

Law and Policy Group

Global Legislative Update

By Stephanie Rosseau and Fiona Webster
September 2021



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
Remote working	Countries address remote working issues
Americas	
Argentina	Occupational disease trust fund schedules contribution increases Jobs scheme reduces employer social security contributions
Canada	Extensive review of Employment Equity Act launched New statutory holiday established for federally regulated employers Pay Equity Act becomes effective Pension Benefits Act reforms enacted in Manitoba
Chile	Minimum wage retroactively increases New public holiday introduced
Colombia	Family leave, pregnancy bias protections expanded Maximum weekly working time reduced Remote working rights expanded Job protection for new fathers increased Law to improve gender equality enacted
Honduras	Minimum wage increased

Americas (continued)

Peru

[Law on sexual harassment prevention revised](#)

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[San Francisco, CA, updates city option, 2022 health care expenditure rates](#)

[Gender expression and gender identity discrimination prohibited in Colorado](#)

[High court bans use-it-or-lose-it vacation policies in Colorado](#)

[First-dollar mental health screening required in Colorado insured plans](#)

[Draft paid family medical leave regulations issued in Colorado](#)

[Third-party payments to count toward cost sharing in Connecticut](#)

Americas (continued)

US (continued)

[Minimum wage to increase to \\$10/hour in Florida](#)
[Insurance coverage for telehealth mandated in Illinois](#)
[Fertility coverage mandate updated in Illinois](#)
[Mental health parity law updated in Illinois](#)
[2022 individual-mandate coverage dollar limits revised in Massachusetts](#)
[Voluntary paid family leave program enacted in New Hampshire](#)
[Bulletin warns carriers on mental health parity for autism in Oklahoma](#)
[Extensive pay equity law enacted in Rhode Island](#)
[Family caregiver benefits extended to six weeks in Rhode Island](#)
[Insulin cost sharing capped in Rhode Island](#)
[Sexual harassment protections for employees expanded in Texas](#)
[Patient 'steering' in prescription drug plans banned in Texas](#)
[PBM prescription drug reimbursement requirements tightened in Texas](#)
[Pharmacy drug benefit law added in Wisconsin](#)

Asia Pacific

Australia

[Revised remuneration standard finalized](#)
[Your Future, Your Super final regulations published](#)
[Retirement income covenant proposed](#)
[Revised guidance on unsolicited selling of financial products proposed](#)
[Cybersecurity regulations and incentives proposed](#)
[Draft regulations on disclosing superannuation portfolio holdings proposed](#)
[Reskilling, retraining of some employees exempt from tax](#)

Asia Pacific (continued)	
China	<u>Regulation changes critical-illness insurance coverage</u> <u>Maternity insurance to cover cost of third child's birth</u> <u>Gradual increase in minimum contribution period for basic pension planned</u> <u>Shanghai and Beijing increase minimum wages</u> <u>Social insurance enrollment required for foreign workers in Shanghai</u>
Hong Kong	<u>Five more statutory holidays to be phased in</u>
India	<u>Guidance addresses taxation of certain employee provident fund contributions</u>
Japan	<u>Telework guidelines revised</u>
Malaysia	<u>Social security contributions could be expanded to include stay-at-home women</u>
Singapore	<u>Family leave eligibility expanded</u> <u>New workforce measures outlined</u> <u>Consultation on climate-related and board diversity disclosures</u>
South Korea	<u>Medical insurance coverage and costs revised</u> <u>Minimum wage to increase by 5.1%</u> <u>More public holidays designated as substitute holidays</u>
Taiwan	<u>Parental leave rights, leave for pregnancy check-ups expanded</u>
Europe, Middle East and Africa (EMEA)	
European Union (EU)	<u>Linking ESG to executive pay considered</u> <u>Financial regulator updates remuneration guidelines</u> <u>Guidance on risks of forced labor in supply chains issued</u> <u>Neutral ban by employer on wearing religious symbols confirmed in ruling</u>

EMEA (continued)	
Belgium	<u>Bereavement leave rights for employees expanded</u> <u>Interprofessional agreement for 2021–22 finalized</u>
France	<u>Employee bonus allowed, social security contribution temporarily reduced</u>
Greece	<u>Labor law offers flex work, family leave and remote working</u> <u>Minimum wage to increase</u>
Ireland	<u>Employers face annual reporting on gender pay gap</u> <u>Employment status code of practice updated</u> <u>Input requested on review of equality acts</u> <u>Input requested on codes of practice for DB and DC schemes</u>
Italy	<u>Early retirement scheme threshold reduced</u>
Romania	<u>Private pension enrolment required</u>
Spain	<u>Protections for remote workers expanded, labor penalties increased</u>
United Arab Emirates	<u>Basic health insurance plan expanded, new treatments added</u>
United Kingdom (UK)	<u>Consultation on international personal data transfer tools launched</u> <u>Government responds to workplace, occupational health consultation</u> <u>Financial regulator sets out diversity, inclusion options for sector</u>

2 Global

Coronavirus (COVID-19) pandemic

Status  Ongoing initiatives


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

Countries address workplace issues resulting from the COVID-19 pandemic

Since the World Health Organization (WHO) declared COVID-19 a pandemic on 12 Mar 2020, employers continue to address the severe impact on work practices and adjust 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 address worksite, economic and associated travel issues, Mercer is providing analysis on workforce and investment implications and compiling information from organizations, government websites, news articles and other resources.

Resources Roundup: COVID-19 resources for employers, regularly updated; [Navigating coronavirus](#), regularly updated

Remote working

Status  **Ongoing initiatives**

Development **Career — Health — Wealth**

Countries address remote working issues

Remote working has become more of a permanent feature for many employees and employers around the world as a result of COVID-19 measures introduced in many countries. Remote working poses challenges and considerations for employers when devising or adjusting policies. Issues to consider include the definition of remote work, eligibility criteria, hybrid working arrangements, employee engagement and performance, cybersecurity, health and safety, the right to disconnect, possible relocation of employees to a different country or state, and return to the workplace post-pandemic. Several jurisdictions have introduced remote working legislative measures that clarify employer and employee requirements after the pandemic, and others are expected to follow suit. To help employers, Mercer is providing analysis and links to general information about ongoing remote working rights and trends in some countries, including resources from Marsh McLennan, organizations, government websites, news articles and other parties.

Resources [Roundup: Employer resources on remote working rights/trends](#), regularly updated

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Americas

Argentina (new)

Status  **Currently effective**

Development **Health**

Occupational disease trust fund schedules contribution increases

Employee contributions to the occupational disease trust fund (FFEP) — currently AR\$40 per employee — will increase quarterly, under measures that took effect 1 Sep 2021. The contribution increases will be calculated on changes to the average taxable remuneration of employees (RIPTE).

Resources [Resolution 467/2021](#) (Spanish) (Official Bulletin, 11 Aug 2021)

Argentina (new)

Status  **Currently effective**

Development **Career — Health — Wealth**

Jobs scheme reduces employer social security contributions

Employers' social security contributions will significantly decrease for the first 12 months after hiring employees who are participating in or have completed certain Ministry of Labor educational, vocational training, or labor intermediation programs. Under Decree 493/21 published on 6 Aug 2021, employers will receive a 95% reduction in social security contributions for hiring a woman, someone who has a disability or cross-dresses, or a person who is transsexual or transgender. The reduction is 90% for hiring a man. To receive the reduction, employers can register their job vacancies via the Ministry of Labor's jobs portal and must ensure that their new hires meet the scheme's eligibility criteria.

Resources [Decree 493/21](#) (Spanish) (Government, 6 Aug 2021)

Argentina (upcoming effective date)	
Development	Career <ul style="list-style-type: none">• Remote working rights post COVID-19 pandemic clarified — Key date: 90 days after pandemic ends
Brazil (upcoming effective date)	
Development	Wealth <ul style="list-style-type: none">• Council imposes CNPJ registration duty on pension entities — Key date: 31 Dec 2021
Canada (new)	
Status	 Government review
Development	Career <p>Extensive review of Employment Equity Act launched</p> <p>The Minister of Labour has launched a task force to “conduct the most extensive review of the Employment Equity Act since its introduction.” The aim is to modernize the act to advance equity, diversity and inclusion in federally regulated workplaces, including improved retention and leadership opportunities for under-represented groups at some of Canada’s largest corporations. The agency, Employment and Social Development Canada, says “we must recognize the lived experiences of women, LGBTQ2 Canadians, Indigenous peoples, Black and racialized Canadians, persons with disabilities and other under-represented groups in federally regulated workplaces, and ensure that the Act reflects the realities of today’s workplaces.” The task force invites input stakeholders and expects to issue the final report in early 2022.</p>
Resources	Government of Canada launches Task Force to review the Employment Equity Act (Employment and Social Development of Canada, 14 Jul 2021)

Canada

Status  **30 Sep 2021**

Development **Career**
New statutory holiday established for federally regulated employers
Federally regulated workplaces will have a new statutory holiday — the National Day for Truth and Reconciliation — starting on 30 Sep 2021, under labor code changes that 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 honor 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

Career

Pay Equity Act becomes effective

The Pay Equity Act, which received Royal Assent in December 2018 and applies to federally-regulated public and private sector employers with 10 or more employees as well as ministers' offices, took effect on 31 Aug 2021. Final pay equity regulations came out in June. The law requires employers to:

- Establish a specified pay equity plan within three years of becoming subject to the act
- Review and update the plan at least once every five years to identify and close any gaps that may have emerged
- Post notices setting out pay equity obligations and reporting on key milestones in fulfilling these obligations
- Establish a pay equity committee with employer, union, and nonunionized employee representatives to develop or update the pay equity plan at unionized workplaces of any size and nonunionized workplaces with 100 or more employees
- Provide employees an opportunity to comment on a proposed pay equity plan (or update) and take any comments into consideration before finalizing the plan

A pay equity commissioner within the Canadian Human Rights Commission will administer and enforce the act through required annual reports from employers on their pay equity plans, mechanisms to review or appeal of the commissioner's decisions, and introduction of an administrative monetary penalty system to promote compliance.

Resources

[Government of Canada announces that the Pay Equity Act will come into force on 31 Aug 2021](#) (Employment and Social Development of Canada, 7 Jul 2021); [Pay equity regulations: SOR/2021-161](#) (Gazette, 24 Jun 2021)
[GRIST](#), 8 Feb 2021

Canada — Manitoba (new)

Status



Proclamation date is 1 Oct 2021

Development

Wealth

Pension Benefits Act reforms enacted

Reforms to Manitoba's Pension Benefits Act and accompanying regulations (Bill 8 and Regulation 63/2021) with a proclamation date of 1 Oct 2021, modernize the law, create a framework that protects individuals experiencing financial hardship, and provide greater and easier access to locked-in funds. Highlights include:

- Pension plans may permit an active member who has reached the plan's normal retirement age to stop contributing to the plan and accruing benefits. At actual retirement, a member of a defined benefit pension plan will receive at least the actuarial equivalent value of the defined benefit that would have been paid if the member had retired at normal retirement age.
- After a relationship breaks down, parties will be able to divide pension assets up to 50%, rather than choosing between the currently mandated 50-50 split or no division.
- Individuals who have reached age 65 will be allowed to fully unlock their Manitoba locked-in accounts held by a financial institution, subject to certain limitations. After age 55 and prior to age 65, individuals can still request a one-time 50% unlocking of their pension funds, but the superintendent will no longer have to approve such requests.
- Individuals undergoing specified hardships will be able to unlock all or part of their Manitoba locked-in accounts held by a financial institution, subject to certain limitations.
- The legislation also addresses the filling of a nonactive voting representative on a pension committee, allows specified multiemployer plans, clarifies the application of specific provisions and includes other housekeeping changes.

Resources

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[GRIST](#), 31 Aug 2021

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](#)

Minimum wage retroactively increases

Chile’s monthly minimum wage has increased retroactively to 1 May 2021 to CLP 337,000 — up from CLP 326,500 — for employees aged 18 to 65, under Law 21360 published on 12 Jul 2021. For employees younger than 18 or older than 65, the monthly minimum wage is CLP 251,394. Effective 1 Jan 2022, the minimum monthly wage for workers aged 18 to 65 years will increase to CLP 345,000 or if the monthly economic activity index (IMSCEC) increased by three or more percentage points as of May 2021, to CLP 350,000. Under the law, the president must submit a bill on adjusting the minimum monthly wage that must take effect by 1 May 2022.

Resources [Law 21360](#) (Spanish) (Government, 12 Jul 2021)

Chile (new)

Status  **Currently effective**

Development [Career](#)

New public holiday introduced

Chile has a new public holiday, the National Indigenous Peoples’ Day, first celebrated on 21 Jun 2021.

Resources [Law No. 21357](#) (Spanish) (Government, 19 Jun 2021)

Colombia (new)

Status



Development

Career — Health


Family leave, pregnancy bias protections expanded

Colombia Law No. 2114, approved on 29 Jul 2021, expanded paternity leave provisions and introduced paid shared parental leave and flexible parental leave for new and adopting parents. The new law also expands nondiscrimination and equality provisions related to pregnancy in the workplace. Highlights include:

- Paternity leave has expanded to two weeks — up from 8 days. Paternity leave could increase one week at a time to a maximum of five weeks, depending on changes in Colombia's structural unemployment rate.
- Parents who meet certain eligibility criteria can choose to share the final six weeks of maternity leave. Mothers must take and cannot share the first 12 weeks of maternity leave immediately after a baby's birth. The salary of the parent taking leave determines the leave benefits paid by the employer.
- Parents can enter an agreement with their employers to work part-time during some of their paid parental leave entitlement. Mothers can request flexible parental leave starting with the 13th week of their maternity leave, and fathers can apply starting with the second week of their paternity leave. Parents who work part-time can take their parental leave entitlement over a longer period of time. Employers must pay for the employee's working time, and the government health insurance organization pays for leave time.
- Expanded pregnancy nondiscrimination and equality provisions prohibit employers from asking female job candidates about their reproductive plans or requiring pregnancy tests, unless necessitated by occupational health and safety considerations. Employers violating the law face fines of up to 2,455 tax value units (the tax value unit currently is COP 36,308), and they must hire any employee required to take a pregnancy test as a condition of employment.

Resources

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[GRIST](#), 23 Aug 2021

Colombia (new)	
Status	 Beginning in 2023
Development	Career — Health Maximum weekly working time reduced Colombia's maximum weekly working time will decrease to 42 hours — down from 48 — without loss of pay, under measures included in Law 2010 of 15 Jul 2021. Employees can choose to reduce their workweek effective immediately or wait for the reduction to be phased in as follows: 47 hours in 2023, 46 in 2024, 44 in 2025 and 42 in 2026. Employers will no longer have to grant employees time off for recreational, cultural, sporting or training purposes. Employers and employees can agree to calculate the 42-hour workweek over five or six workdays, but employees must have one rest day per week. All references to weekly working time in the labor code must be interpreted as meaning 42 hours.
Resources	Law 2101 (Spanish) (Government, 15 Jul 2021)

Colombia (new)

Status  **Currently effective**

Development **Career — Health**

Remote working rights expanded

Employees in Colombia now have more remote working rights under measures in Law 2121 that recently took effect. Employees now may work on a fully remote basis — a change from Law 2088 of 12 May 2021, which allowed remote working only on an occasional basis or in exceptional circumstances. Remote employees now have the same employment protections — such as working time arrangements, overtime pay, union representation, and hiring nondiscrimination and anti-harassment — that apply to other employees. Employers must provide all necessary equipment to enable remote working and must pay for employees' internet connection and energy costs. The employer must agree to a remote employee's place of work, which must be authorized by ARL (the workers' compensation insurer). Remote workers only need to attend their employer's premises in certain circumstances — to verify the work equipment required, update equipment or software, or address disciplinary matters. Within one year, the government must allow remote employees to file social security documents online.

Resources hernando.angulo@mercer.com
[Law 2121](#) (Spanish) (Government, 3 Aug 2021)

Colombia (new)



Status  **Currently effective**

Development **Career — Health**

Job protection for new fathers increased

Male employees in Colombia now have expanded protection from dismissal if their partners give birth and are not employed. The measures in Law 2141 of 10 Aug 2021 protect eligible fathers from dismissal for up to 18 weeks after a baby's birth. New fathers can be dismissed only for 'just cause' and with the authorization from the Ministry of Labor, and they will receive an enhanced severance payment of 60 days' salary in addition to the normal severance benefit

Resources hernando.angulo@mercer.com
[Law 2141](#) (Spanish) (Government, 10 Aug 2021)

Colombia (new)	
Status	 Currently effective
Development	Career Law to improve gender equality enacted Measures to improve workplace gender equality and boost women's employment in sectors where women are currently under-represented feature in Law 2117 of 29 Jul 2021. Under the law, the government will introduce equal pay for work of equal value initiatives and publish within one year an action plan outlining further gender equality measures, such as promotion, training and labor inclusion strategies. Failure to comply will lead to fines imposed by the Labor Ministry.
Resources	Law 2117 (Spanish) (Government, 29 Jul 2021)
Honduras (new)	
Status	 Currently effective
Development	Career Minimum wage increased Honduras' minimum wage rates increased on 1 Jul 2021 by 8% for companies with more than 151 employees, by 5% for companies with 51 to 150 employees and by 4.01% for companies with up to 50 employees.
Resources	Law (Spanish) (Official Gazette, 23 Jun 2021)

Peru (new)

Status  **Currently effective**

Development **Career — Health**

Law on sexual harassment prevention revised

Measures in Supreme Decree No. 021-2021-MINP aimed at preventing sexual harassment further revise the anti-harassment standards in Law No. 27942. Changes include the scope of confidentiality protections, revised investigation procedures, and a new requirement for employers to offer medical and psychological assistance to sexual harassment victims. The law also expands the role of workplace committees against sexual harassment, including their involvement in approving internal company policies, monitoring policy compliance, and recommending improvements to the work environment and procedures. The old law will continue to apply to current sexual harassment investigations.

Resources [Supreme Decree No 021-2021-MINP](#) (Spanish) (Official journal, 24 Jul 2021)

Peru (new)

Status  **Currently effective**

Development **Career — Health**

Employers required to provide lactation area

Private- and public-sector employers with 20 or more female employees between ages 15 and 49 must provide a lactation area that meets certain criteria under Law No. 29896, published on 26 Jul 2021. The law sets out the minimum area that employers must provide and entitles employees with children up to 24 months old ‘at least’ to use the area for up to one hour daily — in one-hour, two 30-minute or three 20-minute periods. Companies that have introduced lactation areas must inform the Ministry of Women and Vulnerable People, appoint a lactation coordinator from the workforce, inform their workforce about the benefits of breastfeeding, and set up an attendance register. Companies without sufficient space to provide a lactation room can meet their obligations by providing a dedicated space in a neighboring building or agree in writing to share another employer’s facilities. Breaches of the law will be classified as very serious and could result in fines between PEN 9,900 to PEN 193,500.

Resources [Law No. 29896](#) (Spanish) (Official journal, 26 Jul 2021)

US (new)	
Status	 Companies have until 8 Aug 2022, or the date they file their 2022 proxy or information statement, to disclose their matrix
Development	Career Nasdaq board diversity rule approved The Securities and Exchange Commission (SEC) has approved a Nasdaq rule requiring listed companies to have at least two diverse board members or explain why the board does not and to disclose a board diversity data matrix. The board membership requirement will phase in over several years, and companies have to disclose their matrix by the later of 8 Aug 2022 or one business day after they file their 2022 proxy or information statement. Companies must have one director who self-identifies as female and one who self-identifies as an underrepresented minority or as LGBTQ+, but limited exceptions apply to smaller reporting companies, companies with small boards, and foreign issuers. Companies have until 7 Aug 2023 to appoint their first diverse director and until 2025 or 2026 (depending on the company’s listing tier) to appoint their second. Companies that do not meet the diversity objective (or fail to explain why they do not) have 45 calendar days to submit a compliance plan and must come into compliance within 180 days or face delisting. Nasdaq said the rule is not a mandate and if a company chooses to explain its lack of board diversity rather than comply, Nasdaq will not assess the merits of the explanation.
Resources	amy.knieriem@mercer.com and carol.silverman@mercer.com SEC approves Nasdaq board diversity rule, 12 Aug 2021

US (new)

Status



Deadlines vary

Development

Wealth

DB pension funding relief guidance issued

Eagerly awaited Internal Revenue Service guidance explains how defined benefit (DB) plan sponsors and actuaries should implement the pension funding relief in the American Rescue Plan Act (ARPA) of 2021. Highlights include:


- Plan sponsors generally have until the last day of the plan year beginning in 2021 to make written elections regarding retroactive application of ARPA's 15-year shortfall amortization and interest rate stabilization provisions. In many cases, sponsors can avoid making written elections by simply filing Form 5500 Schedule SB reflecting the relief for an applicable plan year.
- Plan sponsors may add excess contributions arising from reflecting ARPA for the 2019 or 2020 plan year to the plan's prefunding balance for the subsequent plan year by making a written election by 31 Dec 2021 (or if later, the normal deadline for the plan year). Newly created prefunding balance can't be used to retroactively satisfy a funding requirement that arose before the balance was created, and the amount of new prefunding balance a sponsor may create is limited to the increase in excess contributions due to ARPA.
- Sponsors have until 31 Dec 2021 to revoke certain elections to use or waive credit balance for the 2019 or 2020 plan year if electing to use ARPA for that year.
- If a plan's adjusted funding target attainment percentage (AFTAP) changes for the 2020 or 2021 plan year due to ARPA elections, the change will be deemed immaterial if the sponsor obtains a revised AFTAP certification by 31 Dec 2021. The sponsor may elect to apply the changes prospectively or retroactively.
- Plan sponsors may — but don't need to — file revised Schedules SB to reflect ARPA changes to the 2019 minimum required contribution and credit balance elections.

Despite having wide latitude to manage contributions, credit balances and AFTAPs, sponsors can't take any action that would trigger benefit restrictions that would not otherwise apply.

Resources

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[A user's guide to implementing ARPA's DB funding relief](#), 20 Aug 2021; [GRIST](#), 2 Aug 2021

US (new)	
Status	 Currently effective
Development	Career — Health Guidance issued on ‘long COVID’ as a disability Joint guidance addresses ‘long COVID’ as a disability under the Americans with Disabilities Act (ADA), Section 504 of the Rehabilitation Act of 1973 and Section 1557 of the Patient Protection and Affordable Care Act (Section 1557). Issued by departments of Justice (DOJ) and Health and Human Services (HHS), the guidance explains that long COVID — symptoms that last months after the initial infection or new or recurring symptoms arising later — can be a disability under the ADA, Section 504 and Section 1557 if the condition substantially limits one or more major life activities. The guidance focuses solely on long COVID and does not address when COVID-19 may meet the legal definition of disability. The document includes resources for additional information and best practices.
Resources	<u>Guidance on ‘long COVID’ as a disability under the ADA, Section 504 and Section 1557 (HHS and DOJ, 26 Jul 2021)</u>

US (new)

Status  **28 Sep 2021**

Development **Career — Health — Wealth**

Department of Labor rescinds FLSA joint-employer rule

On 29 July 2021, the Department of Labor (DOL) rescinded the Fair Labor Standards Act (FLSA) joint-employer standard rule issued by the Trump administration that took effect March 2020.

Under the FLSA, employers generally must pay nonexempt employees — those eligible for overtime pay — at least the federal minimum wage for all hours worked, plus overtime for all hours worked over 40 in a workweek. When an employee has joint employers under the FLSA, they are “jointly and severally” liable for the employee’s wages.


In March 2021, the DOL proposed to rescind the 2020 rule, which required a new four-factor balancing test that focused on the employer’s actual — not theoretical — control over an employee’s terms and conditions of work. This rule came two and a half years after the agency rescinded informal guidance on joint employment issued during the Obama administration. This had been the first meaningful revision of the joint-employer rule since 1958.

The DOL says rescission of the rule, effective on 28 Sep 2021, “will ensure more workers receive the minimum wages and overtime protections of the Fair Labor Standards Act” and noted that the 2020 rule’s description of joint employment ran contrary to statutory language and congressional intent. In addition, the rule had failed to take prior guidance into account, and a New York district court vacated most of the rule in 2020.

For now, the DOL’s Wage and Hour Division said it “will continue to follow the law and judicial precedent when evaluating joint-employer relationships to enforce worker protections.” Whether the agency will issue further guidance on joint employment is unclear.

Resources [GRIST](#), 2 Aug 2021

US (new)

Status  **Deadline extended until 25 Oct 2021**

Development **Career**
Deadline for employee data submission extended
The Equal Employment Opportunity Commission (EEOC) has again extended the employer deadline to submit component 1 (employer information report) data for the 2019 and 2020 EEO-1. The new deadline is 25 Oct 2021 — the earlier extension had been 23 Aug 2021. The EEOC has said that 25 Oct 2021 will be the final deadline.

Resources [EEO data collections \(EEOC\)](#)

US (new)

Status 

Development **Career**
Rules to implement minimum wage increase for federal contractors proposed
The Department of Labor (DOL) has proposed rules to implement and enforce Executive Order 14026, “Increasing the Minimum Wage for Federal Contractors,” signed on 27 Apr 2021. The proposed rules would increase the minimum wage to \$15 per hour beginning 30 Jan 2022 for workers working on or in connection with covered federal contracts; index the federal contract minimum wage in future years to an inflation measure; eliminate the tipped minimum wage for federal contract workers by 2024; and set a \$15 minimum wage for workers with disabilities performing work on or in connection with covered contracts. The current minimum wage for federal contract workers under Executive Order 13658 is \$10.95 per hour. The comment period closed on 23 Aug 2021.

Resources [Press release](#) (DOL, 21 Jul 2021); [Proposed rule](#) (Federal Register, 22 Jul 2021); [Executive Order 14026](#) (White House, 27 Apr 2021); [Roundup: US employer resources on minimum wage increases](#), regularly updated

US (new)

Status



Development

Wealth

Infrastructure bill with extended interest rate relief passes Senate


The Senate-passed \$1.2 trillion infrastructure package (HR 3684) gives another five years of interest rate relief to single-employer defined benefit (DB) plans. The bipartisan deal extends provisions in the American Rescue Plan Act (ARPA) (Pub. L. No. 117-2) narrowing the interest rate corridor to 5% from 2020 (or, optionally, from 2021 or 2022) through 2025. Under the new bill, the corridor will stay the same until 2030, then widen by five percentage points each year until reaching 30% in 2035. The legislation makes no other changes to ARPA's DB plan relief.

Just after passing the infrastructure measure, the Senate approved Democrats' \$3.5 trillion budget plan in a party-line vote. That measure calls for passing much of President Biden's "human infrastructure" agenda. The infrastructure bill will likely face pushback from progressive Democrats — who want measures omitted from the Senate version — and from conservative Republicans, leaving the outlook uncertain.

Resources

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[GRIST](#), 11 Aug 2021; [GRIST](#), 3 Aug 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](#), regularly updated

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](#), regularly updated

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 margaret.berger@mercer.com and brian.kearney@mercer.com
[GRIST](#), 9 Aug 2021

US — California (new)

Status  **Currently effective**

Development

Career — Health — Wealth

Court holds unconstitutional app-based drivers' exemption from employee status

A California Superior Court judge has ruled that the 2020 ballot measure (Proposition 22) that exempted app-based transportation (ride sharing) and delivery driver companies from having to classify their workers as employees instead of independent contractors is unconstitutional. Firms like Uber, Lyft and DoorDash had backed this measure to be exempt from a 2019 law (Assembly Bill 5) that codified an “ABC” test to determine if workers are employees and entitled to state labor protections and benefits. The decision is viewed as a blow to gig economy companies and will be appealed.

Resources [Decision](#) (Alameda County Superior Court, 20 Aug 2021)
[GRIST](#), 5 Nov 2020

US — California (new)

Status  **Applies to large group health insurance policies issued or renewed in California on or after 1 Jul 2022**

Development **Health**

Large group health policies to cover basic healthcare services

Large group health insurance policies issued or renewed in California on or after 1 Jul 2022, would have to cover medically necessary basic healthcare services under legislation (SB 280) headed to the governor’s desk. Basic healthcare services include physician services; hospital inpatient and ambulatory care services; diagnostic laboratory and diagnostic or therapeutic radiologic services; home healthcare; preventive healthcare; emergency healthcare, including ambulance and ambulance transport services; and hospice care. Large group plans include policies for more than 100 employees.

If the bill becomes law, plans also must provide out-of-area coverage for “urgently needed services” for an unforeseen illness or injury needing treatment without delay. The basic healthcare mandate won’t apply to self-insured ERISA plans or to specialized policies that cover only dental or vision benefits. However, the measure doesn’t exempt grandfathered health plans.

The measure also prohibits an insurer from marketing practices or benefit designs that will have the effect of discouraging the enrollment of individuals with significant health needs or discriminating based on an individual’s race, color, national origin, present or predicted disability, age, sex, gender identity, sexual orientation, expected longevity, degree of medical dependency, quality of life, or other health conditions.

Resources catherine.stamm@mercer.com
[SB 280](#) (Legislature, 30 Aug 2021)

US — California (San Francisco) (new)

Status



1 Jan 2022

Development

Health

San Francisco updates city option, 2022 health care expenditure rates

San Francisco has posted the 2022 health care expenditure (HCE) rates required by the city's Health Care Security Ordinance (HCSO) rules. The HCSO applies to all employers that must obtain a San Francisco business registration certificate and have at least 20 employees in any location if at least one works in San Francisco. The city also has consolidated its HCE city options into one.

Employers with workers in San Francisco will need to adjust 2022 expenditures to meet the new HCE standards. Once premiums are set for insured plans, plan sponsors can review any deficits and determine the best approach to make up any shortfall. Self-funded plans may want to work with their third-party administrators and actuaries to evaluate spending options.

Resources

catherine.stamm@mercer.com and andrea.alarcon@mercer.com
[GRIST](#), 12 Aug 2021

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 took effect on 11 Sep 2021.


Resources [HB 21-1108](#) (Legislature, 20 May 2021)

US — Colorado (new)

Status  **Currently effective**

Development **Career**
High court bans use-it-or-lose-it vacation policies
 Colorado employers that provide vacation cannot include a forfeiture provision in the policy, the state supreme court has ruled. The court held that employers must pay all earned vacation pay on separation, and any agreement permitting forfeiture of earned vacation pay is void. The ruling reverses an appellate court decision upholding use-it-or-lose-it policies.

Resources catherine.stamm@mercer.com and katharine.marshall@mercer.com
[GRIST](#), 24 Aug 2021

US — Colorado (new)	
Status	 For large employers with insured policies and contracts issued or renewed on or after 1 Jan 2022
Development	<p>Health</p> <p>First-dollar mental health screening required in insured plans</p> <p>New legislation (HB 1068) requires Colorado health insurance policies to cover at no cost to the patient an annual mental health wellness examination lasting up to 60 minutes performed by a qualified mental healthcare provider. The coverage must be at least as extensive as for a physical examination and comply with the federal Mental Health Parity and Addiction Equity Act (MHPAEA).</p> <p>For large employers (more than 100 employees), the mandate applies to insured policies and contracts issued or renewed on or after 1 Jan 2022, and to individual and small-group policies and contracts issued or renewed on or after 1 Jan 2023. However, the law will take effect only if the federal government confirms that the coverage is not in addition to essential health benefits, which would require the state to defray the costs. The measure calls for state regulators to request that determination from the federal government.</p> <p>The legislation doesn't exempt high-deductible health plans (HDHPs) paired with health savings accounts (HSAs). However, IRS Notice 2004-23 specifies that first-dollar HDHP coverage of mental health conditions and substance abuse screenings won't prevent HSA contributions.</p>
Resources	<p>catherine.stamm@mercer.com</p> <p>HB 1068 (Legislature, 6 Jul 2021)</p>

US — Colorado (new)

Status

 Proposal

Development

Career — Health

Draft paid family medical leave regulations issued

Draft regulations (8 CO Code Regs. § 1107-1) shared with certain stakeholder groups by the Colorado Department of Labor and Employment (CDLE) would clarify certain provisions of the voter-approved paid family and medical leave insurance (PFMLI) program (CO Rev. Stat. § 8-13.3-501-524). The draft defines qualifying wages on which to base premiums and employers' obligations for collecting and remitting those premiums.

Employers will have to remit quarterly premiums by the end of the month after the close of each calendar quarter. Under the statute, an employer with 10 or more employees may deduct up to 50% of the premium from an employee's wages and remit 100% of the premium to the fund. An employer with fewer than 10 employees localized in Colorado doesn't have to pay the employer portion, but must collect and remit the employee contribution. CDLE will determine an employer's size beginning in 2023 based on quarterly unemployment insurance reports. The initial draft includes guidelines for determining whether an employee's work is localized in the state and identifies enforcement actions for reporting noncompliance or errors.

CDLE would notify covered employers about premium amounts at the start of the month when the premium is due. A payment schedule and additional payment information would be posted online. The draft is the first step regulators have taken to implement the new program.

Resources

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[Draft regulations](#) (CDLE, 8 Aug 2021); [GRIST](#), 10 Nov 2020

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, Pub. Act No. 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 benefit 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 new law's implications for health savings accounts. Last year, the US Department of Health and Human Services (HHS) 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 out-of-pocket (OOP) maximum (and deductibles). 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 a prior HHS position that seemingly required accumulation of drug coupons to OOP maximum (unless a generic equivalent was available) — was issued partly out of concern for the negative impact copay accumulator programs could have on HSA eligibility.

Resources catherine.stamm@mercer.com
[Pub. Act No. 21-14](#), SB 1003 (Legislature, 2 Jun 2021)

US — Florida (new)

Status  **30 Sep 2021**

Development **Career**

Minimum wage to increase to \$10/hour

The hourly rate will increase to \$10 — up from \$8.56. It will then increase \$1 each year until it reaches \$15 in 2026. The minimum wage rate will then be adjusted annually based on changes to the consumer price index.

Resources [Ballot initiative 18-01](#) (Division of Elections, 3 Nov 2020)

US — Illinois (new)

Status  **Currently effective**

Development **Health**


Insurance coverage for telehealth mandated

A new Illinois law (HB 3308, Pub. Act No. 102-0104) requires health insurers in the state to reimburse clinically appropriate and medically necessary covered services rendered via telehealth by healthcare professionals acting within the scope of their licensure or certification. In-network provider must receive the same reimbursement rate for services delivered through telehealth or in person. The law doesn't apply to self-funded ERISA plans.

A policy can't require an in-person visit before using telehealth; create geographic or facility restrictions; require healthcare professionals or facilities to provide telehealth services; require patients to use telehealth or a particular telehealth panel; or impose more stringent utilization review requirements, treatment limitations, prior authorization, or recordkeeping requirements for telehealth than for in-person services. In addition, patient cost sharing can't be higher for telehealth than for in-person services.

Resources catherine.stamm@mercer.com
[Pub. Act No. 102-0104](#), HB 3308 (Legislature, 22 Jul 2021)

US — Illinois (new)

Status	 Currently effective
Development	Health — Career Fertility coverage mandate updated Recent Illinois legislation (Pub. Act No. 102-0179, HB 3709) updates the state’s fertility coverage mandate (215 IL Comp. Stat. 5/356m) to extend benefits to same-sex couples and single individuals. The measure defines infertility for opposite-sex couples as the inability to conceive or a failure to establish a pregnancy or carry a pregnancy to live birth after 12 months of regular, unprotected sexual intercourse if a woman is age 35 or younger, or after six months if a woman is older than 35. Infertility may also be due to physical findings or diagnostic testing. Under the new law, conceiving but having a miscarriage does not restart the 12- or six-month period for determining infertility. The measure prohibits imposing any exclusions, limitations or other restrictions on coverage of fertility medications that differ from those applied to other prescription medications. Cost sharing, benefit maximums, waiting periods, or other coverage limitations for the diagnosis and treatment of infertility and for standard fertility preservation services can’t differ from those applied to other benefits. Benefits must be the same even if the patient participates in fertility services provided by or to a third party.

Resources catherine.stamm@mercer.com
[Pub. Act No, 102-0170, HB 3709](#) (Legislature, 27 Jul 2021)

US — Illinois (new)

Status  **Applies to insured health plans issued or renewed in the state on or after 1 Jan 2023**

Development **Health**
Mental health parity law updated
Illinois has updated its mental health and substance use disorder law, citing a recent federal court ruling (*Wit v. United Behavioral Health*) holding the insurer’s placement criteria were inconsistent with generally accepted standards of care. Under the revised Illinois law (Pub. Act No. 102-579, HB 2595), insured health plans issued or renewed in the state on or after 1 Jan 2023 must cover medically necessary mental health and substance use disorders without setting a specific limit or duration of benefits.
Medical necessity determinations and utilization review criteria for mental health services must follow the most recent version of the treatment criteria developed by an unaffiliated, nonprofit professional association for the relevant clinical specialty. For substance use disorders, the plan must adhere to the most recent edition of the patient placement criteria established by the American Society of Addiction Medicine. Insurers cannot use more restrictive criteria. Though the Illinois law doesn’t apply to self-insured ERISA plans, the federal Mental Health Parity and Addiction Equity Act (MHPAEA) includes similar requirements.

Resources catherine.stamm@mercer.com
[Pub. Act No. 102-579, HB 2595](#) (Legislature, 25 Aug 2021)

US — Massachusetts (new)

Status  **1 Jan 2022**

Development **Health**
2022 individual-mandate coverage dollar limits revised
The Massachusetts Health Connector has announced revised 2022 dollar limits on deductibles and other cost sharing for minimum creditable coverage (MCC), as required by regulations (956 MA Code Regs. 5). The Massachusetts individual coverage mandate, in place since 2007, requires state residents to maintain MCC or face a potential state tax penalty.
Though employers have no obligation to provide MCC for their Massachusetts employees, many employees use their employment-based health coverage to satisfy the mandate. In addition, health plan reporting requirements compel plan sponsors (or their vendors) to determine whether the coverage they offer meets MCC standards.
Deductibles receive annual adjustments tied to federal indexing. The regulations also clarify the MCC criteria for health arrangements that religious organizations provide for their members.

Resources catherine.stamm@mercer.com and patricia.farrell@mercer.com
[Administrative Information Bulletin 06-21](#) (Health Connector, 30 Jul 2021); [GRIST](#), 30 Aug 2021

US — New Hampshire (new)

Status  **The target program start-up date is 1 Jan 2023**

Development **Career — Health**
Voluntary paid family leave program enacted
New Hampshire has enacted the Granite State Paid Family Leave Act, with a target program start-up date of 1 Jan 2023. Signed June 28 by Gov. Christopher Sununu, the legislation (2021 Ch. 91, HB 2) will extend cost-free paid family leave to state government employees. The program will be open on a voluntary basis to other public employers, private employers with more than 50 employees, and New Hampshire employees whose private employers do not opt into or qualify to participate in the program. The law doesn't specify whether an employer must have 50 employees in the state or anywhere to participate. The Department of Administrative Services will establish rules for base periods, minimum participation requirements, any open-enrollment period parameters and procedures for contributory plans, including payroll deduction and payment of contributions to a newly established Family and Medical Leave Insurance premium fund.

Resources catherine.stamm@mercer.com and fernanda.zendejas@mercer.com
[GRIST](#), 15 Jul 2021


US — Oklahoma (new)

Status  **Currently effective**

Development **Health**
Bulletin warns carriers on mental health parity for autism
A recent Oklahoma bulletin (No. LH 2021-03) provides mental health parity guidance relating to applied behavioral analysis (ABA) benefits and age limits for treatment of autism spectrum disorder. The bulletin clarifies that health insurance coverage that includes medical or surgical benefits and mental health or substance use disorder benefits cannot impose additional ABA limitations, whether quantitative (financial, access or other limitations with numerical measures) or nonquantitative (medication limit, medical management or other nonquantitative measures).
Regulators note that the courts and federal agencies have found federal Mental Health Parity and Addiction Equity Act (MHPAEA) violations related to ABA benefit exclusions and mental health or substance abuse disorder treatment or benefit limitations more restrictive than the ones applied to covered medical and surgical benefits. The guidance recommends all carriers that include ABA benefits in their health plans update those plans by 31 Dec 2021 to remove potentially discriminatory age restrictions and include comparable coverage for mental health or substance use disorder treatments and services.

Resources catherine.stamm@mercer.com
[LH Bulletin No. 2021-03](#) (Insurance Department, 12 Aug 2021)

US — Rhode Island (new)

Status  **Effective 1 Jan 2023**

Development **Career**
Extensive pay equity law enacted
Comprehensive pay equity legislation (SB 270A, HB 5261A) will take effect on 1 Jan 2023. The law will prohibit employers from paying lower wages for “comparable work by employees of another race, color, religion, sex, sexual orientation, gender identity or expression, disability, age or country of origin. The measure evens the playing field for job applicants and employees who are negotiating wages and salaries with an employer; requires employers to be more transparent in communicating wage ranges to applicants and current employees; and protects applicants and employees from potentially damaging wage history information.
If an employer violates the law, employees may be eligible to collect back pay, unpaid wages and damages. Applicants, employees or former employees may seek relief from an employer’s unlawful pay practices at the Department of Labor and Training or in court. The law offers some protection to employers from civil penalties if they proactively conduct a wage audit in order to fix any unlawful pay practices.

Resources [Press release](#) (General Assembly, 8 Jul 2021)

US — Rhode Island (new)

Status  **Leave beginning in 2023**

Development **Career — Health**
Family caregiver benefits extended to six weeks
Beginning on or after Jan. 1, 2022, Rhode Island’s temporary disability and family leave law will allow up to five weeks — an increase from four weeks — to bond with a new child or care for a family member with a serious health condition. The legislation (Ch. 178, HB 6090) amending the law further lengthens the duration to six weeks for leaves beginning in 2023. The state will continue to cap combined family and disability leave at 30 weeks.

Resources catherine.stamm@mercer.com
[Ch. 178, HB 6090](#) (Legislature, 6 Jul 2021)

US — Rhode Island (new)

Status  **1 Jan 2022**

Development **Health**
Insulin cost sharing capped
Beginning 1 Jan 2022, Rhode Island insured health plans that cover insulin must cap a patient's total cost sharing for insulin at \$40 for a 30-day supply. The new law (Ch. 110, HB 5196) doesn't provide for any limitations, such as by type of insulin needed. The state's action replicates similar cost-sharing restrictions in other states after a steep rise in insulin prices. IRS Notice 2019-45 expands first-dollar coverage for the drug in high-deductible health plans paired with health savings accounts.


Resources catherine.stamm@mercer.com
[Ch. 110, HB 5196](#) (Legislature, 2 Jul 2021)

US — Texas (new)

Status  **Currently effective**

Development **Career**
Sexual harassment protections for employees expanded
Sexual harassment laws in Texas have expanded under legislation (SB 45 and HB 21) that took effect on 1 Sep 2021. SB 45 expands the definitions of employer and sexual harassment and requires employers to take immediate and appropriate action when a claim is made. HB 21 extends the deadline for filing a claim of sexual harassment.

Resources [HB 21](#) (Legislature, 9 Jun 2021); [SB 45](#) (Legislature, 30 May 2021)

US — Texas (new)	
Status	 Effective dates vary
Development	<p>Health</p> <p>Patient ‘steering’ in prescription drug plans banned</p> <p>A new Texas law (HB 1919) bars certain practices by certain covered entities: pharmacy benefit managers (PBMs), health insurers and multiple-employer welfare arrangements (MEWAs). Under the new law, covered entities are prohibited from engaging in the following practices:</p> <ul style="list-style-type: none">• Steering or directing a patient to use an affiliated pharmacy to receive the maximum drug benefit• Offering or implementing a plan that requires or induces — such as via reduced cost sharing — a patient to use an affiliated pharmacy• Soliciting a patient to transfer a prescription to an affiliated pharmacy• Requiring an unaffiliated pharmacy or durable medical equipment provider to transfer a patient’s prescription to one that is affiliated with the covered entity
Resources	<p>catherine.stamm@mercer.com</p> <p>HB 1919 (Legislature)</p>

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, health maintenance organizations (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

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[HB 1763](#) (Legislature, 26 May 2021)

US — Wisconsin (new)	
Status	 Currently effective
Development	Health Pharmacy drug benefit law added A new Wisconsin pharmacy drug benefit law (Pub. Act No. 9, SB 3) bans pharmacy gag clauses and limits patients' drug charges to the lower of the plan's cost-sharing amount or the cost without insurance. For plans issued or renewed on or after 1 Jan 2022, pharmacy benefit managers (PBMs) must be licensed to operate in the state. In addition, health insurers, PBMs, and self-funded state and local health plans must provide covered individuals advance written notice, with limited exceptions, about a formulary change that removes a prescription or increases cost sharing. Annual PBM reports, initially due to state regulators 1 Jun 2021, must contain the aggregate rebate amount during the previous calendar year that the PBM received from all pharmaceutical manufacturers and did not pass through to health plan sponsors. The report also must include the percentage of the aggregate retained rebates. Reporting applies to contracts with pharmacies located in Wisconsin,
Resources	catherine.stamm@mercer.com Pub. Act No. 9, SB 3 (Legislature, 26 Mar 2021)

US (previously covered with upcoming effective dates)

Development

Career

- [Wage range disclosures required, pay equity law expanded in Connecticut](#) — Key date: 1 Oct 2021
- [Employers banned from seeking salary history in Nevada](#) — Key date: 1 Oct 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
- [Discrimination based on hairstyles banned in Oregon](#) — Key date: 1 Jan 2022
- [Minimum wage to progressively increase to \\$15 in Rhode Island](#) — 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

Career — Health

- [Employees can use leave for bereavement in Maryland](#) — Key date: 1 Oct 2021
- [Gender affirming treatment mandated in Washington](#) — 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
- [Paid family and medical leave contributions to begin in Oregon](#) — Key date: 1 Jan 2023

US (previously covered with upcoming effective dates) — continued

Development

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 toward cost sharing in Oklahoma](#) — Key date: 1 Nov 2021
- [Healthcare cost transparency rules and medical loss ratio changes finalized](#) — Key date: 1 Jan 2022
- [Mental health parity aligned with federal mandate in Kentucky](#) — Key date: 1 Jan 2022
- [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
- [Third-party contribution legislation limits insurers' cost sharing in Kentucky](#) — Key date: 1 Jan 2022
- [Cost sharing for insulin restricted in Kentucky](#) — Key date: 1 Jan 2022
- [State public option established in Colorado](#) — Key date: 1 Jan 2022
- [Third-party payments to count toward cost sharing in Connecticut](#) — Key date: 1 Jan 2022
- [Insureds' insulin and supplies cost limited in Washington, DC](#) — Key date: 1 Jan 2022
- [Legislation to require PBM regulation in Montana](#) — Key date: 1 Jan 2022
- [Behavioral health cost sharing banned, health premium surtax raised in New Mexico](#) — Key date: 1 Jan 2022
- [Insulin cost sharing for insured plans capped in Oregon](#) — Key date: 1 Jan 2022
- [Tight exemption timeline to long-term care law added in Washington](#) — Key date: 1 Jan 2022
- [Consumer privacy law enacted in Virginia](#) — Key date: 1 Jan 2023

4

Asia Pacific

Australia (new)

Status  **Effective from 1 Jan 2023, with a phased-in implementation starting with large authorized deposit-taking institutions**

Development **Career**
Revised remuneration standard finalized
The Australian Prudential Regulation Authority (APRA) has released revised Prudential Standard CPS 511 Remuneration (CP 511) in response to industry feedback. The standard applies a more principles-based approach designed to be risk-based and proportionate, with comprehensive requirements for larger, more complex regulated entities known as significant financial institutions (SFIs). The revised standard also aligns with international better practices, incorporating standards and guidance from the Financial Stability Board. To support the transition to the new requirements, APRA expects to finalize the Prudential Practice Guide CPG 511 Remuneration in October 2021. APRA also is working with the Treasury to ensure appropriate alignment with CPS 511 and the Financial Accountability Regime (FAR). A 2020 government paper outlined proposals to extend the Banking Executive Accountability Regime to all APRA-regulated entities under FAR. FAR includes proposed minimum deferral requirements and adjustments to the variable remuneration of all ‘accountable persons,’ who will also be captured by CPS511. On finalization of the FAR legislation, APRA will review whether additional minor changes to CPS 511 are required.

Resources michael.moses@mercero.com
[GRIST](#), 3 Sep 2021

Australia (new)

Status  **Effective dates vary**

Development

Wealth

Your Future, Your Super final regulations published

Australia's 'Your Future, Your Super' final regulations were registered on 5 Aug 2021. The regulations focus on the single default account/stapled fund system starting 1 Nov 2021, the performance test applicable to MySuper products effective July 2021, and 'trustee-directed products' effective July 2022 — along with information to be included in notices of annual members' meetings. An accompanying government announcement highlighted a change to the administration fee component in the annual performance test methodology. Now, that component of the test will be based on the administration fee charged by the product over the most recent financial year, benchmarked against peer products.

Resources

paul.shallue@mercer.com
[GRIST](#), 23 Aug 2021

Australia (new)

Status  **Proposal**

Development

Wealth

Retirement income covenant proposed

A consultation on the proposed retirement income covenant that would require trustees to “formulate, review regularly and give effect to a retirement income strategy” for their retirees and members nearing retirement closed on 6 Aug 2021. The proposed requirement would apply from 1 Jul 2022 to trustees of self-managed super funds and small Australia Prudential Regulation Authority (APRA) funds with retirees or members nearing retirement and to large APRA funds. The government says “[t]he covenant will codify the requirements and obligations for superannuation trustees to improve retirement outcomes for individuals, while enabling choice and competition in the retirement phase.” The government will publish another consultation on exposure draft legislation later in 2021.

Resources

paul.shallue@mercer.com
[Consultation](#) (Treasury, 19 Jul 2021)

Australia (new)

Status  **Proposal**

Development **Wealth**
Revised guidance on unsolicited selling of financial products proposed
A consultation on updated guidance addressing the prohibition on unsolicited selling of all financial products closed on 17 Aug 2021. The consultation precedes revised anti-hawking rules slated to take effect on 5 Oct 2021. The revised rules aim to strengthen measures to prevent pressure selling to consumers and will include all financial products, including superannuation and insurance. Proposed guidance issued by the Australia Securities and Investments Commission sets out the types of communication and the nature of consent required and consumers' right to return a product and to receive a refund. The finalized guidance will be published in September 2021.



Resources paul.shallue@mercer.com
[Press release](#) (Australian Securities & Investments Commission, 21 Jul 2021)

Australia (new)

Status  **Proposal**

Development **Career**
Cybersecurity regulations and incentives proposed
A government discussion paper on strengthening cybersecurity regulations and incentives invited input through 27 Aug 2021 on measures (including regulatory changes) that could better protect Australia's digital economy. The discussion paper outlined three areas for input, including setting clear cybersecurity expectations, increased transparency and the protection of consumer rights. The initiative is part of the government's Cyber Security Strategy 2020 and aims to respond to the 2020 Cyber Security Strategy Industry Advisory Panel, and complement the Critical Infrastructure Reform Plan and the proposed review of the Privacy Act 1988.

Resources paul.shallue@mercer.com
[Strengthening Australia's cyber security regulations and incentives](#) (Government, 13 Jul 2021); [Cyber Security Strategy 2020](#) (Government, 6 Aug 2020)

Australia (new)	
Status	 Proposal
Development	<p>Wealth</p> <p>Draft regulations on disclosing superannuation portfolio holdings proposed</p> <p>Australia's draft disclosure regulations for superannuation portfolio holdings address the type of asset information that must be disclosed and how it must be disclosed. A short consultation period on the proposed regulations closed on 31 Aug 2021. From 2022, super fund websites must show details of asset holdings for each investment option, and trustees will have to disclose investment items held by the fund, an associate of the fund, or a pooled superannuation trust. The latest consultation incorporates certain feedback received on an earlier consultation released in April 2021. The finalized regulations will be published later in 2021. The proposed first reporting date remains 31 Dec 2021, with disclosures required by 31 Mar 2022.</p>
Resources	<p>paul.shallue@mercer.com</p> <p>Consultation (Treasury, 17 Aug 2021)</p>
Australia (new)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Reskilling, retraining of some employees exempt from tax</p> <p>Employer-provided training and education for employees who are or soon could be redundant are exempt from fringe benefits taxation, the Australia Taxation Office announced on 13 Jul 2021. Retraining provided since 2 Oct 2020 may be eligible for the exemption, subject to meeting certain criteria.</p>
Resources	<p>FBT retraining and reskilling exemption now law (Australian Taxation Office, 13 Jul 2021)</p>

Australia (previously covered with upcoming effective dates)

Development	Wealth <ul style="list-style-type: none">• 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• Reduced minimum pension payment drawdown extended — Key date: 30 Jun 2022
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China (new)

Status	 Currently effective
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Development	Health <p>Regulation changes critical-illness insurance coverage</p> <p>A regulation specifying the types of critical illnesses that insurance policies must cover took effect on 31 Jan 2021 and incorporates changes to critical insurance. Along with optimizing classification and establishing a multilevel critical illness system, the regulation defines “mild disease” for the first time and requires classifying three core diseases — malignant tumor, acute myocardial infarction and stroke sequelae — according to severity as either “mild” or “critical”; The reimbursement rate for mild forms of these three diseases is capped at 30%. The number of diseases has increased, and coverage has expanded from the original 25 types of critical illnesses to include 28 types of critical illnesses and three types of mild illnesses. The three new critical illnesses are severe chronic respiratory failure, severe Crohn's disease and severe ulcerative colitis.</p>
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Resources	Specifications for the use of illness definitions for critical illness insurance (2020 revised edition) (Chinese) (Government, 5 Nov 2020)
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China (new)

Status  **Currently effective**

Development **Career — Health**

Maternity insurance to cover cost for third child's birth

Maternity insurance schemes will cover working women's cost for a third child's birth, the National Healthcare Security Administration announced on 26 Jul 2021. The CPC Central Committee announced in July 2021 a policy change that now allows couples to have three children.

Resources angela.li@mercer.com

Maternity insurance in China to cover cost of third-child birth ([English](#) and [Chinese](#)) (Government, 26 Jul 2021)

China (new)

Status  **Proposal**

Development **Wealth**

Gradual increase in minimum contribution period for basic pension planned

A gradual increase in the minimum contribution period required to receive basic pension insurance features in the 14th Five-Year Plan covering 2021–2025 announced by Ministry of Human Resources and Social Security. The minimum pension contribution period currently is 15 years. The plan also calls for the mandatory retirement age to increase gradually. The plan does not include any information about the proposed increases or their implementation.

Resources [Announcement](#) (Chinese) (Government, 30 Jun 2021)

China — Beijing and Shanghai

Status  **Currently effective**

Development

Career

Shanghai and Beijing increase minimum wages

Effective 1 Jul 2021, Shanghai's monthly minimum wage for full-time workers increased to RMB 2,590 — up from RMB 2,489 — and the hourly minimum wage for part-time workers increased to RMB 23 — up from RMB 22. Effective 1 Aug 2021, Beijing's monthly minimum wage for full-time workers increased to RMB 2,320 — up from 2,200 — and the hourly minimum wage for part-time workers increased to RMB 25.

Resources [Press release](#) (Chinese) (Government, 11 Jun 2021)

China (new)

Status



Currently effective

Development

Health — Wealth

Social insurance enrollment required for foreign workers in Shanghai

Shanghai employers must enroll foreign workers from Hong Kong, Macau and Taiwan in China's national social insurance scheme — and pay contributions for them — effective 16 Aug 2021. The change follows the expiration of a 2009 Shanghai law that made it optional to enroll such workers in the scheme. Employers that fail to enroll their employees face fines and other penalties.

National measures requiring the enrollment of foreign workers in the Chinese national social insurance system took effect in 2011. Before then, local policies provided guidance on the coverage of foreign employees. Measures concerning the enrollment of residents of Hong Kong, Macau and Taiwan took effect in 2020. However, Shanghai local law continued to treat the insurance of foreign employees as an optional benefit, not a legal requirement. Expiration of the Shanghai law has raised questions as to whether authorities could require employers with foreign employees in Shanghai to contribute retroactively to the social insurance scheme.

Under the new law, employers must enroll employees within 30 days of the date they obtained their employment certificate or started working. Employers must contribute to four types of social insurance covered by the scheme (basic pension, basic medical, unemployment and occupational injury), and employees also must contribute. The contribution amount is based on the individual's monthly salary. The minimum salary threshold is RMB 5,975, and the maximum threshold is RMB 31,014 per month. Employer and employee contributions amount to approximately 27.16% and 10.5% respectively. Contributions to the housing fund remain optional and can be mutually agreed to by employers and employees.



Employees who are nationals of certain countries that have bilateral social security treaties with China and employees from Hong Kong, Macau, and Taiwan who remain enrolled in equivalent schemes could be exempt from enrollment in the Chinese social insurance scheme.

Resources

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[GRIST](#), 31 Aug 2021

Hong Kong (new)	
Status	 Effective dates vary
Development	Career Five more statutory holidays to be phased in By 2030, eligible employees will be entitled to 17 days of paid statutory holidays — up from 12 — under measures included in the Employment (Amendment) Bill 2021 that passed the Legislative Council on 7 Jul 2021. Beginning in May 2022, the first new holiday will mark the birthday of Buddha. The other holidays will begin as follows: the first weekday after Christmas day (starting in 2024); Easter Monday (starting in 2026); Good Friday (starting in 2028); and day after Good Friday (starting in 2030). Statutory holiday pay is calculated on an employee’s average wage earned during the 12 months immediately before the holiday. Employers must grant an alternative holiday on the next day to employees required to work on a statutory holiday.
Resources	Employment (Amendment) Bill 2021 (Government, 7 Jul 2021)
India (new)	
Status	 Effective 1 Apr 2022
Development	Wealth Guidance addresses taxation of certain employee provident fund contributions A circular from the Central Board of Direct Tax clarifies employees’ taxable interest calculation on their Provident Fund contributions exceeding the specified INR 250,000 limit. The Provident Fund accounts currently are tax-exempt, but the Finance Minister’s Budget 2021 proposed to tax the interest on amounts that exceed a certain limit. The change will take effect on 1 Apr 2022.
Resources	jyotsna.tiwari@mercer.com Notification No. 95/202 (Income Tax Department, 31 Aug 2021); Budget 2021 (Government, 31 Jan 2021)

India (previously covered with upcoming effective dates)	
Development	<p>Career — Health — Wealth</p> <ul style="list-style-type: none">• Labor and employment laws reformed — Key date: Later in 2021 <p>Career — Wealth</p> <ul style="list-style-type: none">• Top-listed companies face enhanced sustainability reporting — Key date: April 2022
Japan (new)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Telework guidelines revised</p> <p>Updated telework guidelines from the Ministry of Health, Labour and Welfare set out how to incorporate telework into different work schedules, including normal and irregular working hours, flex-time systems, work performed outside of the workplace, and discretionary work and high-level professional systems that allow employees to choose how and when they work. The guidelines recommend managing and recording teleworkers’ working time, scheduling breaks during the working day, and implementing measures to prevent long working hours. Although the guidelines are not binding, the labor authority’s decisions and court judgments could refer to the guidance.</p>
Resources	<p>Guidelines (Japanese) (Ministry of Health, Labour and Welfare)</p>
Malaysia (new)	
Status	 Proposal
Development	<p>Career — Health</p> <p>Social security contributions could be expanded to include stay-at-home women</p> <p>Measures that would expand social security coverage to include women who stay at home instead of seeking paid employment feature in a strategy document published by Malaysia’s Ministry of Human Resources. The proposal responds partly to the impact of COVID-19 on women who are not working. The cabinet has not yet adopted the measures, but they could be introduced in 2022 and could benefit up to 1.9 million women.</p>
Resources	<p>Strategy document (Malay) (Ministry of Human Resources, 9 Aug 2021)</p>

Singapore (new)

Status

 Applications will be accepted from 1 Jan 2022, but measures apply to children who are born or whose adoption process is initiated on or after 1 Jan 2021.

Development

Career — Health


Family leave eligibility expanded

Singapore parents are now entitled to government-paid maternity, paternity or adoption leave if they are employed on short-term employment contracts, have been recently laid off, or are newly employed before the birth or adoption of their child. The measure in the recently passed Child Development Co-Savings (Amendment) Bill aim to improve family-friendly workplace policies and apply to children who are born or whose adoption process is initiated on or after 1 Jan 2021. However, applications will only be accepted from 1 Jan 2022, pending subsidiary legislation to implement the scheme. Highlights include:

- Eligible working natural or adoptive fathers and adoptive mothers employed on multiple short-term contracts that end shortly before the birth or adoption of a child are entitled to government-paid paternity or adoption leave. Parents can opt to receive a cash benefit instead of taking such leave. To be eligible, parents must have worked for 90 days or more during the previous 12-month period.
- The benefit amount will be calculated on the parent's average income earned during the 12 months before the birth or adoption. The paternity benefit will be capped at SG\$2,500 per week and includes Central Provident Fund contributions. Adoptive mothers can receive eight or 12 weeks of maternity benefits capped between SG\$20,000 and SG\$30,000, depending on the number of children in the family.
- Parents with unused maternity, paternity or adoption leave who are laid off due to redundancy or corporate reorganization are eligible for the corresponding benefit payment. Under old rules, laid-off workers forfeited any unused paid leave.
- The government will reimburse employers that voluntarily grant paid maternity, paternity or adoption leave to employees who are continuously employed for fewer than three months.
- Parents of a stillborn baby delivered after the 22nd week of pregnancy who would have been a Singapore citizen will be entitled to certain government-paid leave and benefit schemes.

Resources

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[GRIST](#), 26 Aug 2021

Singapore (new)	
Status	 Proposed measures
Development	<p>Career — Health — Wealth</p> <p>New workforce measures outlined</p> <p>Singapore’s prime minister outlined new workforce initiatives in the National Day Rally Speech. Highlights include:</p> <ul style="list-style-type: none">• Low-wage workers would receive increased government wage subsidies and Central Provident Fund contributions in two years.• The eligible age for Workfare payments would decrease to 30 years, down from 35.• The Progressive Wage Model would apply to more industry sectors, including retail, food services and waste management, and cover specific job roles, regardless of the sector. Companies paying Progressive Wages to all employees would be awarded a Progressive Wage Mark, and the public sector would purchase goods and services only from accredited companies.• Companies hiring foreign workers would have to pay the Local Qualifying Salary (LQS) to all of their local employees, and the LQS amount would be adjusted periodically.• Measures would address delivery and gig workers’ employment rights ‘to give these workers more secure futures.’• The eligibility criteria for issuing Employment and S Passes would be tightened “gradually and progressively.” However, the prime minister acknowledged the economy’s continued reliance on foreign expertise, particularly in the finance and information, communications, and technology (ICT) sectors.• Guidelines issued by the Tripartite Alliance for Fair and Progressive Employment Practices would be enshrined in law to increase the protection of workers against discrimination on the grounds of nationality, gender, age, religion and disability. A workplace discrimination tribunal would be established, and the range of enforcement actions would expand.• A new law — the Maintenance of Racial Harmony Act — would target combatting discrimination on the grounds of race and encouraging “moderation and tolerance between different racial groups.” National policies on race and religion would be revised according to the country’s “needs and circumstances,” and any future initiatives would be consensus-based.
Resources	GRIST , 7 Sep 2021

Singapore (new)

Status  Consultation is open until 27 Sep 2021.

Development [Career](#)

Consultation on climate-related and board diversity disclosures

Listed companies in Singapore could be required to include climate-related disclosures consistent with the Task Force on Climate-Related Financial Disclosures in their sustainability reports and to have a board diversity policy and describe it in their annual reports. The proposals feature in a consultation document published by the Singapore Exchange Regulation and open to comments through 27 Sep 2021. The measures could apply to financial years starting on or after 1 Jan 2022, and climate-related disclosures could be phased in over three years.

Resources [Consultation paper on climate and diversity](#) (Singapore Exchange Regulation, 26 Aug 2021); [Task Force on Climate-Related Financial Disclosures](#)

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

Health

Medical insurance coverage and costs revised

From 1 Aug 2021, group medical insurance policies must provide bundled coverage for ‘accident’ and ‘disease,’ reimbursing medical expenses incurred for hospitalization and outpatient treatment in each category. Before this change, policies could cover hospitalization and outpatient expenses separately for accidents and diseases. In addition, the coinsurance or deductible amounts for eligible medical expenses has increased to 20% for statutory items and 30% for nonstatutory items, up from 10% and 20% respectively. Individual medical insurance policies had to comply starting 1 Jul 2021.

Resources

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[Press release](#) (Financial Services Commission, 29 Jun 2021)

South Korea (new)

Status



1 Jan 2022

Development

Career

Minimum wage to increase by 5.1%

The Minimum Wage Commission has agreed on a minimum wage increase of 5.1% to KRW 9,160 per hour for 2022, much higher than the 1.5% increase in 2021. The monthly wage will be approximately KRW 1,914,440 per month.

Resources

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[Minimum wage system](#) (Minimum Wage Commission)

South Korea (new)

Status  **Currently effective**

Development **Career**

More public holidays designated as substitute holidays

A presidential decree has designated 11 public holidays as substitute holidays — up from seven. Substitute holidays mean that if a public holiday falls on a Saturday or a Sunday, the following Monday will be a paid day off. However, four public holidays are excluded — New Year's Day (1 Jan), Buddha's Birthday (8 Apr in the lunar calendar), Memorial Day (6 Jun) and Christmas (25 Dec).

Resources sungjae.you@mercer.com
[Presidential decree](#) (Korean) (Government, 16 Jul 2021)

Taiwan (new)

Status  **Currently effective**

Development **Career — Health**

Parental leave rights, leave for pregnancy check-ups expanded

From 1 Jul 2021, employees in Taiwan, with children younger than three years old, can apply for unpaid parental leave of between 30 days and six months. Employees taking parental leave for periods shorter than six months can apply for up to two 30-day periods. Employees must submit a written request to take parental leave at least 10 days prior to its start. Under the old rules, the minimum period that employees could take was six months. Employees taking parental leave can now apply to receive a new 20% salary subsidy calculated on the average monthly-insured salary, in addition to the 60% parental leave allowance. In addition, pregnant employees can now take seven days for check-ups — up from five days under the old rules — and the government will pay a subsidy to employers that pay for the additional days.

Resources echo.liu@mercer.com
[Announcement](#) (Chinese) (Ministry of Labor, 1 Jul 2021)

5

Europe, Middle East and Africa (EMEA)

European Union (EU) (new)

Status  Proposal

Development **Career**

Linking ESG to executive pay considered

A consultation document from the EU-appointed Platform on Sustainable Finance (PSF) on the possible inclusion of social issues in the EU's green taxonomy on sustainability closed to comments on 27 Aug 2021. The PSF says that “the lack of a clear definition of the essential characteristics of social investments hinders their development and potentially their contribution to solve social problems.” One of the PSF's recommendations is to link executive pay to the achievement of a company's environmental, social and governance (ESG) objectives — a practice several companies have already adopted. However, the PSF acknowledges that adding a social taxonomy could increase the sustainability/environmental, social and governance (ESG) reporting burden on companies. In addition, any initiative would have to take into account the different national laws on workforce diversity data monitoring, leave arrangements, notice periods and unionization, among other issues. The PSF will report back to the European Commission by November 2021, and the commission is expected to publish a report by year-end regarding the possible extension of the current taxonomy regulation to include social objectives.

Resources [Draft report on social taxonomy](#) (PSF, 16 Jul 2021)| [Platform on Sustainable Finance](#) (European Commission); [EU taxonomy for sustainable activities](#) (European Commission)

EU (new)

Status



Applies to certain financial institutions from 31 Dec 2021

Development

Career — Wealth

Financial regulator updates remuneration guidelines

Revised guidelines on sound remuneration policies from the European Banking Authority implement the EU's fifth capital requirements directive (CRD V). The guidelines, which will repeal the 2015 guidelines, will apply to certain financial institutions from 31 Dec 2021. Although the guidelines do not apply to the UK post-Brexit, the UK's Financial Conduct Authority and Prudential Regulation Authority are expected to clarify their approach to the guidelines later in 2021.

Highlights include:

- Remuneration policies should be gender-neutral. Financial institutions will have to implement a gender-neutral remuneration policy and evaluate all staff positions for equal value. The gender pay gap should be monitored by country for different categories of staff, and any material differences explained.
- Remuneration policies and practices should be reviewed at least annually.
- The required minimum deferral periods for variable pay will be extended to four to five years — up from three to five years.
- The guidelines on severance pay, retention bonuses and discretionary pension benefits have been clarified to avoid using such payments to circumvent remuneration requirements. For instance, the payment of retention bonuses must be justified, and the definition of severance payments cannot include the payment of discretionary pension benefits.
- Clarifications address how the remuneration framework applies on a consolidated basis to financial institutions subject to a specific remuneration framework — such as firms subject to the Investment Firms Directive, the Undertakings for Collective Investment in Transferable Securities Directive, or the Alternative Investment Fund Managers Directive.
- Further guidance covers waivers of requirements for certain smaller institutions, such as the deferral of variable remuneration.
- Remuneration policies must be consistent with environmental, social and governance (ESG) risk-related objectives.

Resources

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[GRIST](#), 4 Aug 2021

EU (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Guidance on risks of forced labor in supply chains issued</p> <p>Nonbinding guidance from the European Commission aims to help companies implement “effective human rights due diligence practices to address the risk of forced labor in their supply chains.” Companies are encouraged to use existing due diligence instruments — such as, the Organization for Economic Co-operation and Development’s due diligence framework — to address forced labor in supply chains. However, the guidance advises that due diligence steps must be appropriate to each company’s circumstances. Topics covered include:</p> <ul style="list-style-type: none">• Implementation of appropriate policies and management processes• Identification of risk factors associated with forced labor, including ‘red flags’• In-depth risk assessments, including actions to address the risk of forced labor, and the risks of state-sponsored forced labor• Responsible disengagement by companies when they risk using forced labor• Remediation by companies that have caused or contributed to actual adverse impact• Identification of cross-cutting due diligence aspects (for example, gender issues, discrimination against ethnic and religious minorities, and forced labor associated with raw materials of unknown or high-risk origin).
Resources	<p>Guidance (European Commission, 12 July 2021)</p>

EU (new)

Status



Currently effective

Development

Career

Employer's neutral ban on wearing religious symbols confirmed in ruling

Employers may prohibit employees from wearing any visible expression of political, philosophical or religious beliefs in the workplace if a genuine need exists to present a neutral image toward customers or to prevent social disputes, the EU Court of Justice has ruled. The case concerned two Muslim women in Germany suspended from work when they refused to stop wearing the hijab. The women had not worn the hijab when they first started work, but decided to do so some years later.

The court said that national courts should make the necessary factual assessments about an employer's internal rules. However, the court confirmed that such prohibitions would not breach EU equality laws or be discriminatory if they met certain criteria. Employers must apply their internal rules "in a consistent and systematic manner" and limit prohibitions to what is "strictly necessary." The latest judgment confirms the court's 2017 decision that allowed companies to ban staff from wearing visible religious symbols in certain circumstances.

Resources

[Judgment](#) (Court of Justice of the EU, 15 Jul 2021)

EU (previously covered with upcoming effective dates)

Development

Career

- [Directive expands whistleblower protections](#) — Key date: 17 Dec 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

- [Measures on work-life balance, including leave, finalized](#) — Key date: Summer 2022

Wealth

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

Belgium (new)

Status



Currently effective

Development

Career — Health

Bereavement leave rights for employees expanded

Employees in Belgium have expanded bereavement leave rights under changes that took effect on 25 Jul 2021.


Highlights include:

- Employees may now take 10 days of bereavement leave — up from three — on the death of their spouse or cohabiting partner, their child, the child of their spouse or cohabiting partner, or a foster child placed in the employee's long-term care. The leave can be taken flexibly, starting with three days between the date of the death and the funeral, and the remaining seven days within a year after the person's death.
- Employees can take one day's leave for the funeral of a foster child living with them under a short-term placement.
- Employees can take two days of leave on the death of the following relatives who live with the employee: sibling, sibling-in-law, grandparent, grandchild, great-grandparent, great-grandchild, son- or daughter-in-law, or cohabitating partner. Employees should take the leave between the date of the death and the funeral.
- Employees can take three days of leave on the death of their parent, the parent of their spouse or cohabiting partner, their parent-in-law or the stepparent of their spouse or cohabiting partner, or the employee's long-term foster parent. Employees should take the leave the date of the death and the funeral.
- Employees and their employers can agree to different arrangements for the timing of bereavement leave.

Resources

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[GRIST](#), 28 Jul 2021

Belgium (new)	
Status	 Effective dates vary
Development	<p>Career — Health — Wealth</p> <p>Interprofessional agreement for 2021–22 finalized</p> <p>Belgium’s social partners have finalized a new cross-sector interprofessional agreement addressing wages, overtime, the national minimum wage, pension plan harmonization and preretirement pensions. The agreement will be incorporated into law and apply from 2021 to 2022. Highlights include:</p> <ul style="list-style-type: none"> • The harmonization of supplementary pension plans for blue- and white-collar workers is postponed to 2030 — from 2025. Industry sectors have until 1 Jan 2027 to conclude collective agreements on the harmonization. • Employers can choose to grant a one-time tax-free “corona premium” of up to €500 net, payable in consumption vouchers. Employers must issue the vouchers before 1 Jan 2022 and will be liable for 16.5% of social security payments. • The overall wage cost increase (the salary norm) is capped at 0.4% from 2021 to 2022. The salary amount excludes certain types of compensation and supplementary pension contribution costs. • The special voluntary overtime scheme — introduced to address COVID-19 — has expanded to all industry sectors and will continue through 2022. When overtime is paid, favorable tax arrangements apply to employees and employers. The amount of normal overtime hours has increased to 180 hours, up from 130, until the end of June 2023. • The minimum wage payable to employees aged 18 and older will increase in three stages. From 1 Apr 2022, a single monthly minimum wage rate (€1,702) will apply, then increase by €35 gross in 2024 and again in 2026. These increases will impact approximately 60,000 full-time workers. • The reduced working-time scheme allows employees aged 55 to 59 to reduce their work hours by 20% or 50% until full retirement, but employees aged 50 are no longer eligible for the scheme. • Employees aged 60 or older who are dismissed before reaching the permitted early retirement age remain eligible for the pre-pension scheme comprising an unemployment payment with a company allowance.
Resources	<p>yulia.khodasevich@mercer.com</p> <p>GRIST, 12 Aug 2021</p>

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 **Currently effective**

Development **Career — Health — Wealth**

Employee bonus allowed, social security contribution temporarily reduced

France's adjusted finance law published on 20 Jul 2021 establishes certain COVID-19 relief measures. Employers can pay employees a €1,000 tax-exempt "Macron" bonus, which can increase to €2,000 if employees and employers meet the eligibility criteria. In addition, employers' social security contributions were temporarily reduced by 15% for the period of June through August.

Resources [Adjusted finance law](#) (French) (Government, 20 Jul 2021)

Germany (upcoming effective date)

Development **Career**

- [Commercial partnership taxation revised](#) — Key date: 1 Jan 2022
- [Larger companies face human rights mandates](#) — Key date: 1 Jan 2023

Health — Wealth

- [Maximum life insurance and 'Pensionsfonds' interest rates reduced](#) — Key date: 1 Jan 2022

Greece (new)

Status  Currently effective

Development **Career — Health**

Labor law offers flex work, family leave and remote working

Measures that expand flexible work arrangements and increase the duration of paid paternity leave feature in labor law reforms that mostly took effect on 19 Jun 2021. The reforms aim to modernize Greece's labor regulations and increase economic competitiveness, though labor unions strongly oppose the measures. Highlights include:

- Employees can request to work up to 10 hours per day and offset the additional hours worked against another working day. The maximum permitted weekly working time is unchanged at 40 hours, calculated over a five- or six-day work schedule.
- The annual overtime cap has increased to 150 hours, up from 120 hours.
- From 1 Jan 2022, employees' working time will be recorded in real time on a Digital Work Card that allows authorities to monitor employers' compliance with working-time laws. Ministerial decisions will provide more details about the digital card.
- Employees may carry over some of their annual leave to the following calendar year but must take half of their annual leave between 1 May and 1 Sept.
- Different leave provisions, such as paternity and caregiver leave, have expanded.
- Employers can impose remote working if a public health emergency exists or if remote working is required to protect an employee's health and safety. Remote workers now have the right to disconnect outside of their normal working hours and are protected from discrimination for exercising this right. Employers can restrict remote workers' use of work equipment or the network, stipulate the applicable health and safety rules, and monitor remote workers' performance (but not by using web cameras).
- Employers with 20 or more employees must consult with employee representatives about an internal policy aimed at preventing harassment and violence, establish a system for managing internal complaints about harassment and violence, and introduce an equal opportunities policy. A ministerial decision will publish templates for these policies.

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[GRIST](#), 23 Jul 2021

Greece (new)

Status  **Effective 1 Jan 2022**

Development **Career**

Minimum wage to increase

The government recently announced a 2% increase to minimum wage rates, effective 1 Jan 2022. The monthly minimum wage will increase to between €663 and €861.90, subject to the employee's length of service.

Resources [Press release](#) (Greek) (Government, 26 Jul 2021)

Ireland (new)

Status  **Reporting obligations will phase in, likely starting in 2022 for large employers**

Development **Career**

Employers face annual reporting on gender pay gap

Employers with 50 or more employees will have to report periodically and publish information on their gender pay gap, under recently passed measures amending the Employment Equality Act 1998. Reporting obligations will phase in, likely starting in 2022 for employers with 250 or more employees, two years after publication of the regulations for employers with 150 or more employees, and three years after publication of the regulations for employers with 50 or more employees. Employers with fewer than 50 employees will not have to report. The government confirmed that upcoming regulations will give effect to the measures and will be in force by the end of 2021. Highlights include:

- Employers will have to prepare gender pay gap reports that include information on the difference in male and female remuneration — specifically, identifying gender differences in the mean and median hourly remuneration of full- and part-time employees, mean and median bonus payments, and the percentage of employees paid a bonus or benefits in kind.
- Employers will have explain the reasons for any gender differences and describe any measures to eliminate or reduce the gender pay gap. Employers will have to publish their pay analysis and narrative on a central government website.
- Regulations are likely to prescribe any one or a combination of the following: the classes of employer, employee and pay covered; the method for calculating the size of an organization's workforce; and the form and frequency of information to be published. The rules could also require organizations to provide gender pay gap information on their temporary workforce and the percentage of male and female employees by quartile pay bands or job classification.
- The Workplace Relations Commission will investigate complaints about employers' compliance and could order employers to take action. The Irish Human Rights Commission could initiate or instruct a particular organization or group to carry out an equality review and prepare and implement an equality plan.
- The government will review the law four years after its effective date.

Several details are unclear; however, employers should prepare by determining if they have a gender pay gap, the reasons for the gap and their actions to address it.

Resources danny.mansergh@mercer.com
[GRIST](#), 15 Jul 2021

Ireland (new)

Status  **Currently effective**

Development **Career**

Employment status code of practice updated

An updated Code of Practice on Determining Employment Status issued by the Department of Social Protection, the Office of the Revenue Commissioners and the Workplace Relations Commission reflects new working methods. The update provides guidance on correctly classifying workers by setting out the typical characteristics of employees vs. self-employed individuals and listing the key factors to consider when deciding an individual's employment status. However, guidance does not aim to bring "genuinely independent" contractors into the employee category and will be revised to reflect further labor market changes, relevant legislation, and case law.

Resources [Code of Practice on Determining Employment Status](#) (Office of the Revenue Commissioners, July 2021)

Ireland (new)

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

Development **Career**

Input requested on review of equality acts

A consultation on a proposed review of Ireland's equality acts — including the Equal Status Acts 2000 and the Employment Equality Acts 1998 — is open for comments until 29 Oct 2021. The review could include recommendations for legislative changes and policy developments. The consultation invites views on the functioning of current law, including the adequacy of the redress mechanisms and coverage of intersectional discrimination; the scope of the current definitions of the nine equality grounds and the potential need to add new grounds, such as socioeconomic discrimination; and, the modification or removal of current exemptions. The review will also examine the use of nondisclosure agreements in cases of sexual harassment and discrimination, in line with the issues raised in the Employment Equality (Amendment) (Non-Disclosure Agreement) Bill 2021 Private Member's Bill.

Resources [Consultation on the review of the Equality Acts](#) (Government, 14 Jul 2021)

Ireland (new)

Status  Consultation closes 16 Sep 2021.

Development **Wealth**

Input requested on codes of practice for DB and DC schemes

Draft Codes of Practice for trustees of defined benefit (DB) and defined contribution (DC) schemes from Ireland's Pensions Authority are open for comments through 16 Sep 2021. Publication of the finalized codes is expected in mid-November. The draft codes set out minimum expected "conduct and practice" standards for trustees (and other regulated entities) to meet their legal obligations under the "IORP II" regime. The overdue transposition of the European Union's IORP II directive into Irish law was widely welcomed, but the law provided insufficient detail about how to fulfill certain regulatory requirements. The draft codes are an important next step in Ireland's evolving regulatory landscape for occupational pension schemes and provide important insights into the authority's expected approach to supervision in the future. The authority also indicated that additional measures could be introduced.

Trustees and employers should ensure they understand the full scope of the anticipated new minimum standards. Although the draft codes are long and include detailed requirements in some areas, the tasks should be manageable for schemes that have followed the authority's previous recommendations about IORP II. In anticipation of the first annual compliance return deadline of 31 Jan 2022, many trustees have already agreed on IORP II implementation plans and started to work on the core IORP II requirements. These plans can continue, subject to minor adjustments for the code's anticipated content.

Trustees that have not started to prepare their IORP II implementation plans should consider doing so as soon as possible. The authority has recommended contacting trustee boards to assess, among various issues, the implementation steps undertaken.

Resources james.p.campbell@mercer.com
[GRIST](#), 3 Aug 2021

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

Italy (new)

Status  **Currently effective**

Development **Wealth**

Early retirement scheme threshold reduced

Companies in Italy with 100 or more employees now qualify for an expansion contract that allows eligible employees to take early retirement up until 30 Nov 2021. The reduced workforce threshold — down from 250 — aims to address some of the labor market issues arising from COVID-19.

Eligible employees must be within 60 months of reaching their normal social security retirement age of 67 or have a minimum contribution period (42 years and 10 months for men, and 41 years and 10 months for women). The scheme requires employers to pay retirees a bridging pension calculated on their accrued INPS (social security) pension until the start of the normal or early INPS pension; employees also receive an INPS unemployment benefit for the first 18 months. Employers must continue to pay pension contributions to the INPS for employees who are on the early retirement bridging scheme.

Employers must consult with employee or union representatives and the Ministry of Labor and Social Policies to develop an expansion contract. The contract must include arrangements for payment of the bridging pension and reduced working time arrangements, define the company's hiring plans, and include training programs for employees ineligible for early retirement.

Resources massimo.magni@mercer.com
[GRIST](#), 21 Jul 2021

Kuwait (upcoming effective date)

Development **Health**

- [Insurance companies, brokers required to register](#) — Key date: 11 Mar 2022

Netherlands (upcoming effective date)

Development **Wealth**

- [Pension plan reforms delayed](#) — Key date: Early 2022

Oman (upcoming effective date)

Development **Health**

- [Oman issues implementation rules for new health insurance scheme](#) — Key date: Possibly later in 2021

Romania (new)

Status  **Currently effective**

Development **Wealth**

Private pension enrolment required

Employers in Romania must notify certain employees — aged 34 or younger who are enrolled in the public pension system — that they must join a Pillar II private pension fund. (Employees aged 35 to 45 years or older can voluntarily choose to join a Pillar II fund.) Employees who do not select a Pillar II fund within four months of starting work will be allocated to a default fund. The measure features in Order No 585/2021, effective 19 Jul 2021, which amends the standard individual employment contract. The order also requires employers with nine or more employees to include a description of each employee's role in employment contracts. The government is expected to publish a revised standard employment contract template that incorporates the revisions.

Resources [Order No. 585/2021](#) (Romanian) (Government, 19 Jul 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  **Currently effective**

Development **Career — Health**

Protections for remote workers expanded, labor penalties increase

Measures that expand the protections for remote workers and increase labor penalties feature in Law 10/2021, effective 11 Jul 2021, replacing Royal Decree-Law 28/2020. Under the new law, employers must not discriminate against remote workers because of their gender, age, length of service, or professional category and must implement reasonable adjustments that are necessary. Employers must also ensure that employees with disabilities who work remotely can access the necessary resources and equipment to do their jobs and expand risk assessments of remote working locations to include accessibility. The law also increases penalties for breaches of labor and social security laws occurring on or after 1 Oct 2021

Resources [Law 10/2021](#) (Spanish) (Government)

Turkey (previously covered with upcoming effective date)

Development **Career — Health**

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

United Arab Emirates — Dubai (new)

Status  **Currently effective**

Development **Career — Health**

Basic health insurance plan expanded, new treatments added

Dubai's basic health insurance plan — which provides coverage for lower-paid workers — now includes mental health treatments and alternative medicine, such as Ayurveda and homeopathy. The measures feature in a circular issued on 7 Jul 2021 and effective two months later. Insurance cover is capped at AED 10,000 per year for psychiatry and mental health inpatient, outpatient and emergency treatment, subject to a 20% copayment per visit. Homeopathy and Ayurveda treatments will be covered up to AED 2,500 per year, subject to a 20% copayment per visit.

Resources soukeine.salah@mercermarshbenefits.com
[Circular](#) (Arabic) (Health Authority, 7 Jul 2021)

UK (new)

Status  **Consultation is open until 7 Oct 2021**

Development **Career**

Consultation on international personal data transfer tools launched

The Information Commissioner's Office (ICO) seeks input through 7 Oct 2021 on international personal data transfers from the UK. The consultation comprises a draft International Transfer Risk Assessment and Tool, a draft International Data Transfer Agreement, and transfer risk assessments that would replace the Standard Contractual Clauses for transferring personal data from the UK. Comments also are invited on already published guidance.

Resources [Consultation](#) (ICO, 11 Aug 2021)

UK (new)

Status  **Response to consultation**

Development **Career — Health**

Government responds to workplace, occupational health consultation

The government has announced it will not introduce measures to reform the Statutory Sick Pay arrangements and will not proceed with a new right to request workplace modifications on health grounds. The announcement follows a 2017 white paper (Improving Lives: The Future of Work, Health and Disability) and a 2019 government consultation ('Health is everyone's business') setting out policy options for improving workplace health. Instead, the government will consider steps to increase awareness of existing rights and employers' responsibilities under the Equality Act 2010. In addition, the Health and Safety Executive will issue nonstatutory guidance to help individuals with long-term health conditions or a disability to remain in work and will consider statutory guidance. The government also will enhance COVID-19 return-to work information for employers, take steps to improve employers' access to occupational health (OH) services (including testing if financial incentive subsidies would improve access to OH and employment outcomes for smaller employers), explore the digitization of medical evidence (including the issuance of "fit notes"), and develop a national information service on health, work and disability matters for smaller employers. Finally, the government confirmed it will continue discussions with insurance providers to improve its understanding of employers' preferences for accessing OH services.

Resources [Government response: Health is everyone's business](#) (Government, 6 Aug 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 using 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 from the financial services sector is requested by 30 Sep 2021, and a consultation is planned for Q1 2022. The authorities propose to collect workforce data from firms and will conduct a one-off pilot survey later in 2021 to help develop the proposals and to test how firms could regularly report diversity data 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, 7 Jul 2021)
[FCA, PRA and Bank of England set out plan to improve diversity and inclusion in regulated firms](#) (FCA, 7 Jul 2021)

UK (upcoming effective date)

Development **Wealth**

- [New reporting requirements for some defined contribution schemes](#) — Key date: 1 Oct 2021

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