently effective

### Development **Career**

#### **Methods of withholding and prepayment of individual income tax for certain taxpayers simplified**

From 1 Jan 2021, eligible taxpayers whose annual wage and salary income does not exceed RMB 60,000 and whose individual income tax is withheld and repaid by the same employer on a monthly basis within the preceding complete tax year, will not have to prepay tax on months when their accumulative income of the current tax year is not higher than RMB 60,000. Instead, they are allowed to start paying the tax from the month when their accumulative income exceeds RMB 60,000 to the end of the current tax year.

### Resources

[jingting.zou@mercer.com](mailto:jingting.zou@mercer.com)

[Announcement on Further Simplifying and Optimizing the Methods of Withholding and Prepayment of Individual Income Tax for Certain Taxpayers](#) (Chinese) (State Taxation Administration, 1 Jan 2021)

## China (previously covered, newly effective)

Status  Currently effective

### Development **Career**

#### **Sexual harassment, privacy protections now effective**

Employers should have implemented measures to prevent and address sexual harassment — and take account of employees' privacy rights — by 1 Jan 2021 under measures included in the first ever Civil Code issued by the National People's Congress on 28 May 2020. Highlights include:

- Employers will have to take “reasonable measures” to prevent sexual harassment and introduce procedures for investigating and handling claims. Employers must also prevent and stop sexual harassment resulting from abuse of power, such as personal and other networks or connections.
- “Sexual harassment” includes misconduct manifested through words, text, images, physical behavior or other means. While current law does prohibit sexual harassment, it is not defined.
- Victims of harassment will be allowed to bring claims against perpetrators, although the code does not set out the procedures for bringing claims or the potential damages that could be awarded.
- The code also includes privacy right provisions, which will prohibit employers from infringing on an employee's life outside of the workplace via telephone, text messages, instant messaging tools, emails and leaflets — unless the employee agrees. The code also defines personal data and how it may be processed.

Resources [GRIST](#), 28 Sep 2020

## India (upcoming effective dates)

### Development **Career — Health — Wealth**

- [Labor and employment laws reformed](#) — Key date: 1 Apr 2021

#### **Health**

- [EDLI payment benefits to increase](#) — Key date: Effective date has not been announced

## Japan (previously covered, newly effective)

**Status**  **Currently effective**

### Development **Health — Wealth**

#### **Flexible time off measures now effective**


Employees can request time off by the hour at any time during working hours to take care of a sick or injured child or family member — under measures in the revised Act on Childcare and Family Care Leave. To take advantage of this increased flexibility, employers must have amended their rules of employment. Also, employers in certain industry sectors are allowed to refuse hourly leave requests — for example, due to the nature or location of the work or provisions included in labor-management agreements. Under the old rules, employees were restricted to requesting leave by the half-day to care for a sick child or family member, and employees who worked four hours or fewer per day were not allowed to request time off to provide such care.

**Resources** [yukiko.sanjo@mercer.com](mailto:yukiko.sanjo@mercer.com)  
[GRIST](#), 19 Oct 2020

## Japan (upcoming effective dates)

### Development **Career**

- [Employers urged to employ workers until age 70](#) — Key date: 1 Apr 2021

Malaysia (new)	
Status	 Currently effective
Development	<p><b>Career</b></p> <p><b>2021 budget expands wage subsidy, training</b></p> <p>Malaysia's 2021 budget includes increased funding and revised eligibility criteria for the wage subsidy program that took effect on 1 July 2020. "PenjanaanKerjaya 2.0" also features expanded hiring incentives for certain categories of workers. Funding for training programs devised in collaboration with private sector employers was also announced. Highlights include:</p> <ul style="list-style-type: none"> <li>• The amount of funding for the wage subsidy program increased to MYR 2 billion. Companies in the tourism and retail sectors with up to 500 employees will be eligible for the program (eligibility was previously capped at 200 employees).</li> <li>• The wage subsidy for employers hiring employees who earn MYR 1,500 has increased to 40% of the monthly salary — previously it was a flat rate of MYR 800.</li> <li>• Employers hiring a person with disabilities, individuals who are unemployed on a long-term basis, single mothers, and retrenched workers will receive 20% of the employee's monthly salary.</li> <li>• Employers hiring a local person to replace a foreign worker will receive an additional 20% incentive calculated on the employee's monthly wage.</li> <li>• The maximum training rate that employers can claim for highly skilled training and professional certification increased to MYR 7,000 — up from MYR 4,000.</li> <li>• Employers will receive an incentive of MYR 1,000 for hiring apprentices for a three-month period and will be awarded a training grant of up to MYR 4,000 for participants in the Apprenticeship Programme for Graduates.</li> <li>• Upskilling and Reskilling Programmes implemented with private sector employers will be funded up to MYR 100 million. Employers in the tourism sector will have a six-month exemption from paying the Human Resources and Development Fund levy, starting in January 2020.</li> </ul>
Resources	<p><a href="mailto:danisha.sritharin@mercer.com">danisha.sritharin@mercer.com</a></p> <p><a href="#">GRIST</a>, 7 Jan 2021</p>

## Malaysia (previously covered, newly effective)

**Status**  **Currently effective**

### Development **Wealth**

#### **EPF measures address COVID-19 pandemic**

The Employee Provident Fund (EPF) announced two measures aimed at responding to the COVID-19 pandemic to begin in January 2021. The measures will allow individuals to increase the amount they can drawdown from their EPF account and introduces a one-year reduction in the employees' statutory EPF contribution. The EPF manages the compulsory savings plan and retirement planning for private sector workers in Malaysia. Highlights include:

- The EPF will increase the amount that eligible members can choose to drawdown from MYR 9,000 to MYR 10,000 (the total amount that can be withdrawn from Account 1 will be capped at MYR 60,000). i-Sinar scheme was announced in Budget 2021 and aims to provide financial support to members facing financial hardship due to COVID-19. It is restricted to active and inactive members who meet the following eligibility criteria: Loss of employment, self-employment, leave without pay and individuals without any other income source.
- The employees' statutory contribution rate to the EPF will be temporarily reduced to 9% (from 11%) for a period of one year (January to December 2021) for members younger than age 60; the contribution rate remains unchanged for members aged 60 and older. Members could choose to maintain their contribution at 11%, subject to filing forms with the EPF. The reduction aims to alleviate financial pressures arising from the COVID-19 pandemic.

**Resources** [megat.harith.suhaimi@mercer.com](mailto:megat.harith.suhaimi@mercer.com)  
[GRIST](#), 2 Dec 2020

## New Zealand (new)

**Status**  **Consultation is open until 1 Feb 2021**

### Development **Career — Health**

#### **Consultation on tax treatment of employer-provided accommodation**

Comments are invited by 1 Feb 2021 on the New Zealand government's proposed tax treatment of employer-provided accommodation.

**Resources** [Draft operational statement ED0227](#) (Inland Revenue)

## Philippines (new)

**Status**  **Currently effective**

**Development** **Health — Wealth**

### **Social security contribution rate increases**

The Department of Finance increased the monthly social security contribution on 1 Jan 2021, from 12% to 13% calculated on the maximum monthly salary credit (MSC). Employers contribute 8.5% and employees must contribute 4.5%. The maximum MSC increased to PHP 25,000 from PHP 20,000, and the minimum MSC increased to PHP 3,000 from PHP 2,000 with some exceptions.

**Resources** [Press release](#) (Department of Finance, 23 Dec 2020)

## Singapore (new)

**Status**  **Currently effective**

**Development** **Career**

### **New tech visa/work pass launched**

Singapore has launched a new work pass category called “Tech.Pass” to attract highly accomplished technology experts - pass holders could be an employee, consultant or director in or more Singapore-based companies. The Singapore Economic Development Board administers this work pass scheme and started accepting applications from January 2021, with 500 places available. The work pass will be valid for two years and could be renewed for a further two-year period, subject to meeting the eligibility criteria.

**Resources** [News release](#) (Economic Development Board, 12 Nov 2020)



## Taiwan (new)

**Status**  **Currently effective**

### Development **Health**

#### **National health insurance contribution rates increase**

Employers will face increased costs due to changes to the National Health Insurance contribution and supplementary rates, effective 1 Jan 2021, under an announcement by the Ministry of Health and Welfare on 31 Dec 2020. The National Health Insurance premium contribution rate for employees has increase to 5.17% — up from 4.69%, and the supplementary premium rate has increased to 2.11% — up from 1.91% Employers contribute 60% of the cost. On average, employees' premium will increase by NT\$63 per month. The Minister announced that the new rates will be maintained at least through 2022.

**Resources** [margaret.tseng@mercer.com](mailto:margaret.tseng@mercer.com) and [clement.tang@mercer.com](mailto:clement.tang@mercer.com)  
[Announcement](#) (Chinese) (Ministry of Health and Welfare, 31 Dec 2020); [Calculator for contribution amounts](#) (Chinese) (Ministry of Health and Welfare)

## Vietnam (previously covered, newly effective)

Status  Currently effective

### Development **Career**

#### Labor code changes now effective

Changes to Vietnam's labor code became effective on 1 Jan 2021. Highlights include:

- The retirement age will increase from 60 to 62 for men by 2028 and from 55 to 60 for women by 2035. The phased-in increases will begin in 2021 and annually raise the retirement age by three months for men and four months for women. Permitted exceptions include workers employed in heavy, hazardous or dangerous jobs will still be allowed to retire up to five years earlier than their retirement age; and highly skilled workers will be allowed to work for up to five years beyond their retirement age.
- Permitted contract types will be fixed-term contracts of up to 36 months' duration or indefinite-term contracts. Contracts for specific tasks and seasonal work will be unlawful, and employers can't require that employees work to pay back a debt. Employers will be allowed to issue contracts electronically.
- "Enterprise managers" according to the Law on Enterprises could be subject to a probationary period of up to 180 days — up from the current maximum 60-day period.
- Information about gross and net salary payments must be included on monthly salary slips.
- The maximum period of overtime will increase from 30 to 40 hours per month and employees would have to agree to work overtime. The normal workweek remains unchanged at 48 hours.
- An additional public holiday will be given either on the day before or after Independence Day on 2 September.
- Expatriate employees working in Vietnam could have their contracts extended once for up to two years. Current law places no limit on contract renewals for expatriate workers.
- Employers could unilaterally terminate an employee who has reached the normal retirement age, is absent for five consecutive workdays without providing proper reason, or who provided false information when recruited. Employers will have to provide termination payments to eligible employees within 14 workdays after the termination date.
- For the first time, employees will have the right to establish an independent representative organization. Under current law, the Vietnamese General Confederation of Labor is the only recognized representative body for workers.

Resources [GRIST](#), 12 Dec 2019

## 5

# Europe, Middle East and Africa (EMEA)

### European Union (EU) (new)

**Status**  **Currently effective**

**Development** **Career — Health — Wealth**

#### **Brexit: UK/EU finalize agreement, some employment provisions**

The UK and the EU ratified the Trade and Cooperation Agreement (TCA) on 24 Dec 2020 prior to the UK's departure from the EU's Single Market and Customs Union on 1 Jan 2021. Highlights include:

- The UK currently is treated temporarily as a EU member state for purposes of personal data transfers. The EU aims to publish an adequacy decision on UK data protection law within four months, extendable to six.
- Certain types of short-term business trips are allowed without the need for a visa under the TCA, although member states can apply further restrictions. Social security coordination will continue for most benefits for individuals undertaking short business trips, and necessary and emergency healthcare will continue "in principle." National rules could be applicable to UK employees posted to an EU/EEA member state to work longer periods.
- The professional qualifications of UK nationals and of EU citizens who acquired their qualification in the UK, are no longer mutually recognized. The TCA foresees the possible introduction of a mechanism to allow mutual recognition on a case-by-case basis and for specific sectors.
- A nonregression clause applicable to certain labor standards that the UK must uphold so as to avoid the distortion of trade and investment. The UK agrees to adhere to ILO Conventions and to respect the rights included in the European Convention on Human Rights.
- The TCA provides for the establishment of various judicial, dispute resolution and other mechanisms to implement the TCA and with the aim of ensuring a level playing field between the UK and the EU.

**Resources** [GRIST](#), 11 Jan 2021

## EU

**Status**  **Consultation is open until 29 Jan 2021**

### Development **Career**

#### **European Banking Authority issues proposals for revised sound remuneration guidelines**

The European Banking Authority has issued proposed revisions to the Guidelines on Sound Remuneration Principles in order to comply with the European Union's capital requirements directive (CRD V). Highlights include:

- Governance arrangements and processes that promote sound and effective risk management must be included in institutions' remuneration policies.
- Guidelines differentiate between remuneration requirements applicable to all staff and to "identified staff" who have a material impact on the institution's risk profile.
- Remuneration policies and practices must avoid incentivizing excessive risk taking, be aligned with the long-term strategy of the institution, and must be transparent with regard to fixed and variable pay and the award criteria used.
- The guidelines restrict the use of any variable remuneration.
- Gender neutral remuneration policies and practices must be applicable to all staff.
- Clarification of the institutions that should establish a remuneration committee.
- National laws may allow (i) the waiver of payouts in instruments and (ii) the deferral of variable remuneration for smaller institutions and staff who are paid smaller amounts of variable remuneration.
- Clarification of how the remuneration framework applies, on a consolidated basis, to investment and other financial institutions subject to a specific remuneration framework.

**Resources** [richard.symons@mercer.com](mailto:richard.symons@mercer.com)  
[GRIST](#), 10 Nov 2020

## EU (upcoming effective date)

### Development **Career**

- [Consultation on sustainable corporate governance](#) — Key date: 8 Feb 2021
- [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

## Bulgaria (new)

**Status**  **Effective 1 Jan 2021**

### Development **Career**

#### **Minimum wage increased**

Bulgaria's monthly minimum wage increased on 1 Jan 2021 to BGN 650.

**Resources** [Decree No. 331 \(Bulgarian\)](#) (Government, 26 Nov 2020)

## Czech Republic (new)

**Status**  **Currently effective**

### Development **Career**

#### **Minimum wage increased**

Minimum wage rates in Czech Republic increased on 1 Jan 2021. The new hourly rate will be CZK 90.50 (up from CZK 87.30); the monthly minimum wage will be CZK 15,200 (up from CZK 14,600); and the new minimum wage rates applicable to different sectors will range between CZK 90.50 per hour to CZK 181, and between CZK 15,200 to CZK 30,400 per month.

**Resources** [Decree 487/2020 \(Czech\)](#) (Government)

## Denmark (new)

### Status



1 Jan 2022

### Development **Wealth**

#### **Parliament finalizes new early retirement option**

The Danish parliament passed an act on 21 Dec 2020, introducing a new early retirement option that will become effective on 1 Jan 2022. In the fall, the government and other relevant parties had agreed on a new early retirement option for employees, including self-employed persons that have had long and hard working lives. Highlights include:

- The early retirement option is based on the number of years an individual has worked. For example, a 61-year-old individual who has been in the labor market for 44 years can retire three years before the national retirement age, and 42 and 43 years will allow retirement one or two years early.
- Certain periods when individuals do not work full-time (such as a period of unemployment, sickness, part-time work, maternity leave or compulsory internship periods) will not count against calculating the number of years in the labor market.
- The agreement also includes measures to improve the working environment. For example, DKK 100 million will be set aside in 2023 and private and public workplaces can apply for funds to improve the mental and physical work environment.

According to the employment ministry, 41,000 full-time employees are expected to be entitled to early retirement in 2022, and 24,000 full-time employees are expected to exercise the right.

### Resources

[heine.olsen@mercermarshbenefits.com](mailto:heine.olsen@mercermarshbenefits.com)

[Act](#) (Danish) (Government, 15 Dec 2020); [GRIST](#), 3 Nov 2020

## Finland (new)

**Status**  **Currently effective**

**Development** **Health**

### **Benefit-in-kind taxation updated**

Guidance published on 22 Dec 2020, by the Finnish tax administration explains that employer-organized virtual recreational activities and food provided by the employer are tax-free, but the provision of gift cards is taxable. Also, employee benefits that are provided during periods of unpaid leave or layoffs are deemed tax-free, subject to the employer's agreement. Changes to the taxation of employer-provided electric cars and accessories feature in guidance issued on 18 Dec 2020, and include a reduction of €170 per month in car benefits, effective 1 Jan 2021 to 31 Dec 2025.

**Resources** [Guidance](#) (Finnish) (Tax Administration, 22 Dec 2020); [Guidance](#) (Finnish) (Tax Administration, 18 Dec 2020)

## France (new)

**Status**  **Currently effective**

**Development** **Health**

### **Subscribers have more options to cancel health insurance**

From 1 Dec 2020, individual and collective medical insurance plans can be cancelled by the subscriber at any time, subject to providing the insurer with 30 days' notice — under measures included in Loi No 2019-733. The law also allows subscribers changing plans to instruct their new insurers to trigger cancellation arrangements with the old insurer. The new law does not apply to insurers who are only allowed to cancel on 31 December with a two-month notice period. Also, insurance policies providing coverage for incapacity, invalidity and death are not affected by the new law.

**Resources** [amandine.marsella@mercer.com](mailto:amandine.marsella@mercer.com)  
[GRIST](#), 16 Dec 2020

## France (upcoming effective date)

### Development **Career — Health**

- [Paternity leave to increase](#) — Key date: 1 Jul 2021

## Germany (previously covered, newly effective)

### Status **Currently effective**

### Development **Wealth**

#### **Basic pension law to benefit low wage earners is now effective**

A new supplementary state basic pension law (“Grundrente”) for low wage earners who contribute to the German social security system for at least 33 years became effective on 1 Jan 2021, but payments will not start yet as the Stationary Retirement Organisation (Deutsche Rentenversicherung — DRV) is still in the process of determining the necessary calculation. The new law also increases the subsidy amount paid to employers that contribute to occupational pension schemes for low wage earners. To be eligible for the basic pension, low wage earners must contribute to the social security insurance system for a minimum of 33 years, and their annual earnings must not exceed 80% of average earnings over that entire period. The basic pension amount will be linked to the number of years the individual contributed, up to a maximum of €418.83 per month. The full pension is payable if the individual has contributed for 35 years, and it will be reduced proportionately between 33 and 35 years. Individuals with other sources of monthly income — for example, occupational pension benefits — will receive a reduced basic pension if their income exceeds certain thresholds: €1250 (singles) and €1950 (couples). If an individual’s income exceeds the threshold allowance, the basic pension is reduced — initially by 60% of the amount that exceeds the allowance and then by 100% for income above €1600 (singles) and €2300 (couples). The basic pension will be paid for by the taxation system and won’t be funded by additional contributions.

Employers will receive subsidies of up to 30% for occupational pension scheme contributions on behalf of employees whose salary doesn’t exceed €2,575 per month. Under the new law, the maximum amount of employer contributions eligible for the subsidy will double to €960 per year — up from €480. The maximum subsidy amount an employer could receive will also double — to €288 — up from €144. Employers must meet the following conditions to receive the subsidy: contributions are paid only by the employer and must be at least €240 each year; the scheme must be insurance-based; and scheme benefits must be paid as an annuity.

**Resources** [stefanie.beyer@mercer.com](mailto:stefanie.beyer@mercer.com)  
[GRIST](#), 10 Jul 2020



## Ireland (upcoming effective date)

### Development **Wealth**

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

## Israel (upcoming effective date)

### Development **Career**

- [Gender pay gap reporting expanded](#) — Key date: 1 Jun 2022

## Luxembourg (new)

**Status**  **Currently effective**

### Development **Career**

#### **Employer subsidy provided to offset increased minimum wage for 2021**

The government has published a law that provides for a subsidy payment to employers in economic sectors severely impacted by the coronavirus pandemic and unable to pay the increased minimum wage rates for 2021. The new rate for unskilled workers is €2,201.93 per month (up from €2,141.99), and for skilled workers the new rate is €2,642.32 (up from €2,570.39).

**Resources** [Law](#) (French) (Government, 21 Dec 2020); [Law](#) (French) (Government, 15 Dec 2020)

## Malta (new)

**Status**  **Currently effective**

### Development **Career**

#### **Minimum wage increased**

The government published the revised minimum wage, effective 1 Jan 2021. The weekly minimum wage is €181 for employees aged 18 years and older, €174 for employees aged 17, and €171 for employee younger than 17.

**Resources** [Legislation](#) (Government)

## Oman (previously covered, newly effective)

**Status**  **Currently effective**

### Development **Career**

#### **Employer and employee contributions begin for job security fund**

A new Job Security Fund will pay an allowance to Omani citizens who have completed any probationary period and are terminated for nondisciplinary reasons. The allowance amount will be 80% of the employee's average wage — calculated over the 24 months prior to the termination date — and will be paid for up to six months.

From 1 Jan 2021, private and public sector employees will pay 1% of their monthly salaries to the fund via payroll deduction, and employers will be required to pay the same amount to the Public Authority for Social Insurance. Employers that hire non-Omani employees must pay an additional 5% into the fund when applying for or renewing work permits. From 1 Nov 2023, the fund will expand to pay an allowance to Omani citizens searching for a job.

**Resources** [GRIST](#), 5 Oct 2020

## Oman (upcoming effective date)

### Development **Health**

- [Oman issues implementation rules for new health insurance scheme](#) — Key date: Effective date is not known

## Poland (previously covered, newly effective)

**Status**  **Currently effective**

### Development **Career**

#### **Minimum wage increase takes effect**

The minimum wage increased from PLN 2,600 to PLN 2,800 per month and from PLN 17 to PLN 18.3 per hour.

**Resources** [News Release](#) (Polish) (Government, 15 Sep 2020)

## Portugal (new)

**Status**  **Currently effective**

**Development** **Career**

### **Minimum wage increase takes effect**

The monthly minimum wage increased to €665 up from €635, effective 1 Jan 2021.

**Resources** [Press release](#) (Government, 22 Dec 2020)

## Russia (new)

**Status**  **Currently effective**

**Development** **Career**

### **Maximum base for social security, pension contributions published**

The Russian Federal Tax Service announced the maximum base rates for calculating social security and pension contributions in 2021. Effective 1 January, the maximum base amounts are RUB 1,465,000 for compulsory pension contributions, and RUB 966,000 for compulsory social insurance contributions for temporary disability and maternity.

**Resources** [Announcement](#) (Russian) (Government, 4 Dec 2020)

## Slovakia (previously covered, newly effective)

**Status**  **Currently effective**

**Development** **Career**

### **Minimum wage, supplementary pay rates increased**

The revised minimum wage is €623 (up from €580 in 2020) and the new hourly rate is €3.58 (up from €3.33). Different minimum wage rates apply to jobs based on their work intensity. In addition, the supplements payable for night work, work performed on Saturday or Sunday, and for work outside of the employment relationship are revised. Previously, the supplements were set as a percentage of the hourly minimum wage, but are now paid at flat rates (the value of the flat rate is less than the current percentage). The flat rates are €1.25 for night work, €1.61 for Saturday working, €3.22 for Sunday working, and €3.58 for work performed outside of an employment relationship on a public holiday.

**Resources** [Press release](#) (Slovakian) (Government, 26 Aug 2020)

## Spain (new)

Status  Currently effective

### Development **Wealth**

#### 2021 budget includes pension plan changes

Spain's General State Budget for 2021 includes several employment-related tax measures, including revised contribution levels for qualified pension plans and company plans. Highlights include:

- The annual maximum contribution for qualified pension plans is reduced to €2,000 per year — down from €8,000. This change applies to individual or company plans, such as “planes de pensiones,” “mutualidades de previsión social,” “planes de previsión social empresarial” and “planes de prevision asegurados.” Employers can contribute an additional €8,000. Similarly, the permitted personal income tax deduction for plan contributions is capped at €2,000 per year — down from €8,000 — and employers can contribute an additional €8,000. The total amount of contributions must not exceed 30% of the total net income derived from employment and any other economic activity during the year.
- The maximum joint deduction for individual and company contributions to company plans and systems is €10,000.
- The taxation of employees who are transferred to Spanish territory has increased. A tax rate of 24% will be applied up to €600,000, and income exceeding that amount is taxed at 47% (the previous rate was 45%).
- The taxation of insurance premiums has increased to 8% — up from 6%.
- State pension payments increased by 0.9%, and noncontributory pensions increased by 1.8%. The public pension payment is capped at €37,904.86 for 2021.

Resources [juanluis.alonso@mercer.com](mailto:juanluis.alonso@mercer.com) and [bruno.olivella@mercer.com](mailto:bruno.olivella@mercer.com)  
GRIST, 4 Jan 2021

## Spain (upcoming effective date)

### Development **Career**

- [Gender equality, pay transparency laws published](#) — Key date: 7 Mar 2021

## Switzerland (previously covered, newly effective)

**Status**  1 Jan 2021

**Development** [Career — Health](#)

### **Paternity leave offered**

Fathers in Switzerland are now entitled to 10 days of paid paternity leave under legislation amending the Loss of Earnings Compensation Act. Fathers previously did not have a statutory right to paternity leave after the birth of a child. Highlights include:

- Fathers can take paternity leave in a single period or as individual days but must use the leave within six months after the baby's birth.
- Paternity leave benefits will equal 80% of the employee's average salary prior to the baby's birth but will be capped at a total of CHF 2,744, or CHF 196 per day.
- The eligibility rules for paternity leave are the same as for maternity leave. The father must be employed or self-employed at the time of the birth, covered by the old age and survivor's insurance scheme during the past nine months, and employed for at least five months of that period.
- Employers that pay an employee's salary during paternity leave will receive the benefit payment instead of the employee. Employers can increase the amount of paternity leave and pay.
- Employers cannot reduce the vacation entitlement of employees who take paternity leave.

**Resources** [GRIST](#), 1 Oct 2020

## Turkey (new)

**Status**  **Currently effective**

**Development** [Career](#)

### **Minimum wage increases**

The Turkish government announced increased minimum wage rates, effective 1 Jan 2021, to TRY 3,577.50 gross, and TRY 2,825.90 net. Different net minimum wages apply to individuals with a spouse or children.

**Resources** [Announcement](#) (Turkish) (Government, 28 Dec 2020)

## Turkey (upcoming effective date)

### Development [Career](#) — [Health](#)

- [Date to re-enroll in auto-enrollment pension postponed](#) — Key date: 2022

## Ukraine (new)

Status  **Currently effective**

### Development [Career](#)

#### Minimum wage rate increases

Ukraine's monthly and hourly minimum wage rates increased, effective 1 Jan 2021. The new monthly minimum wage is UAH 6,000 with a further increase is slated for 1 Dec 2021 to UAH 6,500. The hourly rate increased on 1 Jan 2021 to UAH 36.11 with a further increase to UAH 39.12 on 1 Dec 2021.

Resources [Law](#) (Ukrainian) (Government, 15 Dec 2020)

UK (new)	
Status	 Currently effective
Development	<p><b>Career — Health — Wealth</b></p> <p><b>Brexit: UK/EU finalize agreement, some employment provisions</b></p> <p>The UK and the EU ratified the Trade and Cooperation Agreement (TCA) on 24 Dec 2020, prior to the UK's departure from the EU's Single Market and Customs Union on 1 Jan 2021. Highlights include:</p> <ul style="list-style-type: none"> <li>• The UK currently is treated temporarily as a EU member state for purposes of personal data transfers. The EU aims to publish an adequacy decision on UK data protection law within four months, extendable to six.</li> <li>• Certain types of short-term business trips are allowed without the need for a visa under the TCA, although member states can apply further restrictions. Social security coordination will continue for most benefits for individuals undertaking short business trips, and necessary and emergency healthcare will continue “in principle.” National rules could be applicable to UK employees posted to an EU/EEA member state to work longer periods.</li> <li>• The professional qualifications of UK nationals, and of EU citizens who acquired their qualification in the UK, are no longer mutually recognized. The TCA foresees the possible introduction of a mechanism to allow mutual recognition on a case-by-case basis, and for specific sectors.</li> <li>• A nonregression clause applicable to certain labor standards that the UK must uphold so as to avoid the distortion of trade and investment. The UK agrees to adhere to ILO Conventions and to respect the rights included in the European Convention on Human Rights.</li> <li>• The TCA provides for the establishment of various judicial, dispute resolution and other mechanisms to implement the TCA and with the aim of ensuring a level playing field between the UK and the EU.</li> </ul>
Resources	<a href="#">GRIST</a> , 11 Jan 2021
UK (upcoming effective date)	
Development	<p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">National living wage, national minimum wage rates increased</a> — Key date: April 2021</li> <li>• <a href="#">Government postpones off-payroll working start date</a> — Key date: 6 Apr 2021</li> </ul>

**Mercer (US) Inc.**

Washington Square  
1050 Connecticut Avenue, Suite 700  
Washington, DC 20036  
[www.mercer.com](http://www.mercer.com)