Law and Policy Group

Global Legislative Update

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welcome to brighter

In this document

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

Employer action required | Potential implications for employers | Developments to monitor

Please note: Mercer is not a law firm and therefore cannot provide legal advice. Please consult legal counsel before taking any actions based on the commentary and recommendations in this report.

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Highlights

Global	
COVID-19 pandemic	Countries address workplace issues resulting from the COVID-19 pandemic
Remote working	Countries address remote-working issues
Americas	
Argentina	Employers' contribution to occupational disease fund increased
Brazil	Deadline for CNPF registration duty on pension entities approaches
Canada	Federal government proposes 10 days of paid sick leave Paid sick leave required in British Columbia Right to disconnect policy mandated in Ontario $15 hourly minimum wage proposed in Ontario Occupational health and safety regime modernized in Quebec

Americas (continued)	
United States (US)	Final rule implements $15 minimum hourly wage for federal contractors 2022 health flexible spending account, other health and fringe benefits limits now set Regulator adjusts certain health insurance penalties Proposed regulations extend ACA individual statement due dates Extended interest rate relief now law Rule on reporting prescription drug and other plan data issued Regulators coordinate to promote workers' labor rights Rollback of religious exemption for federal contractors proposed ESG rules proposed for ERISA plan fiduciaries Disclosure of say-on-pay votes for investment managers proposed States, cities tackle COVID-19 paid leave Director from underrepresented communities required in California Rules prohibit use-it-or-lose-it vacation policies in Colorado Implementation of paid family medical and leave program progresses in Connecticut PBM restrictions expanded and reporting required in Delaware Health plan disclosure with EHB comparison required in Illinois 2022 transit benefit tax exclusion amounts posted in Massachusetts Employers required to notify employees of electronic monitoring in New York 2022 paid family medical leave rates posted in New Jersey ERISA does not preempt any part of pharmacy benefit manager law in North Dakota Arbitration in employment context upheld in Puerto Rico Supreme Court ruling

Asia Pacific	
Australia	Compensation scheme of last resort moves forward Financial Accountability Regime moves forward Portfolio holdings disclosure regulations released Superannuation insurance standard and guidance issued Guidance on final remuneration standard issued Bill introduced to implement Budget 2021 superannuation changes
China	Preferential tax treatments for bonuses, equity incentives and some expatriate benefits to expire Maternity leave extended in Beijing and Shanghai
South Korea	Employers required to provide wage statements Pregnant employees given flexible work hours option Pregnancy-related protections expanded Protections against gender discrimination and sexual harassment expanded Workplace harassment protections expanded
Europe, Middle East and Africa (EMEA)	
European Union (EU)	Standby time under working time directive clarified Revised guidelines on sound remuneration effective 31 Dec 2021 Whistleblowing protections effective 17 Dec 2021
Cyprus	Maternity leave for mothers with two or more children extended
Czech Republic	Minimum wage significantly increased
Finland	Survivors' pension scheme revised
France	Workplace employee representation bodies must consider environmental issues
Germany	Employers to pay contributions for some pre-2019 contribution pension plans

Greece	New mandatory individual retirement account introduced
EMEA (continued)	
Ireland	Final code of practice published for pension trustees
Italy	Equality reporting duty expanded
Jersey, Channel Islands	Rest break established, paid leave increased Minimum wage increased
Netherlands	Gender balance duty for companies introduced
Portugal	Employers prohibited from contacting employees after hours
Qatar	Employers must provide healthcare coverage to expatriate employees
Russia	Fingerprint registration and medical examination required for foreign workers
United Arab Emirates (UAE)	Extensive private-sector labor reforms enacted Fines imposed on individuals without health insurance delayed in Abu Dhabi
United Kingdom (UK)	New rules on statutory pension benefit transfers

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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 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 because 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 the post-pandemic return to the workplace. Several jurisdictions have introduced remote-working legislative measures that clarify employer and employee requirements post- 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	**Career — Health** **Employers' contribution to occupational disease fund increased** Employers' fixed sum contributions to the occupational disease trust fund (FFEP) increased on 1 Nov 2021 to AR$49.98, up from AR$45.07, per employee.
Resources	Provision 2/2021 (Spanish) (Official Bulletin, 26 Oct 2021)

Argentina (upcoming effective date)	
Development	**Career** • Minimum wage increased — Key date: 1 Jan 2022 • Remote working rights post COVID-19 pandemic clarified — Key date: 90 days after pandemic ends

Brazil (previously covered, soon effective)	
Status	Pension
Development	**Wealth** **Deadline for CNPJ registration duty on pension entities approaches** At the end of 2018, the governing council of the National Council of Complementary Pensions (CNPC) published the conditions and procedures that private pension entities must follow when registering benefit plans in the Ministry of Finance's national registry of taxpayers/legal persons (CNPJ). All pension entity plans must be registered by 31 Dec 2021.
Resources	GRIST, 3 Jan 2019

Canada (new)	
Status	Proposal
Development	**Career — Health** **10 days of paid sick leave proposed** Federally regulated employers could have to offer employees 10 paid sick days per year under Bill C-3 that would amend the labor code. Submitted to parliament on 26 Nov 2021, the bill would repeal the leave of absence for "personal illness or injury" under the current labor code. Employees instead would accrue one paid day of sick leave per month of continuous employment with their employer, capped at 10 days per year. Any unused leave in a year could be carried forward to the following year and would count toward that year's 10 days of sick leave. Within 15 days of an employee's return from paid sick leave, the employer could require the employee to provide a certificate from a healthcare practitioner certifying the individual's inability to work during the leave. Employers also could require a certificate if an employee takes three or more days of unpaid sick leave.
Resources	Bill C-3 (Legislature)

Canada — British Columbia (new)	
Status	⚠ **1 Jan 2022**
Development	**Career — Health** **Employers required to provide paid sick leave** From 1 Jan 2022, provincially regulated employers in British Columbia must provide five days of paid sick leave per year to all eligible employees under Bill 13, which amends the Employment Standards Amendment Act (No. 2), 2021 (ESA). The new leave is in addition to the current entitlement of three days of unpaid sick leave. Full- and part-time employees covered by the ESA who have worked for their employer at least 90 days will be eligible. However, the ESA does not cover federally regulated sectors, self-employed workers, and explicitly excluded professions and occupations. Employers must pay an average day's pay for each day of sick leave, using a formula that sets out how to calculate pay. Employees intending to take paid leave do not have to provide specific advance notification, but employers can request proof of illness or injury. British Columbia is the third province in Canada to enact for paid sick leave and the first to provide this amount of leave. The government estimates that more than 1 million workers in the province currently do not have access to paid sick leave.
Resources	Bill 13 (Legislature) kristin.smith@mercer.com

Canada — Ontario (new)	
Status	**2 Jun 2022**
Development	**Career — Health** **Right to disconnect policy mandated and other changes** Beginning 2 Jun 2022, Ontario employers with 25 or more employees on 1 Jan 2022 must have a written policy on disconnecting from work, under measures in Bill 27, Working for Workers Act 2021, which received Royal Assent on 2 Dec 2021. Going forward, employers will determine the 25-employee threshold each 1 Jan, and those meeting the threshold must have a newly adopted or revised policy in place before 1 Mar of that year, documenting the date the policy was prepared and any changes made. The disconnecting-from-work policy will prohibit sending work-related communications, including as emails, telephone calls, video calls, or reviewing other work-related messages. Employers must provide a copy of the policy with prescribed elements to employees within 30 days of preparing a new policy, issuing policy updates or employing new hires. Whether particular employee categories will be exempt is unclear. Other measures in the bill ban the use of noncompete restrictions (with some exceptions), ease requirements on language proficiency and registration procedures for internationally trained immigrants in certain regulated professions (for example, law, accounting, architecture, and engineering). The effective date for these measures has not been announced.
Resources	Bill 27 (Legislature)

Canada — Ontario (new)	
Status	**Proposal**
Development	**Career** **$15 hourly minimum wage proposed** The government has proposed to increase the hourly minimum wage to C$15 on 1 Jan 2022 — up from C$14.35.
Resources	News release (Government, 4 Nov 2021)

Canada — Quebec (new)	
Status	**Effective dates vary, but most currently effective**
Development	**Career — Health** **Occupational health and safety regime modernized** Bill 59, which received Royal Assent on 6 Oct 2021, revises Quebec's occupational health and safety regime. Key provisions require employers to protect workers' psychological and physical health, including risks from spousal or family violence; set up a health and safety committee in any establishment with 20 or more employees in any one year; implement a prevention program specific to each establishment; and provide for the election of a health and safety representative. The legislation also expands the definition of "workplace" for health and safety purposes to include remote work locations (although whether labor inspectors would have authority to enter private homes is unclear); increases fines; and changes the reinstatement of workers returning to work after an employment injury. Most of these measures became effective immediately.
Resources	Bill 59 (Legislature)

Canada (previously covered, with upcoming effective dates)	
Development	**Career** • Revised pay equity transparency measures issued — Key date: 2021 reporting period (1 Jun 2022)
Colombia (previously covered, with upcoming effective dates)	
Development	**Career — Health** • Maximum weekly working time reduced — Key date: Beginning in 2023
Dominican Republic (previously covered, with upcoming effective dates)	
Development	**Career** • Minimum wage to increase — Key date: 1 Jan 2022
US (new)	
Status	**30 Jan 2022**
Development	**Career — Health** **Final rule implements $15 minimum hourly wage for federal contractors** A final rule from the Labor Department's Wage and Hour Division (WHD) sets standards and procedures to implement and enforce Executive Order 14026 to increase the minimum wage for federal contractors, which the president issued on 27 Apr 2021. The minimum hourly wage for workers working on or in connection with covered federal contracts will increase to $15 on 30 Jan 2022 for new contracts, with annual increases for inflation every 1 Jan thereafter. Other changes eliminate the tipped minimum wage for federal contract workers by 2024; set a $15 minimum wage for workers with disabilities working on or in connection with covered contracts; and restore minimum wage protections to outfitters and guides operating on federal lands. Proposed rules had been issued in July. The current federal contract minimum wage under Executive Order 13658 is $10.95 per hour.
Resources	Increasing the minimum wage for federal contractors (Federal Register, 24 Nov 2021); Final rule increasing the minimum wage for federal contractors (Executive Order 14026) (WHD, 22 Nov 2021); Executive Order 14026 (White House, 27 Apr 2021); Roundup: US employer resources on minimum wage increases, (1 Dec 2021)

US (new)	
Status	**1 Jan 2022**
Development	**Health** **2022 health FSA, other health and fringe benefits limits now set** IRS Rev. Proc. 2021-45 gives the 2022 contribution and other limits for health flexible spending arrangements (FSAs), qualified small-employer health reimbursement arrangements (QSEHRAs), long-term care (LTC) policies, transportation fringe benefits and adoption assistance programs. The 2022 figures reflect the increase in the average chained Consumer Price Index for All Urban Consumers (C-CPI-U) for the 12 months ending 31 Aug, 2021, after applying statutory rounding rules. Mercer's 2022 quick benefit facts sheet highlights other key health and retirement benefit amounts announced earlier this year.
Resources	dorian.smith@mercer.com and katharine.marshall@mercer.com GRIST, 11 Nov 2021

US (new)	
Status	**Currently effective**
Development	**Health** **Regulator adjusts certain health insurance penalties** Group health plan sponsors and other entities that violate the privacy, security, breach notification and electronic healthcare transaction rules of the Health Insurance Portability and Accountability Act now face higher penalties. Inflation adjustments released by the Department of Health and Human Services apply to penalties assessed on or after 15 Nov 2021, for violations occurring on or after 2 Nov 2015. This most recent inflation increase is 1.182%. This article highlights the changes of interest to employers sponsoring group health plans.
Resources	dorian.smith@mercer.com and katharine.marshall@mercer.com GRIST, 30 Nov 2021

US (new)	
Status	⚠ **Proposal, but deadline for 2021 automatically extended to 2 Mar 2022**
Development	**Health** **Proposed regulations extend ACA individual statement due dates** Proposed IRS regulations provide an automatic 30-day extension of the deadlines for employers and insurers to furnish Affordable Care Act (ACA) individual statements on health coverage and/or offers of coverage to ACA full-time employees (Forms 1095-B and 1095-C). The proposed regulations would also allow an alternative method for furnishing individual statements related to minimum essential coverage (MEC), as long as the penalty for failing to meet the individual mandate remains zero. While these provisions, if finalized, would take effect for the 2022 calendar year, employers and insurers may rely on the proposed regulations for the reports due in 2022 for the 2021 calendar year. Therefore, the deadline for 2021 ACA individual statements is automatically extended by 30 days from 31 Jan 2022, to 2 Mar 2022.
Resources	cheryl.hughes@mercer.com, jennifer.wiseman@mercer.com, and dorian.smith@mercer.com GRIST, 1 Dec 2021

US (new)	
Status	⚠ **Currently effective**
Development	**Wealth** **Extended interest rate relief now law** Single-employer defined benefit plan sponsors will enjoy another five years of funding interest rate relief, under the Infrastructure Investment and Jobs Act (IIJA). The law extends the relief enacted earlier this year in the American Rescue Plan Act (ARPA), which narrowed the former 10% interest rate corridor around stabilized rates to 5% and kept it in place until 2025. Under IIJA, the corridor will remain in place through 2030, then widen by 5 percentage points each year until reaching 30% in 2035, rather than in 2030 as under ARPA. The law makes no changes to the rest of ARPA’s pension funding relief nor any adjustments to Pension Benefit Guaranty Corp. premium rates. Congress continues to consider more retirement changes in the Build Back Better Act (HR 5376) and other pieces of pending legislation, including the Retirement Improvement and Savings Enhancement Act (HR 5891), approved Nov. 10 by the House Committee on Education and Labor.
Resources	margaret.berger@mercer.com and geoff.manville@mercer.com GRIST, 16 Nov 2021

US (new)	
Status	**Effective on 23 Dec, 2021, but the departments are accepting comments submitted by 24 Jan 2022**
Development	**Health** **Rule on reporting prescription drug and other plan data issued** The Consolidated Appropriations Act, 2021 (CAA) requires group health plans and insurers to report extensive prescription drug and other plan data to the Departments of Labor, Treasury and Health and Human Services. A new interim final rule (IFR), published on 23 Nov 2021 provides detailed guidance. The departments previously announced a one-year enforcement delay to 27 Dec 2022, as long as plans/insurers submit 2020 and 2021 data by that deadline. Highlights include: • Only general plan information (like enrollment information and the state in which the plan or coverage is offered) will be reported at the plan level. • Regulators expect that most data will be provided by the insurer or third-party administrator (TPA), which must report information in the aggregate, by state and market segment. The data consists of the top 50 brand drugs most frequently dispensed; the top 50 most costly drugs by total annual spending; the top 50 prescription drugs with the greatest increase in expenditures from the previous year; total annual healthcare spending by type of cost (including prescription drug spending by employees vs. employers/insurers); average monthly premiums paid by employees and employers; the impact of rebates, fees, and other remuneration paid to the plan or insurer in each therapeutic class of drugs and each of the 25 drugs with the highest amount of rebates; and the impact of rebates, fees, and other remuneration on premiums and cost sharing. • The top 50 and top 25 lists may exclude prescription drugs covered under a plan's hospital/medical benefit. • Because self-funded plan sponsors may need to engage multiple reporting entities, such as a TPA and pharmacy benefit manager, the IFR explains how to aggregate such data. The preamble notes that plans may need to revise their TPA agreements to address liability for and accuracy of this reporting. • While self-funded plans may contract with a vendor to do the reporting, if the vendor fails it will be the plan violating the reporting requirements. By contrast, when an insured plan sponsor enters into a written agreement with the insurer to do the reporting, the plan sponsor will not be responsible for reporting failures.
Resources	jennifer.wiseman@mercer.com Interim final rule, Prescription drug and healthcare spending (Federal Register, 23 Nov 2021)

US (new)	
Status	**Initiative**
Development	**Career** **Regulators coordinate to promote workers' labor rights** The Equal Employment Opportunity Commission (EEOC), the Labor Department and the National Labor Relations Board have launched a joint initiative to raise awareness about retaliation issues when workers exercise protected labor rights. These agencies will collaborate to protect workers from unlawful retaliatory conduct, educate the public, and engage with employers, business organizations, labor organizations and civil rights groups in the coming year. On 17 Nov 2021, the initiative kicked off a virtual dialogue with the employer community to focus on the importance of anti-retaliation protections for workers exercising their rights and the agencies' shared commitment to vigorous enforcement.
Resources	Press release (EEOC, 10 Nov 2021)

US (new)	
Status	**Proposal**
Development	**Career** **Rollback of religious exemption for federal contractors proposed** The Labor Department's Office of Federal Contract Compliance Programs (OFCCP) has proposed to rescind a Trump-era January 2021 rule that expanded federal contractors' ability to claim religious exemptions from federal nondiscrimination and equal employment opportunity laws and regulations. OFCCP said "rescinding this rule would have the effect of returning department policy and practice to those that were operative during the presidencies of George W. Bush and Barack Obama."
Resources	Proposed rule (Federal Register, 9 Dec 2021); News release (Labor Department, 8 Nov 2021)

US	
Status	**Consultation is open until 13 Dec 2021**
Development	**Career — Wealth** **ESG rules proposed for ERISA plan fiduciaries** The Department of Labor (DOL) proposes to clarify when ERISA plan fiduciaries can consider environmental, social and governance (ESG) factors in investment selection and proxy voting. The proposal would maintain the requirement for fiduciaries to focus on factors material to a risk-return analysis but, unlike the current rule, would make clear that this evaluation may include ESG factors — including climate-change risks. A more flexible tiebreaker standard would apply to consideration of collateral benefits, but with new disclosures for defined contribution (DC) plans. The proposal would lift the restrictions on investments that incorporate nonpecuniary factors from being considered qualified default investment alternatives (QDIAs). DOL also proposes to remove the current rule's proxy-voting policy safe harbors and cumbersome written documentation requirements.
Resources	matthew.calloway@mercer.com; margaret.berger@mercer.com and geoff.manville@mercer.com GRIST, 26 Oct 2021

US	
Status	**Consultation is open until 14 Dec 2021**
Development	**Career — Wealth** **Disclosure of say-on-pay votes for investment managers proposed** A proposed Securities and Exchange Commission (SEC) rule would require institutional investment managers to disclose how they voted on say on pay, say-on-pay frequency and say on golden parachutes. If finalized, the rule would implement a provision of the Dodd-Frank Act; a similar rule already applies to mutual funds. Institutional investment managers can include investment advisors, banks, insurance companies, broker-dealers, pension funds and corporations. The changes would make it easier for companies to access voting results and compare how institutional investors voted on proxy proposals. In addition, mutual funds would have to provide voting records on their websites and on request.
Resources	Proposed rule (Federal Register, 15 Oct 2021); Press release (SEC, 29 Sep 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 and recent OSHA ETS requirements.
Resources	katharine.marshall@mercer.com and catherine.stamm@mercer.com GRIST, regularly updated

US — California (previously covered, soon to be effective)	
Status	⚠ **31 Dec 2021**
Development	**Career** **Director from underrepresented communities required** Publicly traded companies headquartered in California and foreign corporations with principal executive offices located in the state must appoint at least one director from an underrepresented community by 31 Dec 2021, under a 2020 law. California already requires public companies to appoint at least one female board member, but representation will increase to a minimum of two female board members by the end of 2021, depending on board size. Highlights include: • A director from an underrerepresented community includes anyone who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaska Native or who self-identifies as gay, lesbian, bisexual or transgender. • After 31 Dec 2022, larger boards face increased quotas: a minimum of two directors from an underrepresented community for boards with five to eight directors and three for boards with nine or more directors. • Companies that do not comply could be fined US$100,000 for the first violation and US$300,000 for all later violations. Companies that fail to provide information to the state could be fined US$100,000.
Resources	GRIST, 7 Oct 2020

US — Colorado (new)	
Status	⚠ 1 Jan 2022
Development	**Career — Health** **Rules prohibit use-it-or-lose-it vacation policies** Effective 1 Jan 2022, revised wage protection rules for employees in Colorado prohibit the forfeiture of any accrued paid time off available to use for vacation, even if an employee can also use the leave for other purposes. The updated rules come after a state supreme court ruling banning use-or-lose vacation policies left uncertainty about the impact on other types of leave programs. Updates to this GRIST incorporate the clarified wage protection rules.
Resources	catherine.stamm@mercer.com and katharine.marshall@mercer.com GRIST, 30 Nov 2021

US — Connecticut (new)	
Status	**1 Jan 2022**
Development	**Career — Health** **Implementation of paid family and medical leave program progresses** Connecticut's paid family and medical leave (PFML) benefits become available in January 2022. The PFML program applies, with the limited exceptions, to any employer with one or more employees working in Connecticut. Eligible employees will be able to take up to 12 weeks (or more in some cases) of partially paid leave for many of the same reasons allowed for unpaid leave under the federal Family and Medical Leave Act (FMLA). Employers don't have to contribute, but must collect and remit employee contributions, which began at the start of 2021. Employers may want to look at their options for coordinating their own paid family and medical leave with the Connecticut PFML program. Self-insured plan sponsors may offer a single point of contact for employees. However, the plan would need to satisfy the state's requirements, limiting eligibility and design options. Relying on the state program would free employers to establish their own leave programs, but employees would need to work with multiple access points. An employer's paid leave administrator — if approved by the state to offer a PFML plan — may offer a single point of entry for employees by coordinating an approved insured plan with the employer's own paid leave programs. Employers with insured plans should review policies to determine the correct coordination of benefits with the state. In addition, employers must conspicuously display the state's poster at each Connecticut work location and provide a notice of PFML benefits and rights to employees who give notice of a covered absence.
Resources	catherine.stamm@mercer.com, stacey.forrester@mercer.com and charlene.dambrosio@mercer.com GRIST, 2 Dec 2021

US — Delaware (new)	
Status	⚠ **Currently effective**
Development	**Health** **PBM restrictions expanded and reporting required** A recent Delaware act (Ch. 256, HB 219) imposes certain pharmacy benefit manager (PBM) pricing restrictions, network adequacy requirements, and disclosure and reporting obligations on PBMs registered with the state. The revisions to the current law (CT Gen. Stat. § 18-33) prohibit PBMs from engaging in spread pricing or reimbursing a pharmacy an amount less than the PBM reimburses itself or an affiliate for the same drug or service. In addition, PBMs must provide a "reasonably adequate and accessible" network of pharmacies "within a reasonable distance" from a patient's residence. Mail-order pharmacies cannot be included for determining network adequacy. A PBM must allow network participation by any pharmacy willing to accept the PBM's established terms and conditions. New reporting requirements include rebates, sources of income and product details. Additional changes to the law somewhat broaden the definition of a PBM, apply the law to "patients" rather than "insureds" and shift penalty provisions from the insurance code to the PBM law. Whether these minor amendments would broaden the scope of the law to include self-funded ERISA plans is unclear. The new provisions apply to contracts between PBMs and pharmacies or pharmacists that are entered into, renewed, or extended on or after 26 Oct 2021. The Delaware Insurance Department will issue and enforce regulations under the law.
Resources	catherine.stamm@mercer.com Ch. 256, HB 219 (Legislature)

US — Illinois (new)	
Status	**Law is currently effective, but contains no specific compliance date.**
Development	**Health** **Health plan disclosure with EHB comparison required** Employers must make additional health plan disclosures to their Illinois employees under a new state law (Pub. Act 102-0630, SB 1905). An employer that offers group health coverage must provide a comparison of the plan's covered benefits against the essential health benefits (EHBs) that state-regulated individual health insurance policies must provide. The law took effect when signed on 27 Aug. However, it does not include any specific compliance dates. Regulators have posted a sample comparison chart and FAQs. Group health plan sponsors covering Illinois employees will need to develop a process for completing the annual comparison checklist. Multiple plan variations will require multiple comparison charts. Employers should contact their health plan insurers and third-party administrators to determine what level of assistance they can offer in evaluating the EHBs included or not included in the employer's plan and completing the template, with annual updates as needed. Employers should also consider the most appropriate distribution method, such as inclusion with new hire and annual enrollment materials. In addition, employers should track any new guidance that would clarify timing.
Resources	catherine.stamm@mercer.com and melissa.travis@mercer.com GRIST, 1 Dec 2021

US — Massachusetts (new)	
Status	⚠ **1 Jan 2022**
Development	**Career — Health** **2022 transit benefit tax exclusion amounts posted** New Massachusetts guidance (TIR 21-12) sets state tax limits for parking and transit benefits for taxable years beginning in 2022. The Massachusetts monthly exclusion amounts for taxable years beginning in 2022 are $285 for employer-provided parking and $150 for combined transit pass and commuter highway vehicle transportation benefits. This differs from the federal limits of $280 for each. Massachusetts tax law (MA Gen. Laws Ch. 62 § 1) generally follows the federal tax code in effect on 1 Jan 2005 with targeted updates. As a result, most federal tax changes enacted since 2005 — including the change to Internal Revenue Code §132(f) — don't flow through to state income tax. The state didn’t update its tax code to mirror the federal change allowing the same exclusion amount for both commuter benefit categories. Employers with Massachusetts employees receiving mass transit and/or commuter vehicle benefits must include any amount exceeding $150 per month as income at the state level.
Resources	catherine.stamm@mercer.com TIR 21-12 (Department of Revenue, 16 Nov 2021)

US — New York (new)	
Status	**7 May 2022**
Development	**Career** **Employers required to notify employees about electronic monitoring** Employers in New York that engage in any electronic monitoring of an employee's telephone calls, email or internet access or usage will soon have to give written notice on hiring the employee, under legislation (Ch. 583 S2628) signed on 8 Nov 2021. The notice may be provided electronically and must be acknowledged by the employee in writing or electronically. Employers must also post the notice in a conspicuous place readily available for viewing by employees who are subject to electronic monitoring. The New York attorney general will enforce the law, with maximum civil penalties for violations ranging from $500 for a first offense, $1,000 for a second offense, and $3,000 for a third and each subsequent offense. The new law amends the civil rights act and will take effect 7 May 2022.
Resources	Ch. 583, S2628 (Legislature)

US — New Jersey (new)	
Status	**1 Jan 2022**
Development	**Career — Health** **2022 paid family medical leave rates posted** New Jersey has posted its 2022 temporary disability insurance (TDI) and family leave insurance (FLI) contribution and benefit rates. Employee contribution rates will decrease from 0.47% in 2021 to 0.14% in 2022 for TDI and from 0.28% in 2021 to 0.14% in 2022 for FLI, for a total contribution rate of 0.28%. Employers must collect and remit contributions on wages up to the $151,900 taxable wage base for 2022, an increase from $138,200 in 2021. Benefits replace 85% of wages up to the maximum benefit for up to 26 weeks for TDI and up to 12 weeks for FLI. The 2022 maximum TDI/FLI weekly benefit of $993 reflects an increase from $903 in 2021.
Resources	catherine.stamm@mercer.com Rate information, contributions and due dates (Department of Labor and Workforce Development)

US — North Dakota (new)	
Status	⚠ **Currently effective**
Development	**Health** **ERISA does not preempt any part of pharmacy benefit manager law** ERISA does not preempt any part of North Dakota's pharmacy benefit manager (PBM) law (ND Cent. Code § 19-02.1-16.1 and -16.2), according to US Court of Appeals for the 8th Circuit. The court revisited the preemption case after the US Supreme Court upheld an Arkansas PBM law (*Rutledge v. Pharm. Care Mgmt. Ass'n* (141 S. Ct. 474 (2020)). The North Dakota law bans gag orders, imposes certain pricing disclosures, restricts how some fees are paid, and limits which performance measures and accreditation standards a PBM can use in its pharmacy contracts. The law also limits a PBM's ability to have an ownership interest in a patient assistance program or a mail-order specialty pharmacy and specifies that a licensed pharmacy or pharmacist may dispense any and all drugs allowed under that license. The court held that even though ERISA preemption does not apply, certain provisions are subject to Medicare Part D preemption. In particular, certain disclosure standards (including gag-order bans), utilization management requirements and a retroactive fee ban are subject to Medicare Part D's express preemption provision.
Resources	*Pharm. Care Mgmt. Ass'n v. Wehbi* (8th Circuit Court of Appeals, 17 Nov 2021); GRIST, 26 Oct 2021

US —Puerto Rico (new)	
Status	⚠ **Currently effective**
Development	**Career** **Arbitration in employment context upheld in Supreme Court ruling** The Puerto Rico Supreme Court recently upheld an employer's compulsory arbitration program for employment disputes. Employees received emails with the arbitration agreement, which stated that job acceptance or continued employment would be consent to the agreement. Noting Puerto Rico's public policy favors arbitration agreements as an alternative dispute resolution method, the court recognized employees' tacit consent to arbitration.
Resources	Decision (Spanish) (Supreme Court, 10 Nov 2021)

US — Puerto Rico (previously covered, with upcoming effective dates)	
Development	**Career** Minimum wage to increase — Key date: 1 Jan 2022
US — Rhode Island (new)	
Status	⚠ **Reporting deadline extended to 31 Mar 2022**
Development	**Health** **Employer health plan reporting deadline extended to match federal deadline** Rhode Island has extended its employer health coverage reporting obligation from 31 Jan 2022 to 31 Mar 2022, matching the federal extended reporting deadline, according to the state's Division of Taxation (Advisory 2021-45). Rhode Island is one of a handful of locations that require health coverage providers (including self-funded employers) to report coverage for employees and dependents.
Resources	Advisory 2021-45 (Division of Taxation, 23 Nov 2021); GRIST, 1 Dec 2021; GRIST, 20 Nov 2020

US (previously covered with upcoming effective dates)	
Development	**Career** • 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 • Nasdaq board diversity rule approved — Key date: 8 Aug 2022 • Extensive pay equity law enacted in Rhode Island — Key date: 1 Jan 2023 **Career — Health** • California announces state disability insurance and paid family leave rates for 2022 — Key date: 1 Jan 2022 • 2022 paid family medical leave rates posted in Massachusetts — Key date: 1 Jan 2022 • 2022 paid family leave rates posted in New York — Key date: 1 Jan 2022 • Family caregiver benefits extended to six weeks in Rhode Island — Key date: 1 Jan 2022 • Gender-affirming treatment mandated in Washington — Key date: 1 Jan 2022 • Paid family and medical leave rates posted in Washington— Key date: 1 Jan 2022 • Paid sick leave legislation enacted in New Mexico — Key date: 1 Jul 2022 • 2023 EHB benchmark with gender-affirming care approved in Colorado — Key date: 1 Jan 2023 • Colorado voters approve paid family and medical leave — Key date: 1 Jan 2023 • New Hampshire enacts voluntary paid family leave program — Key date: 1 Jan 2023 • Oregon’s paid family and medical leave contributions delayed to 2023 — Key date: 1 Jan 2023

US (previously covered with upcoming effective dates, continued)	
Development	**Health** • Healthcare cost transparency rules and medical loss ratio changes finalized — 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 • San Francisco, California updates city option, 2022 healthcare expenditure rates —Key date: 1 Jan 2022 • State public option established in Colorado — Key date: 1 Jan 2022 • First-dollar mental health screening required in insured plans in Colorado — Key date: 1 Jan 2022 • Health plan cards to identify if plan is fully insured or self-funded in Connecticut — Key date: 1 Jan 2022 • Third-party payments to count toward cost sharing in Connecticut — Key date: 1 Jan 2022 • First-dollar coverage mandated for insulin pumps in Delaware — Key date: 1 Jan 2022 • Mental health parity aligned with federal mandate in Kentucky — 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 • 2022 individual-mandate coverage dollar limits revised in Massachusetts — 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 • Insulin cost sharing capped in Rhode Island — Key date: 1 Jan 2022 • Tight exemption timeline to long-term care law added in Washington — Key date: 1 Jan 2022 • Insureds' insulin and supplies cost limited in Washington, DC — Key date: 1 Jan 2022 • Large group health policies to cover basic healthcare services in California — Key date: 1 Jul 2022 • Mental health parity law updated in Illinois — Key date: 1 Jan 2023 • Consumer privacy law enacted in Virginia — Key date: 1 Jan 2023

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Asia Pacific

Australia (new)	
Status	Proposal
Development	**Wealth** **Compensation scheme of last resort moves forward** The government has introduced a package of bills to establish the Compensation Scheme of Last Resort (CSLR) recommended by the Financial Services Royal Commission. The CSLR is intended to support confidence in the financial system's external dispute resolution framework. Highlights include: • The CSLR would provide compensation when a determination issued by the Australian Financial Complaints Authority (AFCA) remains unpaid and the determination relates to a financial product or service within the scope of the CSLR. • The CSLR would fund unpaid AFCA determinations that have accumulated since 1 Nov 2019 — the beginning of the AFCA scheme. • The CSLR's establishment and the supporting levy framework would begin on the later of 1 Jan 2022 or the day after Royal Assent. The operator of the CSLR could make compensation payments under the scheme starting 1 Jul 2022. • The government would fund the establishment of the scheme and its first year of operation. A levy will be imposed on the financial services industry to fund the scheme in future years.
Resources	paul.shallue@mercer.com GRIST, 16 Nov 2021

Australia (new)	
Status	**Proposal**
Development	**Career — Wealth** **Financial Accountability Regime moves forward** The government has introduced legislation to establish the Financial Accountability Regime (FAR), as recommended by the Financial Services Royal Commission. FAR will extend the Banking Executive Accountability Regime (BEAR) to all entities regulated by the Australian Prudential Regulatory Authority (APRA), including superannuation trustees and related entities. Intended to strengthen the accountability of directors and most senior and influential executives of APRA-regulated entities, FAR will be aligned with the final Prudential Standard CPS 511 on remuneration released in August. The four core sets of obligations are: • Accountability obligations would require entities in the banking, insurance and superannuation sectors (accountable entities), including their directors and most senior and influential executives (accountable persons), to conduct their business in a certain manner (i.e., with honesty, care, skill and diligence). • Key personnel obligations would require accountable entities to nominate (register) accountable persons for all areas of their business operations. • Deferred remuneration obligations would require accountable entities to defer at least 40% of the variable remuneration (for example, bonuses and incentive payments) of their accountable persons for a minimum of four years and to reduce those persons' variable remuneration for noncompliance with accountability obligations. • Notification obligations would require accountable entities to provide regulators with certain information about the business and its accountable persons. Entities above a certain threshold set by the Minister (proposed to be $10 billion of fund assets for super trustees) would also have to prepare and submit accountability statements and accountability maps. FAR will be jointly administered by APRA and the Australian Securities and Investments Commission. FAR is scheduled to apply to the banking sector starting the later of 1 Jul 2022 or six months after it takes effect, at which time the BEAR legislation will be repealed. FAR would apply to other sectors, including superannuation, starting the later of 1 Jul 2023 or 18 months after it takes effect.
Resources	paul.shallue@mercer.com GRIST, 16 Nov 2021

Australia (new)	
Status	**Currently effective**
Development	**Wealth** **Portfolio holdings disclosure regulations released** Final regulations for disclosing portfolio holdings on fund websites specify the investment holdings information to include on super fund websites and how to organize it. The first reporting date is 31 Dec 2021, and disclosure is required by 31 Mar 2022. The asset holdings details of each investment option must be shown and updated every six months. Trustees must disclose investment items held by the fund, an associate of the fund or a pooled superannuation trust. The final regulations follow a second consultation and significantly change the disclosure information for derivatives and unlisted assets.
Resources	paul.shallue@mercer.com Corporations Amendment (Portfolio Holdings Disclosure) Regulations 2021 (Federal Register, 11 Nov 2021)

Australia (new)	
Status	1 Jul 2022
Development	**Wealth** **Superannuation insurance standard and guidance issued** The finalized superannuation prudential standard (SPS 250) on insurance and its associated prudential practice guide (SPG 250) will take effect on 1 Jul 2022 and aims to improve member outcomes through enhanced requirements for trustees to select, manage, and monitor members' insurance arrangements. The Australian Prudential Regulatory Authority (APRA) has urged trustees to assess their insurance arrangements. Highlights include: • Trustees will have to obtain independent certification before entering into or renewing related-party insurance arrangements, after material changes to those arrangements and periodically thereafter. The certification will simply confirm "it is reasonable for the RSE [registrable superannuation entity] licensee to form the view that the insurance arrangement is in the best financial interests of the beneficiaries." APRA must be promptly notified about this certification or inability to obtain it. Transitional rules will apply to existing arrangements. • The comprehensive review of the insurance management framework has been broadened to consider whether any conflicts of interest or duty may affect the "arm's length" nature of the insurance arrangement and whether beneficiaries' best financial interests have been prioritized. • Trustees must be satisfied and able to demonstrate to APRA that rules for attributing an insurance status to a beneficiary (such as occupational category for a premium insurance rating) are fair and reasonable. • Fund processes must allow beneficiaries to easily opt out of insurance coverage and include methods for communicating this information to beneficiaries. • Sufficient data must be maintained to enable an appropriate level of cohort analysis when conducting member outcomes assessments.
Resources	paul.shallue@mercer.com GRIST, 2 Dec 2021

Australia (new)	
Status	⚠ **Currently effective**
Development	**Career — Wealth** **Guidance on final remuneration standard issued** New remuneration guidance issued by the Australian Prudential Regulation Authority (APRA) aims to help APRA-regulated entities, such as banks, insurers and superannuation trustees, meet the requirements of the August 2021 final Prudential Standard CPS 511 on remuneration. The guidance includes best-practice examples on strengthening incentives for individuals to manage risks prudently, implementing appropriate consequences for poor risk outcomes, and improving remuneration oversight, transparency and accountability. The guidance also aligns with the government's proposed Financial Accountability Regime. APRA has announced that it will increase supervisory oversight of remuneration practices ahead of CPS 511 implementation to ensure banks, insurers and super trustees are preparing for the new requirements. APRA expects to release new remuneration reporting and disclosure requirements for consultation in 2022.
Resources	paul.shallue@mercer.com APRA finalizes guidance for new prudential standard on remuneration (APRA, 18 Oct 2021); GRIST, (3 Sep 2021)

Australia (new)	
Status	**Proposal**
Development	**Career — Wealth** **Bill introduced to implement Budget 2021 superannuation changes** The government has introduced the Treasury Laws Amendment (Enhancing Superannuation Outcomes for Australians and Helping Australian Businesses Invest) Bill 2021 to implement superannuation changes announced in the 2021 Budget, which will take effect 1 Jul 2022. Highlights include: • **Removal of the AU$450 per month minimum earnings threshold for Superannuation Guarantee (SG) contributions.** This measure will improve equity by expanding SG coverage for employees with lower incomes and ensure that most employees receive superannuation for all ordinary hours of work. SG contributions will still not be required for employees younger than 18 who work 30 or fewer hours per week or employees who do domestic or private work for fewer than 30 hours per week. • **More flexibility for older employees.** The work test for voluntary nonconcessional and salary-sacrificed superannuation contributions for those aged 67 to 74 would be removed. The bill preserves the work test for personal tax-deductible contributions made by individuals between ages 67 and 75. In addition, the nonconcessional superannuation contributions “bring-forward rule” would extend to age 74 — up from under age 67. These changes will be a welcome simplification for members and super funds, which currently have to administer cumbersome work-test restrictions on voluntary contributions for members aged 67 to 74. • **Releases under the First Home Super Saver Scheme.** The bill would increase the maximum amount of voluntary contributions individuals can release under the First Home Super Saver Scheme to AU$50,000 — up from AU$30,000. This amendment does not alter the AU$15,000 limit on the amount of voluntary contributions from any one financial year that are eligible to be released. • **Additional flexibility for pension earnings tax-exemption calculations.** The bill includes a 2019–20 Budget measure to provide flexibility for trustees to use their preferred method of calculating exempt current pension income — where the fund is fully in the retirement phase for part but not all of the income year. This change would begin in the 2021–22 income year and mainly affects self-managed superannuation funds.
Resources	paul.shallue@mercer.com GRIST, 16 Nov 2021

Australia (previously covered with upcoming effective dates)	
Development	**Career** • Revised remuneration standard finalized — Key date: 1 Jan 2023 **Wealth** • New mechanism for disclosure of superannuation information in family law proceedings — Key date: 1 Apr 2022 • Reduced minimum pension payment drawdown extended — Key date: 30 Jun 2022
China (new)	
Status	⚠ **Expires 31 Dec 2021**
Development	**Career — Health** **Preferential tax treatments for bonuses, equity incentives and some expatriate benefits to expire** The transitional preferential individual tax treatment of annual bonus payments, equity-based incentives and certain expatriate fringe benefits-in-kind under Circular 164 will expire on 31 Dec 2021 and could result in higher taxes. From 1 Jan 2022, annual one-off bonus payments will be combined with tax residents' annual comprehensive income for calculating and declaring individual income taxes. The changes to the taxation rules for equity-based incentives have not yet been clarified —taxes currently are calculated at the applicable annual marginal rate and separately from other income received in the same month. Also, expatriate workers living in China might not be able to claim tax exemptions for housing costs, language training and children's schooling.
Resources	angela.li@mercer.com Circular 164 (Chinese) (Ministry of Finance and the State Taxation Administration, 27 Dec 2018)

China — Beijing, Shanghai (new)	
Status	**Currently effective**
Development	**Career — Health** **Maternity leave extended** Women in Shanghai and Beijing are now entitled to 158 days of paid maternity leave — up from 128 days — in changes announced in November 2021. Both municipalities have introduced five days of paid parental leave per year for each parent to use until a child's third birthday. According to media reports, the Shanghai Municipal Health Commission said the five days of leave accrues each year on the child's birthday. Earlier in 2021, China announced that couples can have a third child, and several provinces have recently issued parental leave rules.
Resources	angela.li@mercer.com Decision on amending the "Regulations of Beijing Municipality on Population and Family Planning" (Chinese) (Government, 26 Nov 2021); Decision on amending the "Regulations of Shanghai Municipality on Population and Family Planning" (Chinese) (Government, 26 Nov 2021)
Hong Kong (previously covered with upcoming effective dates)	
Development	**Career** • Five more statutory holidays to be phased in — Key date: May 2022
India (previously covered with upcoming effective dates)	
Development	**Career — Health — Wealth** • Labor and employment laws reformed — Key date: Effective date unknown, but 2022 at the earliest **Career — Wealth** • Top-listed companies face enhanced sustainability reporting — Key date: April 2022 **Wealth** • Guidance addresses taxation of certain employee provident fund contributions — Key date: April 2022

Japan (previously covered with upcoming effective dates)	
Development	**Career — Health** • Childcare leave entitlement expanded — Key date: Beginning in April 2022 **Wealth** • Defined contribution reforms enacted — Key date: 1 Dec 2024

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

South Korea (new)	
Status	**Currently effective**
Development	**Career** **Employers required to provide wage statements** Employers must provide wage statements to workers "when paying wages" under recent changes to the Labor Standards Act, effective 19 Nov 2021. The wage statement must include matters specified in Article 27-2 of the Enforcement Decree of the Labor Standards Act, including wage components, calculation methods, and details of any deductions. Employers that fail to issue wage statements face fines of up to KRW 5,000,000.
Resources	sungjae.you@mercer.com Government release (Korean) (Ministry of Employment and Labor, 16 Nov 2021); Government release (Korean) (Ministry of Employment and Labor, 16 Nov 2021)

South Korea (new)	
Status	Currently effective
Development	**Career — Health** **Pregnant employees given flexible work hours option** Pregnant employees can now change their work hours at any point in their pregnancy to accommodate their needs under recent law changes. Employers may only refuse requests under specified circumstances, such as where the changes would seriously interfere with normal business operations.
Resources	sungjae.you@mercer.com Government release (Korean) (Ministry of Employment and Labor, 29 Jul 2021)

South Korea (new)	
Status	**Currently effective**
Development	**Career — Health** **Pregnancy-related protections expanded** Certain pregnant employees in South Korea can take leave and change start or end times, under legislative changes that took effect on 19 Nov 2021. In addition, pregnant employees have a right to change their start and end times, while keeping the prescribed number of working hours. Employers may only refuse the request for certain reasons, such as when the change would seriously interfere with the normal operation of the business. Pregnant employees who are at risk of miscarriage or stillbirth can use some of their childcare leave during pregnancy. The total childcare leave period of one year remains unchanged.
Resources	sungjae.you@mercer.com Government release (Ministry of Employment and Labor, 29 Jul 2021)

South Korea (new)	
Status	⚠ **19 May 2022**
Development	**Career** **Protections against gender discrimination and sexual harassment to expand** Employees will be able to petition the Labor Relations Commission for relief in gender discrimination or sexual harassment cases beginning 19 May 2022. If discrimination or harassment is found, the commission can issue a corrective order that requires the cessation of discriminatory acts; improvement of working conditions, including employment rules and terms of collective agreements; and appropriate compensation. If an employer fails to take appropriate remedial actions or engages in adverse treatment of the victim of workplace sexual harassment, a corrective order can require appropriate corrective measures, cessation of unfavorable acts and compensation.
Resources	sungjae.you@mercer.com Government release (Korean) (Ministry of Employment and Labor, 10 Nov 2020)

South Korea (new)	
Status	⚠ **Currently effective**
Development	**Career** **Workplace harassment protections expanded** Employers or employers' relatives that commit workplace harassment face sanctions of up to KRW 10 million, effective 14 Oct 2021. In addition, a penalty of up to KRW 5 million will be imposed if an employer fails to promptly and objectively investigate a report of workplace harassment, take any necessary protective measures for the victim, or take appropriate disciplinary or other action against the offender. An involved individual who improperly divulges secrets learned during the investigation will face a penalty of up to KRW 5 million.
Resources	sungjae.you@mercer.com Government release (Korean) (Ministry of Employment and Labor, 10 Nov 2020)

South Korea (previously covered with upcoming effective dates)	
Development	**Career** • Minimum wage to increase by 5.1% — Key date: 1 Jan 2022 **Career — Health** • Employment insurance premium to increase — Key date: 1 Jan 2022 **Health** • Long-term care insurance rate to increase — Key date: 1 Jan 2022 • National health insurance rate to increase — Key date: 1 Jan 2022

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Europe, Middle East and Africa (EMEA)

EU (new)	
Status	Currently effective
Development	**Career — Health** **Standby time under working time directive clarified** The European Court of Justice has clarified which periods of standby time should be classified as working time under EU law. The court ruled that standby time does not count as working time unless the employer imposes significant constraints on the worker's ability to freely manage this time. The ruling concerned a retained firefighter employed on a part-time basis by the Dublin City Council in Ireland who also worked as a taxi driver. The council allowed retained firefighters to do other professional work, not exceeding 48 hours per week on average. Retained firefighters had to participate in 75% of the brigade's interventions and reach the station within 10 minutes. The firefighter argued that because he had to respond rapidly to emergency calls, he should be entitled to the maximum weekly and daily working time and rest periods under the EU working time directive. The court ruled that because the firefighter could work elsewhere without restrictions on his location during standby time, the council's standby system did "not place that worker under major constraints." The court said that a worker's choices — for example, of a home or work location — should not be considered when determining the directive's applicability.
Resources	GRIST, 29 Nov 2021

Europe (previously covered, soon to be effective)	
Status	**31 Dec 2021**
Development	**Career** **Revised guidelines on sound remuneration effective 31 Dec 2021** The European Banking Authority's (EBA's) revised guidelines on sound remuneration policies to implement the European Union's (EU) CRD V directive will apply to certain financial institutions from 31 Dec 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 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 these payments being used to circumvent remuneration requirements. For instance, the payment of retention bonuses must be justified, and the definition of severance payments cannot include 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 the Investment Firms Directive, the Undertakings for Collective Investment in Transferable Securities Directive, or the Alternative Investment Fund Managers Directive. • Further guidance covers how waivers of requirements, such as the deferral of variable remuneration, apply to certain smaller institutions. • Remuneration polices must be consistent with environmental, social and governance risk-related objectives.
Resources	GRIST, 4 Aug 2021

EU (previously covered, newly effective)	
Status	⚠ **17 Dec 2021**
Development	**Career — Health — Wealth** **Whistleblowing protections effective 17 Dec 2021** From 17 Dec 2021, whistleblowers who report breaches of EU laws will have greater protection. However, most EU member states have not yet implemented the directive or adjusted any existing whistleblowing laws. Because of Brexit, the United Kingdom (UK) does not have to implement the directive but is subject to the provisions of the Trade and Cooperation Agreement (TCA). Highlights include: • The directive includes a wide definition of the individuals — not just employees — who will be protected against retaliation and other actions and establishes the conditions for making whistleblower disclosures. • The directive covers disclosures regarding public procurement, financial services, money laundering, terrorist financing, corporate tax, product and transportation safety, environmental and nuclear safety, food and feed safety, animal health and welfare, public health, consumer protection, and privacy, data and security protections for network and information services. Member states' laws could expand the protections to other types of wrongdoing. • Private companies with more than 50 employees must establish internal reporting channels within their organization, ensure confidentiality for whistleblowers, and designate an individual or department to be responsible for receiving whistleblowing reports. Minimum conditions that organizations must meet are set out, including the time frames for responding. Member states can delay the establishment of reporting requirements until 17 Dec 2023 for private-sector employers with 50 to 249 employees and can decide whether to allow anonymous reporting. • All regulated entities in the financial services sector or organizations vulnerable to money laundering or terrorist financing must have reporting channels. Many of these firms are already subject to whistleblowing systems. • Member states must designate a competent national authority with responsibility for whistleblowing and establish a user-friendly external reporting channel separate from normal public complaints systems. • In some circumstances, individuals will be allowed to disclose information externally to a national competent authority. Prior to the directive's agreement, the commission reported in 2018 that only nine member states offered comprehensive legal protection for whistleblowers.
Resources	GRIST, 3 Nov 2021

EU (previously covered with upcoming effective dates)	
Development	**Career** • 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 (upcoming effective date)	
Development	**Wealth** • Blue- and white-collar pension harmonization approaches — Key date: 1 Jan 2025

Cyprus (new)	
Status	⚠ **Currently effective**
Development	**Career — Health** **Maternity leave for mothers with two or more children extended** A recent law extends maternity leave from 18 to 22 weeks for mothers who have their second child by birth, adoption or surrogacy and to 26 weeks for third and subsequent children. The law also extends the corresponding maternity allowances. The measure reportedly aims to address the low birth rate in Cyprus. The Ministry of Labor announced that mothers who were already on maternity leave during the week ending 7 Nov 2021 will get the additional four or eight weeks.
Resources	Ministry of Labour, Welfare and Social Insurance website (Greek)

Czech Republic (new)	
Status	**1 Jan 2022**
Development	**Career** **Minimum wage significantly increased** The minimum monthly wage will increase to CZK 16,200, up from CZK 15,200.
Resources	Press release (Czech Republic) (Government, 5 Nov 2021)

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

Egypt (previously covered with upcoming effective date)	
Development	**Career** • Private sector minimum wage established — Key date: 1 Jan 2022

Finland (new)	
Status	⚠ **1 Jan 2022**
Development	**Wealth** **Survivors' pension scheme revised** Changes to Finland's survivors' pension scheme on 1 Jan 2022 will impact payments made under the surviving spouses' and orphans' pensions that aim to replace income when a family wage earner dies. The spousal pension is calculated on the deceased person's pension and comprises an initial payment and a continuing pension payment that is partly income-tested, subject to certain eligibility criteria. The orphan's pension currently is paid to children up to age 18 when their parent or step-parent dies, subject to certain eligibility criteria. Highlights include: • For surviving spouses born in 1975 or later, both the national pension element and the continuing pension portions of the surviving spouse pension will be a fixed term limited to 10 years or the date the youngest child turns age 18. • The upper age limit for the widow's pension under the National Pensions Act remains unchanged at age 65. • Unmarried partners will be eligible for a survivor's pension if they have cohabited for five or more years or have a child younger than age 18. Currently, cohabiting partners are not entitled to receive a survivor's pension. • The cutoff age for the orphan's pension will increase from 18 to 20.
Resources	sirkka.linden@mercer.com GRIST, 29 Nov 2021

France (new)	
Status	**Currently effective**
Development	**Career — Health** **Workplace employee representation bodies must consider environmental issues** Under new Law No 2021-1104, employers must share information on the environmental consequences of the company's strategic direction, economic and financial situation, and social policies (including working conditions and employment) with employee representatives in three compulsory information-and-consultation meetings per year as well as in ad hoc consultations about the company's organization and general management. Environmental information also must be factored into information and consultation about proposed restructuring and layoffs, and labor authorities will assess this aspect. The Social and Economic Database that companies must maintain and share with their committees has been renamed the Social Economic and Environmental Database, although required environmental content is unclear.
Resources	Law No. 2021-1104 (French) (Government)

Germany	
Status	⚠ **1 Jan 2022**
Development	**Wealth** **Employers to pay contributions for some pre-2019 defined contribution pension plans** From 1 Jan 2022, employers in Germany must contribute to employees' deferred compensation plans that were agreed to before 2019. The measure featured in a 2017 law that allowed the establishment of defined ambition and pure defined contribution (DC) retirement plans from 2018. The BRSG aimed to boost participation in DC schemes and reduce employers' pension liabilities. Employers had to pay compulsory contributions from 1 Jan 2019 for salary-sacrifice arrangements established after that date, and from 1 Jan 2022 for arrangements agreed to before 2019. Employer contributions must equal 15% or less if the employee's sacrificed salary is paid into a direct insurance arrangement, pension fund or pension fund society and results in lower employer social security contributions. Employer contributions of 15% or less of sacrificed salary also are payable on pure DC plans introduced by collective or works council agreements.
Resources	david.lesch@mercer.com Occupational Pensions Strengthening Act (German) (Government)

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	**1 Jan 2022**
Development	**Wealth** **New mandatory individual retirement account introduced** Companies will have to enroll new hires in a mandatory individual defined contribution (DC) fund — the Hellenic Auxiliary Pensions Defined Contributions Fund (TEKA) — under measures aimed at improving pension sustainability and benefits. Greece's pension system comprises a national pension paid to permanent residents and an earnings-related social insurance pension for employed individuals and certain other categories of persons. Highlights include: • Employees born on or after 1 Jan 1987 who participate in the auxiliary pension scheme of the Unified Agency for Social Insurance (e-EFKA) can switch to the TEKA and cease contributing to the e-EFKA. The transfer must be made between 1 Jan 2023 and 31 Dec 2023. • Certain employees aged 35 years or younger can also transfer to the TEKA from the current supplementary pension program (ETEAEP). They must be self-employed in the healthcare sector, insured under the Organization of Agricultural Insurances or exempt from insurance in any other supplementary pension program. Employees aged 35 or older who work in these sectors must remain in the ETEAEP but can participate in the e-EFKA. • TEKA will be a fully funded DC scheme that will pay old age, disability and survivor benefits to eligible individuals. • The government will guarantee a minimum benefit equivalent to a TEKA scheme member's total employee and employer contributions, adjusted for inflation. • TEKA scheme members will have a predefined investment scheme, approved by the scheme's board as the most suitable for the average insured member. Members will be offered investment options with different risk profiles and can change investment selections once every three years. • Individuals with at least 15 years of contributions will receive their retirement pension at the normal retirement date as a lifetime annuity. Individuals with fewer than 15 years of contributions will receive a lump sum payment. • Contribution rates will be the same as for the ETEAEP: Employers and employees each contribute 3.25% calculated on monthly earnings or payroll up to €6,500. The contribution rate will reduce to 3% in June 2022.
Resources	theodosios.anagnostopoulos@mercermarshbenefits.com and imitra.toubakari@mercermarshbenefits.com GRIST, 1 Dec 2021

Greece (previously covered with upcoming effective date)	
Development	**Career** • Minimum wage to increase — Key date: 1 Jan 2022
Ireland (new)	
Status	⚠ **Currently effective**
Development	**Wealth** **Final code of practice published for pension trustees** The Irish Pensions Authority has finalized a Code of Practice for trustees of occupational pension schemes and trust Retirement Annuity Contracts, under legislation implementing the European Union's IORP II directive. Highlights include: • Several changes from the draft code include additional requirements for defined contribution (DC) master trusts. • The code includes benchmarks the authority will use to supervise schemes' compliance with IORP II and outlines expectations for trustees' conduct and practices. • Other details address the financial risk measure for analyzing whether a defined benefit scheme still meets the funding standard after stresses like reduced equity values, lower interest rates or increased longevity. • A minimum of one trustee (or one director of a sole corporate trustee) in each scheme must complete a trustee qualification course approved by the authority. The approved courses currently available are confirmed.
Resources	james.p.campbell@mercer.com GRIST, 29 Nov 2021
Ireland (upcoming effective date)	
Development	**Career** • Employers face annual reporting on gender pay gap — Key date: Expected beginning in 2022 **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	**Career** **Equality reporting duty expanded** Effective 3 Dec 2021, companies face expanded equality reporting under changes to the Equal Opportunity Code, as amended by Law No. 162/2021. Highlights include: • Companies with 50 or more employees — down from 100 or more employees — must publish an electronic equality report every two years by 30 Apr. Reporting by smaller companies is voluntary. The report must analyze wages and differences in benefits; the employment situation of female and male employees, including their overall numbers and job distribution; information on dismissals, hires, onboarding and training; retirement, promotion and career paths; work-life balance; and diversity and inclusion policies. The Ministry of Labor will publish a report template, and companies must provide a copy of the report to their work councils. Data can be shared with employees under certain conditions. • Companies that fail to submit their equality report or delay doing so for 12 or more months will face sanctions, including the withdrawal of reduced employer contributions. The labor inspectorate will verify submitted equality reports, and employers that provide incomplete or false data could incur fines of up to €5,000. • Companies that prepare the equality report and meet certain gender criteria can apply for a “gender equality certificate.” Certified companies would benefit from a 1% exemption — capped at €50,000 per year — from social security contribution payments. • Expanded direct and indirect discrimination definitions include discriminatory changes to employment conditions and working time arrangements that disadvantage employees because of gender, pregnancy, or parental or care-giving responsibilities. • At least two-fifths of the board members at unlisted companies controlled by public bodies must comprise the under-represented gender. This requirement previously applied only to listed companies.
Resources	valentina.mosca@mercer.com and mario.distasi@mercer.com GRIST, 2 Dec 2021

Jersey, Channel Islands (new)	
Status	**1 Jan 2022**
Development	**Career — Health** **Rest break established, paid leave increased** Approved legislation in Jersey twill introduce a 20-minute daily rest break for employees who work six or more hours a day and three weeks — up from two weeks — of paid annual leave, beginning 1 Jan 2022.
Resources	Vote for Draft Employment (Amendment of Law) (No. 3) (Jersey) Regulations 202-[P.88-2021] Principles (Legislature, 11 Mar 2021)

Jersey, Channel Islands (new)	
Status	**1 Jan 2022**
Development	**Career** **Minimum wage increased** Jersey's minimum wage will rise to £9.22 (up from £8.32), and the first- and second-year rate for trainees in approved training will increase to £6.91 (up from £6.24) and £8.07 (up from £7.28) respectively. The amounts that can be offset for employer-provided staff accommodation and meals remain unchanged.
Resources	Minimum wage information (Government)

Kuwait (upcoming effective date)	
Development	**Health** • Insurance companies, brokers required to register — Key date: 11 Mar 2022

Netherlands (new)	
Status	**Expected to take effect on 1 Jan 2022**
Development	**Career** **Gender balance duty for companies introduced** New appointments to the supervisory boards of listed companies in the Netherlands will be subject to gender quotas, and large public limited companies ("NVs") and private limited companies ("BVs") will have to set ambitious gender balance targets for their boards of directors and second-tier management roles. The Act on Gender Balance on Management and Supervisory Boards passed the parliament's senate on 28 Sep 2021 and is expected to take effect on 1 Jan 2022. However, a sunset clause will cause the law to lapse in eight years after an evaluation of its impact. The act replaces gender balance rules based on a comply-or-explain principle that applied from 1 Jan 2013 to 1 Jan 2020. Highlights include: • Supervisory boards of listed companies will generally have to comprise at least one-third male and one-third female members, and any new board appointment that does not achieve gender balance will be null and void. (However, the validity of any board decisions will not be unaffected.) • Large NVs and BVs will have to set appropriate and ambitious gender balance targets for their supervisory boards, boards of directors, and certain senior management roles. • Gender targets should aim to improve the gender balance and must take into account the board's size, the supervisory board, senior manager numbers, and the current male/female ratio. • Companies must draw up a plan to achieve their self-determined gender target. If targets are met, companies must set a new strategy and appropriate targets. • Companies must report progress toward achieving their gender targets in their annual report within 10 months of the end of the financial year. The first report must be submitted for the 2022 financial year, and the information must follow a specified format. • The Dutch Social and Economic Council will monitor and publish findings on companies' progress and compliance with the act.
Resources	charlotte.oudshoorn@mercer.com GRIST, 28 Oct 2021

Netherlands (upcoming effective date)	
Development	**Career — Health** • Paid parental leave enacted— Key date: August 2022 **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: Effective date not yet known

Portugal (new)	
Status	⚠ **1 Jan 2022**
Development	**Career — Health** **Employers prohibited from contacting employees after hours** Employers with more than 10 employees face new penalties for contacting employees outside of work hours and must generally allow remote work, under measures in a decree-law that passed 3 Nov 2021. Employers may not contact employees by email, text or telephone outside of work hours, and except in emergencies, employers that continue to make contact will face fines for labor law violations. Employers and employees must agree to remote work and include the terms and conditions in employment contracts. Remote-work agreements can be for fixed terms of up to six months or open-ended arrangements that can be terminated with 60 days' notice. Employees can refuse an employer's request to work remotely but must justify their decision. Employer consent to remote work is not required for parents with children under age 8, as long as their role is compatible with remote work. Employers must pay for remote workers' additional energy usage, internet and IT costs, but the law does not specify how to calculate these costs. Employer must meet face-to-face with remote workers at least once every 60 days. Employers must respect remote workers' privacy and treat them the same as other workers, for example, with regard to working time, employee representation, vacation entitlement, insurance benefits, training, and occupational health and safety.
Resources	paolo.fradinho@mercermarshbenefits.com GRIST, 29 Nov 2021; Law No. 83/2021(Portuguese) (Official Gazette, 6 Dec 2021)

Qatar (new)	
Status	**April 2022**
Development	**Career** **Employers must provide healthcare coverage to expatriate employees** From April 2022, expatriate workers and visitors to Qatar must be enrolled in a mandatory health insurance system that provides basic healthcare through public and private providers. Employers and recruiters will have to enroll, and pay for, basic health insurance coverage for their non-Qatari employees and family members in policies offered by insurance companies registered with the Ministry of Public Health — employers can offer enhanced healthcare coverage. The issuance or renewal of entry visas and residence permits will be subject to proof of health insurance coverage. A Hamad Health Card will be issued to Qatari nationals, entitling them to healthcare permitted under the scheme.
Resources	soukeine.saleh@mercer.com and farah.haikal@marsh.com Press release (Ministry of Public Health, 20 Oct 2021); Law No. [22] of 2021 (Government)

Russia (new)	
Status	**29 Dec 2021**
Development	**Career** **Fingerprint registration and medical examination required for foreign workers** Beginning 29 Dec 2021, foreign nationals arriving in Russia for work must undergo fingerprint and photographic registration, along with a mandatory medical examination for infectious diseases, HIV infection and drug addiction. The registration is a one-time event that must be completed no later than 30 days from the individual's arrival in Russia. The medical examination must be conducted prior to the registration, and repeated within 30 days of the expiration of the foreign national's medical certificate.
Resources	Press release (Ministry of Internal Affairs of the Russian Federation, 2 Jul 2021); Press release (Ministry of Internal Affairs of the Russian Federation, 14 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

Turkey (previously covered with upcoming effective date)	
Development	**Career — Health** • Date to re-enroll in auto-enrollment pension postponed — Key date: 2022

UAE (new)	
Status	**2 Feb 2022**
Development	**Career — Health** **Extensive private-sector labor reforms enacted** Extensive private-sector labor reforms have been enacted, and implementation rules are expected. Highlights include: • Employers may not force employees to work for them or provide a service against their will. • Sexual harassment, bullying or any form of verbal, physical or psychological violence against employees is prohibited. • Expansion of prohibitions against discrimination that would reduce equal opportunity possibilities. • New types of work will be introduced, such as part-time, temporary and flexible work. • Employers can pay wages in Emirati Dirhams or any other currency, according to the agreement between parties. • Employers can impose noncompete restrictions on employees under certain circumstances. • The decree-law shall apply to employment contracts of indefinite durations. • Unlimited employment contracts must be converted to fixed-term employment contracts within one year of the effective date of the existing contract and may be extended by the Cabinet for further periods. • Private-sector employees are entitled to a paid, weekly rest day. Employees are also entitled to compassionate leave ranging from three to five days. In addition, paternity leave of five days will be granted. • Employees cannot work more than five consecutive hours without at least one-hour break, and no more than two hours of overtime are allowed in one day. • Employers must pay recruitment costs and cannot charge recruitment fees. • Employers are prohibited from withholding official documents. • Probationary periods cannot exceed six months. • Employees are entitled to an end-of-service gratuity. • A foreign full-time employee who has completed one year or more of service will be paid end-of-service benefits. • Judicial fees up to AED 100,000 are waived in all stages of litigation.
Resources	NunoFilipe.dosSantosGomes@mercer.com GRIST, 18 Nov 2021

UAE — Abu Dhabi (new)	
Status	⚠ **2 Jan 2022**
Development	**Health** **Fines imposed on individuals without health insurance delayed** Beginning 2 Jan 2022, individuals will have to pay fines of AED 300 per month if they fail to subscribe to or renew their individually sponsored medical insurance scheme. Circular No. 2021/121 reversed the individual fine exemption from 23 Oct 2021, but Circular 2021/169 extended the exemption until 2 Jan 2022. Insurance companies must collect and transfer the fines to the Health Department.
Resources	soukeine.saleh@mercer.com Circulars (Department of Health); Department of Health — Abu Dhabi exempts health insurance customers from fines until October 2021 (Department of Health, 19 Aug 2021)

UK (new)	
Status	⚠ **Currently effective**
Development	**Wealth** **New rules on statutory pension benefit transfers** New rules on the conditions for statutory transfers of pension benefits took effect on 30 Nov 2021. Trustees and scheme managers previously could not refuse a request that met the criteria for a statutory transfer, even if they suspected fraud. Under the new rules, transfers to public service schemes, authorized master trusts and authorized collective defined contribution schemes can proceed without further investigation, but all other statutory transfers require additional due diligence by the transferring scheme. The use of internal “clean lists” is sometimes possible, but transfers to an occupational scheme always require evidence of an employment link. A red flag will block statutory transfers, and an amber flag will require the member to take fraud guidance from the government’s Money Helper service before the transfer can proceed. The Pensions Regulator issued guidance to accompany the new rules.
Resources	anne.bennett@mercer.com The Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 (Government)

UK (previously covered with upcoming effective date)	
Development	**Career** • Revised living and minimum wage rates announced — Key date: 1 Apr 2022 **Career — Health — Wealth** 1.25% health and social care levy to be imposed — Key date: 6 Apr 2022

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