

Law and Policy Group

# Global Legislative Update

By Stephanie Rosseau and Fiona Webster  
November 2022



# In this document

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



Employer action required



Potential implications for employers



Developments to monitor

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

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# Section 1

## Highlights

| Global              |   |
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| Reproductive rights | <a href="#">Global employer resources post Dobbs ruling</a>   |
| COVID-19 pandemic   | <a href="#">Global employer resources</a>   |
| Minimum wage rates  | <a href="#">Global employer resources</a>   |
| Remote working      | <a href="#">Global employer resources</a>   |
| Americas            |   |
| Argentina           | <a href="#">Private prepaid health contributions increased</a>  |
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## Americas (continued)

### United States

[Final SEC clawback rule requires significant changes to policies](#)  
[EEOC releases updated 'Know Your Rights: Workplace Discrimination is Illegal' notice poster](#)  
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[Appeals Court still skeptical of excessive fee claims after high court ruling](#)  
[Proposed transatlantic data sharing agreement with EU proposed](#)  
[Top 10 compliance issues for health and leave benefits in 2023](#)  
[Roundup: Employer resources on minimum wage increases](#)  
[Roundup: Employer resources on hairstyle nondiscrimination laws](#)  
[State accrued paid sick leave mandates enacted](#)  
[Resources for tracking state and city retirement initiatives](#)  
[Insured plans must cover 988 line costs in California](#)  
['ABC' test for independent contractor vs. employee status upheld in California](#)  
[Law allows for out-of-state telehealth providers in Delaware](#)  
[Insurance law requires third-party payments to apply toward cost sharing in Delaware](#)  
[Permanent prohibition against short-term disability offsets enacted in District of Columbia](#)  
[Job postings must include salary information in New York City](#)  
[New law provides paid adoption leave incentives in Michigan](#)  
[Insurance laws on mental health parity, mammograms enacted in Oklahoma](#)  
[Insulin cost-sharing law capped in Oklahoma](#)  
[Model paid family medical leave notice posted in Oregon](#)  
[Machine-readable file rules issued for insured plans in Texas](#)

| Asia Pacific                          |   |
|---------------------------------------|---|
| <b>Australia</b>                      | <a href="#">Paid family and domestic violence leave to be introduced in 2023</a><br><a href="#">Antidiscrimination proposals considered</a><br><a href="#">Consultation issued on financial contingency and resolution planning guidance</a><br><a href="#">Reforms to labor relations, employment law proposed</a><br><a href="#">Strengthened superannuation prudential framework proposed</a><br><a href="#">Strengthened modern slavery reporting duties proposed</a> |
| <b>Japan</b>                          | <a href="#">Gender pay disclosures will be required for most companies</a><br><a href="#">Corporate human rights due diligence guidance proposed</a>  |
| Europe, Middle East and Africa (EMEA) |   |
| <b>European Union (EU)</b>            | <a href="#">Neutral dress codes not discriminatory if certain conditions are met, rules court</a><br><a href="#">European Commission work program for 2023 issued</a><br><a href="#">Proposed transatlantic data sharing agreement with US proposed</a>   |
| <b>Belgium</b>                        | <a href="#">Labor market reforms finalized</a>  |
| <b>Croatia</b>                        | <a href="#">Employee tax-free allowances increased</a><br><a href="#">2023 minimum wage rates announced</a>   |
| <b>France</b>                         | <a href="#">Measures introduced to ease cost-of-living challenges</a>   |
| <b>Germany</b>                        | <a href="#">Tax-exempt bonus payments allowed</a>   |
| <b>Greece</b>                         | <a href="#">Employment measures included in budget</a>  |
| <b>Ireland</b>                        | <a href="#">Small benefit exemption for employees increased</a>   |
| <b>Jersey</b>                         | <a href="#">Minimum wage rates increased</a>  |
| <b>Kazakhstan</b>                     | <a href="#">Minimum wage, benefit changes included in budget</a>  |
| <b>Latvia</b>                         | <a href="#">Minimum wage to increase</a>  |
| <b>Netherlands</b>                    | <a href="#">Minimum wage to increase</a>  |
| <b>Russia</b>                         | <a href="#">Minimum wage increase proposed</a>  |
| <b>Spain</b>                          | <a href="#">Implementation of open public promoted employment pension funds and simplified employment pension plans begins</a>  |

**EMEA (continued)**

**Sweden**

[Taxation of employee healthcare and wellness contribution clarified](#)

[Revised travel deductions for work trips proposed](#)

[Housing benefit for 2023 tax deductions updated](#)

**United Arab Emirates**

[Further details about the upcoming unemployment scheme issued](#)

**United Kingdom**

[New rules on defined contribution pension illustrations published](#)

[IR35 off-payroll working rules reinstated](#)

[Broadening investment opportunities proposed for defined contribution pension schemes](#)

[National Insurance Contribution increase reversed, health and social care levy eliminated](#)

[Expanded miscarriage leave, pay proposed in Northern Ireland](#)

## Section 2

# Global



| Reproductive rights |   |
|---------------------|---|
| Status              |  Ongoing initiatives   |
| Development         | <b>Health</b><br><b>Global employer resources on reproductive rights post Dobbs ruling</b><br>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           | <a href="#">Roundup: Employer resources on reproductive rights post Dobbs ruling</a> , regularly updated  |

| Coronavirus (COVID-19) pandemic |  |
|---------------------------------|--|
| Status                          |  Ongoing initiatives  |
| Development                     | <p><b>Career — Health — Wealth</b></p> <p><b>Countries address workplace issues resulting from the COVID-19 pandemic</b></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                       | <a href="#">Roundup: COVID-19 resources for employers</a> , regularly updated; <a href="#">Navigating coronavirus</a> , regularly updated  |
| Minimum wage rates              |  |
| Status                          |  Ongoing initiatives  |
| Development                     | <p><b>Career</b></p> <p><b>Global employer resources on minimum wage increases</b></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                       | <a href="#">Roundup: Global employer resources on minimum wage increases</a> , regularly updated   |
| Remote working                  |  |
| Status                          |  Ongoing initiatives   |
| Development                     | <p><b>Career — Health — Wealth</b></p> <p><b>Countries address remote-working issues</b></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                       | <a href="#">Roundup: Employer resources on remote-working rights/trends</a> , regularly updated  |



## Section 3

# Americas

| Argentina (new)  |   |
|--|---|
| Status   |  <b>Currently effective</b>  |
| Development  | <p><b>Health — Wealth</b></p> <p><b>Employer social security contributions for certain new hires temporarily ends</b></p> <p>Employer contributions to the integrated social security system (SIPA) are temporarily eliminated for some organizations that hire new employees who participate in certain social, educational or employment programs, and meet other specified criteria. The reduction applies for 12 months from the date of the employee’s hire date, and to eligible hires over the next 24-month period.</p> |
| Resources  | <a href="#">Joint Resolution 5267/2022</a> (Spanish) (Government, 3 October 2022)   |
| Argentina (new)  |   |
| Status   |  <b>Currently effective</b>  |
| Development  | <p><b>Health</b></p> <p><b>Private prepaid health contributions increased</b></p> <p>Under Resolution 1293/2022, the contribution rate for prepaid private medical coverage increased by 11.53%, up from 11.34%, effective 1 October 2022.</p>  |
| Resources  | <a href="#">Resolution 1293/2022</a> (Spanish) (Government, 30 June 2022)   |
| Argentina (previously covered, with upcoming effective date) |   |
| Development  | <p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Remote-working rights post COVID-19 pandemic clarified</a> — key date: 90 days after pandemic ends</li> </ul> <p><b>Career — Health</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Employers required to provide workplace childcare facilities</a> — key date: 23 March 2023</li> </ul>  |

## Bermuda (new)

**Status**  **Applications can be made until 15 December 2022**

### Development

#### Career

##### Payroll tax rebates announced

Bermuda announced payroll tax rebates that will impact 75% of Bermuda's workforce, and which aim to help with cost-of-living increases, according to the premier. The rebate will be BMD\$250 for individuals earning less than BMD\$60,000, and BMD\$100 for those earning less than BMD\$96,000. Applications for the rebate can be made up until 15 December 2022, and payments will be processed within 10 days of an application's receipt.

### Resources

[Premier's remarks — Government's financial performance, essential goods duty relief and payroll tax rebates](#) (Ministry of Finance, 6 October 2022)

## Bermuda (previously covered, with upcoming effective date)

### Development

#### Career

- [Minimum wage rate to be implemented](#) — key date: 1 June 2023

## Brazil (new)

### Status



Currently effective

### Development

#### Career

##### Law promotes equality, employment opportunities

Measures to promote gender equality in the labor market feature in a Law No. 14.457 effective 22 September 2022. The measures were included in a Provisional Measure issued by the president on 4 May 2022. Highlights include:

- Support for parents with young children. Measures include the possibility of day care expense reimbursement, the release of the severance pay indemnity plan (FGTS) to help pay for day care expenses, and government support for early childhood education institutions.
- Flexible work. Mothers and fathers can ask their employers to allow them to work remotely or have flexible work hours, including reduced and condensed working hours where the nature of the job allows. Adjusted work patterns must be formalized in individual agreements, collective bargaining agreements, or collective labor conventions.
- Return to work after maternity leave. Parents can request the temporary suspension of their employment contracts to allow them to care for their children, and to use extended maternity leave more flexibly.
- Incentives to hire young professionals. The National Project to Encourage the Hiring of Apprentices is created to promote professional learning objectives, as set out in the Consolidated Labor Laws.
- Childcare reimbursement. The childcare reimbursement is expanded to cover children up to age five and remains tax exempt. The payment must be formalized in individual agreements or in collective bargaining agreements.
- Voluntary Federal Program ('Empresa Cidadã'). The program allows women on maternity leave to return to work on a part-time 50% basis and receive their full salary for a 120-day period instead of taking an additional 60 days' leave.

### Resources

[leyla.jesus@mercer.com](mailto:leyla.jesus@mercer.com)

[Law No. 14.457 \(Portuguese\)](#) (Presidency of the Republic, 21 September 2022)

| Canada (new)                    |  |
|---------------------------------|--|
| Status                          |  Consultation is open through 13 November 2022.   |
| Development                     | <p><b>Career — Health</b></p> <p><b>Provision of menstrual products by federally regulated employers</b></p> <p>Federally regulated employers would be required to provide menstrual products in workplace toilet facilities under proposed measures included in the Regulation Amending Certain Regulations Made under the Canada Labour Code (Menstrual Products). The proposed regulation would amend the sanitation provisions in the Occupational Health and Safety Regulations made under Part II (Occupational Health and Safety) of the Canada Labour Code, and follows consultation with stakeholders in 2021. Comments are invited through 13 November 2022.</p> <p>Under the proposal, employers would have to generally provide menstrual products, including tampons and menstrual pads in workplace toilet facilities (regardless of their marked gender) that are controlled by the employer, and a covered container for the disposal of menstrual products in each toilet compartment. When it is not feasible to provide menstrual products in a toilet room, employers could provide menstrual products and appropriate disposal facilities in another location that is accessible to employees at all times, and which offers a reasonable amount of privacy. Currently, employers in federally regulated workplaces are not required to provide menstrual products.</p> |
| Resources                       | <p><a href="mailto:kristin.smith@mercer.com">kristin.smith@mercer.com</a></p> <p><a href="#">Regulation Amending Certain Regulations Made under the Canada Labour Code (Menstrual Products)</a> (Canada Gazette, 15 October 2022)</p>  |
| Canada — British Columbia (new) |  |
| Status                          |  Plan's first review date is after 31 December 2022.  |
| Development                     | <p><b>Wealth</b></p> <p><b>Changes to pension benefit regulation</b></p> <p>The BC Financial Services Authority (BCFSA) released Advisory Number: 22-040: Provision for Adverse Deviation (PfAD) for Target Benefit Plans (TBPs) Reform and Other Amendments to summarize a recent amendment to the BC Pension Benefits Standards Regulation. The amendments related to the PfAD reform will apply to each TBP on the plan's first review date after 31 December 2022.</p> <p>The government will soon release a Regulatory Guideline that will define the Superintendent's expectations with respect to the development and documentation of the new PfAD for TBPs.</p>   |
| Resources                       | <p><a href="mailto:kristin.smith@mercer.com">kristin.smith@mercer.com</a></p> <p><a href="#">Advisory for adverse deviation for target benefit plans reform and other amendments</a> (BC Financial Services Authority, 3 October 2022)</p>   |

**Canada (previously covered, with upcoming effective date)**

**Development**

**Career**

- [Minimum wage rates announced in Prince Edward Island](#) — key date: 1 January 2023

**Wealth**

- [Regulator sets basic rate for pension plan assessments](#) — key date: 1 April 2023

**Colombia (previously covered, with upcoming effective date)**

**Development**

**Career — Health**

[Maximum weekly working time reduced](#) — key date: Beginning in 2023

**El Salvador (previously covered, with upcoming effective date)**

**Development**

**Career — Health**

[Large employers will be required to provide day care facilities](#) — key date: June 2024

## United States (US) (new)

### Status



Based on the timing described in the release, companies could have more than a year from the date the final rule is published in the Federal Register to adopt a compliant policy.

### Development

#### Career

##### Final SEC clawback rule requires significant changes to policies

Twelve years after the Dodd-Frank Act became law and seven years after the SEC initially proposed a rule to require compensation clawbacks, the SEC approved a final rule (Securities Exchange Act Rule 10D-1) on 26 October. Under the final rule, listed companies have to adopt and enforce a policy to recoup executive incentive-based compensation if payments were based on financial statements that were later restated and executives received amounts that otherwise would have been lower. Because the final rule includes significant changes, most companies will have to significantly revise their current policies to comply with the new rule even if the policies were compliant with the 2015 proposal.


Companies should take the following steps to prepare to comply:

- Review their current clawback policy (or create one) to identify changes that are required for compliance. For example, many existing policies require misconduct, cover only Big R restatements, cover a narrower group of executives or don't cover former executives, and allow for significant board discretion.
- Assess and enhance internal controls to minimize the risk of a financial restatement.
- Educate board members about the rule, designate a committee to handle implementation and enforcement oversight, and update committee charters to reflect this decision and any new responsibilities.
- Educate covered officers so they are aware of the rule and its implications for their pay.
- Review corporate bylaws, compensation plans, and employment agreements to ensure they don't prohibit compensation recovery, and amend provisions as appropriate to ensure a compliant clawback policy.
- Review directors and officers insurance to ensure it doesn't conflict with the prohibition against insurance and indemnification.
- If incentive plans use stock price or total shareholder return measures, consider the resources needed to prepare reasonable estimates of the impact of a restatement on stock price.
- Consider the tax implications of recoupment.
- Research US state and foreign laws that might preclude recovery.
- Establish procedures for locating former executives whose pay might be subject to recovery.

### Resources

[amy.knieriem@mercer.com](mailto:amy.knieriem@mercer.com) and [carol.silverman@mercer.com](mailto:carol.silverman@mercer.com)

[Final SEC clawback rule requires significant changes to policies](#) (Mercer, 26 October 2022)

|                    |   |
|--------------------|---|
| <b>US (new)</b>    |   |
| <b>Status</b>      |  <b>Currently effective</b>  |
| <b>Development</b> | <b>Career</b><br><b>EEOC releases updated 'Know Your Rights: Workplace Discrimination is Illegal' notice poster</b><br>The Equal Employment Opportunity Commission (EEOC) released the “Know Your Rights: Workplace Discrimination is Illegal” poster, which updates and replaces the previous “EEO is the Law” poster. Covered employers are required by federal law to prominently display the poster at their worksites. Highlights of changes include: <ul style="list-style-type: none"><li>• Notes that harassment is a prohibited form of discrimination</li><li>• Clarifies that sex discrimination includes discrimination based on pregnancy and related conditions, sexual orientation, or gender identity</li><li>• Adds a QR code for fast digital access for filing a charge webpage</li><li>• Provides information about equal pay discrimination for federal contractors.</li></ul> |
| <b>Resources</b>   | <a href="#">EEOC releases updated “Know Your Rights” poster (EEOC, 19 October 2022)</a>   |

## US (new)

### Status



1 January 2023

### Development

#### Health — Wealth

##### 2023 benefit limits issued

Mercer's Quick Benefit Facts offers a handy single-sheet reference guide that provides key 2021–2023 annual limits for retirement plans on one side, with health, fringe benefit and Affordable Care Act (ACA) figures on the other. Annually adjusted retirement plan figures shown on one side include:

- IRS qualified retirement plan limits
- IRS limits for traditional individual retirement accounts
- PBGC premiums for single-employer defined benefit plans
- Social Security taxable wage base and cost-of-living adjustment

Annually adjusted health and fringe benefit figures shown on the reverse side include:


- Tax-free qualified transportation fringe benefit limits
- Limit on salary-reduction contributions to health flexible spending arrangements (health FSAs)
- Maximum contributions for health savings accounts (HSAs) and out-of-pocket maximums for high-deductible health plans (HDHPs) and minimum HDHP annual deductibles
- ACA out-of-pocket maximums for nongrandfathered group health plans
- ACA play-or-pay assessments under the employer shared-responsibility (ESR) mandate
- ACA affordability limit under the ESR federal-poverty-line safe harbor
- ACA affordability percentage for employer coverage.



### Resources

[margaret.berger@mercer.com](mailto:margaret.berger@mercer.com), [brian.kearney@mercer.com](mailto:brian.kearney@mercer.com), [katharine.marshall@mercer.com](mailto:katharine.marshall@mercer.com) and [dorian.smith@mercer.com](mailto:dorian.smith@mercer.com)

[2023 quick benefit facts](#) (Mercer, October 2023); [GRIST](#), 19 October 2022 and [GRIST](#), 1 November 2022



| US (new)    |  |
|-------------|--|
| Status      |  <b>Extended through 10 January 2023</b>  |
| Development | <p><b>Health</b></p> <p><b>Public health emergency extended</b></p> <p>Health and Human Services (HHS) Secretary Xavier Becerra extended the public health emergency (PHE) for another three months, through 10 January 2023. The PHE was set to expire on 13 October.</p> <p>As a reminder, this extension will have the following group health plan implications:</p> <ul style="list-style-type: none"><li>• Group health plans must provide no-cost COVID-19 diagnostic testing (including at-home OTC COVID-19 testing) and related services.</li><li>• An employee assistance program may remain an excepted benefit even if coverage for COVID-19 diagnostic testing is added (this also is allowed during the COVID-19 National Emergency period set to expire on 1 March 2023, unless further extended or terminated earlier).</li><li>• Employers may offer stand-alone telehealth to employees who are not eligible for other health coverage from that employer and avoid many group health plan mandates under ERISA, the ACA and other laws.</li><li>• The 60-day advance notice requirement for material modifications to a Summary Benefits and Coverage is waived.</li><li>• Group health plans may maintain grandfathered status even if they later revoke benefits added during the PHE.</li><li>• New COVID-19 vaccines must be covered immediately.</li><li>• Some HIPAA privacy rules are relaxed.</li></ul> <p>Previously, HHS announced it would provide states with “60 days notice prior to termination” of the PHE. If the PHE is neither terminated before nor extended beyond 11 January 2023, then such advance notice would come on or about 12 November.</p> |
| Resources   | <p><a href="#">Renewal of determination that a public health emergency exists</a> (HHS, 13 October 2022) and <a href="#">Letters to governors on the COVID-19 response</a> (HHS, 21 January 2022)</p>  |

| US (new)    |  |
|-------------|--|
| Status      |  1 January 2023   |
| Development | <p><b>Career</b></p> <p><b>2023 federal contractor minimum wage published</b></p> <p>The Department of Labor (DOL) published the minimum wage rates for workers performing work on, or in connection with, federal government contracts. Under Executive Order (EO) 14026, the hourly minimum wage will increase to \$16.20 (up from \$15) for non-tipped workers, and to \$13.75 (up from \$10.50) for tipped workers. This EO generally applies to contracts entered into after January 2022, and to contracts with independent agencies and contracts that will be performed in US territories.</p> <p>Contracts entered into before January are generally subject to lower minimum wage rates under EO 13658. In such cases, the hourly minimum wage will increase to \$12.15, up from \$11.25, for non-tipped workers, and to \$8.50, up from \$7.90, for tipped workers.</p> |
| Resources   | <p><a href="#">Minimum wage for federal contracts covered by Executive Order 14026, notice of rate change in effect as of January 1, 2023</a> (Federal Register, 30 September 2022) and <a href="#">Minimum wage for federal contracts covered by Executive Order 13658, notice of rate change in effect as of January 1, 2023</a> (Federal Register, 30 September 2022)</p>   |
| US (new)    |  |
| Status      |  Extended until 7 December 2022   |
| Development | <p><b>Career — Health</b></p> <p><b>NLRB extends comment period for proposed joint-employer standard</b></p> <p>The National Labor Relations Board (NLRB) announced that it extended the comment period until 7 December 2022 — from 7 November 2022 — for its proposal to rescind and replace the joint-employer rule that took effect 27 April 2020.</p>   |
| Resources   | <p><a href="#">NLRB extends time for submitting comments on proposed rule concerning the joint-employer standard</a> (NLRB, 14 October 2022); <a href="#">Standard for determining joint-employer status</a> (Federal Register, 7 September 2022) and <a href="#">GRIST</a>, 28 February 2020</p>  |

**US (new)**

**Status**  **Consultation is open until 13 December 2022.**

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


**New rule proposed to determine independent contractor vs. employee status**

The Department of Labor (DOL) announced a proposed rule that would revise how to determine if an individual is an independent contractor or an employee entitled to minimum wage, overtime and other protections under the federal Fair Labor Standards Act (FLSA). The proposal would rescind the 2021 Trump administration rule and create a framework that is “more consistent with longstanding judicial precedent on which employers have relied to classify workers as employees or independent contractors under the FLSA,” says DOL. Comments on the proposal can be submitted until 13 December 2022. Highlights include:

- Align DOL’s approach with courts’ FLSA interpretation and the economic reality test. Under the economic reality test, the consideration is whether the worker is either economically dependent on the employer for work (an employee), or is in business for themselves (an independent contractor).
- Restore the multifactor, totality-of-the-circumstances analysis to determine whether a worker is an employee or an independent contractor under the FLSA.
- Analyze all factors without assigning a predetermined weight to a particular factor or set of factors.
- Revert to the longstanding interpretation of the economic reality factors. The following six factors are proposed, but other additional factors may be considered and relevant: opportunity for profit or loss depending on managerial skill; investments by the worker and the employer; degree of permanence of the work relationship; nature and degree of control; extent to which the work performed is an integral part of the employer’s business; and skill and initiative.
- Assist with the proper classification of employees and independent contractors under the FLSA. DOL believes this proposal would help protect workers from misclassification and recognize that independent contractors serve an important role in our economy, providing a consistent approach for those businesses that engage (or wish to engage) independent contractors.
- Rescind the 2021 Independent Contractor Rule. The rule would have made it easier for businesses to classify workers as independent contractors rather than employees.

Gig companies (ride-share, construction trucking and other industries) were concerned about the impending proposal’s effect on their businesses, but the changes do not appear to be as significant as anticipated. For example, Uber reportedly said DOL “listened to drivers, who consistently and overwhelmingly state that they prefer the unique flexibility that comes with being an independent contractor” and the proposal takes a “measured approach essentially returning us to the Obama era, during which our industry grew exponentially.” In addition, Lyft said, “there is no immediate or direct impact on the Lyft business at this time.”

**Resources** [GRIST](#), 12 October 2022 and [Extension of comment period](#) (Federal Register, 26 October 2022)

|                    |  |
|--------------------|--|
| <b>US (new)</b>    |  |
| <b>Status</b>      |  <b>Will not apply before 2023.</b>   |
| <b>Development</b> | <b>Wealth</b><br><b>IRS delays final RMD regulation, gives relief for new 10-year payment rule</b><br>Updated final regulations for required minimum distributions (RMDs) under Internal Revenue Code (IRC) Section 401(a)(9) will not apply before 2023, IRS announced in Notice 2022-53. The regulations will implement two significant changes to the RMD requirements made by the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 (Div. O of Pub. L. No. 116-94), along with various other statutory changes. The act increased the RMD beginning age from 70-1/2 to 72 and set new limits on “stretch” distributions to defined contribution (DC) plan beneficiaries. The notice also provides relief for defined contribution plans that failed to make RMDs in 2021 or 2022 to beneficiaries under a new 10-year payment rule and gives excise tax relief to affected individuals. |
| <b>Resources</b>   | <a href="mailto:margaret.berger@mercerc.com">margaret.berger@mercerc.com</a> and <a href="mailto:brian.kearney@mercerc.com">brian.kearney@mercerc.com</a><br><a href="#">GRIST</a> , 14 October 2022   |

## US (new)

### Status



### Proposal

### Development

#### Wealth

##### **Fiduciary safeguards for crypto, other alternative assets proposed**

Republican legislation introduced on 29 September would amend ERISA to let plan fiduciaries offer investments from a list of specific asset classes — including digital assets, private equity (PE) and annuities — without any presumption of imprudence. Though the Retirement Savings Modernization Act (S 4973, HR 9066) doesn't single out defined contribution (DC) plans, the bill signals growing Republican interest in countering recent Department of Labor (DOL) warnings about the prudence of cryptocurrency and PE investments in DC plans.


While DOL has not said cryptocurrency is inherently imprudent, the agency cautioned 401(k) plan fiduciaries to “exercise extreme care” when considering cryptocurrency as an investment option. In separate guidance, DOL suggested that fiduciaries of “typical” DC plans lack the necessary expertise to evaluate PE investments. Bill supporters say DOL's stance is at odds with the need to let DC plan participants have access to the “full range” of potentially more lucrative (but riskier) investment strategies used by defined benefit (DB) plan managers.

DOL's guidance prompted some Senate Republicans to introduce a similar bill (S 4147) in May. The Financial Freedom Act would provide that ERISA does not limit DC plan fiduciaries' ability to select any particular type of investments, as long as participants can choose from a broad range of investment options. However, none of the GOP bills to date would require that fiduciaries give plan participants access to specific asset classes or create a safe harbor from ERISA's fiduciary duties.

With Democrats still in control of Congress, the Retirement Savings Modernization Act is unlikely to pass this year. The Senate version is before the Committee on Health, Education, Labor, and Pensions and is sponsored by Sens. Pat Toomey, R-PA, Tim Scott, R-SC, and Cynthia Lummis, R-WY. Rep. Peter Meijer, R-MI, is sponsoring the House counterpart, which is pending with the Education and Labor Committee.

### Resources

[geoff.manville@mercer.com](mailto:geoff.manville@mercer.com) and [matthew.calloway@mercer.com](mailto:matthew.calloway@mercer.com)  
[GRIST](#), 14 October 2022

|                    |  |
|--------------------|--|
| <b>US (new)</b>    |  |
| <b>Status</b>      |  <b>Currently effective</b>   |
| <b>Development</b> | <b>Career</b><br><b>NLRB focuses on unlawful electronic employee surveillance and automated management practices</b><br>The National Labor Relations Board’s (NLRB’s) General Counsel announced her intention to protect employees from intrusive or abusive electronic monitoring and automated practices. The memorandum describes various technologies that are increasingly being used to closely monitor and manage employees. The General Counsel will vigorously enforce current law to prevent abuses and urges the NLRB to adopt a new framework for protecting employees from employers’ abuse of technology. Under the new framework, an employer would presumptively violate the National Labor Relations Act (NLRA) where an employer’s surveillance and management practices, viewed as a whole, tend to interfere with or prevent a reasonable employee from engaging in protected NLRA activity. The NLRB will work with other federal agencies to facilitate information sharing and coordinated enforcement on these issues. |
| <b>Resources</b>   | <a href="#">NLRB General Counsel issues memo on unlawful electronic surveillance and automated management practices</a> (NLRB, 31 October 2022); <a href="#">Memorandum GC 23-02</a> (NLRB, 31 October 2022) and <a href="#">Memorandum of understanding Between the Federal Trade Commission and the NLRB regarding information sharing, cross-agency training, and outreach in areas of common regulatory interest</a> (NLRB, 19 July 2022)  |

## US — Illinois, Indiana and Wisconsin (new)

### Status



Currently effective

### Development

#### Wealth


##### Appeals Court still skeptical of excessive fee claims after high court ruling

The 7th US Circuit Court of Appeals recently upheld the dismissal of a participant's claims that defined contribution (DC) plan fiduciaries imprudently allowed excessive administrative and investment fees (*Albert v. Oshkosh Corp.*, No. 21-2789 (7th Cir. 29 August 2022)). The court was unpersuaded by the participant's request to vacate the original district court decision dismissing his lawsuit in light of the Supreme Court's decision in *Hughes v. Northwestern University* (142 S. Ct. 737 (2022)). That ruling overturned another 7th Circuit decision still pending on remand, but the appellate court stated that the lower court's rationale for dismissal differed from the one the high court rejected. The 7th Circuit's decision in this case extends a growing trend of federal appeals courts expressing skepticism toward some of the most common allegations in many ERISA excessive fee lawsuits since the high court's Northwestern ruling.


- Excessive recordkeeping fee claims lacked context. The court found allegations that plan fiduciaries failed to regularly solicit competitive bids for recordkeeping services were insufficient to support the participant's fiduciary breach claims. Although the lawsuit identified nine similarly sized DC plans with lower average recordkeeping expenses, the 7th Circuit said the participant hadn't provided enough context about services delivered to this "potentially random assortment" of other plans to plausibly claim the Oshkosh plan's fees were high relative to the services received. The court also rejected similar claims challenging plan fiduciaries' selection of an affiliate of the recordkeeper to provide investment advisory services to participants.
- Fiduciaries do not have to consider net investment expenses. The participant made a novel argument that plan fiduciaries should have selected more expensive share classes of certain investment funds when a rebate of the funds' revenue-sharing payments would have resulted in a lower net cost to participants. (Excessive fee lawsuits typically claim the plan should offer the least expensive share class available.) Though the court said prudent fiduciaries could consider such "net expense" factors, it ruled that plan fiduciaries in this case had not acted imprudently by not doing so. The court also found simple allegations that a plan's actively managed investment options are more expensive than passive funds do not support fiduciary breach claims.
- 7th Circuit will still reconsider Northwestern decision. Several other excessive fee lawsuits allege that plan fiduciaries imprudently offered retail share class mutual funds instead of cheaper institutional share classes. Such share-class claims were the focus of the Supreme Court's ruling in *Northwestern*, which the 7th Circuit is still reconsidering. Although two other federal appeals courts recently have been more sympathetic to these types of claims, the participant in this case didn't make such claims.

### Resources

[matthew.calloway@mercer.com](mailto:matthew.calloway@mercer.com) and [margaret.berger@mercer.com](mailto:margaret.berger@mercer.com)  
[GRIST](#), 20 October 2022

| US — EU (new) |  |
|---------------|--|
| Status        |  Proposal   |
| Development   | <p><b>Career — Health — Wealth</b></p> <p><b>Proposed transatlantic data sharing agreement proposed</b></p> <p>Proposed measures that could enable the lawful transfer of personal data between the European Union (EU) and the US are included in an executive order (EO) issued by the President Biden on 7 October 2022, and follow over two years of discussion. An adequacy decision by the European Commission would recognize the proposed Trans-Atlantic Data Privacy Framework (DPF) as providing a level of protection to personal data that is equivalent to the EU. The European Commission must now review and ratify the proposed DPF, which could take up to six months.</p> <p>The EO was issued after the European Court of Justice (ECJ) ruled in July 2020 that the Privacy Shield between the US and the EU did not adequately protect personal data due to US intelligence agencies' access to individuals' personal data. The EO includes due process protections regarding the use of surveillance mechanisms by US intelligence agencies, and a redress mechanism for affected individuals. In addition, the US secretary of commerce will submit to the European Commission a series of letters from relevant government agencies and documents outlining the operation and enforcement of the DPF.</p> <p>Until the European Commission issues an adequacy decision, companies transferring personal data to the US should continue to follow guidance issued by the European Data Protection Board after the ECJ's 2020 ruling.</p> |
| Resources     | <p><a href="#">Executive order on enhancing safeguards for United States signals intelligence activities</a> (The White House, 7 October 2022); <a href="#">Fact Sheet: United States and European Commission announce trans-Atlantic data privacy framework</a> (The White House, 25 March 2022); <a href="#">Statement from U.S. Secretary of Commerce Gina Raimondo on enhancing safeguards for United States signals intelligence activities executive order</a> (US Department of Commerce, 7 October 2022) and <a href="#">Guidelines, recommendations, best practices</a> (European Data Protection Board)</p>  |



|                    |  |
|--------------------|--|
| <b>US (new)</b>    |  |
| <b>Status</b>      |  <b>Effective dates vary.</b>   |
| <b>Development</b> | <p><b>Career — Health</b></p> <p><b>Top 10 compliance issues for health and leave benefits in 2023</b></p> <p>In 2023, employers will continue to focus on complying with transparency requirements designed to provide greater insight into the prices of prescription drugs and other healthcare. Other issues in the spotlight include health plan coverage of gender, family planning (including abortion) and behavioral health. With respect to gender and family planning, employer-sponsored health plans must comply with rapidly changing federal and state laws and regulations, assess litigation risks, and offer health coverage that aligns with employees’ needs and the employer’s diversity, equity and inclusion goals. Employers may want — or have — to expand behavioral health coverage in response to the nation’s mental health crisis and tougher enforcement of the Mental Health Parity and Addiction Equity Act. This GRIST summarizes expected 2023 compliance and policy developments affecting health and leave benefits and suggests action steps for employers.</p>                                |
| <b>Resources</b>   | <p><a href="#">GRIST</a>, 28 October 2022</p> <p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>, <a href="mailto:cheryl.hughes@mercer.com">cheryl.hughes@mercer.com</a>, <a href="mailto:katharine.marshall@mercer.com">katharine.marshall@mercer.com</a>, <a href="mailto:dorian.smith@mercer.com">dorian.smith@mercer.com</a> and <a href="mailto:jennifer.wiseman@mercer.com">jennifer.wiseman@mercer.com</a></p>   |
| <b>US</b>          |  |
| <b>Status</b>      |  <b>Effective dates vary.</b>   |
| <b>Development</b> | <p><b>Career</b></p> <p><b>Roundup: Employer resources on minimum wage increases</b></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> |
| <b>Resources</b>   | <a href="#">GRIST</a> , regularly updated  |

## US

### Status



Effective dates vary.

### Development


#### Career

##### Roundup: Employer resources on hairstyle nondiscrimination laws

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.

### Resources

[GRIST](#), regularly updated

| US — States |   |
|-------------|---|
| Status      |  Effective dates vary.   |
| Development | <b>Career — Health</b><br><b>State accrued paid sick leave mandates enacted</b><br>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: <ul style="list-style-type: none"><li>• Accruals are based on the employee’s work location and start on the date of hire.</li><li>• 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.</li><li>• The term “health” includes mental health, preventive care and chronic conditions in addition to physical illness.</li><li>• Employees exempt from the federal Fair Labor Standards Act’s minimum wage and overtime standards are considered to work 40 hours per week.</li><li>• Properly classified independent contractors are not eligible for paid sick leave.</li><li>• Employers may require reasonable notice if the leave is foreseeable.</li><li>• If the leave is unforeseeable, employees should provide notice as soon as practicable.</li><li>• Worker protections and anti-retaliation provisions apply.</li><li>• Leave mandates do not apply to federal government employers, but may apply to state and/or local government employers.</li></ul> This <a href="#">GRIST</a> can help employers track key provisions of different jurisdictions’ accrued paid leave laws. |
| Resources   | <a href="mailto:katharine.marshall@mercer.com">katharine.marshall@mercer.com</a> and <a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a><br><a href="#">Roundup: State accrued paid sick leave mandates</a> , regularly updated  |

## 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](mailto:margaret.berger@mercer.com) and [brian.kearney@mercer.com](mailto:brian.kearney@mercer.com)

[Resources for tracking state and city retirement initiatives](#), regularly updated

| US — California (new) |   |
|-----------------------|---|
| Status                |  <b>Currently effective</b>  |
| Development           | <p><b>Health</b></p> <p><b>Insured plans must cover 988 line costs</b></p> <p>California’s Miles Hall Lifeline and Suicide Prevention Act (Ch. 747, AB 988) creates a 988 suicide and crisis lifeline system for emergency suicidal, mental health and substance use disorder crises. Among other things, the law requires insured plans and healthcare service plans (including HMOs) subject to the state’s insurance laws to cover medically necessary behavioral health crisis services provided by a 988 center or mobile crisis team.</p> <p>Enrollees pay no more than the in-network cost-sharing amount for both in- and out-of-network providers. It is unclear what amounts plans must pay providers. In a message issued with the signing of AB 988, Governor Gavin Newsom pointed out “considerable confusion about how certain services will be financed” and directed the state’s Health and Human Services Agency “to propose cleanup language as part of the 2023-24 Governor’s Budget.”</p> <p>AB 988 took effect on 29 September.</p> <p>This law does not apply to self-funded plans, dental/vision plans or MediCal. California insurance law does not apply on an extraterritorial basis to fully insured plans situated in another state as long as both the employer’s principal place of business and majority of employees are outside of California.</p> |
| Resources             | <p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">AB 988</a> (Legislature)</p>   |

| US — California (new) |   |
|-----------------------|---|
| Status                |  <b>Currently effective</b>  |
| Development           | <p><b>Career — Health — Wealth</b></p> <p><b>‘ABC’ test for independent contractor vs. employee status upheld</b></p> <p>The Ninth Circuit Court of Appeals held that the “ABC” test to determine if workers are employees or independent contractors does not violate the First Amendment. The court denied the plaintiffs’ motion to block the state from applying the “ABC” test to determine if workers are employees and entitled to state labor protections and benefits. As background, a 2019 law (Assembly Bill 5) codified the court-created “ABC” test. Recently, the department of labor announced a proposed rule that would revise how to determine if an individual is an independent contractor or an employee entitled to minimum wage, overtime and other protections under the federal Fair Labor Standards Act.</p> |
| Resources             | <p><a href="#">Opinion</a> (Ninth Circuit Court of Appeals, 11 October 2022); <a href="#">GRIST</a>, 5 November 2020 and <a href="#">GRIST</a>, 26 September 2019</p>   |

| US — Delaware (new) |   |
|---------------------|---|
| Status              |  <b>Currently effective</b>  |
| Development         | <b>Health</b><br><b>Law allows for out-of-state telehealth providers</b><br>Delaware enacted a new law (2022 Ch. 484, HB 334) which allows healthcare providers licensed out of the state to deliver services by telehealth, albeit only if a provider-patient relationship has been established in accordance with existing law. Provider-patient relationships may be established in-person or through telehealth, as long as seven conditions are met, including verification of the patient's location and identity and disclosure and validation of the provider's identity and credentials and a written visit summary provided to the patient. This law applies to covered services within the state, regardless of whether a group health plan is fully insured or self-funded. The law took immediate effect on 21 October 2022. |
| Resources           | <a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a><br><a href="#">2022 Ch. 484, HB 334 (Legislature)</a>  |
| US — Delaware (new) |   |
| Status              |  <b>Plan years starting in 2024</b>  |
| Development         | <b>Health</b><br><b>Insurance law requires third-party payments to apply toward cost sharing</b><br>Delaware enacted a law (2022 Ch. 522, SB 267) requiring fully insured plans, health service corporations and health maintenance organizations subject to state law to apply any covered prescription drug cost-sharing assistance toward the deductible and out-of-pocket maximum. The law contains an exception for health savings account-disqualifying high-deductible health plans. The law applies to insurers and pharmacy benefit managers.  |
| Resources           | <a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a><br><a href="#">2022 Ch. 522, SB 267 (Legislature)</a>  |

| US — District of Columbia (new)                                   |  |
|---|--|
| Status  |  After the required 30-day Congressional review period, which started on 21 October.  |
| Development   | <p><b>Health</b></p> <p><b>Permanent prohibition against STD offsets enacted</b></p> <p>A Washington, DC law (2022 Act 24-586) continues the prohibition against short-term disability (STD) policies reducing benefits based on estimated or actual benefits received under the District's Universal Paid Leave (UPL) program. The ban does not apply to an employer's self-funded STD or paid leave benefit plan. Here is a brief history:</p> <ul style="list-style-type: none"> <li>• Effective 1 October 2021, a coordination-of-benefits provision (DC Code § 32-541.07) prohibited STD policies from offsetting benefits based on estimated or actual UPL benefits. Because this provision was part of emergency legislation, it had an expiration date, unless renewed.</li> <li>• The most recent renewal (2022 Act 24-542) was set to expire 25 October 2022, before the District once again passed an emergency 90-day extension (2022 Act 24-594) until 23 January 2023.</li> </ul> <p>Act 24-586 makes the anti-offsetting provision permanent. It takes effect after the required 30-day Congressional review period, which started on 21 October.</p> |
| Resources   | <p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">2022 Act 24-586</a> (DC Council); <a href="#">Universal paid leave</a> (Code of the District of Columbia) and <a href="#">2022 Act 24-594</a> (DC Council)</p>  |
| US — New York — New York City (previously covered, now effective) |  |
| Status  |  Currently effective  |
| Development   | <p><b>Career</b></p> <p><b>New York City job postings must include salary information</b></p> <p>Beginning 1 November 2022, an employment agency, employer, employee or agent thereof will commit an unlawful discriminatory practice by advertising a job, promotion, or transfer opportunity in New York City (NYC) without including the minimum and maximum salary for the position. The new law (Int. No. 1208-B) amending the NYC Human Rights Law (NYHRL) initially passed the NYC Council on 15 December 2021. The measure became law on 15 January 2022, after the mayor returned it unsigned. On 22 March 2022, the NYC Commission on Human Rights issued a fact sheet on the new law. On April 28, 2022, a bill (Int. No. 0134-2022, Version A) enacted by the NYC Council pushed back the effective date and made other changes.</p>   |
| Resources   | <a href="#">GRIST</a> , 4 May 2022   |

## US — Michigan (new)

### Status



Tax years starting on or after 1 January 2023

### Development

#### Career — Health

##### New law provides paid adoption leave incentives

A new Michigan law (2022 Act 207, HB 6070) provides a tax incentive to qualified employers offering paid adoption leave to qualified employees. The tax credit is 50% of wages, capped at \$4,000, and 12 weeks for a single adoption leave period.

Qualified employers must have a written policy offering at least two weeks of paid parental and paid adoption leave (paying at least 50% of wages) to full-time employees and a proportional amount to part-time employees. Qualified employees must be employed for at least one year. Their prior year's compensation may not exceed 60% of the highly compensated employee (HCE) threshold under §414(q)(1)(B) of the Internal Revenue Code, which is \$150,000 for 2023.

### Resources

[rich.glass@mercer.com](mailto:rich.glass@mercer.com)

[HB 6070 \(Legislature\)](#)



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

**Status**  **Currently effective**

**Development**

### Career — Health

#### Insurance laws on mental health parity, mammograms enacted

Oklahoma enacted two insurance laws (SB 1413 and HB 3504), which impose additional mental health parity (MHP) requirements and expand mammography coverage.

SB 1413 builds on existing MHP requirements. Insurers already are subject to annual MHP reporting. Under the new law, they will have to provide detailed descriptions of the comparative analysis of nonquantitative treatment limitations (NQTLs). Since enactment, the Oklahoma Insurance Department (OID) posted several related resources. The OID resource page includes reporting templates for NQTLs, quantitative treatment limitations, template instructions, and documents from insurers like Aetna, Cigna, HCSC (aka BlueCross BlueShield of Oklahoma) and UHC. Self-funded plans and their TPAs are not subject to the new law and are not part of the resource page.


SB 3504 expands existing law that already mandates mammography coverage for women as young as age 35. This law broadens the definition of mammography to include breast magnetic resonance imaging and breast ultrasound. The law provides an exception if the mandate would jeopardize health savings account (HSA) eligibility for a high-deductible health plan (HDHP). The Affordable Care Act (ACA) preventive health services provision (as well as a separate provision under the 2022 Consolidated Appropriations Act, through the end of 2023) only requires nongrandfathered plans to cover breast cancer screening in women ages 40 or older. ACA-required preventive health services are automatically HSA-compatible under a 2013 IRS Notice.


Under long-time state precedent with respect to covered Oklahoma residents, OID applies state insurance laws to insurers doing business in the state, even if a fully insured plan is situated outside of Oklahoma.

**Resources**

[rich.glass@mercer.com](mailto:rich.glass@mercer.com)

[SB 1413](#) and [HB 3504](#) (Legislature)

| US — Oklahoma |   |
|---------------|---|
| Status        |  <b>Currently effective</b>  |
| Development   | <p><b>Health</b></p> <p><b>Insulin cost-sharing law capped</b></p> <p>Oklahoma enacted SB 861 that limits insulin copayments to no more than \$30 per 30-day supply, applicable to fully insured plans, the state’s group plan, multiple employer welfare arrangements and self-funded ERISA plans. The previous limit did not apply to self-funded ERISA plans.</p> <p>While not entirely clear in this bill, Oklahoma insurance law generally applies on an extraterritorial basis to any insurer doing business in the state. That means insurance laws apply to fully insured plans underwritten in another state for participants who reside in Oklahoma.</p> <p>The law took effect on 1 November 2022, regardless of a plan’s policy or plan year.</p> |
| Resources     | <p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">SB 861 (Legislature)</a></p>   |

| US — Oregon (new) |  |
|-------------------|--|
| Status            |  <b>1 January 2023</b>  |
| Development       | <p><b>Career — Health</b></p> <p><b>Model PFML notice posted</b></p> <p>The Oregon Employment Department published a model notice for the paid family medical leave (PFML) program that starts next year. Employers must post the one-page notice poster at each worksite and send it electronically or by mail to remote workers by 1 January 2023. The posting must be in a clearly visible place where employees regularly see it in the same language(s) the employer uses to communicate with employees. The notice is available in 11 languages besides English in the resources section of the Paid Leave Oregon website.</p> |
| Resources         | <p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">Paid Leave Oregon notice (Government)</a>; <a href="#">Paid leave Oregon website (Government)</a> and <a href="#">GRIST</a>, 5 August 2021</p>  |

| US — Puerto Rico (new)                                |  |
|---|--|
| Status  |  <b>Currently effective</b>   |
| Development   | <p><b>Career</b></p> <p><b>Employers required to protect employees against sexual harassment</b></p> <p>Employers in Puerto Rico must protect employees against workplace sexual harassment under measures included in Law No. 82-2022 that took effect in September 2022. Employers may adopt either the model protocol to be issued by the Puerto Rico Department of Labor, or prepare their own policy that complies with the law. Policies must include:</p> <ul style="list-style-type: none"> <li>• A statement that workplace sexual harassment is illegal</li> <li>• Examples of conduct that would constitute sexual harassment</li> <li>• Name of the person appointed to handle sexual harassment matters</li> <li>• Procedures for filing complaints</li> <li>• Confidentiality measures, investigation procedures, and provisions for the protection of complainants and victims</li> <li>• Information about the federal and state laws protecting employees against sexual harassment and available remedies</li> </ul>   |
| Resources   | <a href="#">Law No. 82-2-22</a> (Spanish) (Government, 27 September 2022)  |
| US — Texas (previously covered, soon to be effective) |  |
| Status  |  <b>Effective dates vary</b>  |
| Development   | <p><b>Health</b></p> <p><b>Machine-readable file rules issued for insured plans</b></p> <p>The Texas Department of Insurance published final rules related to machine-readable files (MRFs), in accordance with transparency law HB 2090 enacted last year. The law applies to insurers, multiple-employer welfare arrangements and plans sponsored by professional employer organizations in the state. Otherwise, the law and rules do not impose additional requirements on employers and plan sponsors of fully insured or self-funded coverage.</p> <p>The rules largely mirror federal requirements under the Transparency-in-Coverage (TiC) regulations, except it still requires an MRF for negotiated rates for prescription drugs. The prescription drug MRF part of the TiC regulations is currently under deferred enforcement, per DOL FAQ 49, Q/A-12.</p> <p>The requirements apply to insurers with fewer than 1,000 total enrollees as of 1 January 2024. For all other entities, they apply no sooner than 29 November 2022 (180 days after the rules' effective date) and no later than the federal TiC regulations enforcement effective date — generally, 1 July 2022 or 1 January 2024.</p> |
| Resources   | <p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">Final rules</a> (Texas Register, 27 May 2022)</p>   |

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

### Development

#### Career

- [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
- [More salary disclosure, pay data reporting imposed in California](#) — key date: 1 January 2023 and 10 May 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
- [Minimum wage rates to significantly increase in Washington](#) — key date: 1 January 2023
- [Minimum wage rates to significantly increase in Seattle, Washington](#) — key date: 1 January 2023
- [Hourly minimum wage to increase to \\$18 in Hawaii](#) — key date: 1 January 2026

#### Career — Health

- [Unpaid family leave expanded in California](#) — key date: 1 January 2023
- [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
- [2023 paid family medical leave rates posted in Massachusetts](#) — 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 PFML contribution rate announced in Oregon](#) — key date: 1 January 2023
- [Employment discrimination based on nonworkplace cannabis use barred in California](#) — key date: 1 January 2024
- [Paid family medical leave program legislation enacted in Delaware](#) — key date: 2025

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

### Development

#### Health

- [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
- [Summary of dental benefits/coverage disclosure matrix deadlines vary in California](#) — 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 costsharing 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



1 February 2023 for employers with 15 or more employees, and 1 August 2023 for employers with fewer than 15 employees.

#### Development

#### Career — Health



#### **Paid family and domestic violence leave to be introduced**

The Fair Work Amendment (Paid Family and Domestic Violence Leave) Bill 2022 passed parliament and will entitle all employees (including casual and part-time employees) to 10 days of paid family and domestic violence leave in any 12-month period of employment. The expanded leave entitlement will be included in the National Employment Standards, replacing the current period of five days of unpaid family and domestic violence leave. It will be phased-in from 1 February 2023 for employers with 15 or more employees, and from 1 August 2023 for employers with fewer than 15 employees.

Employees can take leave if they experience family and domestic violence and need to take action to deal with the impact of that violence, if it is impractical to do so outside of ordinary working hours. Examples of actions include making safety arrangements for themselves or a close relative, court hearing attendances, accessing police services, attending counselling and attending appointments with medical, financial or legal professionals., The law extends the definition of family and domestic violence to include conduct of a current or former intimate partner of an employee, or a member of an employee's household. Employees are required to notify their employer of their need to take leave as soon as practicably possible, and the duration. Employers can ask for reasonable evidence (such as documents issued by the courts or police), and an employee's failure to do so could result in denying leave.

#### Resources

[Fair Work Amendment \(Paid Family and Domestic Violence Leave\) Bill 2022](#) (Parliament)

|                        |  |
|------------------------|--|
| <b>Australia (new)</b> |  |
| <b>Status</b>          |  <b>Proposal</b>  |
| <b>Development</b>     | <p><b>Career</b></p> <p><b>Antidiscrimination proposals considered</b></p> <p>The Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Bill 2022 was introduced into parliament on 27 September 2022, and would implement seven of the 55 changes recommended in the Human Rights Commission’s 2020 Respect@Work report. Highlights of the proposals would impose a positive duty on employers to take “reasonable steps” to eliminate harassment, victimization and sex discrimination, prohibit behavior that would create a hostile workplace environment, ensure cost protection for complainants bringing claims, and require the Australian Human Rights Commission to enforce compliance, and to inquire into systemic unlawful discrimination.</p>   |
| <b>Resources</b>       | <p><a href="#">Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Bill 2022</a> (Parliament); <a href="#">Respect@work: Sexual harassment National Inquiry Report (2020)</a> and (Australian Human Rights Commission, 5 March 2020)</p>  |
| <b>Australia (new)</b> |  |
| <b>Status</b>          |  <b>Proposal</b>  |
| <b>Development</b>     | <p><b>Career</b></p> <p><b>Reforms to labor relations, employment law proposed</b></p> <p>The Fair Work Legislation Amendment (Secure Jobs, Better Pay Bill) 2022 issued by the government on 27 October 2022 would introduce several labor relations and employment law reforms, and amend the Fair Work Act 2009 and related legislation. Some of the changes would:</p> <ul style="list-style-type: none"> <li>• Change bargaining procedures to ease current bargaining procedures, encourage single enterprise agreement bargaining, and improve access to the low-paid bargaining stream</li> <li>• Strengthen employees’ access to flexible working arrangements</li> <li>• Restrict the use of fixed term contracts to a maximum duration of two years, or to two consecutive contracts, whichever is shorter</li> <li>• Prohibit the use of pay secrecy clauses in employment contracts, and introduce a statutory equal remuneration principle that would enable the Fair Work Commission to order pay increases for workers in low-paid, female-dominated industries</li> <li>• Prohibit workplace sexual harassment, and introduce a new dispute resolute procedure for addressing alleged sexual harassment.</li> </ul> |
| <b>Resources</b>       | <p><a href="#">The Fair Work Legislation Amendment (Secure Jobs, Better Pay Bill) 2022</a> (Legislature)</p>   |

| Australia (new) |  |
|-----------------|--|
| Status          |  Consultation is open through 6 December 2022.  |
| Development     | <p><b>Wealth</b></p> <p><b>Consultation issued on financial contingency and resolution planning guidance</b></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 provide principles and examples of better practice to help 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><a href="mailto:paul.shallue@mercer.com">paul.shallue@mercer.com</a></p> <p><a href="#">Consultation on strengthening crisis preparedness (APRA)</a></p>  |
| Australia       |  |
| Status          |  Consultation is open through 11 November 2022.   |
| Development     | <p><b>Wealth</b></p> <p><b>Strengthened superannuation prudential framework proposed</b></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"> <li>• Strengthening the requirements for trustees to deliver quality outcomes</li> <li>• Increasing board oversight of financial projections</li> <li>• Requiring closer monitoring and management of financial resources</li> <li>• Requiring timely action to address underperformance</li> </ul> <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><a href="mailto:paul.shallue@mercer.com">paul.shallue@mercer.com</a></p> <p><a href="#">APRA looks to enhance strategic planning and member outcomes in super (APRA, 1 August 2022)</a></p>   |



| Australia   |  |
|---|--|
| Status  |  Comments can be submitted through 22 November 2022.  |
| Development   | <p><b>Career</b></p> <p><b>Strengthened modern slavery reporting duties considered</b></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. It requires 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><a href="mailto:timothy.stamp@mercer.com">timothy.stamp@mercer.com</a></p> <p><a href="#">Issues paper: Review of Australia's Modern Slavery Act 2018</a> (Government, 22 August 2022); <a href="#">GRIST</a>, 8 June 2020 and <a href="#">GRIST</a>, 21 October 2019</p>   |
| Australia (previously covered, with upcoming effective dates) |  |
| Development   | <p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Revised remuneration standard finalized</a> — key date: 1 January 2023</li> </ul> <p><b>Health</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Mental health levy to apply to payroll in Queensland</a> — key date: 1 January 2023</li> </ul> <p><b>Wealth</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Existing relief for retirement estimates extended</a> — key date: 31 December 2022</li> <li>• <a href="#">Revisions to investment governance standard finalized</a> — key date: 1 January 2023</li> <li>• <a href="#">ASIC finalizes IDR data reporting requirements</a> — key date: 1 January 2023</li> <li>• <a href="#">FSC bans occupational exclusions in default insurance in superannuation</a> — key date: 1 January 2023</li> </ul>  |

### China (previously covered, with upcoming effective date)

#### Development

#### Wealth

- [Private 'third pillar' pension plan for individuals](#) — key date: Implementation date unknown.

### Hong Kong (previously covered, with upcoming effective date)

#### Development

#### Career

- [Gender board diversity, corporate governance required](#) — key date: 31 December 2024

#### Wealth

- [Mandatory pension fund offsetting to be abolished](#) — key date: Earliest 2025

### India (previously covered, with upcoming effective date)

#### Development

#### Career — Health — Wealth

- [Labor and employment laws reformed](#) — key date — effective date delayed


**Japan (new)****Status****Financial years ending on or after 8 July 2023****Development****Career****Gender pay disclosures will be required for most companies**

Employers in Japan with 101 or more employees face annual gender pay disclosures for financial years ending on or after 8 July 2023. The first reporting period will cover the 2022 financial year (1 April 2022 to 31 March 2023). The measures are included in the Act on the Promotion of Women's Participation and Career Advancement in the Workplace that took effect on 8 July 2022. Highlights include:

- Depending on their workforce size, employers must disclose information included in two categories. Category 1 includes the progress achieved by the organization in expanding the professional opportunities for female workers, including a report on the gender pay gap. Other topics include the percentage of female hires, the gender balance of job applicants, the percentage of women in different grades, the gender balance of different job types or roles, and the number of men and women employed as part of reemployment or mid-career hiring initiatives. Category 2 includes steps taken to improve employees' work-life balance. Other topics include the difference in average continuous service between men and women, the percentage of men and women continuously employed over the 10 years before and after hiring, the percentage of employees (by gender) taking parental leave, the average monthly overtime hours (by gender and by employment category), and the percentage of male and female workers taking paid leave (by employment category).
- Workforce size. Employers with 301 or more regular employees will have to disclose information on at least two items (including a gender pay gap analysis) featured in Category 1, and on at least one item from Category 2. Employers with 101 to 300 regular employees must disclose information from at least one item in each category.
- Employers with 301 or more regular employees must analyze the average wages of regular female workers as a percentage of the average wages of regular male workers (rounded to the first decimal place) for the total population, and for each employee category (full-time, part-time and fixed-term). Temporary agency workers are excluded from the act's scope. Pay includes base salary, overtime allowances and bonuses, but excludes retirement benefits and commuting allowances. Employers can voluntarily disclose additional gender pay gap information.
- Employers with 301 or more employees must include the gender pay gap analysis in their annual "general employer action plans," along with information about the measures taken to improve workplace gender equality, and an analysis of the employment situation of female employees. Employers must communicate their plan internally and externally and submit them to the prefectural labor bureaus. Though sanctions will not apply to noncompliant employers, the Ministry of Health, Labor and Welfare could publicly name those companies.

**Resources**

[rina.bando@mercer.com](mailto:rina.bando@mercer.com) and [reiko.sasaki@mercer.com](mailto:reiko.sasaki@mercer.com)  
[GRIST](#), 28 October 2022

| Japan (new)  |   |
|--|---|
| Status   |  Currently effective   |
| Development  | <p><b>Career</b></p> <p><b>Corporate human rights due diligence guidance proposed</b></p> <p>The government issued voluntary guidelines for companies conducting business in Japan on their expectations in relation to human rights in their own organizations and suppliers. The guidelines align with internationally recognized standards. Organizations should:</p> <ul style="list-style-type: none"> <li>• Decide on the scope of their human rights policy and disclosures, and where appropriate take account of the Tokyo Stock Exchange’s Corporate Governance Code. Human rights responsibilities extend to partners, service providers and all suppliers.</li> <li>• Identify the risks associated with forced and child labor, freedom of association, collective bargaining, discrimination and freedom of movement and residence.</li> <li>• Adopt a comprehensive policy on their respect for human rights approved by their board and then communicate and embed it in their operational policies.</li> <li>• Make efforts to mitigate adverse human rights through their direct and indirect suppliers, use their leverage to ensure that suppliers respect human rights, evaluate the effectiveness of steps taken by making site visits and conducting third-party audits, and decide on the details that will be disclosed to stakeholders and the public.</li> </ul> |
| Resources  | <a href="#">Guidelines for respecting human rights</a> (Japanese) (Government)  |
| Japan (previously covered, with upcoming effective date) |   |
| Development  | <p><b>Wealth</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Defined contribution reforms enacted</a> — key date: 1 December 2024</li> </ul>   |

### Malaysia (previously covered, with upcoming effective date)

#### Development

#### Career

- [Effective date of Employment Amendment Act 2022 postponed](#) — 1 January 2023

### Singapore (previously covered with upcoming effective dates)

#### Development

#### Career

- [Work pass framework to fill skills gaps expanded](#) — key date: 1 January 2023

#### Career — Health

- [Medical coverage of permit applicants enhanced](#) — key date: By end of 2022

#### Wealth

- [CPF contributions to rise](#) — key date: 1 January 2023

### South Korea (previously covered, with upcoming effective date)

#### Development

#### Health

- [Meal allowance tax-free amount to change](#) — key date: 1 January 2023
- [National health insurance rate to increase](#) — key date: 1 January 2023

### Taiwan (previously covered, with upcoming effective date)


#### Development

#### Career

- [Minimum wage to increase](#) — key date: 1 January 2023

## Section 5

# Europe, Middle East and Africa (EMEA)

|             |   |
|-------------|---|
| EU (new)    |   |
| Status      |  30 June 2026  |
| Development | <b>Career</b><br><b>Law to improve gender balance on company boards approved</b><br>A European Union (EU) directive that will require companies listed in one or more EU member states to have gender-balanced boards was finally agreed to by the Council of Ministers, and awaits formal adoption by the European Parliament. Under the directive, a minimum of 40% of nonexecutive director positions in listed companies must be held by individuals of the underrepresented sex by 30 June 2026. In member states that choose to apply the directive to both executive and nonexecutive directors, the target will be lower — 33% of all director positions by 30 June 2026. Member states will have two years to introduce implementing measures into national law after the directive enters into force (20 days after publication in the Official Journal). Highlights include: <ul style="list-style-type: none"><li>• Companies will have to provide information annually about their board’s gender representation and the measures taken to achieve the gender targets.</li><li>• Member states will publish annually a list of companies that have achieved the directive’s objectives.</li><li>• Organizations that do not achieve the targets will have to adjust their selection process, and use fair and transparent selection and appointment procedures based on comparative assessments of the different candidates. Preference must be given to equally qualified candidates of the under-represented sex, unless an objective assessment tilts the balance in favor of a candidate of the other sex.</li><li>• Member states that nearly achieve the targets, or that have equally effective laws in place before the directive enters into force, can suspend the directive’s requirements relating to the appointment or selection process.</li><li>• The member state that will regulate a listed company is the country in which the company has its registered office, rather than the one on whose regulated market the company trades its shares.</li></ul> Currently, women comprise 31.5% of board members of the EU’s largest publicly listed companies, and 8% of board chairs. |
| Resources   | <a href="#">GRIST</a> , 20 October 2022   |

## EU (new)

### Status



Currently effective

### Development

#### Career

##### **Neutral dress codes not discriminatory if certain conditions are met, rules court**

Employers that impose a neutral dress code in the workplace, which prevents employees from wearing religious clothing or symbols, do not directly or indirectly discriminate on grounds of religion, provided they fulfill certain conditions, the European Court of Justice ruled.


A neutral dress code does not directly discriminate if the employer's internal rules on the policy applies in the same way to all employees, the court ruled. Furthermore, a neutral dress policy does not indirectly discriminate against employees if it is objectively justified by a legitimate aim, based on a genuine need (such as, projecting a neutral image to the organization's customers and avoiding workplace conflict), and that the means used are appropriate and necessary.

The decision also ruled that religion or belief comprises a single ground of discrimination that covers both religious belief, and philosophical and spiritual belief.

The court's ruling concerned a woman of the Muslim faith who wore an Islamic headscarf and who applied for an internship at an organization that manages social housing in Belgium. The applicant said during her interview that she would not remove her headcover at work. The employer had a neutrality policy that included prohibiting all employees from wearing any type of head covering while on work premises


### Resources

[Press release No. 167/22](#) (European Court of Justice, 13 October 2022)

| EU (new)    |  |
|-------------|--|
| Status      |  Initiatives  |
| Development | <p><b>Career — Wealth</b></p> <p><b>European Commission work program for 2023 issued</b></p> <p>European Commission's work program for 2023 flags the European Union's (EU) legislative and non-legislative initiatives and priorities for 2023.</p> <p>New initiatives impacting employment include:</p> <ul style="list-style-type: none"><li>• The improvement of traineeships (this will comprise non-legislative and/or legislative initiatives in Q2 2023)</li><li>• Recognition of qualifications of third country nationals (non-legislative and/or legislative initiatives in Q3 2023)</li><li>• Comprehensive approach to mental health (non-legislative initiative in Q2 2023)</li></ul> <p>The commission is prioritizing the following published proposals for completion in 2023:</p> <ul style="list-style-type: none"><li>• A directive on improving working conditions in platform work</li><li>• Amending Directive 2009/148/EC on the protection of workers from the risks related to exposure to asbestos at work</li><li>• Regulation on prohibiting products made with forced labor on the EU market</li><li>• A directive on corporate sustainability due diligence and amending directive (EU) 2019/1937</li><li>• A directive on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a member state, and on a common set of rights for third-country workers legally residing in a member state</li><li>• A directive concerning the status of third-country nationals who are long-term residents (recast)</li><li>• Expansion of the list of EU crimes to include hate speech and hate crime (non-legislative initiative)</li><li>• A directive to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms</li><li>• A directive on implementing the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation.</li></ul> |
| Resources   | <a href="#">Commission work program 2023</a> (European Commission)   |



**EU — US (new)**

**Status**  **Proposal**

**Development** **Career — Health — Wealth**  
**Proposed transatlantic data sharing agreement proposed**  
 Proposed measures that could enable the lawful transfer of personal data between the European Union (EU) and the US are included in an Executive Order (EO) issued by the President Biden on 7 October 2022, and follow over two years of discussion. An adequacy decision by the European Commission would recognize the proposed Trans-Atlantic Data Privacy Framework (DPF) as providing a level of protection to personal data that is equivalent to the EU. The European Commission must now review and ratify the proposed DPF, which could take up to six months.  
 The EO was issued after the European Court of Justice (ECJ) ruled in July 2020 that the Privacy Shield between the US and the EU did not adequately protect personal data due to US intelligence agencies’ access to individuals’ personal data. The EO includes due process protections regarding the use of surveillance mechanisms by US intelligence agencies, and a redress mechanism for affected individuals. In addition, the US secretary of commerce will submit to the European Commission a series of letters from relevant government agencies and documents outlining the operation and enforcement of the DPF.  
 Until the European Commission issues an adequacy decision, companies transferring personal data to the US should continue to follow guidance issued by the European Data Protection Board after the ECJ’s 2020 ruling.

**Resources** [Executive order on enhancing safeguards for Unites States signals intelligence activities](#) (The White House, 7 October 2022); [Fact Sheet: United States and European Commission announce trans-Atlantic data privacy framework](#) (The White House, 25 March 2022); [Statement from U.S. Secretary of Commerce Gina Raimondo on enhancing safeguards for United States signals intelligence activities executive order](#) (US Department of Commerce, 7 October 2022) and [Guidelines, recommendations, best practices](#) (European Data Protection Board)

**EU (previously covered, with upcoming effective date)**

**Development** **Career**

- [Directive on promoting statutory minimum wages finalized](#) — key date: 10th day after publication in Official Journal

## Belgium (new)

### Status



Effective dates vary

### Development

#### Career

##### Labor market reforms finalized

Belgian's "labor deal" was agreed to by parliament, and will take effect on publication in the Official Journal, although some measures will be implemented later. Highlights include:


- Right to disconnect. Employers with 20 or more employees must respect their employees' right to disconnect after working hours, and revise their collective bargaining agreements (CBAs) or work policies by 1 January 2023. However, employers subject to a national or industry sectoral CBA are not required to conclude a company-level CBA or adjust their work rules.
- Notification of work schedule for part-time employees. Employers with 20 or more employees must provide seven days advance notification — up from five. For employees subject to sectoral CBAs, the minimum notification requirement increased to three days — up from one. Work rules must be amended within nine months of the labor deal entering into force.
- Training obligations. Employers with more than 20 employees must grant four training days in 2023, and five days in 2024. Employers with 10 to 20 employees must grant each employee one training day per year. Training leave can be prorated for part-time employees. Employees must draw up a training plan before 31 March every year — for 2023, the deadline is 30 November 2022.
- Improved severance measures. Employees with notice periods of 30 weeks or more will be entitled to employment enhancing measures (such as outplacement and training) for one-third of their notice period. Employers will pay up to the value of one-third of the employer's social security contributions payable during the notice period. Employees paid an indemnity payment in lieu of notice must be available for employability-promoting activities.
- Self-employed platform workers. Companies will have to provide physical damage insurance to those workers.
- Night work. E-commerce employers could introduce work-at-night policies on a trial basis for up to 18 months.
- Flexible work schedules. Employers can introduce a four-day week for some employees without increasing working time, and if they do so, must adjust their work rules accordingly. Such arrangements are capped at six months, but are renewable on request to the employer. Employers could also allow employees to work a varied schedule over successive two-week periods, such as more work hours in one week, and fewer hours in the second.
- Working for another employer. During an employee's notice period, employers could allow the employee to work for another employer (the original employer continues to pay the employee's salary). In such cases, the work must be organized through temporary employment agencies or by regional employment offices, and the details included in an agreement between all the parties.



### Resources



[dieter.valgaerts@mercer.com](mailto:dieter.valgaerts@mercer.com)

[GRIST](#), 20 October 2022

|  |  |
|--|--|
| <b>Belgium (upcoming effective date)</b> |  |
| <b>Development</b>                       | <b>Wealth</b> <ul style="list-style-type: none"><li>• <a href="#">Blue- and white-collar pension harmonization postponed</a> — key date: 1 January 2027</li></ul>  |
| <b>Croatia (new)</b>                     |  |
| <b>Status</b>                            |  <b>Currently effective</b>   |
| <b>Development</b>                       | <b>Career</b><br><b>Employee tax-free allowances increased</b><br>Croatia increased the tax-free employee allowances that are generally effective from 1 October 2022. Employers can grant up to HRK 5,000 per year as an occasional award; HRK 10,000 for severance pay on an employee's retirement; HRK 7,500 per year for monetary work awards and additional remuneration; and HRK 6,000 for food allowance at work. |
| <b>Resources</b>                         | <a href="#">Rules</a> (Croatian) (Ministry of Finance, 28 September 2022)  |
| <b>Croatia (new)</b>                     |  |
| <b>Status</b>                            |  <b>1 January 2023</b>  |
| <b>Development</b>                       | <b>Career</b><br><b>2023 minimum wage rates announced</b><br>The monthly minimum wage in Croatia will increase to €700 on 1 January 2023 — up from €623.7 per month.   |
| <b>Resources</b>                         | <a href="#">Regulation</a> (Croatian) (Government, 20 September 2022)  |
| <b>Cyprus (upcoming effective date)</b>  |  |
| <b>Development</b>                       | <b>Career</b> <ul style="list-style-type: none"><li>• <a href="#">2023 minimum wage announced</a> — key date: 1 January 2023</li></ul>   |

| France (new)                     |   |
|----------------------------------|---|
| Status                           |  Effective dates vary  |
| Development                      | <p><b>Career</b></p> <p><b>Measures introduced to ease cost-of-living challenges</b></p> <p>The French government introduced measures under Law No 2022-1158 and Decree No 2022-1266 to help employees address cost-of-living challenges. Highlights:</p> <ul style="list-style-type: none"> <li>• Employee savings plan (“PEE”). Employees can withdraw up to €10,000 tax-free from accumulated contributions to a PEE until 31 December 2022. Generally, withdrawals are taxable, with certain exceptions PEE savings are usually available without requiring justification after five years.</li> <li>• Additional rest days (“RTTs”) for employees working more than 35 hours per week. Employers can pay up to €7,500 tax-free, per year for unused RTTs. This measure applies from 1 January 2022 until 31 December 2025. Company agreements generally fix the number of permitted RTTs.</li> <li>• Meal vouchers. The amount that employers can contribute tax-free to employees’ meal vouchers increased to €5.92 from 1 September 2022 until 31 December 2023, up from €5.69. For employees, the daily cap on meal vouchers increased on 1 October 2022 to €25, up from €19, and they now have more flexibility as to how spend them. These measures feature in Decree No 2022-1266.</li> <li>• Purchasing Power Premium. The Purchasing Power Premium replaced the Macron Bonus, and allows employers to pay a tax-free bonus of €3,000-€6,000 (depending if the employer has a profit-sharing plan).</li> <li>• Overtime tax. From 1 January 2022, overtime tax is reduced for companies with 20 to 249 employees, subject to the employer meeting certain criteria. Employees’ overtime pay is also exempt from income tax, capped at an annual limit of €7,500 (up from €5,000). Additional government resources on measures to address the increased cost of living are available.</li> </ul> |
| Resources                        | <p><a href="mailto:ayce.nisancioglu@mercer.com">ayce.nisancioglu@mercer.com</a></p> <p><a href="#">Law No. 2022-1158</a> (French) (Government, 12 August 2022); <a href="#">Decree No. 2022-1266</a> (French) (Government, 29 September 2022) and <a href="#">Information on cost-of-living measures</a> (French) (Ministry of Finance)</p>   |
| France (upcoming effective date) |   |
| Development                      | <p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">New gender quotas for senior execs, management teams imposed</a> — key date: 1 March 2026</li> </ul> <p><b>Career — Health</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Metallurgy sector agrees on national CBA</a> — key date: 1 January 2023</li> </ul>  |


| Germany (new)  |   |
|--|---|
| Status   |  Effective through 31 December 2024  |
| Development  | <p><b>Career</b></p> <p><b>Tax-exempt bonus payments allowed</b></p> <p>Employers in Germany can pay tax-exempt bonus payments of up to €3,000 per employee through 31 December 2024 under measures that aim to help employees with the increased cost of living. The payments must be additional to normal salary payments and are exempt from social security contributions.</p>  |
| Resources  | <a href="#">Legislation</a> (German) (Bundesrat, 7 October 2022)  |
| Germany (previously covered, with upcoming effective date)   |   |
| Development  | <p><b>Career</b></p> <ul style="list-style-type: none"> <li><a href="#">Larger companies face human rights mandates</a> — key date: 1 January 2023</li> </ul>   |
| Gibraltar (previously covered, with upcoming effective date) |   |
| Development  | <p><b>Health — Wealth</b></p> <ul style="list-style-type: none"> <li><a href="#">Social security contribution rates change</a> — key date: 1 July 2023</li> </ul>   |
| Greece (new)   |   |
| Status   |  Proposal  |
| Development  | <p><b>Health — Wealth</b></p> <p><b>Employment measures included in budget</b></p> <p>Measures proposed in the 2023 budget include repeal of the special solidarity contribution (the government ratified Law 4972/2022 on 23 September 2022 that abolished the special solidarity contribution tax on all types of income from 1 January 2023), and that would extend the 3% social security reduction for private sector employee social insurance contributions.</p> |
| Resources  | <a href="#">Information on 2023 budget</a> (Greek) (Ministry of Finance)  |




| Ireland (new)  |  |
|--|--|
| Status   |  Currently effective  |
| Development  | <p><b>Career — Health</b></p> <p><b>Small benefit exemption for employees increased</b></p> <p>Ireland’s budget for 2023 included an increase to the Small Benefit Exemption limit, to €1,000 up from €500, beginning with the 2022 tax year. This exemption allows employers to grant employees limited non-cash benefits or rewards (for example, vouchers) that are not subject to income tax, Pay Related Social Insurance or the Universal Social Charge. The vouchers or benefits cannot be paid in lieu of taxable pay, can be used only to purchase goods or services, and cannot be redeemed for cash. Going forwards, employers can give the benefit in two separate awards, providing the total does not exceed €1,000.</p> |
| Resources  | <a href="#">Budget 2023</a> (Government)   |
| Ireland (previously covered, with upcoming effective date) |  |
| Development  | <p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">National minimum wage, living wage rates announced</a> — key date: 1 January 2023</li> <li>• <a href="#">Gender pay gap regulations issued</a> — key date: December 2023</li> </ul> <p><b>Health — Wealth</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Statutory paid sick leave to begin in 2023</a> — key date: 1 January 2023</li> </ul>  |
| Italy (previously covered, with upcoming effective date)   |  |
| Development  | <p><b>Health</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Expanded benefit coverage for executives in commercial sector</a> — key date: 1 January 2023</li> </ul>  |
| Jersey (new)   |  |
| Status   |  Currently effective  |
| Development  | <p><b>Career</b></p> <p><b>Minimum wage rates increased</b></p> <p>The hourly minimum wage in Jersey increased on 1 November 2022 to JEP £10.50, up from JEP £9.22, under measures included in Order No 91/2022 published on 26 September 2022. Order No. 85/2022, which would have increased the minimum wage to JEP £10 on 1 October 2022, is repealed.</p>  |
| Resources  | <a href="#">Employment (minimum wage) (repeal and amendment No. 16) (Jersey) Order 2022</a> (Jersey Legal Information Board, 26 September 2022)  |

| Kazakhstan (new)   |  |
|--|--|
| Status   |  Proposal   |
| Development  | <p><b>Career — Health — Wealth</b></p> <p><b>Minimum wage, benefit changes included in budget</b></p> <p>Measures in the 2023–2025 budget include setting the monthly minimum wage at KZT 70,000, and the monthly subsistence amount for calculating basic social payments at KZT 40,567. Also, the amount of state contributions to the compulsory social health insurance would be 1.8%, and the increased age-related pension benefits would increase by 10.5%. The effective date for these changes would be 1 January 2023.</p> |
| Resources  | <a href="#">Information on the budget</a> (Russian) (Legislature)  |
| Latvia (new)   |  |
| Status   |  1 January 2023   |
| Development  | <p><b>Career</b></p> <p><b>Minimum wage to increase</b></p> <p>The monthly minimum wage in Latvia will increase to €620 in 2023 (up from €500). A further increase is slated for 2024 when the monthly minimum wage will increase to €700.</p>   |
| Resources  | <a href="#">Announcement</a> (Latvian) (Parliament, 27 October 2022)   |
| Netherlands (new)  |  |
| Status   |  1 January 2023   |
| Development  | <p><b>Career</b></p> <p><b>Minimum wage increases for 2023</b></p> <p>The minimum wage in the Netherlands will increase on 1 January 2023 to €1,934.40 for employees aged 21 years and older. The minimum wage for younger employees is €1,547.50 (20 years); €1,160.65 (19 years); €967.20 (18 years); €764.10 (17 years); €667.35 (16 years) and €580.30 (15 years).</p>   |
| Resources  | <a href="#">Decree of 3 October 2022</a> (Dutch) (Official Gazette, 7 October 2022)  |
| Netherlands (previously covered, with upcoming effective date) |  |
| Development  | <p><b>Career</b></p> <ul style="list-style-type: none"> <li><a href="#">30% tax rule for expat employees to change</a> — key date: 1 January 2024</li> </ul> <p><b>Wealth</b></p> <ul style="list-style-type: none"> <li><a href="#">Pension plan reforms delayed</a> — key date: Enactment expected in 2023</li> </ul>  |

| Nigeria (previously covered, with upcoming effective date)      |   |
|---|---|
| Development   | <p><b>Health</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Health insurance coverage to significantly expand</a> — key date: Implementation date unknown</li> </ul>  |
| Poland (previously covered, with upcoming effective date)       |   |
| Development   | <p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Minimum wage to increase twice in 2023</a> — key dates: 1 January 2023 and 1 July 2023</li> </ul>   |
| Portugal (previously covered, with upcoming effective date)     |   |
| Development   | <p><b>Career — Health</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Job quota deadline for people with disabilities approaches</a> — key date: 1 February 2023</li> </ul> <p><b>Wealth</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Retirement pension age to decrease</a> — key date: 1 January 2023</li> </ul> |
| Romania (previously covered, with upcoming effective date)      |   |
| Development   | <p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Employee payroll recordkeeping requirements changed</a> — key date: 1 January 2023</li> </ul>   |
| Russia (new)  |   |
| Status  | <p> <b>Proposal</b></p>  |
| Development   | <p><b>Career</b></p> <p><b>Minimum wage increase proposed</b></p> <p>Parliament is considering increases to Russia’s monthly minimum wage. The proposed minimum wage would be RUB 16,242, up from RUB 15,279, effective 1 January 2023.</p>   |
| Resources   | <p><a href="#">Announcement</a> (Russian) (Federal Assembly of the Russian Federation, 26 October 2022)</p>   |
| Saudi Arabia (previously covered, with upcoming effective date) |   |
| Development   | <p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Contracting with companies with regional headquarters outside of the kingdom to cease</a> — key date: 1 January 2024</li> </ul>   |
| Serbia (previously covered, with upcoming effective date)       |   |
| Development   | <p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">2023 minimum hourly wage published</a> — key date: 1 January 2023</li> </ul>  |



|  |   |
|--|---|
| <b>Slovakia (previously covered, with upcoming effective date)</b> |   |
| <b>Development</b>   | <p><b>Career</b></p> <ul style="list-style-type: none"> <li><a href="#">Minimum wage to increase</a> — key date: 1 January 2023</li> </ul>  |
| <b>Spain (new)</b>   |   |
| <b>Status</b>  |  <b>Currently effective</b>  |
| <b>Development</b>   | <p><b>Wealth</b></p> <p><b>Implementation of open public promoted employment pension funds and simplified employment pension plans begins</b></p> <p>Royal Decree 885/2022 (Spanish), effective 20 October 2022, continues implementation of the new open public promoted employment pension funds and simplified employment pension plans that generally came into force on 2 July 2022, which aim to expand second pillar occupational pension availability.</p> <p>The decree includes procedures for the proper functioning and good governance of the public promotion employment pension funds, the preparatory steps for establishing the Special Control Commission, and appointment and renewal of its members, constitution and operational arrangements.</p> <p>It also sets the maximum remuneration regime of management and depository entities of the open publicly promoted pension funds:</p> <ul style="list-style-type: none"> <li>Management entity: remains below 0.30% per annum of managed assets.</li> <li>Depository entities: remains less than 0.10% per annum of the value of the position accounts.</li> </ul> |
| <b>Resources</b>   | <p><a href="mailto:JuanLuis.alonso@mercer.com">JuanLuis.alonso@mercer.com</a></p> <p><a href="#">Royal Decree 885/2022 (Spanish)</a> (Official Bulletin, 18 October 2022)</p>   |
| <b>Spain (previously covered, with upcoming effective date)</b>    |   |
| <b>Development</b>   | <p><b>Wealth</b></p> <p><a href="#">Pension reforms aim to boost second-pillar occupational pensions</a> — key date: 1 January 2023</p>   |

|                     |   |
|---------------------|---|
| <b>Sweden (new)</b> |   |
| <b>Status</b>       |  <b>Currently effective</b>  |
| <b>Development</b>  | <p><b>Health</b></p> <p><b>Taxation of employee healthcare and wellness contribution clarified</b></p> <p>The tax agency clarified that employee healthcare and wellness contributions (benefits-in-kind) are tax-exempt. Employers with multi-site operations must offer comparable benefits in all locations (the benefits do not have to be the same). Employers can prorate benefits according to employee's working hours, subject to applying the same criteria to all employees regardless of their role, salary level, etc.</p>   |
| <b>Resources</b>    | <a href="#">Position</a> (Swedish) (Tax Agency, 24 October 2022)  |
| <b>Sweden (new)</b> |   |
| <b>Status</b>       |  <b>Proposal</b>   |
| <b>Development</b>  | <p><b>Health</b></p> <p><b>Revised travel deductions for work trips proposed</b></p> <p>Proposals to increase the standard travel deduction amounts for work trips by car feature in Bill No. Fi2022/02813 issued by Sweden's Ministry of Finance on 20 October 2022. The measures form part of the state budget and replace deductions based on the travel distance previously proposed by parliament. The proposals would increase the permitted deduction to SEK 25 per mile (up from SEK 18.50) for work trips using the employee's own car, and increase the fuel deduction to SEK 12 per mile (up from SEK 6.50 and SEK 9.50 if company's car is used). Other changes include deductions for road, bridge and ferry tolls. If agreed to, the measures would be effective on 1 January 2023.</p> |
| <b>Resources</b>    | <a href="#">Bill No. Fi2022/02813</a> (Swedish) (Ministry of Finance, October 2022)   |
| <b>Sweden (new)</b> |   |
| <b>Status</b>       |  <b>1 January 2023</b>   |
| <b>Development</b>  | <p><b>Career — Health</b></p> <p><b>Housing benefit for 2023 tax deductions updated</b></p> <p>The housing benefit values for calculating tax deductions and employer contributions are outlined in a regulation issued by the Swedish Tax Agency. The monthly housing benefit values per square meter of living space will be SEK 85 to SEK 124, depending on the region.</p>  |
| <b>Resources</b>    | <a href="#">Regulation</a> (Swedish) (Tax Agency, 28 October 2022)  |

### Sweden (previously covered, with upcoming effective date)

#### Development

#### Wealth

- [ITP occupational pension rules adjusted](#) — key date: 1 January 2023
- [Earliest retirement age to increase](#) — key date: 1 January 2023

### Switzerland (previously covered, with upcoming effective date)

#### Development

#### Wealth

- [First pillar pension scheme reforms approved](#) — key date: Not yet known

### United Arab Emirates (UAE) (new)

#### Status



1 January 2023

#### Development

#### Career

##### Further details about the upcoming unemployment scheme issued

Further details about the unemployment scheme (effective from January 2023) have been issued in Decree-Law No. 13 of 2022. The scheme was announced in June 2022 to encourage private sector employment. The UAE cabinet will issue more details about the scheme's operation, including the contribution amount and any applicable penalties, prior to the scheme's launch. Highlights include:

- Individuals employed in private sector organizations, or by the state or federal governments, will be eligible to join the scheme. However, certain categories of workers will be ineligible, including investors, domestic workers, contract workers or individuals hired on a temporary basis, workers younger than age 18, and individuals in receipt of an old-age pension but who join a new employer.
- The unemployment benefit will be 60% of salary, capped at DHS 20,000 for periods of up to three months. Individuals can claim benefits for any period of unemployment, but the total coverage period cannot exceed 12 months during the individual's entire period of employment in the UAE. Payment of the benefit ceases if the individual is hired by another employer.
- Individuals will contribute to the scheme and must do so for at least 12 months before claiming unemployment benefits.
- Individuals will be ineligible for the unemployment benefits if they are dismissed for disciplinary reasons, or for fraud or deceit.

#### Resources



[Decree-Law No. 13 of 2022](#) (Presidential Palace)

### United Arab Emirates (previously covered, with upcoming effective date)

#### Development

#### Career — Health

- [Unemployment scheme to be introduced](#) — key date: 1 January 2023

| United Kingdom (UK) (new) |  |
|---------------------------|--|
| Status                    |  Effective for all statutory money purchase illustrations issued on or after 1 October 2023.  |
| Development               | <p><b>Wealth</b></p> <p><b>New rules on defined contribution pension illustrations published</b></p> <p>The Financial Reporting Council (FRC) published a new version of “AS TM1,” effective for all statutory money purchase illustrations (“SMPI”) issued on or after 1 October 2023. After October 2023, it also will provide the Estimated Retirement Income (“ERI”) for defined contribution savings shown on pensions dashboards.</p> <p><b>Investment return assumptions</b></p> <ul style="list-style-type: none"> <li>Assumptions will be set by placing individual funds into one of four volatility groups. The fund’s volatility group will be determined by a standard calculation of the volatility of monthly returns over the five-year period ending on the previous 30 September.</li> </ul> <p><b>Annuitization</b></p> <ul style="list-style-type: none"> <li>It should be assumed that no lump sum is paid at retirement — all of the member’s benefit is therefore assumed to be annuitized.</li> <li>For members that are more than two years from retirement, the form of annuitization will be standardized to be a single life level annuity with a five-year guarantee period. (The current form of annuitization allows more flexibility.)</li> <li>Where SMPs are provided (or providers choose to provide ERI to dashboards) for members within two years of retirement (neither is compulsory), the same approach used s for illustrations produced for members that are more than two years from retirement can be applied.</li> </ul> |
| Resources                 | <p><a href="mailto:vicky.yu@mercer.com">vicky.yu@mercer.com</a></p> <p><a href="#">AS TM1: Statutory money purchase illustrations</a> (FRC, October 2022)</p>  |
| UK (new)                  |  |
| Status                    |  Currently effective  |
| Development               | <p><b>Career</b></p> <p><b>IR35 off-payroll working rules reinstated</b></p> <p>On 17 October, the UK government announced it will reverse its earlier announcement to scrap the IR35 off-payroll working rule from 6 April 2023. The IR35 rules require end users to check the employment status of someone engaged via a personal services company. The policy reversal was included in the new chancellor of the exchequer’s policy decision to cancel most of the tax cutting measures announced in the “mini budget” on 23 September 2022.</p>  |
| Resources                 | <p><a href="#">Chancellor brings forward further medium-term fiscal plan measures</a> (Treasury, 17 October 2022) and <a href="#">The Growth Plan 2022</a> (Government, 23 September 2022)</p>   |

| UK (new)           |   |
|--------------------|---|
| <b>Status</b>      |  <b>Proposal</b>   |
| <b>Development</b> | <p><b>Wealth</b></p> <p><b>Broadening investment opportunities proposed for defined contribution pension schemes</b></p> <p>A consultation document that responds to previous consultations, and puts forth final proposals, draft legislation and draft guidance, was issued by the government with comments invited by 10 November 2022. Highlights include:</p> <ul style="list-style-type: none"> <li>• Reporting of asset allocation in default funds in the Chair’s Statement</li> <li>• The inclusion of the trustees’ policy on illiquid investments in the default Statement of Investment Policy (defined contribution schemes).</li> <li>• Reporting of performance-related fees (as defined in the draft legislation) in default fund(s) in the annual Chair’s Statement (as a percentage of default fund assets).</li> <li>• The exclusion of performance-related fees from the cap on charges applying to default funds in schemes used for auto-enrolment.</li> </ul> <p>The regulations are expected to come into force on 6 April 2023, with reporting requirements mostly applying to the first scheme year ending after that date.</p> |
| <b>Resources</b>   | <p><a href="mailto:anne.bennett@mercer.com">anne.bennett@mercer.com</a></p> <p><a href="#">Broadening the investment opportunities of defined contribution pension schemes</a> (Government, 6 October 2022)</p>   |
| UK                 |   |
| <b>Status</b>      |  <b>6 November 2022</b>  |
| <b>Development</b> | <p><b>Health — Wealth</b></p> <p><b>National Insurance Contribution increase reversed, health and social care levy eliminated</b></p> <p>On 23 September 2022, the government announced 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 means 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>   |
| <b>Resources</b>   | <a href="#">The Growth Plan 2022</a> (Government, 23 September 2022)  |

## UK — Northern Ireland (new)

**Status**  Consultation is open through 19 December 2022.

**Development** **Career — Health**  
**Expanded miscarriage leave, pay proposed**  
Northern Ireland opened a consultation on miscarriage leave and pay that would amend the Parental Bereavement Leave and Pay Regulations that took effect in April 2022. The proposals would entitle working parents to leave and pay if they experience a miscarriage up to the end of the 23rd week of pregnancy. There is already an entitlement to two weeks' pay and leave from the 24th week. The proposed miscarriage leave and parental bereavement leave would be a day one entitlement — currently, employees must be employed for 26 weeks or more to be entitled to parental bereavement leave. Comments are invited through 19 December 2022. Northern Ireland would be the first UK region to introduce miscarriage protections and entitlements, and reportedly one of the first countries in the world to do so.

**Resources** [Miscarriage leave and pay consultation](#) (Department for the Economy, 24 October 2022)



**Mercer (US) Inc.**  
1166 Avenue of the Americas  
New York, NY 10036  
[www.mercer.com](http://www.mercer.com)

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