

Law and Policy Group

Global Legislative Update

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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.

1. Highlights.....	1
2. Global.....	5
3. Americas	7
4. Asia Pacific.....	34
5. Europe, Middle East and Africa (EMEA)	49

Section 1

Highlights

Global	
Reproductive rights	Global employer resources post Dobbs ruling
Monkeypox	Global employer resources
COVID-19 pandemic	Global employer resources
Minimum wage rates	Global employer resources
Remote working	Global employer resources
Americas	
Argentina	Employers' contribution to occupational disease fund increased Monthly minimum wage rate increased
Bermuda	Minimum wage rate to be implemented
Brazil	Health plans must cover prescribed treatments not on health agency list Teleworking and meal allowance rules regulated
Canada	Regulator sets basic rate for pension plan assessments Three Atlantic provinces increase minimum wage Minimum wage to increase in Manitoba Employer guidance issued on electronic monitoring of employees in Ontario Minimum wage rates announced in Prince Edward Island Minimum wage rates increased in Saskatchewan
El Salvador	Large employers will be required to provide day care facilities
Guyana	Minimum wage increased

Americas (continued)

United States

[NLRB rules employees cannot be restricted from wearing union insignia](#)
[Federal Trade Commission to protect gig workers](#)
[New joint-employer standard proposed](#)
[New CMS FAQs address duplicate files, other RxDC issues](#)
[Flexibility proposed for employment eligibility verification](#)
[Senate passes bill prohibiting nondisclosure agreements for sexual harassment claims](#)
[Roundup: Employer resources on minimum wage increases](#)
[Roundup: Employer resources on hairstyle nondiscrimination laws](#)
[Roundup: Employer resources on employee voting rights/trends](#)
[State accrued paid sick leave mandates enacted](#)
[Resources for tracking state and city retirement initiatives](#)
[Pharmacy benefit manager rules updated in Arkansas](#)
[More salary disclosure, pay data reporting imposed in California](#)
[Unpaid family leave expanded in California](#)
[Summary of dental benefits and coverage disclosure matrix compliance deadlines vary in California](#)
[Employment discrimination based on nonworkplace cannabis use barred in California](#)
[Paid military leave for state employees expanded in California](#)
[Measures on wages and working conditions in fast-food sector enacted in California](#)
[Generic prescription, insulin supplies addressed in California](#)
[Law requiring medically necessary foods for insured plans now effective in District of Columbia](#)
[Exception to midyear prescription formulary change prohibition in Louisiana allowed](#)
[2023 paid family medical leave rates posted in Massachusetts](#)
[Hair discrimination in the workplace banned in Massachusetts](#)
[Restrictions on noncompete agreements proposed in New Jersey](#)
[Rules on automated employment decision tools proposed in New York City](#)
[Minimum wage rates to significantly increase in Washington](#)
[Minimum wage rates to significantly increase in Seattle, Washington](#)

Asia Pacific	
Australia	Regulations issued on super fund disclosures with notices of annual members meeting New guidance on consumer remediation issued Start date for separating couples to split superannuation announced Financial advice reforms proposed Consultation issued on financial contingency and resolution planning guidance Proposed tests for faith-based superannuation products published Compensation scheme of last resort proposed Financial accountability regime proposals issued Operational risk standard for finance sector proposed Strengthened superannuation prudential framework proposed Strengthened modern slavery reporting duties considered
Cambodia	Pension contributions begin
China	Tax concessions offered for private pensions Basic medical insurance improved in Beijing
Japan	Minimum wage rates announced
Malaysia	Effective date of Employment Amendment Act 2022 postponed
Philippines	Rules on teleworking arrangements issued
Singapore	Medical coverage of permit applicants enhanced
South Korea	National health insurance rate to increase for 2023
Taiwan	Minimum wage to increase
Thailand	Minimum wage rates increase
Europe, Middle East and Africa (EMEA)	
European Union (EU)	Directive on promoting statutory minimum wages finalized Ban on use of forced labor proposed
Albania	Minimum wage increased
Austria	Profit sharing exempt from wage tax for certain employees Employers can pay tax-free cost-of-living bonus
Cyprus	2023 minimum wage announced

EMEA (continued)	
Germany	<u>Minimum wage increased</u>
Ireland	<u>Statutory paid sick leave enacted</u> <u>National minimum wage, living wage rates announced</u> <u>Budget 2023 published</u>
Italy	<u>Benefit coverage for executives in commercial sector expanded</u>
Morocco	<u>Minimum wage increased</u>
Netherlands	<u>30% tax rule for expatriate employees to change</u>
Poland	<u>Minimum wage to increase twice in 2023</u>
Serbia	<u>2023 minimum hourly wage published</u>
Slovakia	<u>Minimum wage to increase in 2023</u>
Spain	<u>Equality legislation expanded</u>
Sweden	<u>ITP occupational pension rules adjusted</u>
Switzerland	<u>First pillar pension scheme reforms approved</u>
Ukraine	<u>Minimum wage increased</u>
United Kingdom	<u>Living Wage Foundation significantly increases wage rates</u> <u>IR35 reforms repealed from April 2023</u> <u>NIC increase reversed, health and social care levy eliminated</u> <u>Draft pension funding regulations proposed</u>

Section 2



Global



Reproductive rights	
Status	 Ongoing initiatives
Development	Health Global employer resources on reproductive rights post Dobbs ruling In June 2022, the US Supreme Court, in <i>Dobbs v. Jackson Women’s Health Organization</i> , overturned <i>Roe v. Wade</i> , finding no federal constitutional right to abortion and allowing states to regulate and ban abortions at all stages of pregnancy. To provide multinational employers with some information on countries’ positions on reproductive rights and the varying employee health benefit plan issues involved, this roundup provides links to organizations, government websites, third-party analysis, news articles and viewpoints.
Resources	Roundup: Employer resources on reproductive rights post Dobbs ruling , regularly updated
Monkeypox public health	
Status	 Ongoing initiatives
Development	Career — Health Global employer resources on monkeypox The World Health Organization (WHO) declared the escalating monkeypox outbreak a Public Health Emergency of International Concern on 23 July 2022, and employers are now considering the implications on working practices. This roundup provides multinational employers with links to some general information about the monkeypox outbreak from organizations, government websites, Mercer, third-party resource pages and news articles.
Resources	Roundup: Monkeypox resources for employers , regularly updated

Coronavirus (COVID-19) pandemic	
Status	 Ongoing initiatives
Development	<p>Career — Health — Wealth</p> <p>Countries address workplace issues resulting from the COVID-19 pandemic</p> <p>Since the World Health Organization declared COVID-19 a pandemic on 12 March 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.</p>
Resources	Roundup: COVID-19 resources for employers , regularly updated; Navigating coronavirus , regularly updated
Minimum wage rates	
Status	 Ongoing initiatives
Development	<p>Career</p> <p>Global employer resources on minimum wage increases</p> <p>To help multinational employers address the different minimum wage rates around the world, Mercer provides some information and links to resources from organizations, government websites, third-party resources and news articles</p>
Resources	Roundup: Global employer resources on minimum wage increases , regularly updated
Remote working	
Status	 Ongoing initiatives
Development	<p>Career — Health — Wealth</p> <p>Countries address remote-working issues</p> <p>Remote working has become more of a permanent feature for many employees and employers because of COVID-19 measures introduced in various 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.</p>
Resources	Roundup: Employer resources on remote-working rights/trends , regularly updated

Section 3

Americas

Argentina (new)	
Status	 Currently effective
Development	Career — Health Employers' contribution to occupational disease fund increased The employers' fixed sum contributions to the occupational disease fund (FEED) for each employee increased on 1 October 2022, to AR\$149, up from AR\$133.
Resources	graciela.magonza@mercermarshbeneficios.com Disposition 5/2022 (Spanish) (Official Bulletin, 15 September 2022)
Argentina (new)	
Status	 Currently effective
Development	Career Monthly minimum wage rate increased The monthly minimum wage rate increased on 1 October to AR\$54,500 and will increase to AR\$57,900 on 1 November. The minimum wage rates previously increased in February, April and June 2022.
Resources	Resolution 11/2022 (Spanish) (Official Bulletin, 24 August 2022)
Argentina (previously covered, with 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 Career <ul style="list-style-type: none">• Employers required to provide workplace childcare facilities — key date: 23 March 2023

Bermuda (new)	
Status	 1 June 2023
Development	<p>Career</p> <p>Minimum wage rate to be implemented</p> <p>Bermuda introduced a minimum wage rate effective 1 June 2023. For most workers, the rate will be between BMD\$16 and BMD\$16.40. For personal care workers and hospitality workers who receive tips and gratuities, the hourly wage rate will be between BMD\$12 and BMD\$12.30. The Ministry also published a position paper on the minimum wage.</p>
Resources	Labour day message — Remarks by the Ministry of Economy and Labor (Government, 4 September 2022) and Position paper on establishing a minimum wage in Bermuda (Ministry of Economy and Labour, 16 August 2022)
Brazil (new)	
Status	 Currently effective
Development	<p>Health</p> <p>Health plans must cover prescribed treatments not on health agency list</p> <p>Private health plans generally must now cover treatments prescribed by medical physicians or dentists even if they are not on the list issued by the National Supplementary Health Agency (ANS) under measures included in Law No. 14.454/22 of 21 September 2022. The costs for employers — such as increased premiums — are uncertain. The ANS list details the basic coverage health plans must provide. Plans must also cover other treatments subject to fulfilling one of the following criteria: proof of efficacy, based on scientific evidence and a therapeutic plan; a recommendation by the unified health system's (SUS) National Technology Incorporation Commission; or a recommendation from at least one internationally respected health technology assessment body, subject to the treatment being approved for national use.</p> <p>As background, during 2022, ANS adopted a continuous review and updating of health plan coverage — previously, changes to the ANS list were made every two years. The current frequency of ANS's reviews is every two months for technologies incorporated by SUS, and between four to nine months for other proposals — resulting in 31 new coverages, 11 procedures and 20 drugs added to the list just in 2022.</p>
Resources	Eduardo.JaureguiMorales@mercero.com Law No. 14.454 (Portuguese) (President's office, 21 September 2022) and Client Alert (Mercer, September 2022)

Brazil (new)

Status



Currently effective

Development

Career — Health

Teleworking and meal allowance rules regulated

Measures on teleworking and the payment of meal allowances feature in Law No. 14.442 of 2022, published in the Official Journal on 5 September 2022, and converting Provisional Measure No 1.108 of 2022.

Telework highlights include:

- Employees no longer have to predominantly telework to be covered by the law. Hybrid workers and workers who must regularly visit their employer's workplace to carry out specific activities are now included. Trainees and apprentices also can telework, subject to direct authorization.
- Employment contracts must specify if the employee is a teleworker.
- Teleworkers hired in Brazil, but who choose to telework from another country, are subject to Brazilian employment law, unless the parties agree otherwise.
- Employers must prioritize the allocation of telework to employees that have a disability, have children under age four, or are legal guardians.
- Teleworkers are covered by the terms of collective agreements applicable to the worksite to which they provide their services.
- Teleworkers are now generally subject to working time law (only employees hired for specific tasks or production are not covered), unless specified in an individual or collective bargaining agreement
- Employers are not liable for the costs of teleworkers who opt to return to the physical office, unless the parties agree otherwise.



Food allowance highlights include:

- Meal allowances must be used exclusively for the purchase of foodstuffs from commercial suppliers, restaurants or similar establishments.
- Food suppliers engaged by companies to provide meal allowances are prohibited from discounting food below the contracted value, applying transfer of payment terms that mischaracterize the prepaid nature of the allowances, or otherwise offering direct or indirect benefits that are unrelated to promoting employees' health and food safety. Registered suppliers that breach the rules could be liable to fines, loss of related tax incentives, and registration cancellation.



Resources



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[GRIST](#), 22 September 2022



Canada (new)	
Status	 Beginning 1 April 2022
Development	<p>Wealth</p> <p>Regulator sets basic rate for pension plan assessments</p> <p>The Superintendent of Financial Institutions (OSFI) set the basic rate under the Assessment of Pension Plans Regulations at C\$11.00 for the year beginning on 1 April 1 2023. This is an increase of C\$1 over the 2022 rate. The new rate applies to all pension plans registered under the Pension Benefits Standards Act, 1985 and the Pooled Registered Pension Plans Act.</p>
Resources	<p>diana.woodhead@mercer.com</p> <p>Government announcement (Official Gazette, 16 September 2022)</p>
Canada — Atlantic provinces	
Status	 Currently effective
Development	<p>Career</p> <p>Three Atlantic provinces increase minimum wage</p> <p>On 1 October 2022, three provinces increased their hourly minimum wage rate as follows: New Brunswick (C\$13.75), Newfoundland and Labrador (C\$13.70), and Nova Scotia (C\$13.60).</p>
Resources	<p>lori.park@mercer.com</p> <p>Minimum wage, overtime and minimum wage reporting (New Brunswick government); Provincial government release minimum wage review committee report (Government of Newfoundland and Labrador, 26 May 2022) and Minimum wage (Nova Scotia government)</p>
Canada — Manitoba	
Status	 1 October 2022
Development	<p>Career</p> <p>Minimum wage to increase</p> <p>The government announced plans to increase the minimum wage to \$15/hour by October 2023. The minimum wage will first increase to C\$13.50/hour, up from \$11.95/hour, on 1 October 2022 and will increase to C\$14.15/hour on 1 April 2023. With the expected consumer price index increase for 2022, the next indexed adjustment will bring Manitoba's minimum wage to approximately C\$15/hour as of 1 October 2023.</p>
Resources	<p>Manitoba government announces plan to increase minimum wage to \$15 by October 2023 (Government, 18 August 2022) and Employment Standards (Government)</p>



Canada — Ontario	
Status	 Policy should have been implemented by 11 October 2022.
Development	<p>Career</p> <p>Employer guidance issued on electronic monitoring of employees</p> <p>On 13 July 2022, the Government of Ontario published a guide for employers on the electronic monitoring of employees to implement the changes to the Employment Standards Act 2000 under Bill 88, Working for Workers Act 2022, which received Royal Assent on 11 April 2022.</p> <p>From 11 October 2022, Ontario employers with 25 or more employees (as of 1 January 2022) must implement a written electronic monitoring policy. In the future, employers must implement this policy by 1 March of each year based on workforce numbers as of 1 January. The policy must inform employees if they are electronically monitored, the means and circumstances for monitoring, the policy's date and revisions, and any other information that might be prescribed by law.</p>
Resources	Written policy on electronic monitoring of employees (Government, 21 July 2022)
Canada — Prince Edward Island (new)	
Status	 1 January 2023
Development	<p>Career</p> <p>Minimum wage rates announced</p> <p>Prince Edward Island's government announced two hourly minimum wage increases for 2023 — to C\$14.50 as of 1 January 2023 and to C\$15 as of 1 October 2023. The current minimum wage rate is C\$13.70/hour.</p>
Resources	Minimum wage to increase twice in 2023 (Government, 20 September 2022)
Canada — Saskatchewan	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased</p> <p>Effective 1 October 2022, Saskatchewan's minimum wage increased to C\$13 an hour. The minimum wage will increase to C\$14 on 1 October 2023 and to C\$15 on 1 October 2024.</p>
Resources	<p>kristin.smith@mercer.com</p> <p>Minimum wage increasing to \$13 (Government, 21 September 2022)</p>

Colombia (previously covered, with upcoming effective date)	
Development	<p>Career — Health</p> <ul style="list-style-type: none"> • Maximum weekly working time reduced — key date: Beginning in 2023
El Salvador (new)	
Status	<p> June 2024</p>
Development	<p>Career — Health</p> <p>Large employers will be required to provide day care facilities</p> <p>From June 2024, private sector employers with 100 or more employees in El Salvador must provide Early Childhood Care Centres (CAPI) facilities for employees with children between 45 days and four years of age. The measures feature in a law that will take effect on 1 January 2023, and the public sector is slated to start providing day care during 2023. Further implementing regulations will be published by the end of 2022. Highlights include:</p> <ul style="list-style-type: none"> • Day care facilities must be provided using company-owned CAPI (single or multiple employers), private providers or free public childcare services. • The employers' costs of setting up and running the CAPI will be tax deductible. • Employees who do not use their employer's day care facilities will not be entitled to have their expenses reimbursed by their employer. <p>This law replaces the earlier day care mandate that was not implemented due to the COVID-19 pandemic.</p>
Resources	<p>Law (Spanish) (President's office, 23 June 2022)</p>
Guyana (new)	
Status	<p> Currently effective</p>
Development	<p>Career</p> <p>Minimum wage increased</p> <p>Minimum wage rates increased on 1 July 2022 to G\$347 per hour (up from G\$255), to G\$2,766 per day (up from G\$2,040), to G\$13,880 per week (up from G\$10,200), and to G\$60,147 per month (up from G\$44,200).</p>
Resources	<p>Order No. 20 of 2022— The Labour (National minimum wage order 2022) (Official Gazette, 24 June 2022)</p>

US (new)	
Status	 Currently effective
Development	<p>Career NLRB rules employees cannot be restricted from wearing union insignia</p> <p>The National Labor Relations Board (NLRB) recently overruled a 2019 decision and reaffirmed long-standing precedent that employer attempts to impose any restriction on the display of union insignia, including by wearing union apparel, are presumptively unlawful, absent special circumstances that justify such a restriction. In April 2021, President Biden issued the Executive Order on Worker Organizing and Empowerment.</p>
Resources	Board rules workplace policies limiting wearing union insignia, including union apparel, are unlawful absent special circumstances (NLRB, 29 August 2022)
US (new)	
Status	 Currently effective
Development	<p>Career Federal Trade Commission to protect gig workers</p> <p>The Federal Trade Commission (FTC) released its policy statement on enforcement related to gig work. The statement outlines a number of the issues that gig workers may face — including deceptive claims about pay and hours, unfair contract terms, and anticompetitive wage fixing and coordination between gig economy companies — and makes clear that the established principles of consumer protection and competition still apply to them. Examples of areas that the FTC will address to prevent consumer harm include holding companies accountable for their claims and conduct about gig work’s costs and benefits, combating unlawful practices and constraints imposed on gig workers, and policing unfair methods of competition that harm gig workers. The FTC will partner with other governmental agencies to protect gig workers. Recently, the FTC and National Labor Relations Board executed a Memorandum of Understanding forming a partnership between the agencies that will promote fair competition and advance workers’ rights.</p>
Resources	FTC policy statement: Established consumer protection and competition principles apply to gig companies (FTC, 20 September 2022) and Memorandum of Understanding (NLRB, 19 July 2022)

US (new)	
Status	 Consultation is open until 7 November 2022.
Development	<p>Career — Health — Wealth</p> <p>New joint-employer standard proposed</p> <p>The National Labor Relations Board (NLRB) has proposed to rescind and replace the joint-employer rule that took effect on 27 April 2020. The proposed changes are intended to revert to the Obama-era standard that follows common-law agency principles, consistent with NLRB precedent and a 2018 court ruling from the U.S. Court of Appeals for the DC Circuit.</p> <p>Under the proposed rule, two or more employers would be considered joint employers if they “share or codetermine those matters governing employees’ essential terms and conditions of employment,” such as wages, benefits and other compensation, work and scheduling, hiring and discharge, discipline, workplace health and safety, supervision, assignment, and work rules. The NLRB proposes to consider both direct evidence of control and evidence of reserved and/or indirect control over these essential terms and conditions of employment when analyzing joint-employer status.</p>
Resources	NLRB issues notice of proposed rulemaking on joint-employer standard (NLRB, 6 September 2022); Standard for determining joint-employer status (Federal Register, 7 September 2022) and GRIST , 28 February 2020
US (new)	
Status	 Currently effective
Development	<p>Health</p> <p>New CMS FAQs address duplicate files, other RxDC issues</p> <p>The Centers for Medicare and Medicaid Services (CMS) issued new FAQs that address duplicate data files and other issues related to the prescription drug data collection (RxDC) reporting. Among other things, the FAQs clarify the following topics:</p> <ul style="list-style-type: none"> • Multiple reporting entities, different data files. Multiple reporting entities may submit different data file types (D1 – D8) for the same plan. For example, for a self-funded plan, a medical TPA may submit data files D1 and D2, and the PBM may submit data files D3 – D8. The plan sponsor need not combine the data. • Multiple reporting entities, same data files. If extenuating circumstances prevent multiple reporting entities from working together to submit a unique file for the same data file type for the same plan, each entity may submit separate data files. The FAQ includes a separate document with several examples of what the plan list file (P2) should look like in various scenarios. • P2 file content. Another FAQ and supporting document describe what P2 fields must be completed by every reporting entity.
Resources	rich.glass@mercer.com Prescription drug data collection (RxDC) FAQs (CMS)

US	
Status	 Consultation is open until 14 October 2022.
Development	<p>Career</p> <p>Flexibility proposed for employment eligibility verification</p> <p>The Department of Homeland Security (DHS) proposes to allow for alternative procedures to examine documents required by the Form I-9, Employment Eligibility Verification. Due to the COVID-19 pandemic, DHS temporarily waived requirements — until 31 October 2022 — that employers inspect I-9 employment verification documents in person if they operate remotely. DHS recognizes that more employers have since adopted telework and remote work arrangements and is considering permitting permanent flexibilities. The proposed rule would not directly authorize remote document examination, but would create a framework that would allow the Secretary of Homeland Security to authorize alternative document examination options for some or all employers. Such procedures could be implemented as part of a pilot program, upon the Secretary’s determination (provided the procedures offer an equivalent level of security), or as a temporary measure to address a public health emergency. Comments on the proposed rule can be submitted until 14 October 2022.</p>
Resources	Optional alternatives to the physical document examination associated with employment eligibility verification (Form I-9) (Federal Register, 18 August 2022) and I-9, Employment eligibility verification (USCIS)
US (new)	
Status	 Proposal
Development	<p>Career</p> <p>Senate passes bill prohibiting nondisclosure agreements for sexual harassment claims</p> <p>The Senate passed the Speak Out Act (S 4524) on Sept. 29, 2022, which invalidates nondisclosure or nondisparagement contract clauses with respect to a sexual harassment or sexual assault dispute. If enacted, the act would apply to prospective claims. The House introduced companion legislation (HR 8227) in July 2022. In March 2022, a law invalidated clauses in employment agreements that require employees to arbitrate claims of sexual assault or harassment.</p>
Resources	S 4524 (Legislature) and HR 2227 (Legislature)

US	
Status	 Effective dates vary.
Development	<p>Career</p> <p>Roundup: Employer resources on minimum wage increases</p> <p>In April 2021, President Joe Biden signed an executive order requiring federal contractors to pay workers a \$15/hour minimum wage, effective for new federal contract solicitations starting 30 January 2022. The Department of Labor (DOL) issued final implementation rules on 22 November 2021 and a field assistance bulletin in January 2022. In January 2021, President Biden also issued an executive order asking the director of the Office of Personnel Management to provide recommendations on promoting a \$15/hour minimum wage for federal employees. House and Senate Democrats also introduced the Raise the Wage Act of 2021 to progressively increase the minimum wage to \$15/hour by 2025. Several states have already taken action to gradually increase the minimum wage to \$15/hour for most employees. To help employers prepare and address related issues, this roundup provides links to federal and state resources from organizations, government websites, third-party resources and news articles.</p>
Resources	GRIST , regularly updated
US	
Status	 Effective dates vary.
Development	<p>Career</p> <p>Roundup: Employer resources on hairstyle nondiscrimination laws</p> <p>The Creating a Respectful and Open World for Natural Hair (CROWN) Act movement in the US is designed to prohibit discrimination based on natural hair texture or hairstyles that are normally associated with race, such as braids, locs, twists, curls, cornrows, afros, head wraps or bantu knots. The official campaign of the CROWN Act is led by the CROWN Coalition. Federal legislation, supported by the Biden administration, passed the house in March 2022. Eighteen states have already passed CROWN Acts, and many others are considering legislation. To help employers ensure their employee handbooks and appearance policies are nondiscriminatory and in compliance with federal, state and local laws, this roundup provides links to federal and state resources from organizations, government websites, third-party resources and news articles.</p>
Resources	GRIST , regularly updated

US

Status



Effective dates vary.

Development


Career

Roundup: Employer resources on employee voting rights/trends

Federal law does not require private-sector employers to give employees time off to vote, but many state laws do. To help employers address the related issues, this roundup provides links to some general information about voting rights and trends from organizations, government websites, third-party resources and news articles.

Resources

[GRIST](#), regularly updated

US — States	
Status	 Effective dates vary.
Development	<h3>Career — Health</h3> <h4>State accrued paid sick leave mandates enacted</h4> <p>To date, 14 states — Arizona, California, Colorado, Connecticut, Maryland, Massachusetts, Michigan, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, Washington, and Washington, DC, have enacted paid sick leave mandates. Maine and Nevada have laws requiring accrued paid time off not limited to sick time. All of these laws have common features, including the following:</p> <ul style="list-style-type: none">• Accruals are based on the employee’s work location and start on the date of hire.• Employers whose existing paid leave programs (e.g., time off, sick leave or personal leave) meet or exceed the maximum accrual and allow the same leave uses without more restrictions or limitations do not have to provide additional leave.• The term “health” includes mental health, preventive care and chronic conditions in addition to physical illness.• Employees exempt from the federal Fair Labor Standards Act’s minimum wage and overtime standards are considered to work 40 hours per week.• Properly classified independent contractors are not eligible for paid sick leave.• Employers may require reasonable notice if the leave is foreseeable.• If the leave is unforeseeable, employees should provide notice as soon as practicable.• Worker protections and anti-retaliation provisions apply.• Leave mandates do not apply to federal government employers, but may apply to state and/or local government employers. <p>This GRIST can help employers track key provisions of different jurisdictions’ accrued paid leave laws.</p>
Resources	<p>katharine.marshall@mercer.com and rich.glass@mercer.com Roundup: State accrued paid sick leave mandates, regularly updated</p>

US — States	
Status	 Ongoing initiatives
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 is updated periodically and may not always reflect the latest developments in every state.
Resources	margaret.berger@mercer.com and brian.kearney@mercer.com Resources for tracking state and city retirement initiatives , regularly updated
US — Arkansas (new)	
Status	 Currently effective
Development	Health Pharmacy benefit manager rules updated The Arkansas Department of Insurance updated its pharmacy benefit manager (PBM) rules, based on a 2021 law (Act 665, HB 1804). The rules primarily impose requirements described as a Pharmacy Audit Bill of Rights. Among other things, the rules: <ul style="list-style-type: none">• Limit PBMs' ability to recoup overpaid claims• Cap audit frequency (no more than twice per calendar year) and scope (no more than 25 randomly selected prescriptions)• Provide an exception for investigations of insurance fraud, willful misrepresentation or abuse. The rules provide significant PBM penalties for violations, including potential suspension or revocation of the PBM's license. The law and rules apply to PBMs operating on behalf of fully insured and self-funded plans, including governmental plans. Based on existing law, Arkansas applies its insurance and PBM laws on an extraterritorial basis to fully insured plans located in another state to the extent those plans cover Arkansas residents. These rules took effect on 29 September 2022.
Resources	rich.glass@mercer.com Act 665 (Legislature) and PBM regulations (Arkansas Insurance office)

US — California

Status



Pay range disclosure begins 1 January 2023 and pay data reporting begins 10 May 2023.

Development

Career

More salary disclosure, pay data reporting imposed

A new California law (2022 Ch. 559, SB 1162) expands salary disclosure and pay data reporting requirements. Effective 1 January 2023, employers will have to disclose pay scales for positions to applicants and employees and include that information in job postings. Building on a 2020 mandate to help identify wage disparities, the new law also changes and expands state pay data reporting for private employers beginning 10 May 2023. “California has the strongest equal pay laws in the nation, but we’re not letting up on our work to ensure all women in our state are paid their due and treated equally in all spheres of life,” said Gov. Gavin Newsom.

Employers with California employees should prepare to make pay more transparent both internally and externally. These employers also should consider their national and international pay transparency plans to align employee and candidate experiences to the degree desired. Here are some steps to consider to support pay transparency planning:

- Assess current programs across four key dimensions, and strengthen where necessary
- Define your pay transparency strategy by answering key questions
- Implement changes
- Measure effectiveness

Resources

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[GRIST](#), 3 October 2022 and [Roundup: US employer resources on recent pay equity laws](#)

US — California (new)

Status



1 January 2023

Development

Career — Health

Unpaid family leave expanded

Governor Newsome signed AB 1949 and AB 1041 expanding California's Family Rights Act (CFRA), effective 1 January 2023.

AB 1949 allows eligible employees to take up to five days of bereavement leave within three months of the death of a family member. The leave is unpaid unless the employer offers a paid leave bereavement policy or the employee chooses to use accrued paid leave such as sick or vacation time. CFRA applies to employers with five or more employees nationally. Employees must work in California and be employed for at least 30 days to be eligible. Employers may request documentation.

AB 1041 expands the definition of "family member" to include any individual related by blood or whose association with the employee is the equivalent of a family relationship. Employers can limit eligible employees to one such "designated person" per year. This expanded definition of family member is also applied to the state's paid sick leave law. The expanded definition does not apply to the state's paid family leave law.

Resources

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[AB 1949](#) (Legislature); [AB 1041](#) (Legislature) [GRIST](#), 19 January 2022; and [Roundup](#), 29 April 2022

US — California (new)

Status



Compliance deadlines vary

Development

Health

Summary of dental benefits and coverage disclosure matrix compliance deadlines vary

The California Department of Insurance (CDI) and Department of Managed Health Care (DMHC) have clarified the effective dates for the summary of dental benefits and coverage disclosure matrix (SDBC), applicable to fully insured plans and healthcare service plans (including DHMOs), respectively. These dates vary.

The original law (Ch. 933, SB 1008) requires carriers of fully insured plans located in California (including DHMOs) to provide the SDBC to applicants and enrollees as part of the application materials before enrollment and annually before open enrollment (at least 30 days before plan renewal). In addition, any SDBC changes must be communicated before the first day of coverage under the revised coverage terms. Employers may deliver the SDBC via paper, email or on a prominent and accessible location of the plan's website.

SB 1008 establishes a disclosure requirement effective date as of policy years on and after 1 January 2021, or 12 months after adoption of the emergency regulations, whichever occurs later. Because the requirement is subject to regulations issued by two departments (CDI and DMHC), the actual effective for this new disclosure requirement will vary for dental healthcare service plans (including DHMOs) and all other fully insured dental plans.


Because CDI adopted emergency regulations on 28 January 2021, the disclosure requirements applicable to fully insured dental service plans first went into effect for policy years on and after 28 January 2022. Even though CDI's permanent regulations took effect on 1 July 2022, the employer notification requirements remain the same as the emergency regulations and that effective date still applies. CDI's requirements apply to all fully insured dental plans except for dental healthcare service plans (DHMOs) for open enrollment periods occurring in 2022 for a plan year starting in 2023.

DMHC adopted its emergency regulations on 1 September 2022 and confirmed that the effective date to provide these disclosures for dental health service plans (including DHMOs) is on and after 1 January 2023. For DMHOs, employers may (but are not required to) comply with the notice requirements before that date, even for open enrollment periods occurring in 2022 for a plan year starting in 2023.

Resources

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[Chapter 933](#) (Legislature); [Emergency regulations](#) (DMHC); and [Final rules](#) (DMHC)

US — California (new)	
Status	 1 January 2024
Development	<p>Career — Health</p> <p>Employment discrimination based on nonworkplace cannabis use barred</p> <p>On 18 September 2022, the governor signed legislation (AB 2188), effective 1 January 2024, that makes it generally unlawful for an employer to discriminate based on nonworkplace cannabis use under the Fair Employment and Housing Act. Specifically, it is unlawful for an employer to discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalizing a person, if the discrimination is based upon:</p> <ul style="list-style-type: none">• The person’s use of cannabis off the job and away from the workplace — except for specified preemployment drug screening.• An employer-required drug screening test that has found the person to have nonpsychoactive cannabis metabolites in their hair, blood, urine, or other bodily fluids — because such metabolites do not indicate whether a person is currently impaired. <p>The law will exempt certain applicants and employees, including employees in the building and construction trades and applicants and employees in positions requiring a federal background investigation or clearance, as specified. In addition, the law does not preempt state or federal laws requiring applicants or employees to be tested for controlled substances as a condition of employment, receiving federal funding or federal licensing-related benefits, or entering into a federal contract.</p> <p>AB 2188 is one of several measures the Governor signed to “strengthen California’s cannabis laws, expand the legal cannabis market and redress the harms of cannabis prohibition.”</p>
Resources	<p>Governor signs bills to expand the legal cannabis market, address impacts from past prohibition of cannabis (Governor’s office, 18 September 2022) and AB 2188 (Legislature)</p>

US — California (new)

Status  **Currently effective**

Development **Career — Health**

Paid military leave for state employees expanded

California enacted a military leave law (Ch. 384, SB 939) that amends the current statute to redefine “active duty” for which state employees must receive up to 30 days of pay. Under the expanded definition, state employees in the National Guard may also receive paid military leave for required inactive duty training. For other inactivity duty obligations, these employees may continue to use vacation or paid time off.

The need for this law arose primarily due to a significant increase in National Guard deployments for state emergencies, especially during California’s fire season (June – December).

This law does not affect nongovernmental employers or local governmental employers in the state. The law took effect on 17 September.

Resources rich.glass@mercer.com
[Chapter 384](#) (Legislature)

US — California (new)

Status  **Effective dates vary.**

Development **Career — Health**

Measures on wages and working conditions in fast-food sector enacted

Measures that will further regulate the working conditions and wages of fast food workers in California are included in The Fast Food Accountability and Standards Recovery Act, signed by Governor Newsom on 5 September 2022.

The bill (AB 257) is aimed at restaurants of 100 or more establishments nationally that share a common brand, or are characterized by standardized features, such as marketing, packaging, products and services. Although the bill includes a definition of fast food restaurants, it is unclear if certain chain employers — such as coffee shops — could be included.

The bill does not establish a new minimum wage for fast food workers, but it caps the minimum wage at not more \$22/hour in 2023. Local jurisdictions could establish a higher minimum wage.

The bill authorizes the establishment of a 10-member Fast Food Council to establish minimum working standards, minimum wage rates, maximum working hours, labor and other employment conditions of employees. However, in order to establish standards, the California Department of Industrial Relations must first receive a petition approving the creation of the council signed by 10,000 or more California fast-food workers. The first council meeting will be within 90 days of the petition’s verification. Local fast-food councils also could be established in cities with populations exceeding 200,000.

Resources [Governor Newsom signs legislation to improve working conditions and wages for fast-food workers](#) (Governor’s office, 5 September 2022) and [AB 257](#) (Legislature)

US — California (new)

Status



Currently effective

Development

Health

Generic prescription, insulin supplies addressed


The California Health and Human Services Agency (CHHSA) has additional authority to address generic prescription drug and insulin supplies under a new law (SB 838). The new law builds on existing law and imposes the following requirements on CHHSA:

- Entering into a partnership to manufacture at least one form of insulin that will be available at production and dispensing costs, with metrics to measure progress and efficiency of these partnerships
- Developing a California-based manufacturing facility for generic drugs
- Directing the partnerships to consider guaranteed priority access to include, manufacture of at least four high-priority drugs with the greatest impact on lowering costs and creation of a state brand identifying biosimilar insulin and generic drugs.
- The law took immediate effect when enacted on 27 September 2022.

Resources

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[SB 838 \(Legislature\)](#)

US — District of Columbia (new)	
Status	 Currently effective
Development	<p>Health</p> <p>Law requiring medically necessary foods for insured plans now effective</p> <p>The Medically Necessary Foods Coverage Act (Act 24-0171), which requires fully insured plans issued in the District of Columbia (DC) to cover medically necessary foods for eight diseases or conditions, became effective on 21 September 2022. The DC mayor is empowered to designate additional diseases or conditions through rulemaking. Covered diseases or conditions include:</p> <ul style="list-style-type: none">• Inflammatory bowel disease (including Crohn's disease)• Gastroesophageal reflux disease that is nonresponsive to standard medical therapies• Malabsorption due to liver or pancreatic disease• Inherited metabolic disorders. <p>Cost sharing must be in parity with other illnesses, conditions or disorders in terms of copayments /coinsurance, deductibles, treatment limits and annual/lifetime maximums. The mandate also applies to multiple employer welfare arrangements in DC. Self-funded plans and federal governmental plans are otherwise exempt.</p>
Resources	<p>rich.glass@mercer.com</p> <p>Act 24-0487 (Legislature)</p>

US — Louisiana (new)

Status



Currently effective

Development

Health

Exception to midyear prescription formulary change prohibition allowed

The Louisiana Department of Insurance updated its prescription drug formulary rules to allow fully insured plans to modify the plan's formulary during a plan year. Previously, formulary changes had to occur at renewal, with at least 75 days written notice to the insurance commissioner. Now, midyear changes are permissible if all of these conditions are met:

- The cost of the drug increases more than \$300 per prescription or refill with an increase in the wholesale acquisition cost of at least 25% in the prior 365 days
- The insurer provides at least 30 days' notice to the insurance commissioner
- The plan has an exception process that physicians can use where continuity of care is a concern.



The rules apply to individual and group insured coverage. Based on existing law, Louisiana applies its insurance and PBM laws on an extraterritorial basis to fully insured plans located in another state to the extent those plans cover Arkansas residents.


These rules took effect on 20 September 2022.

Resources

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[Prescription drug formulary rules](#) (Louisiana Division of Administration)

US — Massachusetts (new)	
Status	 1 January 2023
Development	<p>Career — Health</p> <p>2023 paid family medical leave rates posted</p> <p>Massachusetts posted its 2023 paid family and medical leave (PFML) contribution rates. Starting on 1 January 2023, the contribution rate will drop from 0.68% to 0.63% of Massachusetts employees’ wages up to the Social Security maximum wage base (which has not been announced for 2023). Employers with 25 or more Massachusetts employees will contribute 0.312% (a decrease from 0.336% in 2022), while their employees will contribute 0.318% (a decrease from 0.344% in 2022). Those with fewer than 25 workers in the state do not have to contribute, but must collect and remit employee contributions of 0.318% — 0.11% for family leave and 0.208% for medical.</p> <p>The 2023 maximum weekly benefit (based on the state average weekly wage) has not been announced.</p>
Resources	<p>rich.glass@mercer.com</p> <p>Information on 2023 rates (Government)</p>
US — Massachusetts	
Status	 24 October 2022
Development	<p>Career</p> <p>Hair discrimination in the workplace banned</p> <p>Massachusetts has joined the growing list of states that have made it an unlawful to discriminate based on natural and protective hairstyles under legislation (HB 4554) signed by the Governor on 26 July 2022. The CROWN Act is effective on 24 October 2022 and prohibits discrimination based on “natural and protective hairstyles,” which includes, but is not limited to, braids, locs, twists, Bantu knots and other formations. The Massachusetts Commission Against Discrimination shall adopt implementing regulations.</p>
Resources	<p>HB 4554 (Legislature) and Roundup: US employer resources on hairstyle nondiscrimination laws, regularly updated</p>

US — New Jersey (new)	
Status	 Proposal
Development	Career Restrictions on noncompete agreements proposed Assembly Bill 3715, introduced in early May 2022, would restrict employers' ability to enter into and enforce noncompete agreements in New Jersey. Highlights include: <ul style="list-style-type: none">• Employers would be prohibited from entering into noncompete agreements with certain categories of employees, such as nonexempt employees under the Fair Labor Standards Act• Unless terminated for misconduct, employees subject to a noncompete agreement would have to be paid their full pay, including fringe benefits (such as vacation and sick leaves, medical, life and pension plans, or any other benefit of economic value) for the full period of the agreement — even if the employee starts working for another employer• Noncompete periods would be capped at 12 months following the termination date, and could not prevent an individual from seeking work in another state• Noncompete agreements should not be broader than necessary to protect the legitimate business interests of the employer, such as trade secrets or other confidential information that would not otherwise qualify as a trade secret, including sales information, business strategies and plans, customer information, and price information.• Employers would have to notify employees in writing (unless dismissed for misconduct) within 10 days of their termination of their intent to enforce the noncompete agreement — otherwise the agreement would be void.• Employers would have to disclose the terms of the noncompete agreement to prospective employees by the earlier of the formal offer of employment or 30 business days before the commencement of the employee's employment. If the agreement is entered into after employment begins, the employer must provide the agreement at least 30 business days before the agreement is to be effective.• Noncompete agreements in New Jersey could not include a choice of governing law provision if the employee is a resident of, or employed in, the state at the time of termination, and has been for at least 30 days immediately before termination. Employers' breaches of the requirements could result in awarding lost compensation, damages, reasonable legal fees, and liquidated damages of up to \$10,000. Other states, like Colorado and Illinois, have recently taken legislative action to restrict noncompete agreements.
Resources	Assembly Bill 3715 (Legislature)

US — New York — New York City (new)

Status  **Consultation is open until 24 October 2022.**

Development

Career

Rules on automated employment decision tools proposed

Proposed rules on the use of automated employment decision tools (AEDT) in hiring and promotion decisions were issued on 23 September 2022 by New York City’s Department of Consumer and Workplace Protection (DCWP). The rules seek to clarify Local Law 144 of 2021 that will take effect on 1 January 2023.

The law defines AEDT as “any computational process, derived from machine learning, statistical modelling, data analytics, or artificial intelligence, that simplifies output, including a score, classification, or recommendation, that is used to substantially assist or replace discretionary decision making for making employment decisions that impact natural persons.” Employers will be prohibited from using AEDT (such as software used to test job candidates or employees about their skills, CV scanners, and employee monitoring software), unless each tool has been subject to a bias audit within one year of its use. Employers will have to provide employees and job candidates with advance notice about the use of AEDT and allow them to “request an alternative selection process or accommodation”. Employers must make the audit information publicly available, and will be subject to a civil penalty for violations of the law.


The proposed rules would:

- Define terms
- Clarify the requirements for a bias audit
- Clarify the requirements for the published results of the required bias audit
- Clarify the requirements for notices that employers and employment agencies must provide to employees and candidates for employment
- Clarify other obligations for the employer or employment agency.

Written comments on the proposed rules can be submitted to the DCWP through 24 October, and a public hearing is scheduled for 24 October.

Resources

[Notice of public hearing and opportunity to comment on proposed rules](#) (DCWP, 19 September 2022) and [Local Law 144](#) (New York City Council, 11 December 2021)

United States — Washington	
Status	 1 January 2023
Development	<p>Career</p> <p>Minimum wage rates to significantly increase</p> <p>The hourly minimum wage rate in Washington State will increase on 1 January 2023 to \$15.74 for employees aged 16 or older — an 8.66% increase from the \$14.49 per hour rate in 2022. Employees aged 14 to 15 years must be paid at least \$13.38 per hour.</p> <p>Large employers with 51 or more employees must pay exempt employees at least twice the minimum wage to be exempt from overtime requirements, or \$1,101.80 per week/\$65,478.40 per year for 2023. Small employers with up to 50 employees must pay exempt employees 1.75 times the minimum wage — or \$1,101 per week/\$57,293.60 per year — to meet the minimum salary requirement for exemption from overtime requirements. Exempt computer professionals paid hourly must be paid at least 3.5 times the minimum wage, which is \$55.09 per hour.</p>
Resources	Minimum wage (Department of Labor & Industries)
United States — Washington (Seattle)	
Status	 1 January 2023
Development	<p>Career</p> <p>Minimum wage rates to significantly increase</p> <p>The minimum wage for 2023 will increase to \$18.69/hour for employers with 501 or more employees (up from \$17.27 in 2022). Smaller employers can pay \$16.50/hour (up from \$15.75) if they pay \$2.19 or more per hour toward employees' medical benefits, or if the employees earn \$2.19 or more per hour in tips. Otherwise, they must pay \$18.69/hour.</p>
Resources	Minimum wage (Office of Labor Standards)

US (previously covered, with upcoming effective dates)

Development

Career

- [New York City job postings will have to give salary information](#) — key date: 1 November 2022
- [Long awaited pay-for-performance disclosures required in 2023 proxies](#) — key date: 16 December 2022
- [Commuter benefits mandated in Philadelphia, Pennsylvania](#) — 31 December 2022
- [Minimum hourly wage to increase in California](#) — key date: 1 January 2023
- [Data privacy rights expanded in California](#) — key date: 1 January 2023
- [Hair nondiscrimination law enacted in Illinois](#) — key date: 1 January 2023
- [Employees' meal and rest break rights strengthened in Illinois](#) — 1 January 2023
- [Extensive pay equity law enacted in Rhode Island](#) — key date: 1 January 2023
- [Pay disclosure requirements expanded in Washington](#) — key date: 1 January 2023
- [Hourly minimum wage to increase to \\$18 in Hawaii](#) — key date: 1 January 2026

Career — Health

- [Insurance laws on mental health parity, mammograms enacted in Oklahoma](#) — key date: 1 November 2022
- [2023 EHB benchmark with gender-affirming care approved in Colorado](#) — key date: 1 January 2023
- [Colorado voters approve paid family and medical leave](#) — key date: 1 January 2023
- [FAMLI timing issue for private plans addressed in Colorado](#) — key date: 1 January 2023
- [Mental health parity act enacted in Georgia](#) — key date: 1 January 2023
- [Vacation law passed in Maine](#) — key date: 1 January 2023
- [New Hampshire enacts voluntary paid family leave program](#) — key date: 1 January 2023
- [Oregon's paid family and medical leave contributions delayed to 2023](#) — key date: 1 January 2023
- [2023 PFMLI contribution rate announced in Oregon](#) — key date: 1 January 2023
- [Paid family medical leave program legislation enacted in Delaware](#) — key date: 2025

US (previously covered, with upcoming effective dates) (continued)

Development

Health

- [Insulin cost-sharing law capped in Oklahoma](#) — key date: 1 November 2022
- [Machine-readable file rules issued for insured plans in Texas](#) — key date: 29 November 2022
- [Drug reporting rules present challenges for many](#) — key date: 27 December 2022
- [ACA affordability percentage for employer coverage drops to 9.12%](#) — key date: 1 January 2023
- [Abortion coverage legislation enacted in California](#) — key date: 1 January 2023
- [Healthcare expenditure rates released for 2023 in San Francisco, California](#) — key date: 1 January 2023
- [Fertility coverage mandated for large-group market plans in Colorado](#) — key date: 1 January 2023
- [Coverage for cancer screenings enhanced in Connecticut](#) — key date: 1 January 2023
- [More health insurance mandates enacted in Illinois](#) — key date: 1 January 2023
- [Mental health parity law updated in Illinois](#) — key date: 1 January 2023
- [Insulin cost sharing capped at \\$75 per month in Louisiana](#) — key date: 1 January 2023
- [Prescription drug cost-sharing law enacted in Maine](#) — key date: 1 January 2023
- [Mental health parity for insured plans addressed in Maine](#) — key date: 1 January 2023
- [Law caps insulin, HIV and cost-sharing in Maryland](#) — key date: 1 January 2023
- [2023 individual mandate coverage dollar limits announced in Massachusetts](#) — key date: 1 January 2023
- [New licensure program for pharmacy benefit managers in Nebraska](#) — key date: 1 January 2023
- [Contraceptive coverage mandate in New Jersey](#) — key date: 1 January 2023
- [Midyear drug formulary changes barred in New York](#) — key date: 1 January 2023
- [Enrollment rights for pregnant women enhanced in Rhode Island](#) — key date: 1 January 2023
- [PBM bill enacted in Tennessee](#) — key date: 1 January 2023
- [Association health plan rules expanded in Virginia](#) — key date: 1 January 2023
- [Consumer privacy law enacted in Virginia](#) — key date: 1 January 2023
- [Insulin cost-sharing bill enacted in Washington](#) — key date: 1 January 2023
- [Pharmacy benefit management law enacted in West Virginia](#) — key date: 1 January 2023
- [Long-term care law changes enacted in Washington](#) — key date: 1 July 2023
- [Paid family and medical leave law enacted in Maryland](#) — key date: 1 October 2023
- [New law requires annual behavioral health well check for insured plans in Delaware](#) — key date: 1 January 2024
- [Pharmacy benefit manager legislation enacted in Michigan](#) — key date: 1 January 2024
- [Hearing aid coverage mandated in Vermont](#) — key date: 1 January 2024

Wealth

- [Audiovisual conferencing for witnessing retirement plan elections extended](#) — key date: 31 December 2022
- [Amendment deadlines for SECURE, Miners and CARES acts extended](#) — 31 December 2023

Section 4

Asia Pacific

Australia (new)

Status



Year of income ending on or after 30 June 2022

Development

Wealth

Regulations issued on super fund disclosures with notices of annual members meeting



The government issued regulations to amend the requirements for superannuation funds to disclose details of certain fund expenditures with notices of Annual Members Meetings (AMMs).


The Superannuation Industry (Supervision) Amendment (Annual Members' Meetings Notices) Regulations 2022 will change the required disclosures from an itemized to an aggregated basis for designated expenditures, such as those for certain promotion, marketing and sponsorship, payments made to registered industry bodies or trade associations, and all payments made to related parties (as defined in Australian Accounting Standard AASB 134). Only expenditures for political donations must continue to be disclosed on an itemized basis. The updated Regulations will apply in relation to a notice of AMMs for a year of income ending on or after 30 June 2022, if the notice was given on or after the commencement of the Regulations on 9 September 2022. A parliamentary senator has given notice that he will propose this autumn that the Regulations be disallowed due to concerns of reduced transparency, but it is uncertain if this motion would receive the necessary political support to pass.

Resources


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[Superannuation Industry \(Supervision\) Amendment \(Annual Members' Meetings Notices\) Regulations 2022](#)

Australia (new)	
Status	 Currently effective
Development	<p>Wealth</p> <p>New guidance on consumer remediation issued</p> <p>The Australian Securities and Investments Commission (ASIC) issued updated and expanded regulatory guidance (Regulatory Guide 277) to help financial firms (including superannuation trustees) remediate customers quickly and effectively. The guide follows a two-year consultation, and took effect on 27 September 2022 for all remediations initiated on or after this date.</p> <p>The guide primarily concerns retail consumers, but ASIC says that it could be appropriate for other types of consumers (for example, wholesale clients) in certain situations. It also helps financial services licensees to understand the interaction between remediation and other obligations (such as internal dispute resolution and other general licensing obligations).</p> <p>ASIC also released an updated guide, “Making it right: How to run a consumer centered remediation,” and Report 737 “Response to submissions on CP 350 consumer remediation: Further consultation.”</p>
Resources	<p>paul.shallue@mercer.com</p> <p>22-260MR ASIC publishes updated and expanded remediation guidance (ASIC, 27 September 2022)</p>
Australia — Western Australia (new)	
Status	 Currently effective
Development	<p>Wealth</p> <p>Start date for separating couples to split superannuation announced</p> <p>From 28 September 2022, de facto couples in Western Australia (WA) can split their superannuation, either by agreement or by court order, under the Commonwealth Family Law Act. The Commonwealth and WA both proclaimed the commencing date. In WA, state law will continue to deal with other aspects of property splitting; all other states already fully refer their powers to the Commonwealth.</p>
Resources	<p>paul.shallue@mercer.com</p> <p>Family law amendment (Western Australia de facto superannuation splitting and bankruptcy) commencement proclamation 2022 (Federal Register of Legislation)</p>

Australia (new)	
Status	 Proposal
Development	<p>Wealth</p> <p>Financial advice reforms proposed</p> <p>A Proposals Paper outlining reforms to simplify and improve the provision of high quality, accessible and affordable financial advice for retail clients was published on 29 August 2022, as part of the Quality of Advice Review. The proposals would ease the process for providers to provide personal advice, and shift the regulatory focus to address the quality of results, rather than legislating or prescribing the inputs. Highlights include:</p> <ul style="list-style-type: none">• A broader “personal advice” definition• Removal of “general advice” as a financial service• A “good advice” directive for persons who provide personal advice• Allowance of personal advice provided by a person who is not a registered financial adviser in certain circumstances (and sets out the exceptions).• Removal of Statement of Advice and Record of Advice requirements to increase efficiency and cost effectiveness.• Provision that superannuation fund trustees could give personal advice to members about their interest in the fund, including when transitioning to retirement, and they would have the discretion to charge members individually or collectively for such advice.• Requirement that providers must obtain annual consent to deduct ongoing advice fees• Allowance of website notification of Information included in Financial Services Guides, information about internal dispute resolution procedures and Australian Financial Complaints Authority <p>Introduction of simplified design and distribution reporting requirements for financial advisers Comments were invited through 23 September 2022, and a Final Report will be submitted to the government by 16 December 2022. The paper does not include any proposals on life or general insurance commissions, and other forms of benefits. The Review will continue to discuss proposals as they are developed.</p>
Resources	<p>paul.shallue@mercer.com</p> <p>Quality of advice review — Proposals paper (Government, 29 August 2022)</p>

Australia (new)	
Status	 Consultation is open through 6 December 2022.
Development	<p>Wealth</p> <p>Consultation issued on financial contingency and resolution planning guidance</p> <p>The Australian Prudential Regulation Authority (APRA) issued associated draft prudential practice guides (CPG 190 and CPG 900) for consultation — with comments invited through 6 December 2022. The guides set out principles and examples of better practice to assist entities meet their requirements under new proposed cross-industry prudential standards (CPS 190 on financial contingency planning, and CPS 900 on resolution planning) issued in late 2021. APRA reportedly is preparing its response to stakeholder comments submitted on the proposed CPS 190 and CPS 900. APRA plans to finalize CPS 900 in the first half of 2023 and it will enter into force for relevant superannuation trustees (generally, super trustees with assets exceeding AU\$30 billion) on 1 January 2024. APRA aims to finalize CPS 190 later in 2022, and it will enter into force for superannuation trustees on 1 January 2025.</p>
Resources	<p>paul.shallue@mercer.com</p> <p>Consultation on strengthening crisis preparedness (APRA)</p>
Australia (new)	
Status	 Proposal
Development	<p>Wealth</p> <p>Tests for faith-based superannuation products published</p> <p>Measures that would require a supplementary annual performance test for faith-based superannuation products feature in Treasury Laws Amendment (2022 Measures No. 3) Bill 2022, recently introduced into parliament and which would be effective upon Royal Assent. The introduction of a supplementary test was one of the government's election commitments — the government consulted in July on draft legislation, and the latest proposals appear very similar. Highlights include:</p> <ul style="list-style-type: none"> • Trustees could apply to the Australian Prudential Regulation Authority for faith-based product status. • A supplementary test that is tailored to their investment strategy could apply to faith-based products that fail their original performance test • Faith-based products that pass the supplementary test would be exempt from the consequences of failure. <p>Draft regulations relating to the supplementary performance test for faith-based products were released on 12 September for comment by 7 October 2022.</p>
Resources	<p>paul.shallue@mercer.com</p> <p>Treasury Laws Amendment (2022 Measures No. 3) Bill 2022 (Legislature)</p>

Australia (new)	
Status	 Proposal
Development	Wealth Compensation scheme of last resort proposed A package of bills that would establish the Compensation Scheme of Last Resource (CSLR), recommended by the Hayne Royal Commission in 2019, were reintroduced to parliament following the general election. The CSLR is intended to promote confidence in the financial system’s external dispute resolution framework, and would pay compensation (capped at AU\$150,000) where a determination issued by the Australian Financial Complaints Authority remains unpaid. Determinations must relate to personal financial advice, credit intermediation, securities dealing and credit provision connected with a financial product or service. The scheme would be established following Royal Assent, and the scheme’s operator could begin making compensation payments from 1 July 2023. The government would pay for the scheme’s establishment, and a levy on the financial services sector would fund its operation in future years. The government issued for public consultation draft regulations to support the CSLR. Comments were invited through 7 October 2022.
Resources	paul.shallue@mercer.com Financial Services Compensation Scheme of Last Resort Levy Bill 2022 (Legislature) ; Financial Accountability Regime Bill 2022 , Financial Sector Reform Bill 2022 , Financial Services Compensation Scheme of Last Resort Levy Bill 2022 , Financial Services Compensation Scheme of Last Resort Levy (Collection) Bill 2022 (Legislature) ; and GRIST , 16 November 2021

Australia (new)

Status



Proposal

Development

Wealth

Financial accountability regime proposals issued

Measures that would extend the Banking Executive Accountability Regime to all entities registered with the Australian Prudential Regulatory Authority (APRA), and provide for joint administration between APRA and the Australian Securities and Investments Commission, feature in a bill that was reintroduced to parliament following the general election.

The Financial Accountability Regime (FAR) Bill 2022 follows recommendations of the Hayne Royal Commission's report in 2019, and would impose four core sets of obligations:

- Accountability — accountable entities and executives would have to conduct their business in a certain manner
- Key personnel — entities would have to nominate accountable persons to be responsible for all areas of their business operations
- Deferred remuneration — a minimum 40% of variable remuneration of accountable persons would have to be deferred for four or more years
- Notification — accountable entities would have to provide the regulator with core notification requirements, and larger entities (AU\$10 billion plus of fund assets for super trustees) would have to prepare accountability statements and accountability maps.


Draft Minister Rules were published for consultation with comments invited through 7 October 2022. The draft rules prescribe the responsibilities and position that would cause a person to be subject to FAR in the banking, insurance and superannuation sectors; the enhanced notification threshold; and the way that a written record can be authenticated in a proceeding.

Resources

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[Financial Accountability Regime Bill 2022](#), [Financial Sector Reform Bill 2022](#), [Financial Services Compensation Scheme of Last Resort Levy Bill 2022](#), [Financial Services Compensation Scheme of Last Resort Levy \(Collection\) Bill 2022](#) (Legislature); [Consultation on financial accountability regime minister rules 2022](#) (Treasury); and [GRIST](#), 16 November 2021



Australia	
Status	 Consultation is open until 21 October 2022.
Development	<p>Wealth</p> <p>Operational risk standard for finance sector proposed</p> <p>A consultation on the proposed new cross-industry Prudential Standard CPS 230 Operational Risk Management for the banking, insurance and superannuation industries is open until 21 October 2022. Under the proposed measures, entities would have to use internal controls, monitoring and remediation to manage operational risks, respond to disruptions and maintain continuity of critical operations, and understand and manage risks arising from the use of third-party service providers. The consultation comprises a discussion paper and a draft new standard that would replace certain current prudential standards, including SPS 231 Outsourcing and SPS 232 Business Continuity Management.</p>
Resources	<p>paul.shallue@mercer.com</p> <p>APRA consults on new prudential standard to strengthen operational resilience (APRA, 28 July 2022)</p>
Australia	
Status	 Consultation is open through 11 November 2022.
Development	<p>Wealth</p> <p>Strengthened superannuation prudential framework proposed</p> <p>The Australian Prudential Standard Authority (APRA) issued a discussion paper that proposes to update and sharpen Prudential Standard SPS 515 Strategic Planning and Member Outcomes. SPS 515 took effect in 2020, but revisions would create a more integrated superannuation prudential framework, and include a greater focus on member outcomes. The changes would aim to simplify SPS 515, and ease trustees' implementation of the standard by:</p> <ul style="list-style-type: none"> • Strengthening the requirements for trustees to deliver quality outcomes • Increasing board oversight of financial projections • Requiring closer monitoring and management of financial resources • Requiring timely action to address underperformance <p>Comments can be submitted through 11 November 2022, and APRA is expected to issue consultation documents on the draft standard and guidance in 2023.</p>
Resources	<p>paul.shallue@mercer.com</p> <p>APRA looks to enhance strategic planning and member outcomes in super (APRA, 1 August 2022)</p>


Australia	
Status	 Comments can be submitted through 22 November 2022.
Development	<p>Career</p> <p>Strengthened modern slavery reporting duties considered</p> <p>The government launched a statutory review of the Modern Slavery Act 2018 (MSA) to consider the need for strengthening the act’s slavery reporting framework — stakeholders can submit comments through 22 November 2022. The MSA applies to domestic and foreign entities conducting business in Australia with annual consolidated revenue exceeding AUD\$100 million, requiring them to disclose in an annual statement the actions taken to assess and address modern slavery risks across their operations and supply chains (including investment activities), and to explain how they have assessed the effectiveness of their activities.</p> <p>Published on 22 August 2022, the government’s Issues Paper addresses the MSA’s impact and transparency framework, the appropriateness of the current reporting requirements (including the due diligence steps that organizations must take to identify and assess modern slavery risks), the operation of the Modern Slavery Statements Register, the need for additional measures to improve compliance (including the possible appointment of an anti-slavery commissioner), the possible reduction of the threshold for organizations to report, and the introduction of penalties for noncompliance.</p>
Resources	<p>paul.shallue@mercer.com</p> <p>Issues paper: Review of Australia’s Modern Slavery Act 2018 (Government, 22 August 2022); GRIST, 8 June 2020 and GRIST, 21 October 2019</p>


Australia (previously covered, with upcoming effective dates)

Development	<p>Career</p> <ul style="list-style-type: none"> • Revised remuneration standard finalized — key date: 1 January 2023 <p>Health</p> <ul style="list-style-type: none"> • Mental health levy to apply to payroll in Queensland — key date: 1 January 2023 <p>Wealth</p> <ul style="list-style-type: none"> • Existing relief for retirement estimates extended — key date: 31 December 2022 • Revisions to investment governance standard finalized — key date: 1 January 2023 • ASIC finalizes IDR data reporting requirements — key date: 1 January 2023 • FSC bans occupational exclusions in default insurance in superannuation — key date: 1 January 2023
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Cambodia	
Status	 1 October 2022
Development	<p>Wealth</p> <p>Pension contributions begin</p> <p>From 1 October 2022, employers and employees in Cambodia must equally contribute to the pension scheme of the National Social Security Fund (NSSF), launched in 2021. The NSSF comprises four categories of benefits: old-age pension, incapacity or disability pension, survivor pension, and funeral allowances. The government recently published regulations to implement the pension system. Highlights include:</p> <ul style="list-style-type: none"> • Eligibility criteria. Companies with one or more employees must register with the NSSF, and nonregistered employees must register within three days of the start of their employment. All employers and employees enrolled in the NSSF for health and accident insurance will be automatically enrolled in the pension scheme. To withdraw pension benefits, employees must be at least age 60, registered with the NSSF pension scheme, and have contributed for 12 or more months. • Mandatory pension contributions. Contribution payments will be calculated on monthly earnings capped at KHR 1,200,000, and must be paid no later than the fifteenth day of the following month. Contributions will increase gradually as follows: <ul style="list-style-type: none"> — In years one to five, total contributions will be 4%. — In year's six to 10, total contributions will increase to 8%. — After 10 years, total contributions will increase to 10.75%, and will increase 2.75% after each subsequent 10-year period • Voluntary pension contributions. Employees aged 60 or older can make voluntary contributions to the NSSF, but employers do not have to pay contributions. Voluntary contributions can also be made by NSSF members who are unemployed and younger than age 60, and by individuals earning more than the monthly wage cap.
Resources	<p>kasin.sutuntivorakoon@mercer.com</p> <p>GRIST, 25 August 2022</p>

China (new)	
Status	 Currently effective
Development	<p>Wealth</p> <p>Tax concessions offered for private pensions</p> <p>China will offer personal tax concessions for eligible private pension schemes, retroactively applied from 1 January 2022, according to reports from a State Council executive meeting on 26 September 2022.</p> <p>Private pension schemes must enjoy policy support, and be run commercially. Scheme members will be entitled to an annual contribution deduction of up to CNY 12,000 from their annual taxable income. In addition, investment yields will not be taxed at this point, and the taxation of pension benefits will be reduced to 3%, down from 7.5%.</p>
Resources	<p>angela.li@mercer.com</p> <p>China to offer tax concessions for private pension schemes, defer payments of certain govt-levied charges, and introduce measures to enhance govt service (The State Council, 28 September 2022)</p>
China — Beijing (new)	
Status	 Effective dates vary.
Development	<p>Health</p> <p>Basic medical insurance improved</p> <p>Beijing’s Medical Insurance Bureau issued a “Notice on Adjusting the Municipal Employee Basic Medical Insurance Policy” on 19 August 2022. Highlights include:</p> <ul style="list-style-type: none"> • From 1 September 2022, personal accounts must be used for targeted use and are no longer available for immediate use. However, funds credited to the medical insurance discount before 1 September can still be withdrawn at any time. • From 1 December 2022, spouses, parents and children participating in the basic medical insurance of Beijing will be allowed to use funds in family members’ personal accounts to pay for relevant expenses they incur. • In 2022, the insurance coverage threshold for critical illness experienced by employees was reduced to RMB 30,404. • From 1 January 2023, no cap will apply to emergency outpatient treatment for employees in Beijing, and insurance will cover 60% of the costs of emergency outpatient treatment exceeding RMB 20,000.
Resources	Notice on Adjusting the Municipal Employee Basic Medical Insurance Policy (Chinese) (Beijing Municipal Medical Insurance Bureau, 19 August 2022)

China (previously covered, with upcoming effective date)	
Development	<p>Wealth</p> <ul style="list-style-type: none"> • Private ‘third pillar’ pension plan for individuals — key date: Implementation date unknown.
Hong Kong (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • Gender board diversity, corporate governance required — key date: 31 December 2024 <p>Wealth</p> <ul style="list-style-type: none"> • Mandatory pension fund offsetting to be abolished — key date: Earliest 2025
India (previously covered, with upcoming effective date)	
Development	<p>Career — Health — Wealth</p> <ul style="list-style-type: none"> • Labor and employment laws reformed — key date — effective date delayed
Japan (new)	
Status	<p> Beginning 1 October 2022</p>
Development	<p>Career</p> <p>Minimum wage rate increases announced</p> <p>Japan’s labor ministry announced hourly minimum wage increases by prefecture from October 2022 to September 2023 — ranging from JPY 853 to JPY 1072 (up from JPY 820 to JPY 1041).</p>
Resources	<p>Minimum wage rates (Japan) (Government)</p>
Japan (previously covered, with upcoming effective date)	
Development	<p>Wealth</p> <ul style="list-style-type: none"> • Defined contribution reforms enacted — key date: 1 December 2024

Malaysia (new)	
Status	 Postponed to 1 January 2023
Development	Career Effective date of Employment Amendment Act 2022 postponed The government announced that the effective date of the Employment (Amendment) Act 2022 has been postponed to 1 January 2023, from 1 September 2022. The measures include setting the minimum and maximum periods for apprenticeships (respectively, six and 24 months); introduction of flexible working arrangements; payment of employees working for an incomplete month; expanded maternity and paid paternity leave; prohibition on the dismissal of pregnant employees, with limited exceptions; prevention of forced labor; repeal of measures preventing women from working underground or at night; reduction of the maximum weekly working time to 45 hours, down from 48; separate treatment of sick leave entitlement (up to 60-days of hospitalized sick leave and nonhospitalized sick leave); requirement for prior approval of foreign workers; posting of workplace notification to raise awareness of sexual harassment; and increased penalties for breaches of the act.
Resources	yong-teck.siew@mercer.com Employment (Amendment) Act 2022 (Government)

Philippines (new)

Status



Currently effective

Development

Career — Health

Rules on teleworking arrangements issued

The Philippines Department of Labor and Employment (DOLE) issued implementing rules on 16 September 2022 to accompany the Telecommuting Act (Republic Act No. 11165), agreed to in 2018. The rules are applicable to telecommuting arrangements in the private sector. Highlights include:




- Telecommuting includes work arrangements that allow employees to work from an alternative workplace (including, but not limited to, the employee's home), either wholly or in part, using telecommunication and/or computer technologies.
- Employers can offer teleworking programs to employees, on a voluntary basis, and employees or groups of employees can propose a program to their employer.
- Telecommuting employees must be treated the same as comparable employees working at the employers' normal workplace, and the same set of applicable rules or company policies and collective bargaining agreements apply.
- Telecommuting programs can be in the form of a separate company policy, or incorporated into existing policies or employment contracts, and must be voluntarily agreed to by employers and employees. Programs must contain essential measures (such as eligibility, telecommunication and computer technology, health and safety standards, performance evaluation, and dispute resolution procedures).
- Employees and employers can agree to hybrid working and flexible working arrangements (such as a compressed workweek or staggered working time arrangements).
- Employers must inform the DOLE of the implementation of telecommuting programs, and retain documents regarding telecommuting arrangements agreed to with employees.

Resources

pauline.cardenas@mercer.com


[Revised implementing rules and regulations of Republic Act No. 11165, otherwise known as the "Telecommuting Act" \(DOLE, 16 September 2022\) and Republic Act No. 11165 \(Government\)](#)

Singapore (new)	
Status	 By the end of 2022
Development	<p>Career — Health</p> <p>Medical coverage of permit applicants enhanced</p> <p>Measures to enhance mandatory medical insurance coverage of foreign workers in Singapore will take effect by the end of 2022, and intend to help employers manage the financial risks of larger medical bills. The enhanced coverage will apply to all new Work Permit and S Pass applications and renewals. The government will issue further details about the changes. Highlights include:</p> <ul style="list-style-type: none"> • Introduction of a copayment element for employers and insurers for medical expenses exceeding SG\$15,000, capped at an annual limit of at least SG\$60,000. The annual limit will cover more than 99% of Work Permit and S Pass holders' inpatient and day surgery bills. • Clarification of eligible coverage claims and exclusions • Requirements that insurers selling medical insurance products have to offer differentiated premiums for individuals aged 50 and younger, and those aged older than 50. • Direct reimbursement from insurers to hospitals for admissible claims. Employers will not have to pay workers' hospital bills before claiming reimbursement from insurers.
Resources	<p>Enhanced medical insurance coverage to better protect employers (Ministry of Manpower, 4 March 2022) and Information on work passes (Ministry of Manpower)</p>
Singapore (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • Work pass framework to fill skills gaps expanded — key date: 1 January 2023 <p>Wealth</p> <ul style="list-style-type: none"> • CPF contributions to rise — key date: 1 January 2023

South Korea (new)	
Status	 1 January 2023
Development	<p>Health</p> <p>National health insurance rate to increase for 2023</p> <p>The National Health Insurance premium rate for 2023 will increase by 0.1%. The total premium rate will be 7.09%, to which employers and employees will contribute equally (3.545% each). The average premium increase amount for each employee is KRW 2,069 per month. In 2022, the monthly average is KRW 144,643, and in 2023, will be KRW 146,712. This will be the smallest increase since 2018.</p>
Resources	<p>sungjae.you@mercer.com</p> <p>Press release (Korean) (Government, 30 August 2022)</p>
South Korea (previously covered, with upcoming effective date)	
Development	<p>Health</p> <ul style="list-style-type: none"> Meal allowance tax-free amount to change — key date: 1 January 2023
Taiwan (new)	
Status	 1 January 2023
Development	<p>Career</p> <p>Minimum wage to increase</p> <p>The government announced an increase to monthly minimum wage to NT\$26,400 (up from NT\$25,250), and the hourly wage to NT\$176 (up from NT\$168), effective 1 January 2023. This 4.6% increase is expected to benefit an estimated 2.32 million workers.</p>
Resources	Announcement (Chinese) (Government, 1 September 2022)
Thailand (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage rates increase</p> <p>Thailand's labor ministry set new daily minimum wage rates for cities and provinces ranging from THB 328 to THB 354 as of 1 October 2022 — up from THB 312 to THB 336 — representing an average 5.02% increase.</p>
Resources	2022 Wage rates determined with highest at 354 Baht and lowest at 328 Baht effective this October (Ministry of Labor, 30 August 2022)

Section 5

Europe, Middle East and Africa (EMEA)

EU (new)	
Status	 Becomes effective 10th day after publication in official journal
Development	Career Directive on promoting statutory minimum wages finalized The European Union finalized agreement of the directive on promoting adequate statutory minimum wages — almost two years after the European Commission published the proposed directive. The final measures will enter into force on the twentieth day after its publication in the official journal, and member states will then have two years to transpose the directive into national law. Highlights include: <ul style="list-style-type: none">• Adequacy of statutory minimum wages. The directive does not prescribe a minimum wage that member states must implement, but the states must have procedural frameworks, and clear criteria, to set and update minimum wages. Minimum wages must generally be updated at least every two years — countries that use an automatic indexation mechanism must update at least every four years.• Promotion of collective bargaining on wage setting. The directive intends to boost the number of workers covered by collective bargaining agreements, for example, member states should establish an action plan (including timeline and specific measures) where coverage is less than 80%.• Effective access to minimum wage protection. Member states must provide for labor inspection controls and enforcement against noncompliant employers, and ensure that information on minimum wage protections is easily accessible to workers.
Resources	Council adopts EU law on adequate minimum wages (European Council, 4 October 2022) and GRIST , 15 December 2021

EU (new)

Status



Proposal

Development

Health

Ban on use of forced labor proposed




Companies would be banned from using forced labor to manufacture, sell or export products in the EU, under measures included in a proposed Regulation issued by the European Commission (commission) on 14 September 2022. Forced labor is defined as “all work or service which is extracted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.” Upon agreement, the Regulation would enter into force in EU member states without requiring national implementing legislation, and would apply 24 months later. Highlights include:



- The Regulation would apply to all products made in the EU for domestic consumption or export, and to imports. Companies would have to withdraw products already on the EU market. No particular industry sectors or companies are targeted.
- Member states would have to conduct a two-phase investigative process. National authorities would use different information sources (for example, submissions from civil society organizations, an EU database of forced labor risks, and companies’ due diligence) to assess forced labor risks, and would investigate products for which the use of forced labor is suspected. Authorities could request information from companies, and could conduct audits and inspections, including in countries outside the EU. If forced labor is found, the authorities could order the withdrawal of products and prohibit their sale or export (national customs authorities would enforce products entering or leaving the EU). Companies would have to pay for the disposal of products, and may have to provide evidence of compliance (noncompliance would be subject to “effective, proportionate, and dissuasive penalties” under national laws). If all evidence cannot be gathered (for example, noncooperation by companies), authorities could take action based on the available facts.
- The commission would publish guidelines within 18 months of the Regulation’s entry into force. The guidelines would include information on due diligence risk indicators of forced labor. A new EU Forced Labour Product Network would provide a platform for coordination and cooperation between member states and the commission.


The proposed Regulation follows publication of the commission’s Communication on Decent Work Worldwide (February 2022), Guidance to assist EU business to address the risk of forced labor (July 2021), and the proposed directive on Corporate Sustainability Due Diligence (CSDD) (February 2022). The proposed Regulation would be linked to the proposed CSDD directive as — effective due diligence conducted by companies under the CSDD could be taken into account by national authorities when assessing the use of forced labor for products.



Resources



[GRIST](#), 15 September 2022



Albania (new)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Minimum wage increased</p> <p>The Ministry of Finance announced that the minimum wage increased to ALL 34,000 per month on 1 October 2022 — up from ALL 32,000. This is the second increase in 2022. The minimum wage is used to calculate social and health insurance contributions — the minimum basis will be ALL 34,000 and the maximum will be ALL 149,953.</p>
Resources	Announcement (Albanian) (Ministry of Finance, 8 September 2022)
Austria (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Profit sharing exempt from wage tax for certain employees</p> <p>A wage tax exemption for profit-share payments (Mitarbeitergewinnbeteiligung) of up to €3,000 per employee was announced earlier in 2022, and applies retroactively to payments made from 1 January 2022 with respect to company profits for the financial year 2021. Payments must meet certain eligibility criteria, not be based on a statutory wage directive, or paid instead of existing wages or wage settlements.</p>
Resources	<p>alexandra.taufer@mercer.com</p> <p>Legislation (German) (Federal Gazette, 14 February 2022)</p>
Austria (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Employers can pay tax-free cost-of-living bonus</p> <p>Employers can pay a tax-free cost-of-living bonus (Teuerungsprämie) of up to €2,000 per employee per year for calendar years 2022 and 2023 to help employees meet cost of living and inflation increases. If this payment is made on the basis of a wage-forming regulation, the tax-free amount increases to €3,000 per year. The cost-of-living bonus must be an additional payment that is not usually paid.</p> <p>If combined with the new Mitarbeitergewinnbeteiligung, the annual €3,000 threshold applies to the total payment. However, if an employer has already paid a Mitarbeitergewinnbeteiligung in calendar year 2022, it can be subsequently converted into a Teuerungsprämie in 2022.</p>
Resources	<p>alexandra.taufer@mercer.com</p> <p>Legislation (German) (Federal Gazette, 30 June 2022)</p>

Belgium (upcoming effective date)	
Development	<p>Wealth</p> <ul style="list-style-type: none"> • Blue- and white-collar pension harmonization postponed — key date: 1 January 2027
Cyprus (new)	
Status	<p> 1 January 2023</p>
Development	<p>Career</p> <p>2023 minimum wage announced</p> <p>The Ministry of Labour and Social insurance recently announced that the monthly minimum wage will increase to €940 on 1 January 2023.</p>
Resources	<p>Announcement (Greek) (Government, 31 August 2022)</p>
France (upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • New gender quotas for senior execs, management teams imposed — key date: 1 March 2026 <p>Career — Health</p> <ul style="list-style-type: none"> • Metallurgy sector agrees on national CBA — key date: 1 January 2023
Germany (previously covered, now effective)	
Status	<p> Currently effective</p>
Development	<p>Career</p> <p>Minimum wage increased</p> <p>Germany's parliament approved draft law to increase the hourly minimum wage to €12 per hour as of 1 October 2022. On 1 January 2022, the statutory hourly minimum wage increased to €9.82, and increased on 1 July to €10.45.</p>
Resources	<p>david.lesch@mercer.com</p> <p>Press release (German) (Federal Ministry of Labour and Social Affairs, 3 June 2022)</p>
Germany (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • Larger companies face human rights mandates — key date: 1 January 2023

Gibraltar (previously covered, with upcoming effective date)	
Development	<p>Health — Wealth</p> <ul style="list-style-type: none"> • Social security contribution rates change — key date: 1 July 2023
Ireland (updated)	
Status	<p> 1 January 2023</p>
Development	<p>Career — Health</p> <p>Statutory paid sick leave to begin in 2023</p> <p>Ireland will introduce an entitlement to statutory sick leave and pay for certain employees following the president's signature of the Sick Leave Act 2022 on 20 July 2022. The government will issue regulations specifying the daily rate of sick pay. The government already announced that paid sick leave will increase to five days in 2024, seven days in 2025, and 10 days in 2025. Highlights include:</p> <ul style="list-style-type: none"> • Employees with 13 weeks or more of continuous employment will be eligible for three days of paid statutory sick leave per year, subject to providing their employer with a medical certificate signed by a medical practitioner. • Statutory sick leave pay will be paid at 70% of normal wages (taking into account relevant allowances), capped at €110 per day, and will be paid from the first day of an employee's illness or absence until illness benefit is payable. • Employers must maintain records of statutory sick leave taken by employees for up to four years. • Employers can provide more favorable paid sick leave provisions than the act — in such cases, the statutory scheme will not apply. • The Labour Court could exempt organizations that are experiencing severe financial difficulties from paying sick leave.
Resources	<p>Sick Leave Act 2022 (Legislature)</p>

Ireland (new)	
Status	 1 January 2023
Development	<p>Career</p> <p>National minimum wage, living wage rates announced</p> <p>The National Minimum Wage will increase on 1 January 2023 to €11.30 per hour (up from €10.30) for individuals aged 20 and older. The applicable minimum hourly wage rates for younger individuals will be €10.17 (19 years), €9.04 (18 years), and €7.91 (17 and younger). Different minimum pay rates apply to employees in certain sectors, such as the security and cleaning sectors. The suggested National Living Wage for 2023 will be €13.10 per hour and will be revised annually with the intent to become mandatory in 2026.</p>
Resources	Tánaiste announces increase in the National Minimum Wage and sets the 2023 Living Wage (Government, 14 September 2022)
Ireland (new)	
Status	 In process
Development	<p>Career — Health — Wealth</p> <p>Budget 2023 published</p> <p>On 26 September 2022, the Government published Budget 2023, which focuses on measures aimed at tackling the rapidly rising costs of living and business. From a private pensions and benefits perspective however, Budget 2023 is perhaps notable more for what it does not include, rather than for what it does. It also provides an important indication of reform measures that may lie ahead. Mercer Ireland has a more detailed summary of the budget.</p>
Resources	<p>james.p.cambell@mercer.com</p> <p>Budget 2023 (Government) and Ireland Budget 2023 (Mercer, 27 September 2022)</p>
Ireland (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> Gender pay gap regulations issued — key date: December 2023

Italy (new)	
Status	 1 January 2023
Development	<p>Health</p> <p>Benefit coverage for executives in commercial sector expanded</p> <p>From 1 January 2023, the life and pension fund (Antonio Pastore) mandated under the collective bargaining agreement (CBA) for executives (dirigenti) in the commercial sector will be expanded to include insurance coverage for professional and nonprofessional accidents, including death and disability. The measures are included in the CBA re-negotiated by social partners in December 2021, and covers approximately 8,000 companies and 24,000 employees.</p> <p>Employers' annual contributions to the fund will increase to €5,048.26, up from €4,761.26, and employers must enroll executives by 1 January 2023 at the latest.</p> <p>The benefit payments will be calculated on the employee's annual gross salary, capped at €150,000. The accidental death benefit amount will be five times the employee's annual salary (capped at €750,000), and up to six times the annual salary for permanent total disability (capped at €900,000). In cases of permanent partial disability, the benefit amount will be in proportion to the degree of disability. For higher paid executives earning more than €150,000, the coverage amount provided by the fund might not fulfill the CBA's provisions and, in such cases, employers should consider providing supplementary insurance coverage for employees.</p>
Resources	<p>enrico.denegri@mercermarshbenefits.com and giovanna.pezzela@mercer.com</p> <p>Antonio Pastore (Italian) and Collective bargaining agreement for executives (Italian)</p>
Italy (previously covered, with upcoming effective date)	
Development	<p>Career — Wealth</p> <ul style="list-style-type: none"> Retirement pension age to decrease — key date: 1 January 2023
Morocco (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased</p> <p>Minimum wage rates increased in September 2022 by 5% for workers in industry, trade and liberal professions sectors, and a 10% increase took effect in the guaranteed minimum agricultural wage.</p>
Resources	Head of Gov't announces 5% minimum wage increase in industry, trade and liberal professions; 10% increase in agriculture (Government, 1 September 2022)

Netherlands (new)	
Status	 1 January 2024
Development	<p>Career</p> <p>30% tax rule for expatriate employees to change</p> <p>From 2024, the 30% rule — a 30% tax exemption applicable to eligible expatriate employees' pay in the Netherlands — will change. The measures feature in the 2023 budget, and will require employers to choose annually to either apply the 30% rule to expatriate employees' pay, or reimburse tax-free the actual expenses incurred by the employee during their temporary stay in the Netherlands. The amount of employee income that will benefit from the 30% will be capped at the WNT-Norm — this is the maximum income that can be paid to government employees, and is indexed (in 2022, it is €216,000). From 2024, any income exceeding the WNT-Norm will be taxable — currently, the 30% exemption applies to total employee income. For employees currently benefitting from the 30% rule, the income cap will apply from 2026. Employers will have to apply their selection to payroll, and no change can be made during the year.</p>
Resources	<p>ellen.aranths@mercer.com</p> <p>2023 Budget (Dutch) (Government)</p>
Netherlands (previously covered, with upcoming effective date)	
Development	<p>Wealth</p> <ul style="list-style-type: none"> Pension plan reforms delayed — key date: enactment expected in 2023
Nigeria (previously covered, with upcoming effective date)	
Development	<p>Health</p> <ul style="list-style-type: none"> Health insurance coverage to significantly expand — key date: implementation date unknown
Poland (new)	
Status	 1 January 2023 and 1 July 2023
Development	<p>Career</p> <p>Minimum wage to increase twice in 2023</p> <p>The minimum wage will increase twice in 2023. On 1 January, the monthly minimum wage will be PLN 3,490, or PLN 22.80 per hour, and in July, it will increase to PLN 3,600, or PLN 23.50 per hour. Currently, the monthly minimum wage is PLN 3,010 or PLN 19.70 per hour.</p>
Resources	Announcement (Polish) (Government, 13 September 2022)

Portugal (previously covered, with upcoming effective date)	
Development	<p>Career — Health</p> <ul style="list-style-type: none"> • Job quota deadline for people with disabilities approaches — key date: 1 February 2023 <p>Wealth</p> <ul style="list-style-type: none"> • Retirement pension age to decrease — key date: 1 January 2023
Romania (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • Employee payroll recordkeeping requirements changed — key date: 1 January 2023
Saudi Arabia (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • Contracting with companies with regional headquarters outside of the kingdom to cease — key date: 1 January 2024
Serbia (new)	
Status	 1 January 2023
Development	<p>Career</p> <p>2023 minimum hourly wage published</p> <p>The Serbian government published the 2023 hourly minimum wage — RSD 230 — in its Official Gazette on 14 September 2022.</p>
Resources	<p>Announcement (Serbian) (Government, 14 September 2022)</p>
Slovakia (new)	
Status	 1 January 2023
Development	<p>Career</p> <p>Minimum wage to increase in 2023</p> <p>The monthly minimum wage in 2023 will increase to €700, and the hourly minimum wage to €4.023. Different minimum wage rate increases will apply to employees depending on their job grade.</p>
Resources	<p>301/2022 (Slovakian) (Government, 27 August 2022)</p>

Spain (new)**Status****Currently effective****Development****Career****Equality legislation expanded**

A law on equal work and nondiscrimination that expands employee nondiscrimination protections was recently implemented. This new law, which broadens the assumptions of discrimination, implies a change in the management of diversity in companies, going beyond the gender perspective — through specific policies and measures aimed at detecting and preventing any type of discrimination and the implementation of diversity plans that are different from the current gender equality plans. Highlights include:

- Employers cannot discriminate against employees on grounds of illness or health conditions and cannot ask job applicants about their health.
- Employers must adopt preventative measures to detect discrimination, and redress any discriminatory situations. Failure to comply could incur administrative, civil and criminal penalties.
- Discriminatory harassment is defined as any conduct that violates the dignity of an individual or group of which the individual is a member, and creates an intimidating, hostile, degrading, humiliating or offensive environment. Other discriminatory acts are included, such as retaliation, discrimination by association and by mistake, and multiple and intersectional discrimination.
- Establishment of judicial protections to end discrimination, including enabling courts to require the immediate cessation of discriminatory actions, prevent violations, provide compensation and employee reinstatement.
- The burden of proof is on the employer in circumstances where individuals or interested parties can provide well-founded indications of discrimination.
- Employers are liable for moral damages where discrimination is proven.
- Collective agreements can include positive action measures aimed at eliminating workplace discrimination.
- Companies must implement socially responsible actions to promote equality, including agreeing to actions with social partners.
- Penalties for employers' breaches include fines of €300 to €10,000, increasing to €40,000 for serious infringements, and to €40,001 to €500,000 for very serious infringements. Other penalties include the partial or complete withdrawal, or cancellation, of government benefits.

The government also indicates that future legislation (not yet regulated) could require companies with more than 250 employees to publish their gender pay gap information necessary to analyze the factors of salary differences taking into account the causes of discrimination cited in the law, such as racial or ethnic origin, sex, religion, age, disability, illness, sexual orientation or identity.

Resourcesgloria.villar@mercer.com[Law 15/2022 of 12 July 2022](#) (Spanish) (Government, 13 July 2022)

Spain (previously covered, with upcoming effective date)

Development

Wealth

- [Pension reforms aim to boost second-pillar occupational pensions](#) — Key date: 1 January 2023

Sweden (updated)

Status



1 January 2023

Development

Wealth

ITP occupational pension rules adjusted



A salary cap will apply to Sweden's collectively agreed upon occupational defined contribution pension (ITP1) from 1 January 2023, applicable to all employees born after 1978. Highlights include:

- Introduction of a salary cap for individuals born after 1978 who are accruing an ITP1 pension. Individuals will not receive pension contributions on earnings that exceed 30 income base amounts (equivalent to SEK 177,500 per month in 2022). The ITP1 cap is the same amount applicable to defined benefit (ITP2) for individuals born before 1979.
- Increased age for accruing an ITP1 defined contribution pension to 66 — the age applicable to ITP2 defined benefit pensions is unchanged.
- Increased eligible age for an ITP disability pension to age 66 for both ITP1 and ITP2 pensions.
- ITP1 pensionable salaries are reported on a monthly basis, which means that employees paid a yearly bonus could exceed the salary cap for that particular month, and will not be entitled to pension contributions on bonus payments exceeding the salary cap.
- As the ITP1 is part of a collective agreement, employers are not legally required to compensate employees for "lost" company contributions, unless a separate contractual agreement is in place.
- Employees eligible for the ITP2 defined benefit who earn a salary exceeding 10 income base amounts can currently elect to switch to ITP1 if their employer allows it. Some higher paid employees may have switched to benefit from the absence of an ITP1 salary cap.

As background, ITP1 is a defined contribution pension that covers salaried employees who were born in 1979 and after beginning at age 25. Currently, ITP1 employer contributions equal 4.5% of salary up to SEK 44,375, and 30% of the amount exceeding SEK 44,375. ITP2 is a defined benefit pension that covers salaried employees born in 1978 or before. The ITP occupational pension scheme was agreed to by the Council for Negotiation and Cooperation for Salaried Employees (PTK) comprising 27 trade unions representing 860,000 private sector salaried employees, and the Confederation of Swedish Enterprise representing 49 member organizations and 60,000 member companies.

Resources

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[GRIST](#), 5 October 2022

Sweden (previously covered, with upcoming effective date)	
Development	<p>Wealth</p> <ul style="list-style-type: none"> • Earliest retirement age to increase — key date: 1 January 2023
Switzerland (updated)	
Status	<p> Effective date unknown</p>
Development	<p>Wealth</p> <p>First pillar pension scheme reforms approved</p> <p>Reforms of Switzerland's AHV first pillar scheme — comprised of old age and survivors' insurance — were approved by public vote on 25 September 2022. The changes include a harmonized pension age for men and women; increased VAT to fund the reforms; and an option for individuals aged 63 to 70 to retire flexibly. The effective date has not been announced. Other proposed reforms of the BVG second pillar scheme (comprising old age, survivor and disability insurance) are pending.</p>
Resources	<p>jan.koller@mercer.com</p> <p>Announcement (German) (Federal Office for Statistics, 25 September 2022) and GRIST, 21 March 2022</p>
Ukraine (new)	
Status	<p> Currently effective</p>
Development	<p>Career</p> <p>Minimum wage increased</p> <p>Ukraine's minimum wage increased on 1 October 2022 to UAH 6,700 per month, up from UAH 6,500. The increase is included in the State Budget for 2022.</p>
Resources	<p>State budget for 2022 (Ukrainian) (Government)</p>
United Arab Emirates (previously covered, with upcoming effective date)	
Development	<p>Career — Health</p> <ul style="list-style-type: none"> • Unemployment scheme to be introduced — key date: 1 January 2023

United Kingdom (UK) (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Living Wage Foundation significantly increases wage rates</p> <p>Employers in the UK that are accredited to The Living Wage Foundation (LWF) must pay a 10.1% increase in the Real Living Wage — as soon as possible and no later than 14 May 2023 — following the foundation’s decision to bring forward this year’s increase due to higher living costs. The new Real Living Wage rates are £11.95 per hour (up from £10.95) in London, and £10.90 per hour (up from £10) payable elsewhere in the UK. The LWF has 11,000 accredited employers who voluntarily pay the Real Living Wage, and 300,000 employees are expected to benefit from the increase.</p> <p>The statutory National Minimum Wage for the entire UK is £9.50 for workers aged 23 and older, £9.18 (21 to 22 years), £6.83 (18 to 20 years), and £4.81 (16 to 17 years).</p>
Resources	Living Wage information (Living Wage Foundation) and National Minimum Wage information (Government, 1 April 2022)
UK (new)	
Status	 Repealed from April 2023
Development	<p>Career</p> <p>IR35 reforms repealed from April 2023</p> <p>The government announced on 23 September 2022 that the off-payroll working rules (IR35) introduced in April 2021 will be repealed from 6 April 2023. The policy change will mean that end users will no longer have to check the employment status of someone engaged via a personal services company, and the individual providing services (not the end user) will be responsible for paying tax and national insurance contributions.</p>
Resources	The Growth Plan 2022 (Government, 23 September 2022)
UK (new)	
Status	 6 November 2022
Development	<p>Health — Wealth</p> <p>NIC increase reversed, health and social care levy eliminated</p> <p>The government announced on 23 September 2022 that the increased national insurance contribution (NIC) rate (1.25% paid by both employers and employees) will be reversed from 6 November 2022. The increased rate took effect in April 2022, and the change will mean that employers no longer will have to list the 1.25% amount on employees’ payslips. The introduction of the health and social care levy — scheduled to take effect in April 2023 — will not be introduced.</p>
Resources	The Growth Plan 2022 (Government, 23 September 2022)

UK

Status



Consultation is open until 17 October 2022.

Development

Wealth

Draft pension funding regulations proposed

The Department for Work and Pensions (DWP) issued its consultation on funding regulations with comments invited through 17 October 2022. The proposed regulations would remove flexibility from trustees, requiring them to target a long-term objective of full funding on a low dependency basis, on or before the scheme reaches significant maturity. The consultation suggests that significant maturity would occur when the duration of outstanding cash flows is 12 years. Trustees would be required to submit a written statement of strategy to The Pensions Regulator that outlines the funding and investment strategy for meeting the long-term objective; this would be reviewed and, if necessary, revised at each valuation, or more frequently in case of material changes. The proposed regulations could significantly change long-term funding objectives and would increase trustees' focus on "journey planning."

Further details are expected when the Pensions Regulator consults on the Funding Code later in 2022.

Resources

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[Consultation information](#) (Department for Works and Pensions, 29 July 2022)



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