Mercer

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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Highlights

Global	
COVID-19 pandemic	Countries take action to address workplace issues as result of the COVID-19 pandemic
Climate change	G7 agrees on measures to combat climate change
Remote working	Countries address remote working issues
Americas	
Argentina	Minimum wage rate schedule changed
Canada	Pay Equity Act's effective date announced Legislation to implement 2021 budget enacted New statutory holiday established for federally regulated employers Related party investment compliance effective
Chile	Return to work measures, mandatory employee insurance law enacted
Colombia	Electronic payroll requirement introduced
Cuba	Retired workers can be rehired, old age pension increased
El Salvador	Minimum wage to increase

Americas (continued)

United States (US)	Deadline extended for employee data submission Request for information on new prescription drug reporting requirement Guidance on sexual orientation and gender identity workplace rights published Electronic delivery rule for retirement plan notices finalized Federal and state legislative initiatives to prohibit hairstyle discrimination Federal and state legislative initiatives to increase the minimum wage State, cities tackle COVID-19 paid leave Paid sick leave mandates continue to expand at state level Resources for tracking state and city retirement initiatives PBM reporting expanded to include TPA data in Arkansas Proposed ban on pharmacy 'steering' by self-funded plans in California Gender expression and gender identity discrimination prohibited in Colorado 'Reverse PBM action' established in Colorado State public option established in Colorado Employers required to provide time off for voting in Connecticut Wage range disclosures required, pay equity law expanded in Connecticut Third-party payments to count toward cost sharing in Connecticut Third-party payment to count toward cost sharing required in Louisiana Employees can use leave for bereavement in Maryland Public health plan option established in Nevada Employers banned from seeking salary history in Nevada Discrimination based on hairstyle banned in Nevada Secure choice savings program mandated in New York Telehealth and parity expanded in Oregon

Americas (continued)	
US (continued)	Paid family medical leave insurance delay proposed in Oregon Discrimination based on hairstyle banned in Oregon Insulin cost sharing for insured plans capped in Oregon Pharmacy benefits manager requirements increased in Tennessee PBM prescription drug reimbursement requirements tightened in Texas Gender affirming treatment mandated in Washington Health plan covered lives assessment imposed in Washington
Asia Pacific	
Australia	Minimum wage increased Self-managed pension supers expanded Reduced minimum pension payment drawdown extended New financial regulatory authority established Regulator consults on remuneration guidance Super caps, superannuation guarantee maximum contribution base increased Act approved on financial advice and fees for Super funds
China	Strengthened workplace safety law proposed
India	Deadline extended for linking Aadhaar number with EPFO number
New Zealand	Sick leave increased for employees
South Korea	Cap on weekly working time extended to most employers

Europe, Middle East and Africa (EMEA)	
European Union (EU)	Workplace safety and health strategy initiatives proposed Entry for highly skilled workers eased Social security coordination rules for 'multistate employees' clarified New standard contractual clauses to transfer personal data published Digital COVID certificate finalized
France	Tax exemptions for employee travel-to-work expenses increased Paternity leave increased
Germany	Commercial partnership taxation revised Larger companies face human rights mandates
Kuwait	Insurance companies, brokers required to register
Norway	Consultation on revising remote working regulations
Poland	Minimum wage increases for 2022 proposed
Spain	Rights for delivery workers using digital platforms and information on AI use provided
Turkey	Private pension regulations revised
Ukraine	Paternity leave, other parental benefits enacted
United Kingdom (UK)	Guidance on 'right to work checks' published Single enforcement body for employment rights announced Climate change risk reporting proposed for pension schemes New reporting requirements for some defined contribution schemes Financial regulator consults on climate disclosures for listed companies Financial regulator sets out diversity, inclusion options for sector

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Global

Coronavirus (COVID-19) pandemic	
Status	**Ongoing initiatives**
Development	**Career — Health — Wealth** **Countries take action to address workplace issues as result of the 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)

Climate change (new)	
Status	⚠ **Currently effective**
Development	**Career — Wealth** **G7 agrees on measures to combat climate change** The G7 Finance Ministers have agreed on a multi-year effort to make climate reporting mandatory and on measures to crack down on the proceeds of environmental crime. The announcement stated it "is a major step towards ensuring the global financial system plays its part transition to net zero, as investors better understand how firms are managing climate risks and can allocate finance accordingly." The Finance Ministers also backed work by the International Financial Reporting Standards Foundation to develop a baseline global standard for high-quality, granular sustainability reporting, built from the Task Force on Climate-Related Financial Disclosures (TCFD) framework and work of sustainability standard-setters. A taskforce on nature-related financial disclosures will soon be launched — to mirror the TCFD — and central company beneficial ownership registries will be introduced and strengthened to crack down on the proceeds of environmental crimes. The G7 expressed its support for the Financial Standards Board in developing an ambitious roadmap that identifies and addresses climate-related financial risks, including steps to promote comparable disclosures, address data gaps, enhance vulnerabilities assessments and promote consistent regulatory and supervisory practices. They also support the Sustainable Finance Working Group in developing their G20 sustainable finance roadmap, with an initial climate focus.
Resources	G7 Finance Ministers and Central Bank Governors' Communiqué (G7 UK 2021, 5 Jun 2021); G7 Finance Ministers agree on historic global tax agreement (G7 UK 2021, 5 Jun 2021); IFRS Foundation responses to G7 Finance Ministers' communique regarding global sustainability standards (IFRS, 5 Jun 2021); FSB chair's letter to G20 Finance Ministers and Central Bank Governors: April 2021 (FSB, 6 Apr 2021); G20 Sustainable Finance Working Group (G20 Italia 2021, 16 Apr 2021)

Remote working	
Status	⚠ **Ongoing initiatives**
Development	**Career — Health — Wealth** **Countries address remote working issues** Remote working has become more of a permanent feature of the workplace for many employees and employers around the world — driven by measures introduced in many countries to address the effects of the COVID-19 pandemic. Remote working poses challenges and considerations for employers when devising or adjusting their policies. These include defining remote work and eligibility criteria, hybrid working arrangements, employee engagement, performance, cybersecurity, health and safety, the right to disconnect, employees who want to relocate to a different country or state, and returning remote workers to the workplace post-pandemic. Recently, several jurisdictions have introduced remote working legislative measures for after the pandemic that clarify employer and employee requirements, and others are expected to follow suit. To help employers consider the issues connected with remote working, Mercer is providing analysis and links to general information about ongoing remote working rights and trends in some countries sourced from Marsh McLennan, organizations, government websites, third-party resources and news articles.
Resources	Roundup: Employer resources on remote working rights/trends (Mercer, regularly updated)

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Americas

Argentina (upcoming effective date)	
Development	**Career** • Remote working rights post COVID-19 pandemic clarified — Key date: 90 days after pandemic ends

Argentina (new)	
Status	**Effective dates vary**
Development	**Career** **Minimum wage rate schedule changed** The schedule of minimum wage increases has been brought forward under a resolution published on 6 Jul 2021 by the labor ministry and minimum wage council. The same final increased monthly minimum wage has been advanced to 1 Sep 2021 (AR$29.160) — not 1 Feb 2022 as announced in May 2021. The revised schedule for the interim monthly minimum wage increases is 1 Jul 2021 (AR$27.216) and 1 Aug 2021 (AR$28.080) — previously, the interim minimum wage increases were scheduled for 1 Jul 2021, 1 Sep 2021, and 1 Nov 2021. The corresponding hourly minimum wage increases are AR$136,08, AR$140,40 and AR$145,80.
Resources	Resolution (Spanish) (Labor Ministry, 8 Jul 2021)

Brazil (upcoming effective date)	
Development	**Wealth** • Council imposes CNPJ registration duty on pension entities — Key date: 31 Dec 2021

Canada (new)	
Status	**Effective date is 31 Aug 2021**
Development	**Career** **Pay Equity Act's effective date announced** The Pay Equity Act will take effect on 31 Aug 2021 and applies to federally regulated employers with 10 or more employees. Recently published Pay Equity Regulations accompany the act, and employers will have up to three years to develop and implement pay equity plans, compare and evaluate job classes, provide an opportunity for their employees to comment on the pay equity plan, and increase the compensation of predominantly female job classes that are comparatively underpaid. Employers will have to review their pay equity plans at least once every five years. The Pay Equity Commissioner will be responsible for the administration and enforcement of the act and regulations, including carrying out compliance audits, and making orders for employers to comply.
Resources	Government of Canada announces that the *Pay Equity Act* will come into force on August 31, 2021 (Government, 7 Jul 2021) GRIST, 4 Dec 2020

Canada (new)	
Status	**Currently effective**
Development	**Career — Health — Wealth** **Legislation to implement 2021 budget enacted** Legislation to implement provisions of the 2021 federal budget received Royal Assent on 29 Jun 2021. Highlights include: • Amendments to the Pension Benefits Standards Act (PBSA) allow the Minister of Finance to designate a financial entity to receive transferred assets for a pension benefit credit of a person who cannot be located. • Federally regulated negotiated contribution plans (NCPs) will be subject to additional registration provisions under the PBSA, and PBSA provisions that render amendments void will not apply to NCPs. • The Income Tax Act (ITA) is amended to introduce an advanced life deferred annuity that requires periodic annuity payments to begin no later than the end of the calendar year in which the annuitant reaches age 85. • Variable-payment life annuities will provide an additional decumulation option for defined contribution plan members. • Amendments to the ITA prohibit tax-deferred transfers to a defined provision of a RPP that qualifies as an individual pension plan IPP when the transferred benefits are attributable to employment with a former employer. • Changes to the income tax regulations include additional conditions prohibiting certain contributions when registering a specified multiemployer pension plans as a registered pension plan. • Changes to the ITA facilitate the conversion of existing health and welfare trusts into employee life and health trusts, as first introduced in the 2018 federal budget. • An amendment to the Old Age Security Act provides seniors aged 75 or older a 10% increase to their payments starting in July 2022 and a one-time grant of CA $500 in August 2021 to seniors who will be age 75 or older in June 2022. • Certain proposed changes to the labor code for federally regulated employers will better align it with provincial employment standards and proposed changes to the federal Employment Insurance Act. The amendments include a CA $15 per hour minimum wage and expanded leave entitlements. Missing from Bill C-30 are the administrative changes announced in the 2021 federal budget to simplify the correction of contribution remittance errors in DC plans and reporting requirements.
Resources	kristin.smith@mercer.com GRIST, 6 Jul 2021

Canada (new)	
Status	**30 Sep 2021**
Development	**Career** **New statutory holiday established for federally regulated employers** Federally regulated workplaces in Canada will be subject to a new statutory holiday starting on 30 Sep 2021 (the National Day for Truth and Reconciliation) after changes to the labor code received Royal Assent on 3 Jun 2021. Examples of federally regulated workplaces include banks, radio and television networks, some railways, and telecommunications. The new holiday “seeks to honour First Nations, Inuit and Métis Survivors and their families and communities and to ensure that public commemoration of their history and the legacy of residential schools remains a vital component of the reconciliation process.”
Resources	Bill C-5 (Legislature, 3 Jun 2021)

Canada (previously covered, newly effective)	
Status	**Currently effective**
Development	**Wealth** **Related party investment compliance takes effect** Federal investment regulations, incorporated by reference in provincial pension regulations (with the exception of Québec and New Brunswick), and amended to remove the public exchange exemption to the purchase of related party investments, took effect 1 Jul 2016. The regulations imposed a five-year deadline to achieve compliance by 1 Jul 2021. Under the new rules, related party transactions may only be entered into if they are in: • An investment fund or a segregated fund in which other investors may invest, and that complies with the general investment rules for member choice accounts, as applicable • An unallocated general fund of a person authorized to carry on a life insurance business in Canada • Securities issued or fully guaranteed by the Government of Canada, the government of a province, or an agency of either one • A fund composed of mortgage-backed securities fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them • A fund that replicates the composition of a widely recognized index of a broad class of securities traded in a marketplace • An investment that involves the purchase of a contract or agreement for which the return is based on the performance of a widely recognized index of a broad class of securities traded at a marketplace Prior to the 1 Jul 2021 deadline, plan administrators should have conducted a review of any related party securities still held by a pension fund.
Resources	karine.bellavance@mercer.com Amendments to the related party rules Pension Benefits Standards Regulations, 1985 (Office of the Superintendent of Financial Institutions, 29 Oct 2019)

Canada (upcoming effective dates)	
Development	**Career** • Revised pay equity transparency measures issued — Key date: 2021 reporting period (1 Jun 2022)

Chile (new)	
Status	**Currently effective**
Development	**Career** **Return to work measures, mandatory employee insurance law enacted** A law outlining measures to be followed when employees return to work in their employer's office was published on 1 Jun 2021, and includes employer-paid mandatory insurance covering hospitalization costs and death benefits. Employers must provide insurance coverage for one year to all employees subject to the labor code, renewable at the end of one year if the COVID-19 state of alert is still applicable. Employers that do not take out the required insurance coverage will have to pay the costs that would have been covered by the insurance policy. The law also requires employees categorized as "high-risk" (including employees aged 60 years or older) to telework or work remotely, and employers must implement an occupational health and safety protocol, to be issued by the Mutual Fund.
Resources	felipe.vidal@mercer.com Law 21342 (Spanish) (Ministry of Labor, 1 Jun 2021)

Colombia (previously covered, newly effective)	
Status	**Phased-in beginning on 1 Jul 2021**
Development	**Career** **Electronic payroll requirement introduced** Employers in Colombia must implement an electronic payroll system under Resolution No. 000013 issued on 11 Feb 2021 by the National Tax and Customs Directorate (DIAN). The requirement applies to any taxpayer who hires one or more employees under an employment contract. The phase-in began on 1 Jul 2021, for employers with more than 250 employees, and will apply to all by 1 Dec 2021. The payroll systems and corresponding software must be validated by the DIAN, and employers must produce a monthly electronic payroll, regardless of the salary payment frequency.
Resources	david.cuervo@mercer.com Resolution No. 000013 (Spanish) (Dian, 11 Feb 2021)

Cuba (new)	
Status	**Currently effective**
Development	**Career — Wealth** **Retired workers can be rehired, old age pension increased** Retired workers can be rehired to their previous positions, and certain working pensioners' old age pension increased, under changes to Cuban social security law that aim to boost the country's economy. The changes took effect on 7 May 2021 and exempt pensioners with 45 years or more of service from the 90% cap on pensions if they return to work for a minimum period of five years. Working pensioners also will receive an additional 2% of average monthly earnings for each year of service exceeding 45 years. Employers can rehire retired workers to their previous roles in consultation with the government — under the old rules, pensioners were prevented from receiving their pension and salary if they were rehired to the same job.
Resources	Press release (Spanish) (Government, 14 Apr 2021)

El Salvador (new)	
Status	**Currently effective**
Development	**Career** **Minimum wage to increase** The minimum wage will increase by 20% as of August 2021 with the government reportedly paying for one year the increased salary for micro, small- and medium-sized companies. The minimum wage was last revised in 2017, and the amount varies by industry sector. It is estimated that 522,000 workers will benefit from the increase.
Resources	Press release (Spanish) (Government, 1 Jul 2021)

US (new)	
Status	**Deadline extended until 23 Aug 2021**
Development	**Career** **Deadline extended for employee data submission** The Equal Employment Opportunity Commission (EEOC) has extended the employer deadline for the submission of 2019 and 2020 EEO-1 component 1 (employer information report) data until 23 Aug 2021 — instead of 19 Jul 2021.
Resources	2019 & 2020 EEO-1 Component 1 Data Collection (EEOC)

US (new)	
Status	**Request for information is open until 23 Jul 2021**
Development	**Health** **Request for information on new prescription drug reporting requirement** The Internal Revenue Service, Department of Labor, and Health and Human Services recently released a request for information related to the new prescription drug reporting requirement for group health plans and health insurance issuers added by the Consolidated Appropriations Act, 2021. The Office of Personnel Management is also seeking input on the prescription drug data collection required for Federal Employees Health Benefit carriers. The new report is due by 27 Dec 2021. Comments are due by 23 Jul 2021 at 5 p.m.
Resources	cheryl.hughes@mercer.com and jennifer.wiseman@mercer.com Request for Information (Federal Register, 23 Jul 2021)

US (new)	
Status	**Currently effective**
Development	**Career — Health** **Guidance on sexual orientation and gender identity workplace rights published** The Equal Employment Opportunity Commission (EEOC) has released new resources on the rights of all employees, including lesbian, gay, bisexual and transgender workers, to be free from sexual orientation and gender identity discrimination in employment. The materials include a new landing page on its website that consolidates information concerning sexual orientation and gender identity discrimination and a new technical assistance document to help understand the Bostock decision and established EEOC positions on the laws the agency enforces. Additionally, there are links to EEOC statistics and updated fact sheets concerning recent EEOC litigation and federal sector decisions regarding sexual orientation and gender identity discrimination.
Resources	EEOC announces new resources about sexual orientation and gender identity workplace rights (EEOC, 15 Jun 2021) GRIST, 29 Jan 2021

US (previously covered, soon to be effective)	
Status	**Effective 27 Jul 2021**
Development	**Wealth** **Electronic delivery rule for retirement plan notices finalized** Final Department of Labor (DOL) e-delivery regulations will make it significantly easier for retirement plan administrators to deliver certain notices to participants and beneficiaries via internet websites, mobile apps and email. Before relying on the new safe harbor, a plan administrator must send all participants and beneficiaries an initial paper notice explaining the new e-delivery method. The initial notice is required before using either the notice-and-access method or email to e-deliver documents. Plan administrators cannot send the initial notice electronically, even to participants already receiving electronic disclosures under the 2002 safe harbor. After receiving initial notice about how to access the documents, participants and beneficiaries can opt out of e-delivery, but even those who do not opt out can request paper versions of specific documents. The rule takes effect 27 J 2021, but plan administrators may rely on it earlier. The new rule applies only to retirement plans (but DOL may address e-delivery rules for health and welfare plans in the future).
Resources	margaret.berger@mercer.com and brian.kearney@mercer.com GRIST, 1 Jun 2020

US — Federal and state	
Status	**Ongoing initiatives**
Development	**Career** **Federal and state legislative initiatives to prohibit hairstyle discrimination** The Creating a Respectful and Open World for Natural Hair (CROWN) Act movement in the US aims to prohibit discrimination based on natural hair texture or hairstyles that are normally associated with race, such as braids, locs, twists, curls, cornrows, afros, head wraps or bantu knots. The official campaign of the CROWN Act is led by the CROWN Coalition. Twelve states have already passed CROWN Acts (California, Colorado, Connecticut, Delaware, Maryland, Nebraska, Nevada, New Jersey, New York, Oregon, Virginia and Washington); many others are considering legislation, and federal legislation is also being considered. To help employers ensure their employee handbooks and appearance policies are nondiscriminatory and in compliance with federal, state and local laws, Mercer is providing analysis and compiling resources from organizations, government websites, third-party resources and news articles.
Resources	Roundup: US employer resources on hairstyle nondiscrimination laws (Mercer, 28 Jun 2021)

US — Federal and state	
Status	**Ongoing initiatives**
Development	**Career** **Federal and state legislative initiatives to increase the minimum wage** On 27 Apr 2021, President Biden issued an executive order requiring federal contractors to pay a $15 hourly minimum wage to workers on federal contracts starting 30 Jan 2022, for new contract solicitations — and by 30 Mar 2022, for new contracts. On 22 Jan 2021, President Biden issued an executive order asking the director of the Office of Personnel Management to provide recommendations on promoting a $15/hour minimum wage for federal employees. On 26 Jan 2021, House and Senate Democrats introduced the Raise the Wage Act of 2021 to progressively increase the minimum wage to $15/hour by 2025. Several states have taken action to gradually increase the minimum wage to $15/hour for most employees. To help employers prepare and address related issues, Mercer is providing analysis and compiling to federal and state resources from organizations, government websites, third-party resources and news articles.
Resources	Roundup: US employer resources on minimum wage increases (Mercer, 25 May 2021)

US — States, cities	
Status	**Currently effective**
Development	**Career — Health** **States, cities tackle COVID-19 paid leave** To alleviate some of the economic strain on employees unable to work due to COVID-19, some state and local authorities have implemented new paid leave requirements. Other jurisdictions modified existing leave laws or benefit programs to accommodate employees' needs during the pandemic. Mercer has provided brief summaries of the new state and local paid leave benefits, as well as guidance addressing how current paid leave benefits apply during the COVID-19 pandemic.
Resources	katharine.marshall@mercer.com and catherine.stamm@mercer.com GRIST, 14 Jun 2021

US — States		
Status	⚠	**Currently effective**
Development	**Career — Health** **Paid sick leave mandates continue to expand at state level** Colorado and New York are the latest states to enact laws requiring employers to provide accrued paid leave. Beginning in 2021, Colorado requires most employers to provide employees with one hour of paid sick leave for every 30 hours worked. New York required the same accrual rate beginning 30 Sep 2020 for paid sick leave to use in 2021. These mandates are just the latest among a growing number of states requiring employers to provide paid sick and other accrued leave for employees. Mercer details provisions of these laws in each jurisdiction.	
Resources	katharine.marshall@mercer.com and catherine.stamm@mercer.com GRIST, 8 Feb 2021	

US — States, cities (new)		
Status	⚠	**Effective dates vary**
Development	**Wealth** **Resources for tracking state and city retirement initiatives** This article summarizes state and city retirement initiatives for private-sector workers and rounds up relevant Mercer and third-party resources. This listing will be updated periodically and may not always reflect the latest developments in every state.	
Resources	GRIST, 23 Jun 2021	

US — Arkansas (previously covered, soon to be effective)	
Status	30 Jul 2021
Development	**Health** **PBM reporting expanded to include TPA data** Recently signed Arkansas legislation (Act 665, HB 1804) expands the scope of the state's pharmacy benefits manager (PBM) law's (§23-92-501 et seq.) reporting obligations to include the data of third-party administrators (TPAs) that administer self-funded health benefit plans, including governmental plans. PBMs must quarterly report for each healthcare payor — now including TPAs — certain aggregate rebate amounts received by the PBM, distributed to the payor and passed on to enrollees. Additional information must include amounts paid by the payor to the PBM and amounts a PBM paid for pharmacist services. The measure also calls for rules establishing a PBM network adequacy standard at least as strict as the federal standards for Tricare or Medicare Part D.
Resources	catherine.stamm@mercer.com HB 1804 (Legislature)

US — California (new)	
Status	Proposal
Development	**Health** **Proposed ban on pharmacy 'steering' by self-funded plans** California legislation (SB 524) approved in the state Senate and under consideration in the Assembly would bar health plans — including employer-sponsored, self-funded medical plans — that provide prescription drug coverage from requiring patients to use a particular pharmacy or pharmacies if other network pharmacies can provide the services or medication. The bill still permits a self-funded plan or its agent (e.g., a pharmacy benefit manager) to offer financial incentives to use a particular pharmacy or pharmacies. It is unclear to what extent ERISA would preempt this proposal if enacted. The plan sponsor's statement notes that while ERISA preempts state regulation of self-funded plans, in *Rutledge v. Pharm. Care Mgmt. Ass'n.*, the U.S. Supreme Court held that ERISA does not preempt provider reimbursement requirements.
Resources	SB 524 (Legislature)

US — Colorado (new)	
Status	⚠ **Effective 11 Sep 2021**
Development	**Career — Health** **Gender expression and gender identity discrimination prohibited** Colorado has expanded its anti-discrimination law to prohibit employment discrimination based on gender expression or gender identity under legislation (HB 21-1108) recently signed by the governor. “Gender expression” is defined as “an individual’s way of reflecting and expressing the individual’s gender to the outside world, typically demonstrated through appearance, dress and behavior. “Gender identity” is defined as “an individual’s innate sense of the individual’s own gender, which may or may not correspond with the individual’s sex assigned at birth.” The definition of “sexual orientation” was also changed to mean “an individual’s identity, or another individual’s perception thereof, in relation to the gender or genders to which the individual is sexually or emotionally attracted and the behavior or social affiliation that may result from the attraction.” The changes become effective on Sep. 11, 2021
Resources	HB21-1108 (Legislature)

US — Colorado (new)	
Status	⚠ **Process implementation date is not yet known**
Development	**Health** **'Reverse PBM action' established** New Colorado legislation (HB 1237) authorizes the state's Department of Personnel to establish a competitive "reverse auction" process — that could eventually open to private plans — for selecting the state health plan's pharmacy benefit manager (PBM) services through an automated, transparent bidding process conducted online. The state will seek vendors by Nov. 1, 2022 that can meet certain technology specifications to develop the process. After the first PBM reverse auction has been completed, private sector health plans "with substantial participation by Colorado employees and their dependents" will have the option to participate in a joint purchasing pool with state employees in subsequent auctions. New Hampshire established a similar law in 2020 and has begun the process of seeking bids from technology vendors.
Resources	catherine.stamm@mercer.com HB 21-1237 (Legislature)

US — Colorado (new)	
Status	⚠ **Rules must be established by 1 Jan 2022**
Development	**Health** **State public option established** Recently signed legislation (HB 1232) calls on the Commissioner of Insurance to establish rules by 1 Jan 2022 for standardized health benefit plans (designed with input from stakeholders) to be offered on Connect for Health Colorado. Carriers operating in the small group and individual markets will have to offer gold, silver and bronze plans in the areas where they currently offer individual and/or small group coverage. Premiums for the plans slated to begin 1 Jan 2023 must be at least 5% lower than a comparable benefit plan in 2021. In 2024, premiums must be 10% lower, and 15% lower in 2025. These amounts will be adjusted for inflation. Regulators may require health care providers, including hospitals, to participate in a standardized plan. Additional requirements apply for network adequacy, cost-sharing limits, and provider reimbursement rates. Colorado joins Washington and Nevada in adding the public option.
Resources	catherine.stamm@mercer.com HB 1232 (Legislature)

US — Connecticut (new)	
Status	⚠ **Effective until 30 Jun 2024**
Development	**Career — Health** **Employers required to provide time off for voting** Connecticut employers are required to provide all employees with two unpaid hours off to vote in any state election under legislation (SB Bill 1202) recently signed by the governor. Employees must request the time off no later than two working days prior to the election.
Resources	SB 1202 (Legislature)

US — Connecticut (new)	
Status	**Effective 1 Oct 2021**
Development	**Career** **Wage range disclosures required, pay equity law expanded** As of 1 Oct 2021, employers in Connecticut will be required to provide applicants and employees with wage ranges for positions. Applicants must receive the information prior to or at the time a compensation offer is made. Employees must receive the wage range upon hiring, a change in position, or first request. “Wage range” is defined as the range of wages an employer anticipates relying on when setting wages for a position, and may include reference to any applicable pay scale, previously determined range of wages for the position, the actual range of wages for those employees currently holding comparable positions, or the employer’s budgeted amount for the position. The new law (Public Act No. 21-30) also expands the standard for gender wage discrimination by prohibiting employers from paying employees of the opposite sex less for comparable worth — currently, the standard is equal work. Finally, the list of examples of bona fide factors that may justify wage differences has been expanded to include credentials, skills and geographic location.
Resources	Public Act No. 21-30 (Legislature)

US — Connecticut (new)	
Status	**Effective 1 Jan 2022**
Development	**Health** **Third-party payments to count toward cost sharing** Effective 1 Jan 2022, a new Connecticut law (SB 1003, PA-14) requires insured health plans to apply a credit for any discount provided or payment made by a third party toward patient cost sharing for the covered benefit. This provision does not apply to self-funded ERISA plans. For pharmacy benefits manager (PBM) contracts entered into with insurance carriers on or after 1 Jan 2022, the PBM must give credit for any discount provided or payment made by a third party for a covered prescription toward patient cost sharing. Employers with fully insured high-deductible health plans underwritten in Connecticut should review the HSA-eligibility implications of this new law. Last year, the US Department of Health and Human Services issued guidance clarifying the use of so-called copay accumulator programs which, by design, subtract the value of drug coupons from costs credited toward the OOP maximum (and deductibles). In short, HHS stated that group health plans and insurers may — but are not required to — count toward the OOP maximum any form of direct cost reductions, including coupons, that drug manufacturers offer to enrollees purchasing specific medications, regardless of whether a generic equivalent is available. This guidance — reversing prior a HHS position which seemingly required accumulation of drug coupons to OOP maximum (unless a generic equivalent was available) — was issued partially out of concern for the negative impact copay accumulator programs could have on HSA eligibility.
Resources	catherine.stamm@mercer.com SB 1003, Public Act No. 21-14 (Government)

US — Louisiana (new)	
Status	⚠ **Currently effective**
Development	**Health** **Third-party payments to count toward individual cost-sharing requirements** Effective 21 Jun 2021, a new Louisiana law (SB 94, Act 431) requires insured health plans to apply to an individual's cost-sharing requirement any amounts paid by the individual or on behalf of the covered individual by another person. Employers with fully insured high-deductible health plans underwritten in Louisiana or covering Louisiana employees may need to review the HSA-eligibility implications of this new law. This type of state legislation has become a growing trend since HHS last year issued guidance clarifying that group health plans and insurers may — but are not required to — count toward the OOP maximum any form of direct cost reductions, including coupons, that drug manufacturers offer to enrollees purchasing specific medications, regardless of whether a generic equivalent is available.
Resources	catherine.stamm@mercer.com SB 94, Act 431 (Legislature); GRIST, 3 Jun 2020

US — Maryland (new)	
Status	⚠ **Effective 1 Oct 2021**
Development	**Career — Health** **Employees can use leave for bereavement** From 1 Oct 2021, Maryland employers with 15 or more employees must allow employees to use any accrued paid leave (sick leave, vacation time, paid time off, and compensatory time) in the event of the bereavement of a child (of any age), spouse or parent under SB 473 that expanded the Maryland Flexible Leave Act.
Resources	catherine.stamm@mercer.com SB 473 (Legislature)

US — Nevada (new)	
Status	⚠ **Expected to begin in 2026**
Development	**Health** **Public health plan option established** Nevada legislation (SB 420) has been enacted that will establish a public health plan option available to individuals and small groups on the state's health insurance exchange. Each health plan offered must be an ACA qualified health plan with premiums at least 5% below a "reference premium" based on Medicare or the lowest cost silver plan. All carriers that provide Medicaid or CHIP in the state must submit a good-faith proposal to participate. All health plan providers that participate in the state employee benefit plan or Medicaid must participate in at least one public option network and accept new patients. Provider reimbursement rates would be tied to certain federal rates. The program, slated to begin in 2026, would be developed and managed by three agencies: insurance, health and human services, and the exchange. Regulators must apply for waivers under ACA Section 1332 and to bring Medicaid into the private option program.
Resources	catherine.stamm@mercer.com SB 420 (Legislature)

US — Nevada (new)	
Status	**Effective 1 Oct 2021**
Development	**Career** **Employers banned from seeking salary history** Nevada has joined a growing number of states enacting legislation to ban salary history requirements for job applicants. SB 293, effective 1 Oct 2021, deems that employers or employment agencies will not be allowed to ask the wage or salary history of an applicant; rely on the wage or salary history of an applicant to determine whether to offer employment; refuse to interview, hire, or promote an applicant, or discriminate or retaliate against an applicant if wage or salary history is not provided. Employers or an employment agency shall provide the wage or salary range or position rate to an applicant after an interview, and the wage or salary range or rate for a promotion or transfer to a new position if an employee has applied, completed an interview, and requested the information. Employers or an employment agency may still ask an applicant what the salary expectation is for the positon. In addition to any other remedy or penalty, the Labor Commissioner may impose fines of up to $5,000 for each violation.
Resources	SB 293 (Legislature)

US — Nevada (new)	
Status	**Currently effective**
Development	**Career** **Discrimination based on hairstyle banned** Nevada has joined a growing list of states banning discrimination based on hairstyles associated with race. Under SB 327 recently signed by the governor, the definition of “race” has been expanded to include traits associating race, including, without limitation, hair texture, and protective hairstyles. “Protective hairstyle” includes, without limitation, hairstyles such as natural hairstyles, afros, bantu knots, curls, braids, locks and twists. However, despite these protections, employers may still enforce health and safety requirements set forth in federal or state law.
Resources	SB 327 (Legislature)

US— New York (new)	
Status	⚠ **Effective date not yet known**
Development	**Wealth** **Secure choice mandated** New York state's Secure Choice Savings Program will become mandatory under new legislation (A03213) passed 7 Jun 2021 and awaiting the governor's signature. Under the law, private-sector employers in the state of New York that do not sponsor retirement plans will have to participate in the state-run, payroll-deduction Roth IRA program. When enacted in 2018, the program was voluntary for employers. The amendment making the program mandatory likely signals the demise of the recently enacted Savings Access New York Retirement Program, a program for employees in New York City that will not proceed if the state mandates a similar program. The new law also adds an auto-enrollment feature to the state's program and exempts certain small and new employers from participating.
Resources	margaret.berger@mercer.com and brian.kearney@mercer.com GRIST, 16 Jun 2021

US — Oregon (new)	
Status	**Currently effective**
Development	**Health** **Telehealth and parity expanded** Oregon has amended its telehealth law (ORS 743A.058) effective immediately to allow the use of audio-only technology. However, the legislation (HB 2508) prohibits using email, fax machines or text messaging. Dental services can also be provided under the amended law. Insured health and dental plans can't deny otherwise covered benefits merely because the services are rendered via telemedicine or restrict a provider to in-person only treatment. Additional insurance restrictions bar a plan from imposing additional certification, location or training requirements for telemedicine; charging different annual dollar maximums; or adding prior authorization requirements that do not apply to in-person visits. A plan must pay the same reimbursement for a health service regardless of whether the service is provided in person or using any permissible telemedicine application or technology. However, a plan may use value-based payment methods, including capitated, bundled, risk-based or other value-based payment methods.
Resources	catherine.stamm@mercer.com ORS 743A.058 (Oregon Laws)

US — Oregon (new)	
Status	**Proposal**
Development	**Career — Health** **Paid family medical leave insurance delay proposed** Oregon lawmakers are considering a bill (HB 3398) to delay implementation of the state's Paid Family and Medical Leave Insurance (PFMLI) program. Premium contributions under the law (ORS Ch. 657B) are scheduled to begin 1 Jan 2022 with PFMLI benefits for eligible employees starting 1 Jan 2023. Due to the drain on its resources to address COVID-19 issues, the Oregon Employment Department (OED) has asked the legislature to enact a delay. Under the revised time line, contributions would begin 1 Jan 2023. Regulations currently due on 1 Sep 2021 would be delayed one year, and the PFMLI program would become operative on 3 Sep 2023. The OED has cited the need for the delay to develop policy and administrative rules prior to collecting contributions; build a modernized technology platform; coordinate with partner agencies responsible for components of the program; and review employers' equivalent private plans. The bill has been approved in the House and Senate, and the governor is expected to sign it into law.
Resources	catherine.stamm@mercer.com HB 3398 (Legislature); GRIST, 11 Mar 2021

US — Oregon (new)	
Status	**Effective 1 Jan 2022**
Development	**Career** **Discrimination based on hairstyles banned** Oregon has joined the growing number of states banning discrimination based on hairstyles associated with race under HB 2935, signed by the governor on 11 June 2021 and effective on 1 Jan 2022. The Oregon Equality Act has been amended to include a new definition of "race" that "includes physical characteristics that are historically associated with race, including but not limited to natural hair, hair texture, hair type and protective hairstyles." "Protective hairstyles" include any "hairstyle, hair color or manner of wearing hair that includes, but is not limited to, braids, regardless of whether the braids are created with extensions or styled with adornments, locs and twists." Also, the legislation states that an employer's otherwise valid dress code or policy may "not have a disproportionate adverse impact on members of a protected class to a greater extent than the policy impacts persons generally."
Resources	HB 2935 (Legislature)

US — Oregon (new)	
Status	**Effective 1 Jan 2022**
Development	**Health** **Insulin cost sharing for insured plans capped** An insured health benefit plan offered in Oregon cannot require covered individual to incur cost sharing above $75 for each 30-day supply of insulin or $225 for each 90-day supply, under a new law (HB 2623, Ch. 160) that takes effect 1 Jan 2022. The state's Department of Consumer and Business Services will annually adjust the maximum by the percentage increase in the cost of living for the previous calendar year, based on changes in the Consumer Price Index for All Urban Consumers, West Region. Further, the coverage may not be subject to the health plan's deductible.
Resources	catherine.stamm@mercer.com HB 2623 (Legislature)

US — Tennessee (new)	
Status	⚠ **Effective 1 Jul 2021**
Development	**Health** **Pharmacy benefits manager requirements increased** Legislation (HB 1398) has been enacted that prohibits a pharmacy benefits manager (PBM) from interfering with a patient's right to choose a pharmacy, including through inducement, steering, or offering financial or other incentives. In addition, a covered individual must have the option to receive covered drugs and devices from a physician's office, a hospital outpatient infusion center providing and administering the drug, or a pharmacy without additional cost sharing or limitations. The measure bars a PBM from charging the health plan more than it pays a contracted pharmacy for a prescription drug or device and to obtain prescription drugs, including specialty drugs. The bill also imposes on PBMs a fiduciary responsibility to report to the health plan and the patient any benefit percentage that either are entitled to as a benefit. The measure imposes on the health plans an obligation, on request, to provide to covered individuals or their health care providers certain prescription drug cost, benefit and coverage data. The provisions will be added to the state's existing PBM law (§56-7-3101 et seq.) effective 1 Jul 2021.
Resources	catherine.stamm@mercer.com HB 1398 (Legislature)

US — Texas (new)	
Status	⚠ **Contracts issued on or after 1 Sep 2021**
Development	**Health** **PBM prescription drug reimbursement requirements tightened** A new Texas law (HB 1763) tightens restrictions on pharmacy benefit managers (PBMs) and certain health plans providing prescription drug benefits. The new law prohibits a plan from reducing pharmacy payments after adjudication except as part of an audit. PBMs can't pay an affiliated pharmacy or pharmacist more than the amount it pays a nonaffiliated pharmacy. The law applies to contracts issued or renewed on or after 1 Sep 2021 for health insurers, HMOs, self-funded church and school district health plans and self-funded plans offered by a multiple employer welfare arrangement (MEWA) or professional employer organization (PEO). The law does not otherwise apply to employer self-funded plans.
Resources	catherine.stamm@mercer.com HB 1763 (Legislature, 26 May 2021)

US — Washington (new)	
Status	⚠ **Health plans issued or renewed on or after 1 Jan 2022**
Development	**Career — Health** **Gender affirming treatment mandated** Under a new Washington law (SB 5313. Ch. 280), health plans issued or renewed on or after 1 Jan 2022 may not deny or limit coverage for medically necessary gender affirming treatment, and a plan can't apply categorical cosmetic or blanket exclusions. Gender affirming treatment benefits must comply with the federal Mental Health Parity and Addiction Equity Act and the Affordable Care Act. The measure specifies that gender affirming treatment can be prescribed to "two spirit, transgender, nonbinary, intersex, and other gender diverse individuals." Washington insurance law applies to insured health plans issued in the state and often to health plans issued elsewhere for any covered Washington residents.
Resources	catherine.stamm@mercer.com 2021 Ch. 280, SB 5313 (Legislature)

US — Washington (new)	
Status	**Currently effective**
Development	**Health** **Health plan covered lives assessment imposed** As of 1 Jul 2021, Washington health carriers, self-insured health plans, and multiple employee welfare arrangements (MEWAs) must pay a covered lives assessment to help to fund the Partnership Access Lines (PAL) program under a 2020 law (Ch. 291). The PAL program consists of four services that assist providers with managing their patients' psychiatric needs. Health Care Authority (HCA) FAQs note that health plans will owe a percentage of the costs for the PAL services in proportion to the number of covered Washington residents. Final regulations (Ch. 182-110 WAC) require health plans to register and report, beginning 1 Jul 2021, the total number of covered lives for each month of the prior quarter. Reports will be due within 45 days after the end of each calendar quarter. No additional information is currently available on reporting obligations. The HCA will be issuing further guidance with more operational details about the PAL assessment through a data submission guide to come at a later, unspecified date.
Resources	catherine.stamm@mercer.com Ch. 291 (Legislature); Ch. 182-110 WAC (Legislature); Partnership access lines: Your questions answered (Health Care Authority, June 2021)

US (upcoming effective dates)	
Development	**Career** • Voters approve $15 minimum hourly wage in Florida — Key date: 3 Sep 2021 • Prevailing wage rule for foreign workers delayed — Key date: 14 Nov 2021 • California requires board director from underrepresented communities — Key date: 31 Dec 2021 • Third-party payments to count toward cost sharing in Arkansas — Key date: 1 Jan 2022 • Most drug manufacturer insulin discounts banned in Arkansas — Key date: 1 Jan 2022 • Cost sharing for insulin restricted in Kentucky — Key date: 1 Jan 2022 • Legislation to require PBM regulation in Montana — Key date: 1 Jan 2022 • Minimum wage to progressively increase to $15 in Rhode Island — Key date: 1 Jan 2022 • Tight exemption timeline to long-term care law added in Washington — Key date: 1 Jan 2022 • Washington state requires gender diverse boards — Key date: 1 Jan 2022 • Federal contractors will be required to pay $15 minimum hourly wage — Key date: 30 Jan 2022 • Equal pay, workplace diversity disclosure laws enacted in Illinois — Key date: 1 Jan 2023 **Career — Health** • Paid family and medical leave contributions in Oregon begin in 2022 — Key date: 1 Jan 2022 • Paid sick leave legislation enacted in New Mexico — Key date: 1 Jul 2022 • Colorado voters approve paid family and medical leave — Key date: 1 Jan 2023 **Health** • Insulin cost sharing capped in Alabama — Key date: 1 Oct 2021 • Insulin cost sharing limited in Oklahoma — Key date: 1 Nov 2021 • Third-party Rx payments to count towards cost sharing in Oklahoma — Key date: 1 Nov 2021 • Behavioral health cost sharing banned, health premium surtax raised in New Mexico — Key date: 1 Jan 2022 • Healthcare cost transparency rules and medical loss ratio changes finalized — Key date: 1 Jan 2022 • Insureds' insulin and supplies cost limited in District of Columbia — Key date: 1 Jan 2022

US (upcoming effective dates, continued)
Health • Mental health parity aligned with federal mandate — Key date: 1 Jan 2022 • Third-party contribution legislation limits insurers' cost sharing in Kentucky — Key date: 1 Jan 2022 • Consumer privacy law enacted in Virginia — Key date: 1 Jan 2023

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Asia Pacific

Australia (new)	
Status	Currently effective
Development	Career **Minimum wage increased** The national minimum wage in Australia will increase on 1 Jul 2021 to A$772.60 per week (up from A$753.80) calculated on the basis of a week of 38 hours, and the hourly rate will be A$20.33 (up from A$19.84). The minimum wages in industry or occupation-based “modern awards” increased by 2.5% from 1 Jul 2021 for industry sectors that are less impacted by COVID-19, and increases in sectors impacted by the pandemic will be delayed until 1 Nov 2021 (such as aviation and hospitality).
Resources	Annual wage review 2020-21 (Fair Work Commission); Decision (Fair Work Commission, 16 Jun 2021)

Australia (new)	
Status	Currently effective
Development	Wealth **Self-managed pension supers expanded** The number of members permitted to be part of a self-managed super fund or a small Australian Prudential Regulation Authority fund (SAF) increased to six, up from four, effective 1 Jul 2021. The measure features in Treasury Laws Amendment (Self Managed Superannuation Funds) Bill 2020 that received royal assent on 22 Jun 2021. Some consequential changes to regulations will be required to fully implement the measure, which was first announced in the 2018-19 budget.
Resources	paul.shallue@mercer.com Treasury laws amendment (self managed superannuation funds) Bill 2020 (Legislature)

Australia (new)	
Status	⚠ **Reduction extended until 30 Jun**
Development	**Wealth** **Reduced minimum pension payment drawdown extended** Australia's temporary 50% reduction in the permitted minimum amount of pension payment drawdown has been extended for one more year — until 30 Jun 2022 (the end of the 2021-22 financial year). The measures feature in amended superannuation regulations — first introduced to address the impact of COVID-19, and slated to have ended on 30 Jun 2021. The reduced amount applies to account-based pensions, allocated pensions market-linked pensions, and for the equivalent annuity products.
Resources	paul.shallue@mercer.com Supporting retirees with extension of the temporary reduction in superannuation minimum drawdown rates (Treasurer, 29 May 2021)

Australia (new)	
Status	⚠ **Currently effective**
Development	**Wealth** **New financial regulatory authority established** A new statutory independent financial regulatory authority — the Financial Regulator Assessment Authority (FRAA) — was established in Australia on 1 Jul 2021 under measures included in Act No. 63 that received royal assent on 29 Jun 2021. The FRAA will assess the effectiveness and capability of Australian Prudential Authority and the Australian Securities and Investments Commission, and its establishment follows recommendations from the Financial Services Royal Commission. The FRAA's three members will be supported by a treasury-provided secretariat.
Resources	paul.shallue@mercer.com Financial Regulatory Assessment Bill Authority Bill 2021 (Parliament)

Australia	
Status	**Consultation open until 23 Jul 2021**
Development	**Career** **Regulator consults on remuneration guidance** The Australian Prudential Regulation Authority (APRA) issued on 30 Apr 2021 a consultation on draft guidance for remuneration practices in all regulated industries that will assist entities in meeting the requirements proposed in the new prudential standard, CPS 511 Remuneration (CPS 511). Comments are invited through 23 Jul 2021, and APRA plans to finalize the guidance in the second half of 2021. The aim of CPS 511 and the guidance is to improve remuneration practices, provide stronger incentives for individuals to manage proactively risks for which they are responsible, establish appropriate consequences for poor risk outcomes, and increase the transparency and accountability on remuneration matters. The guidance will support CPS 511, providing principles and good practice examples on issues, such as defining nonfinancial measures of performance and applying a material weight to them when deciding on variable remuneration. A consultation on proposed standard CPS 511 closed in February 2021, and APRA reports that it "does not expect to make material revisions to the current proposals" before the standard comes into effect beginning in 2023.
Resources	michael.moses@mercer.com Consultation — Draft guidance on remuneration (APRA, 30 Apr 2021); Consultation on remuneration requirements for all APRA-regulated entities (APRA, 30 Apr 2021)

Australia (previously covered, newly effective)	
Status	**Currently effective**
Development	**Wealth** **Super caps, superannuation guarantee maximum contribution base increased** Updated superannuation rates and thresholds have been published by the Australian Taxation Office. Highlights include: • The general concessional contributions cap will increase to A$27,500 in 2021/2022 — up from A$25,000 in 2020/2021. This is the first increase since 2017. • Individuals who are eligible to carry forward their unused personal concessional contribution caps from previous years could exceed the A$27,500 cap in 2021/2022 by making additional concessional contributions for unused amounts from previous years. To be eligible to carry forward, individuals must have a total superannuation balance of less than A$500,000 calculated on 30 Jun 2021, and must have contributed concessional contributions not exceeding A$75,000 over three financial years (2018/2019, 2019/2020 and 2020/2021). Unused contribution cap amounts can be carried over for up to five years, after which time they expire. • The general nonconcessional cap for an income year is calculated at four times the general concessional contributions cap. For 2021/2022, the cap will increase to A$110,000, up from A$100,000. Nonconcessional contributions include personal contributions which individuals have not claimed an income tax deduction. The carry forward option for individuals under the age of 65 on 1 Jul 2021 will be capped at A$330,000 in 2021/2022. Eligible individuals are allowed to make contributions of up to three times the nonconcessional limit in the first year of a three-year period, and also must fulfill other eligibility criteria. Individuals who have a total super balance of A$1.7 million or more calculated at 30 Jun 2021 (up from A$1.6 million) will have a zero nonconcessional cap. • The SG maximum contribution base will increase in 2021/22 to A$58,920 per quarter and A$235,680 per year, up from A$57,090 and A$228,360 respectively. The maximum super contribution base is used to determine the maximum limit on any individual employee's earnings base for each quarter of any financial year. Employers do not have to provide the minimum support for any part of the earnings exceeding this limit. In addition, the SG will increase from 9.5% per year to 10% from 1 Jul 2021.
Resources	paul.shallue@mercer.com GRIST, 15 Apr 2021

Australia (previously covered, newly effective)	
Status	⚠ **Currently effective**
Development	**Wealth** **Act approved on financial advice and fees for Super funds** Measures concerning the payment of fees associated with financial advice provisions have received Royal Assent in Australia, and took effect on 1 Jul 2021. Highlights include: • Financial advisors who receive fees under ongoing fee arrangements will have to provide clients an annual document that outlines the fees charged and the services to be provided during the following 12-month period. Advisors will have to obtain their client's written consent prior to deducting fees. Some transitional arrangement will apply until 30 Jun 2022 for ongoing fee arrangements in force immediately before 1 Jul 2021. • Financial services licensees or authorized representatives who provide personal advice to retail clients must provide written disclosure of lack of independence. Financial Services Guides that are given to new clients on or after 1 Jul 2021 must include a lack of independence statement. • Superannuation members will have greater protection from paying fees where no service is provided to them. The transparency of advice fees will be increased and the payment of ongoing advice fees for MySuper products prohibited. A superannuation trustee will be allowed to charge fees to a member only if certain criteria are met, and cannot charge fees under an ongoing fee arrangement for MySuper products. A 12-month transitional provision will apply to arrangements entered into before 1 Jul 2021.
Resources	paul.shallue@mercer.com GRIST, 19 Mar 2021

Australia (upcoming effective dates)	
Development	**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 • Reporting deadline extended for superannuation funds — Key date: 31 Dec 2021

China (new)	
Status	**Proposal**
Development	**Career — Health** **Strengthened workplace safety law proposed** Proposed revisions of health and safety laws are under consideration by the top legislature, the Standing Committee of the National People's Congress, and include measures to strengthen the supervision and administration of workplace safety for workers in the digital platform economy. Workplace safety risks arising in other sectors — such as mining, metal smelting and dangerous substances — also are included in the proposals, and stronger penalties would apply to breaches of safety rules.
Resources	China to strengthen work-safety supervision for platform economy (Government, 8 Jun 2021)

India (new)	
Status	**Deadline extended until 1 Sep 2021**
Development	**Wealth** **Deadline extended for linking Aadhaar number with EPFO number** The Employees Provident Fund Organization (EPFO) has extended the deadline for employees to link and verify their Aadhaar number with their EPFO Universal Account Number (UAN). Due to recent law changes, EPFO had restricted the accepting of provident fund contributions only to Aadhaar-verified employees as of 1 Jun 2021 (affecting contributions payable for the month of May 2021 and after). As a large number of employees have not yet completed the Aadhaar verification, the deadline has been extended until 1 Sep 2021. Employers are required to submit the provident fund contributions deducted from employees' salary and matching contributions to the EPFO accounts on or before the 15th of the next month. As of September, employers will only be able to submit contributions to the EPFO for Aadhaar-verified UANs — EPFO will treat any delayed submissions as a default, and employers will face penalties.
Resources	jyotsna.tiwari@mercer.com Announcement (EPFO, 15 Jun 2021)

India (previously covered with upcoming effective dates)	
Development	**Career — Health — Wealth** • Labor and employment laws reformed — Key date: Later in 2021 **Career — Wealth** • Top-listed companies face enhanced sustainability reporting — Key date: April 2022

New Zealand (new)	
Status	**24 Jul 2021**
Development	**Career — Health** **Sick leave increased for employees** Employees with six or more months of continuous service with the same employer will be entitled to 10 days of sick leave — up from five — under measures in the Holidays (Increasing Sick Leave) Amendment Bill that passed parliament. The law takes effect on 24 Jul 2021, but employees' sick leave will increase from their next entitlement date — either after their first six months of employment, or on their sick leave entitlement anniversary (this is 12 months after they received their last sick leave entitlement). Eligible employees — regardless of their work patterns, and including casual employees — will be allowed to carry over up to 10 days of unused sick leave each year and can have up to 20 days in any year.
Resources	Holidays (Increasing Sick Leave) Amendment Bill (Government)

Singapore (previously covered with upcoming effective dates)	
Development	**Career — Wealth** • CPF contribution increases to take effect in 2022 — Key date: 1 Jan 2022

South Korea (new)	
Status	⚠ **Currently effective**
Development	**Career** **Cap on weekly working time extended to most employers** From 1 Jul 2021, the 52-hour weekly maximum cap that employees in South Korea can work is extended to employers with five or more employees. A 2018 labor code revision (Korean) phased-in the maximum working time provisions — starting on 1 Jul 2018 for employers with 300 or more employees, and from 1 Jan 2021 (deferred from January 2020) for employers with 50 or more employees. The amendments defined a "week" as seven days — previously, the "week" was interpreted as not including hours worked on the weekends. Under the labor code, employees' maximum weekly working time is 40 hours, but an additional 12 hours can be worked, subject to agreement of the employer and employee. Employers that violate the code face fines and criminal penalties.
Resources	Labor code revision (Korean) (Government, 15 Jan 2019)

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Europe, Middle East and Africa (EMEA)

European Union (EU) (new)	
Status	**Proposals**
Development	**Career — Health** **Workplace safety and health strategy initiatives proposed** Reviews of current EU directives on workplace safety, health and display screen equipment, and the publication of new nonlegislative guidance on mental health at work “before the end of 2022,” are among the initiatives highlighted by the European Commission in its strategic framework on health and safety at work strategy 2021-2027. The commission also has opened a second stage consultation with the EU’s social partners on proposed revisions to the directives on protecting workers from risks related to chemical agents and asbestos — the consultation will close on 30 Sep 2021. The commission confirmed its aim to publish an in-depth assessment of the effects of the COVID-19 pandemic and the implications for EU and national workplace safety measures in future health crises.
Resources	Occupational safety and health in a changing world of work (European Commission, 28 Jun 2021)

EU (new)	
Status	⚠ **Currently effective**
Development	**Career** **Entry for highly skilled works eased** New rules on the entry and residence of highly skilled workers from outside the European Union (EU) under the revised Blue Card Directive have been agreed to and await confirmation by the European Parliament and the European Council. Member states will then have two years to implement the rules into national laws, although each state retains responsibility for how many persons it admits for work. The directive — which aims to address the EU's aging population and skill shortages — will provide more flexible admission conditions for blue card applicants and ease the rules for moving and working between EU member states. The salary threshold will be reduced to between one and 1.6 times the average gross annual salary, and the minimum contract duration will be reduced to six months. New recognition rules will apply to professional skills in the information and communication technologies sector, and applicants with professional experience equivalent to a higher education qualification in certain sectors will be eligible to apply for the Blue Card. Family members of Blue Card holders will be able to accompany them and work in the member state. They will also be allowed to move to a second member state after 12 months of employment.
Resources	EU Blue Card: Commission welcomes political agreement on new rules for highly skilled migrant workers (European Commission, 17 May 2021)

EU (new)	
Status	⚠ **Currently effective**
Development	**Career — Health — Wealth** **Social security coordination rules for 'multistate employees' clarified** An EU court of justice ruling has clarified the coordination of social security rules applicable to employees who carry out consecutive postings in different member states. The court confirmed that the EU's social security coordination rules for so-called "multistate employees" apply if the duration of each posting does not exceed 12 months — this means that employees remain subject to social security arrangements in the first member state of employment if they move to work for the same employer in a second member state for up to 12 months. The ruling was based on the EU social security coordination regulations in force at the time of the employment dates featured in the case referred to the EU court, but revised regulations — in force since 1 May 2010 — extended the maximum duration of each posting to 24 months. The ruling has implications for the calculation of social security contribution costs, and for determining which benefits apply to the employee; experts say that the ruling interprets the EU regulations more restrictively than some member states have previously done.
Resources	Judgment (Court of Justice of the European Union, 20 May 2021)

EU (new)	
Status	⚠ **Currently effective**
Development	**Career** **New standard contractual clauses to transfer personal data published** Newly published EU standard contractual clauses (SCCs) enable organizations that use them to lawfully transfer personal data to countries outside of the European Economic Area. The new SCCs follow a consultation in 2020 and comply with the General Data Protection Regulation that took effect in 2018 and aim to implement a ruling by the Court of Justice of the European Union ("Schrems II"). Organizations can use the old SCCs for an additional three months, and must convert existing SCCs within 18 months of the new SCCs' publication in the EU's official journal. Organizations in the UK cannot use the new SCCs to transfer personal data from the UK to other countries ("third countries") for purposes of compliance with UK data protection legislation. The UK's Information Commissioner's Office intends to consult on, and publish, UK SCCs later in 2021.
Resources	Standard contractual clauses for international transfers (European Commission, 4 Jun 2021)

EU (new)	
Status	⚠ **Currently effective**
Development	**Career** **Digital COVID certificate finalized** A regulation introducing an EU Digital COVID Certificate was finalized on 1 Jun 2021, and applies for 12 months from 1 Jul 2021. The certificate aims to facilitate travel within the EU during the pandemic, and exempts holders from restrictions, such as quarantine. The certificate includes vaccination, test and recovery information, and a digitally signed QR code; it is free of charge, and available in digital and paper formats. Member states cannot impose additional travel restrictions on digital certificate holders unless public health safeguarding measures are required.
Resources	Joint press release: EU clears way for the EU digital COVID certificate (European Parliament and European Commission, 14 Jun 2021)

EU (previously covered with upcoming effective dates)	
Development	**Career** • Directive expands whistleblower protections — Key date: End of 2021 • Revised company law 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	**Wealth** • Blue- and white-collar pension harmonization approaches — Key date: 1 Jan 2025

Denmark (upcoming effective date)	
Development	**Wealth** • Parliament finalizes new early retirement option — Key date: 1 Jan 2022

France (new)	
Status	⚠ **Retroactively effective from 1 Jan 2020**
Development	**Career — Health** **Tax exemptions for employee travel-to-work expenses increased** Increased tax exemptions for certain types of commuting expenses were announced by the Directorate General of Finance on 28 May 2021 and are retroactively effective from 1 Jan 2020. The amount of tax-exempt travel costs have increased from €400 to €500 a year per employee, including a maximum €200 for fuel costs. The tax exemption applies to sustainable travel-to-work employee expenses, including public transport passes, public bicycle rental costs, and fuel (including electric, hydrogen, and plug-in hybrid vehicles). The directorate general also published guidance.
Resources	Announcement (French) (Government, 28 May 2021); Guidance (French) (Government, 28 May 2021)

France (previously covered, newly effective)	
Status	⚠ **Currently effective**
Development	**Career — Health** **Paternity leave increased** The maximum duration of paid paternity leave in France increased from 14 to 28 days starting 1 Jul 2021, under measures included in the 2021 social security financing bill. Fathers will have to take at least one week off work after the birth of their child.
Resources	ayce.nisancioglu@mercer.com and franck.juvin@mercer.com GRIST, 2 Oct 2020

Germany (new)	
Status	**Effective 1 Jan 2022**
Development	**Career** **Commercial partnership taxation revised** From 1 Jan 2022, changes to German company law will allow partners in commercial partnerships and partnership companies to be treated as a corporation for tax purposes, and enable them to reinvest certain amounts of profit on the same basis as a corporation. The changes aim to strengthen Germany's economic competitiveness and will reduce the amount of taxation liability on retained earnings and shareholders.
Resources	david.lesch@mercer.com Legislation (German) (Bundestag, 4 Jun 2021)

Germany (new)	
Status	**Beginning in 2023**
Development	**Career** **Larger companies face human rights mandates** From 2023, companies in Germany with 3,000 or more employees must ensure human rights are respected in their supply chains, and establish due diligence procedures to analyze human rights risks and complaint mechanisms, and prepare reports on due diligence steps taken. The measures feature in a law on corporate due diligence in supply chains that passed parliament on 11 Jun 2021, which also will apply to Germany-based subsidiaries of foreign companies. Organizations with 1,000 or more employees must comply by 1 Jan 2024. Companies with €400 million annual turnover could face fines of up to 2% of their average annual turnover for noncompliance, and could be excluded from public procurement for up to three years.
Resources	Information on legislation (German) (Legislature); GRIST, 4 May 2021

Germany (upcoming effective date)	
Development	**Career** • Works councils' rights expanded, artificial intelligence and remote work addressed — Key date: Summer 2021 **Health — Wealth** • Maximum life insurance and 'Pensionsfonds' interest rates reduced — Key date: 1 Jan 2022

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

Kuwait (new)	
Status	⚠ **Registration must occur by 11 Mar 2022**
Development	**Health** **Insurance companies, brokers required to register** Changes to the licensing and registration of insurance companies will require all insurance companies and brokers to be registered locally, and have a local office by 11 Mar 2022, as a prerequisite for doing business in Kuwait. Employers must ensure that all insurance policies are placed with a locally registered provider. The measures feature in Law No. 125 of 2019 issued by the Insurance Regulatory Unit on 21 Mar 2021.
Resources	soukeine.saleh@mercermarshbenefits.com Law No. 125 of 2019 (Arabic) (Insurance Regulatory Unit)

Netherlands (upcoming effective date)	
Development	**Wealth** • Pension plan reforms delayed — Key date: Early 2022

Norway (new)	
Status	**Consultation open until 23 Jul 2021**
Development	**Career** **Consultation on revising remote working regulations** Proposed changes to current regulations on home office working are open for consultation until 23 Jul 2021. The government's proposals include clarification of the types of remote working (for example, fully or occasional homeworking) covered by the law. The government invites input on the application of current working time laws to home workers, or if changes are required, and if such provisions should apply to senior management roles. Employers must currently ensure a safe working environment for home workers, and the government proposes expanding health and safety matters to include psychosocial issues. The proposals would not regulate the provision of equipment and costs, leaving these matters to be agreed to by employers and employees. The Norwegian Labour Inspection Authority will be responsible for overseeing compliance.
Resources	Consultation (Norwegian) (Ministry of Labor and Social Affairs, 22 Apr 2021)
Oman (upcoming effective date)	
Development	**Health** • Oman issues implementation rules for new health insurance scheme — Key date: Possibly later in 2021
Poland (new)	
Status	**Proposal**
Development	**Career** **Minimum wage increases for 2022 proposed** The Council of Ministers has approved minimum wage rates for 2022 that would increase the monthly rate to PLN 3,000 (up from PLN 2,800), and the hourly rate to PLN 19.60 (up from PLN 18.30). The proposal is now before the Council for Social Dialogue for consideration.
Resources	News release (Polish) (Council of Ministers, 15 Jun 2021)

Saudi Arabia (upcoming effective date)	
Development	**Career** • Contracting with companies with regional headquarters outside of the kingdom to cease — Key date: 1 Jan 2024

Spain (new)	
Status	⚠ **Beginning 12 Aug 2021**
Development	**Career** **Rights for delivery workers using digital platforms and information on AI use provided** Individuals employed as delivery persons through digital labor platforms in Spain can claim employee status and corresponding rights from 12 Aug 2021 under Royal Decree Law 9/2021 published on 11 May 2021. The law amends the Spanish Worker's Statute Law, and is based on a March 2021 tripartite agreement between government, employer associations, and trade unions that reportedly could impact 30,000 workers. The law will apply to certain individuals providing services to deliver or distribute consumer products or goods for organizations that manage or organize their business using digital platforms. Also, all companies that use artificial intelligence (AI) or algorithms — not just delivery companies using digital platforms — will have to inform their employee representatives about the use of AI in their employment decision making, including matters relating to working conditions, job profiling, etc.
Resources	Royal decree law 9/2021 (Spanish) (Official Bulletin, 12 May 2021)

Turkey (new)	
Status	⚠ **Currently effective**
Development	**Wealth** **Private pension regulations revised** An amending regulation that will affect private pension schemes' administrative practices was recently published in the Official Gazette. Highlights include: • Scheme participants can now change their investment fund allocation choices up to 12 times per year, up from six. • From July 2021, participants can buy or sell all private pension system funds via the "Private Pension Fund Trading Platform (BEFAS)," enabling the comparison of funds' investment performance and expanded access to different portfolios. • Companies can use secure electronic communication tools, permanent data storage arrangements and digital channels as a way to access information and documents, such as detailed contract proposals and provisions. Participants also can submit electronic requests to join or leave the personal private pension system. • The age to enter the pension system has changed. Parents can now enroll children younger than 18 years of age in a private pension fund. • Associations, foundations and legal entities that already contribute to pension plans in Turkey or abroad will have until 31 Dec 2023 to transfer those funds to the new pension system, allowing employees to evaluate the performance of pension funds.
Resources	evsen.olmez@mercer.com GRIST, 30 Jun 2021

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 — Health** **Paternity leave, other parental benefits enacted** Beginning 9 May 2021, fathers in the Ukraine are entitled to paid paternity leave of up to 14 days, to be taken within three months of a child's birth, under Law. No. 1401-IX. Other measures featured in the law include changes to children's leave, the option to work reduced hours and additional vacation entitlement. Under the law, mothers and fathers now have an equal right for one parent to take unpaid children's leave after the end of maternity leave up until the child's third birthday — before, such leave was restricted to mothers, unless she decided not to take the leave. Parents can work reduced hours if they are parents of children under age 15, are sole parents of a child, or if their child has a disability. They also are entitled to 10 days of extra paid vacation if they have two or more children under age 16, are the parents of an adopted child, or their child has a disability.
Resources	Law No. 1401-1X (Ukrainian) (Government)

UK (new)	
Status	⚠ **Currently effective**
Development	**Career** **Guidance on 'right to work checks' published** The government has published guidance on 'right to work checks' for citizens of the European Economic Area and Switzerland, to guide employers on the completion of right to work checks that must be carried out from 1 Jul 2021. The guidance aligns with the 30 Jun 2021 deadline for applications under the EU Settlement Scheme that enables EEA and Swiss citizens to legally remain and work in the UK. Employers are not required to retrospectively check the status of any EU, EEA, or Swiss citizens who started a job before 1 Jul 2021. Failure by employers to correctly check an employee's right to work could result in civil or criminal penalties — a newly revised Code of Practice on Preventing Illegal Working has been released that covers the civil penalty regime for employers.
Resources	Right to work checks: Employing EU, EEA and Swiss citizens (Government, 10 Jun 2021) Illegal working penalties: Code of practice for employers (Government, 10 Jun 2021)

UK (new)	
Status	**Establishment date is not yet known**
Development	**Career** **Single enforcement body for employment rights announced** A new single enforcement body for employment rights will be established in the UK “when parliamentary time allows,” the government announced on 8 Jun 2021. The decision follows a consultation in July 2019. The new enforcement body will be responsible for tackling modern slavery and national minimum wage breaches and ensuring that workers receive holiday and sick pay without the need to go through a lengthy tribunal process. It will combine the current Gangmasters and Labour Abuse Authority, the Employment Agency Standards Inspectorate, and the National Minimum Wage Enforcement Team.
Resources	Government to protect workers’ rights and clamp down on workplace abuse with powerful new body (Government, 8 Jun 2021)

UK (new)	
Status	**Proposal**
Development	**Wealth** **Climate change risk reporting proposed for pension schemes** Occupational pension schemes trustees could face new governance and reporting requirements on climate change risks under proposals submitted to parliament. Some measures will take effect on 1 Oct 2021, and would initially apply only to the largest pension schemes. Highlights include: • Occupational pension schemes with £5bn or more in assets would need to implement, by 1 Oct 2021, effective governance, strategy, risk management, and accompanying metrics and targets for the assessment and management of climate risks and opportunities. Authorized master trusts of all sizes would also have to comply by 1 Oct 2021. • Occupational pension schemes with more than £1bn in assets will have to meet the same requirements by 1 Oct 2022. In 2023, the government will conduct a review about extending the requirements to all schemes and will consult on its findings in 2024. • Trustees would have to meet climate governance requirements, publish a report on climate-related financial disclosures (TCFD) within seven months of their scheme year-end, and include a link to the TCFD in their annual report and accounts. Defined benefit schemes must include this information in their annual Summary Funding Statement to members. Statutory guidance would expand on the regulations, including how schemes would need to integrate and disclose climate-related risks.
Resources	GRIST, 29 Jun 2021

UK (new)	
Status	**Effective 1 Oct 2021**
Development	**Wealth** **New reporting requirements for some defined contribution schemes** Defined contribution (DC) pension schemes in the UK that provide money purchase benefits will be subject to new reporting requirements under legislation that will take effect on 1 Oct 2021. All DC schemes will have to report annually on net investment returns and total asset size. Also, DC schemes with assets of up to £100 million will have to assess and report on "value for members" in the chair's annual statement, comparing charges and net returns against three larger comparator schemes, as well as certain areas of governance and process. Schemes that fail to demonstrate good value will be expected to wind up and consolidate (normally into a master trust) unless they can commit to making improvements. The measures follow a consultation in 2020 and aim to improve standards of some smaller DC schemes and to encourage efficiencies through consolidation.
Resources	Government response: Improving outcomes for members of defined contribution pension schemes (Department for Work and Pensions, 21 Jun 2021)

UK (new)	
Status	**Consultation open until 10 Sep 2021**
Development	**Wealth** **Financial regulator consults on climate disclosures for listed companies** Certain companies listed in the UK could face new climate related disclosure rules that already apply to premium listed companies from 1 Jan 2022. The Financial Conduct Authority (FCA) consultation document (CP21/18) proposes that companies would have to disclose information in their annual financial report consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, explain if certain information is not consistent with some or all of the TCFD's recommendations, and provide the company's timeframe for making the disclosures. Comments are required by 10 Sep 2021; the FCA estimates that the disclosure duty would impact a further 148 companies. The FCA also plans to issue guidance for premium listed companies on disclosing climate information and seeks input on environmental, social and governance topics in capital markets, with the aim of issuing a feedback statement in the first half of 2022.
Resources	Enhancing climate-related disclosures by standard listed companies and seeking views on ESG topics in capital markets (Financial Conduct Authority, June 2021)

UK (new)	
Status	**Consultation open until 30 Sep 2021**
Development	**Career** **Financial regulator sets out diversity, inclusion options for sector** Diversity and inclusion policy options feature in a discussion paper published by the UK's Financial Conduct Authority (FCA) and the Prudential Regulation Authority. Options include the use of representation targets and other measures to assign accountability for diversity and inclusion to company leaders, linking remuneration to diversity and inclusion metrics, and including such metrics in nonfinancial misconduct. Input is requested from the financial services sector by 30 Sep 2021, and a consultation is planned for Q1 2022. The authorities propose to collect workforce data from firms, and prior to this, they will conduct a one-off, pilot survey later in 2021 to help develop the discussion paper's proposals and to test how firms could provide diversity data with a view to requiring regular reporting in the future. The FCA is considering its approach to diversity in listed firms and "will share more in the coming months."
Resources	Diversity and inclusion in the financial sector — Working together to drive change (FCA, July 2021) FCA, PRA and Bank of England set out plan to improve diversity and inclusion in regulated firms (FCA, 7 Jul 2021)

Mercer (US) Inc.
Washington Square
1050 Connecticut Avenue, Suite 700
Washington, DC 20036
www.mercer.com