



Law and Policy Group

Global Legislative Update

By Stephanie Rosseau and Fiona Webster
April 2020



welcome to brighter

In this document

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



Employer action required



Potential implications for employers



Developments to monitor

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

- 1. Highlights 1
- 2. Global 3
- 3. Americas 4
- 4. Asia Pacific 6
- 5. Europe, Middle East and Africa (EMEA) 13

1 Highlights

Global

[Coronavirus \(COVID-19\) pandemic](#) Countries address workplace issues resulting from the COVID-19 pandemic.

Americas

[United States](#) New Jersey enacts law to combat worker misclassification.

Asia Pacific

[Australia](#) Private healthcare premium increases.

[India](#) Government announces full benefits for retirees with commuted pensions.

[Indonesia](#) Parliament proposes measures to boost economy and jobs.

[Japan](#) Work style labor reforms take effect.

[Philippines](#) Guidelines set timeframe for final pay and employment certificate.

[Singapore](#) Labor market flags measures to improve the employment rate.
Government announces Employment Pass changes to boost local employment rate.

Europe, Middle East and Africa (EMEA)

European Union	Gender equality strategy launched.
Belgium	Gender discrimination protections expand.
France	Order calls for stronger protections for workers posted to France.
Mauritius	Retirement gratuity fund takes effect.
Netherlands	Discount for collective health schemes reduced.
Poland	Proposal would postpone some PPK deadlines.
Turkey	Pension plan contributions in foreign currency allowed.
United Kingdom	Changes allowed for pension tapered annual allowance. Threshold reduced for consultation procedures. Government postpones off-payroll working start. Consultation published on defined benefit funding framework. Consultation launched on retail prices index reform. Paid parental leave entitlement takes effect.

2 Global

Coronavirus (COVID-19) pandemic

Status  Ongoing initiatives

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

Countries take action to address workplace issues as result of COVID-19 pandemic

The World Health Organization (WHO) declared COVID-19 a pandemic on 12 Mar 2020, and employers are addressing the severe implications on working practices and adjusting their employment and benefit policies accordingly. Countries are enacting legislation and providing 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 has provided analysis on workforce and investment implications and compiled information from organizations, government websites, and other resources and news articles.

Resources [Roundup: COVID-19 resources for employers](#), regularly updated; [Stay informed on coronavirus](#), regularly updated; [GRIST](#), 1 Apr 2020; and [GRIST](#), 27 Mar 2020

3 Americas

Brazil (upcoming effective date)

Development [Wealth](#)

- Council imposes [CNPJ registration duty on pension entities](#) — Key date: 31 Dec 2021

United States — New Jersey (new)

Status  Currently effective

Development [Career](#)

New Jersey enacts law to combat worker misclassification

New Jersey's governor recently signed a legislative package comprising six bills aimed at combatting worker misclassification and exploitation by employers. Highlights include:

- The Department of Labor and Workforce Development (DLWD) can issue stop work orders against employers violating state wage, benefit and tax laws.
- The DLWD can impose a \$250 penalty for each misclassified employee for a first violation and up to \$1,000 for each subsequent violation.
- The employer and labor contractor are jointly liable for violations of state wage, hour and employer tax laws.
- As of 1 Apr 2020, employers must post a worksite notice on employee misclassification.
- The DLWD can post on its website a list of persons found to have violated any state wage, benefit or tax law under a final order issued by the commissioner.
- The state Treasury Department can share tax files with the labor department.

Resources [GRIST](#), 18 Mar 2020

United States (upcoming effective dates)

Development [Career](#)

- [New York mandates study of women on corporate boards](#) — Key date: 28 June 2020
- [New Jersey expands mass layoff law, severance entitlement](#) — Key date: 19 Jul 2020
- [Oregon law protects against workplace harassment, discrimination](#) — Key date: 1 Oct 2020
- [California employers must provide sexual harassment training by 2021](#) — Key date: 1 Jan 2021
- [Colorado's new pay equity law takes effect in 2021](#) — Key date: 1 Jan 2021

[Career](#) — [Health](#)

- [Connecticut enacts paid family and medical leave](#) — Key date: 1 Jan 2021

[Wealth](#)

- [FASB completes deliberations on retirement plan disclosures](#) — Key date: 15 Dec 2020

4 Asia Pacific

Australia (previously covered, newly effective)

Status  Effective 1 Apr 2020

Development [Health](#)

Private healthcare premium increased

The average private health premium increased by 2.92% on 1 Apr 2020. Thirty-seven health insurance funds operate in Australia, and the 2020 premium increase is the smallest since 2001.

Resources [Government release](#), 7 Dec 2019

Australia (upcoming effective dates)

Development [Career — Wealth](#)

- [Australian guidance explains modern slavery disclosures](#) — Key date: 31 Dec 2020

[Wealth](#)

- [Australia updates guidance on super investment fees and cost disclosures](#) — Key date: 30 Sep 2020
- [Australia increases consumer protection for financial products](#) — Key date: April 2021

India (new)

Status  Currently effective

Development [Wealth](#)

Full pension restored for retirees with commuted pensions

The Indian government recently announced that full pension benefits have been restored for pensioners who are members of the Employee Pension Scheme (EPS), retired on or before 25 Sep 2008, and opted to take the commutation pension option. An estimated 630,000 EPS members are now entitled to a full and therefore increased pension 15 years from their retirement.

Up until 25 Sep 2008, the EPS allowed a member to receive up to one-third of their pension entitlement as a lump sum, and the remaining two-thirds as a monthly pension payment.

Resources anil.lobo@mercer.com
[GRIST](#), 2 Apr 2020

India (upcoming effective date)

Development [Career](#)

- [Parliament passes wage protections](#) — Implementation dates will likely vary.

Indonesia (new)

Status  Proposal

Development [Career](#)

Measures to boost economy, jobs proposed

Proposals aimed at boosting the Indonesian economy and job creation feature in an omnibus law presented to parliament in February 2020. The proposal would amend 1,244 articles in 79 different laws, and additional regulations would clarify the changes. A second omnibus law addresses tax reforms. Highlights include:

- Changes to expatriate license requirements; employee termination, severance pay and post-termination benefits; employment of contractors; and employees' rights in the event of a transfer of undertaking
- Simplification of business processes, such as company registration, filings and licensing requirements
- Introduction of new arrangements for economic zones
- Sector-specific measures, including government tax and fiscal incentives, for mining, forestry, tourism, transportation and other sectors

The omnibus tax-reform law aims to increase tax revenues and would amend seven current laws. Proposals are divided into six sections and include arrangements for taxing foreign citizens and introducing time tests to differentiate foreigners from Indonesian citizens for tax purposes.

Resources andry.lie@mercer.com
[GRIST](#), 9 Mar 2020

Japan (previously covered, newly effective)

Status  Certain provisions phased in 1 Apr 2020

Development [Career](#)

Work style labor reforms take effect

Certain provisions of Japan's work style reform law, enacted in 2018, became effective on 1 Apr 2020. Highlights of the law include:

- Employees cannot be required to perform overtime exceeding 100 hours in any one month, or 80 hours or more averaged over a reference period of two to six months, or 720 hours a year.
- All employers have to pay a 150% premium to employees whose overtime hours exceed 60 hours a month.
- Employers must record employees' working hours.
- Employers are encouraged to set a minimum daily rest period.
- Employers are exempt from paying overtime premiums to certain specialists who work during vacation or perform overtime or night work.
- Employers must monitor employees' uptake of paid annual leave and have to designate five days of leave for employees with at least 10 days of unused annual leave.
- Company-appointed physicians will have more authority to manage employees' health.
- The reference period for calculating employees' aggregated working and overtime hours has increased to three months.
- Fixed-term employees and dispatched workers at large companies can use alternative dispute resolution to enforce equal treatment provisions.
- Certain changes are aimed at mitigating the disparity in working conditions between regular and nonregular workers.

Resources yukiko.sanjo@mercero.com
[GRIST](#), 8 Feb 2019

New Zealand (upcoming effective date)

Development [Career](#)

- [New Zealand expands temporary agency employee rights](#) — Key date: 27 Jun 2020

Philippines (new)

Status  Currently effective

Development [Career](#)

Time frame for final pay, employment certificate set

Employers in the Philippines must issue a terminated employee's final pay and employment certificate within prescribed time periods, under guidelines published by the Department of Labor and Employment. Under the old rules, no time limits applied.

Highlights include:

- Timing of final pay. Employers must give final pay — also termed back pay or last pay — to a former employee within 30 days of termination or separation, or any earlier period required by company policy or collective agreement. Final pay comprises unpaid salary, prorated 13th month of pay, unused service incentive leave, cash equivalent for unused vacation and other leave entitlements, other types of pay or compensation included in collective agreements or required by company policy, and retirement pay.
- Timing of employment certificate. Employers must issue the employment certificate within three days of an employee's request. The certificate sets out the employee's employment and termination dates and the type of work done. Current employees may also ask for a certificate.
- Remedies. The local labor office for conciliation and enforcement will handle claims.

Resources [GRIST](#), 9 Mar 2020

Singapore (new)

Status  Planned initiatives

Development [Career](#)

Labor market measures flagged for 2020

Initiatives designed to improve the employment rate among persons with disabilities and expand the progressive wage model (PWM) are among 2020 labor market measures flagged by Singapore’s minister of state for manpower. Highlights include:

- Enhanced encouragements to hire persons with disabilities. The Ministry of Manpower will enhance its current schemes to encourage the employment of persons with disabilities by increasing course fee subsidies to 95% (up from 90%) for eligible training courses and increasing the training allowance to SG\$6 per hour. Employees with disabilities will receive a training commitment award of SG\$100 for each course completed. Also, current credits will be replaced by a new Enabling Employment Credit— a wage offset of up to 20% of monthly income, capped at SG\$400 — to be given to employers that hire persons with disabilities who earn less than SG\$4,000 per month. Employers hiring persons with disabilities who have not worked for at least six months will receive an additional 10% wage offset, capped at SG\$200 per month.
- Expansion of the PWM. The PWM will be introduced into more industrial sectors as economic conditions allow. Currently, the PWM applies to full-time cleaners, security officers and landscape workers. From 2013 to 2018, the monthly minimum wage paid to workers in those sectors increased by 30%, 31% and 32%, respectively. The PWM’s objective is to increase the wages of low-paid workers by upgrading their skills and achieving productivity improvements.
- Increased focus on workplace mental health. The government will publish a Tripartite Advisory on mental wellbeing in the second half of 2020 to increase employers’ awareness of progressive initiatives that could support their employees’ mental health. Tripartite partners would discuss including mental health expenses as part of an employee’s medical benefits.

Resources [GRIST](#), 24 Mar 2020

Singapore (new)

Status  Effective dates vary

Development [Career](#)

Employment Pass changes to boost local employment rate are announced

The Singaporean government has announced increases to the local qualifying salary (LQS) and the qualifying salary for the Employment Pass. The initiatives aim to boost the employment rate among Singaporean nationals and reduce employers' reliance on foreign national employees.

The LQS stipulates the amount of monthly salary an employer must pay local workers if they want to hire foreigners on work permits and S Passes, which allow mid-level skilled staff to work in Singapore. Singaporean nationals employed under a contract of employment count as one local employee if they earn the LQS of SG\$1,300 or more per month, and as 0.5 of a local employee if they earn half of the LQS (between SG\$650 and SG\$1,300 per month). From 1 July 2020, the LQS will increase from SG\$1,300 to SG\$1,400, and the LQS for a 0.5 local employee will increase from SG\$650 to SG\$700.

The Employment Pass is a type of work permit for foreign professionals who have a job offer; work in managerial, executive or specialized jobs; and who have acceptable academic or professional qualifications. From 1 May 2020, the minimum monthly qualifying salary for the Employment Pass will increase from SG\$3,600 to SG\$3,900 for new applications, and the increased rate will apply to renewal applications from 1 May 2021. The salary criteria for older, more experienced candidates also will increase.

Resources [GRIST](#), 16 Mar 2020

Singapore (upcoming effective date)

Development [Career](#) — [Health](#)

- [Singapore expands work injury insurance protections](#) — Key date: 1 Sep 2020

South Korea (upcoming effective date)

Development [Wealth](#)

- [South Korea retirement act reforms to take effect](#) — Key date: 30 Apr 2020

5 Europe, Middle East and Africa (EMEA)

European Union (EU) (new)

Status  Strategy

Development [Career](#)

Gender equality strategy launched

Highlights of the European Commission's new five-year gender equality strategy include:

- Launch of a public consultation on pay transparency. Input is invited through 28 May 2020.
- Inclusion of a gender pensions gap assessment in the EU's pensions adequacy report for 2021.
- Publication of a green paper on aging by the end of 2020, which will focus on long-term care, active aging and pensions.
- Publication of legally binding measures to criminalize violence against women, including sexual harassment. Other initiatives would target the reduction of gender-based violence.
- Member states must transpose the work-life balance directive into national laws by 2 Aug 2022, and by 2 Aug 2024 they must provide payment for the final two weeks of the two months of parental leave minimum period.
- Agreement of the proposed directive for gender balance on corporate boards of certain companies. The commission will urge member states to agree to the 2012 proposal.
- Launch of an EU-wide campaign to combat gender stereotypes.
- Publication of guidance on the impact of tax and benefits on financial incentives (or disincentives) of second earners.
- Integration of a gender perspective (gender mainstreaming) in all EU policies and major initiatives.
- Protection of individuals from discrimination due to data and artificial intelligence.

Resources [GRIST](#), 10 Mar 2020

EU (upcoming effective date)

Development [Career](#)

- [Directive strengthens employment rights for posted workers](#) — Key date: 20 Jul 2020
- [Final CRD V revises remuneration principles](#) — Key date: 28 Dec 2020
- [Directive expands whistleblower protections](#) — Key date: end of 2021
- [Revised rules will impact participating companies, employees](#) — Key date: 1 Jan 2022
- [Law strengthens rights of 'nonstandard workers'](#) — Key date: summer 2022

[Career](#) — [Health](#)

- [Work-life balance measures, including leave finalized](#) — Key date: summer 2022

[Wealth](#)

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

Belgium (new)

Status  Currently effective

Development [Career](#)

Protection from gender discrimination expanded

Belgian gender equality legislation now includes six additional criteria aimed at protecting individuals from gender discrimination — medically assisted reproduction, gender characteristics, breastfeeding, paternity, co-motherhood and adoption. Pregnancy, childbirth, maternity, and gender change, identity or expression were already considered differences based on gender.

Now, any difference in treatment based on these six new criteria could amount to gender discrimination. The changes feature in a revised Gender Equality Law published on 28 Feb 2020.

Resources [GRIST](#), 17 Mar 2020

Belgium (upcoming effective date)

Development [Career — Health](#)

- [Constitutional court annuls 'cash for car' system](#) — Key dates 31 Dec 2020

France (new)

Status  30 Jul 2020

Development [Career](#)

Stronger protections for employees posted to work in France

Employees from another member state of the European Economic Area (EEA) posted to work temporarily in France will have stronger employment protections under an order effective 30 Jul 2020. The order implements a European Union directive that specifies employment terms and conditions for posted workers, with the aim of preventing foreign service providers with lower labor standards from undercutting local providers. Workers posted to another member state remain employed by the sending company and are subject to their home state's laws, but have core rights in the host state. Highlights include:

- Employees posted to France for up to 12 months will remain protected by core provisions in the French labor code.
- Employers must guarantee that posted workers are treated equally, including equal remuneration and reimbursement of professional expenses during the posting, including transport, meals and accommodations.
- Employers currently have to pay posted workers only the applicable minimum salary and other additional remuneration.
- Employers will be able to request approval to extend a posting for six months. The labor code's core provisions would apply during the extension.
- Postings that exceed 12 months will be subject to most of the labor code's provisions, but certain aspects will not apply, such as performance, training, fixed-term contracts and termination of the employment contract.
- Employers will be subject to new notification requirements and could have to demonstrate their compliance to French labor authorities.
- French employers that use a posted worker's service will have to inform the worker's employer about the remuneration payable during the posting. Failure to do so could incur a fine.

Resources [GRIST](#), 5 Mar 2020

Ireland (upcoming effective date)

Development [Wealth](#)

- [Ireland updates auto-enrolment pension system implementation](#) — Key date: expected by 2022

Mauritius (previously covered, newly effective)

Status  Currently effective

Development [Wealth](#)

Retirement gratuity fund in effect

The Portable Retirement Gratuity Fund (PRGF) took effect on 1 Apr 2020 — after a delay from 1 Jan 2020 so employers could ensure IT and payroll compliance and become familiar with the statutory reporting obligations. The PRGF comprises a centralized defined contribution scheme, requiring private-sector employers that do not already offer a pension fund to make monthly contributions at a prescribed rate for employees earning less than MUR 200,000 a month. The PRGF will pay a minimum gratuity on the death or retirement of certain types of employees, based on the full length of service with the current employer as of 1 Jan 2020 and any future employers. Employers that operate a registered private pension scheme contributing to the employee retirement gratuity must submit a certificate from the Mauritius Financial Services Commission certifying the scheme.

Resources [Government release](#), 12 Dec 2019

Netherlands (new)

Status  Currently effective

Development [Health](#)

Reduced discount for collective health schemes

The Netherlands reduced the maximum discount applicable to collective health insurance schemes to 5% (down from 10%) effective 1 Jan 2020. Employers often offer collective health insurance schemes as fringe benefits to employees. The government requires providers of health insurance to reduce the number of available collective health insurance schemes, warning that the discount could be abolished if insufficient progress is made.

Resources charlotte.oudshoorn@mercer.com
[GRIST](#), 31 Mar 2020

Netherlands (upcoming effective date)

Development [Career](#) — [Health](#)

- [Dutch government increases paid paternity leave](#) — Key date: 1 Jul 2020

Oman (upcoming effective date)

Development [Health](#)

- [Oman issues implementation rules for new health insurance scheme](#) — Key date: mid-2020

Poland (new)

Status  Proposal

Development [Wealth](#)

Proposed postponement of some PPK deadlines

A draft bill would postpone the deadlines for implementing certain aspects of the PPK pension reforms for employers with 50 or more employees. The deadline for employers to sign PPK management agreements with financial institutions would be postponed to 27 Oct 2020 from 24 Apr 2020, and the deadline for signing a PPK participation agreement with a financial institution would be postponed to 10 Nov 2020 from 11 May 2020.

Resources krzysztof.nowak@mercer.com

[Government release](#) (Polish), 26 Mar 2020; [GRIST](#), 5 Nov 2019

Russia (upcoming effective date)

Development [Career](#) — [Wealth](#)

- [Electronic filing of employment information required](#) — Key date: 30 Jun 2020

Spain (upcoming effective date)

Development [Career](#)

- [Pension fund supervision strengthened to comply with European Union IORP II](#) — Key date: 6 Aug 2020

Switzerland (upcoming effective date)

Development [Career](#)

- [Switzerland issues gender pay audit criteria, deadlines](#) — Key date: 1 Jul 2020

Turkey (new)

Status  Currently effective

Development **Wealth**

Foreign currency pension plan contributions allowed

Turkish nationals who are no longer residents of the country and individuals born in Turkey who have given up their Turkish nationality (“blue card” holders), can contribute to a Turkish private pension plan using foreign currency. However, the law allows the president to reduce the state pension contributions to 10% for those contributions paid in foreign currency, capped at the monthly gross minimum wage.

Resources evsen.olmez@mercer.com
[GRIST](#), 31 Mar 2020

United Kingdom (UK) (new)

Status  Currently effective

Development **Wealth**

Changes to the pension tapered annual allowance announced

Changes to the Tapered Annual Allowance (TAA) for pensions are included in the UK’s 2020 budget, effective 6 Apr 2020. The TAA is a mechanism for reducing, in stages, the current £40,000 allowance for annual tax-relieved pension savings for high earners, down to a lower limit — currently £10,000.

Under the new budget, “threshold” and “adjusted” income will increase by £90,000 to £200,000 and £240,000 respectively, to decrease the number of individuals currently subject to the TAA. For individuals still affected by the tapered annual allowance, the lower limit will reduce to £4,000, down from £10,000. The maximum Lifetime Allowance will increase to £1,073,100, consistent with the Consumer Price Index.

Resources susan.hanlon@mercer.com
[GRIST](#), 1 Apr 2020

UK — Great Britain (new)

Status  Currently effective

Development [Career](#)

Threshold reduced for consultation procedures

The employee threshold required to initiate the establishment of information and consultation arrangements in certain companies in Great Britain was reduced to 2% of the workforce, down from 15%, effective 6 Apr 2020. The requirement that a minimum of 15 employees must submit the request for an information and consultation procedure remains unchanged. If a company does not receive a request for an information and consultation procedure, it is not required to provide one.

The employee threshold reduction recommendation was included in the 2017 Taylor review of modern working practices, and will amend the Information and Consultation of Employees Regulations 2004. These revised regulations implement a European Union directive that employees should be informed and consulted about developments in the workplace — on an ongoing basis — normally by elected employee representatives.

The regulations apply to limited companies, partnerships or public sector organizations with 50 or more employees and a principal place of business or head office located in Great Britain. Separate but similar regulations apply to Northern Ireland.

Resources [GRIST](#), 27 Mar 2020

UK (new)

Status  Postponement to 6 Apr 2021

Development [Career](#)

Government postpones off-payroll working start date

The government has announced the postponement of major changes to off-payroll working for all contracts entered into, or payments made, on or after 6 Apr 2021. The new rules (also called IR35) were due to take effect on 6 Apr 2020 and require medium and large organizations — in all economic sectors — to assess the employment status of individuals who work for them through their own limited company. Where the rules apply, the organization, agency, or other third party paying the worker's company will need to deduct income tax and employee National Insurance Contributions (NICs), and pay employer NICs.

Resources [Government release](#), 18 Mar 2020; [GRIST](#), 15 Jan 2020

UK (new)	
Status	 Consultation open until 2 Jun 2020
Development	<p>Wealth</p> <p>Consultation on defined benefit funding framework</p> <p>The Pensions Regulator has published a consultation on the regulation of the statutory defined benefit funding regime. The consultation proposes a “fast track” approach that would enable trustees to submit valuations with the expectation of minimal regulatory scrutiny, provided their approach to funding and investment meets all of the regulator’s “compliance guidelines.” The consultation closes on 2 Jun 2020.</p> <p>Alternatively, trustees and employers can use a customized approach if they want more flexibility. If they use a customized approach, they would have to justify their decisions and should expect more regulatory scrutiny. Trustees also would have to demonstrate that the additional risk taken — relative to the fast track approach — is manageable. It is unlikely that the new regime will be formally implemented before late 2021, but the regulator is already attempting to implement many of the approaches discussed in the consultation.</p>
Resources	<p>jane.biggerstaff@mercer.com</p> <p>GRIST, 31 Mar 2020</p>

UK (new)

Status  Consultation open until 22 Apr 2020

Development [Wealth](#)

Consultation on retail prices index reform

The government and the UK Statistics Authority have launched a joint consultation on reforming the Retail Prices Index (RPI) that could have implications for pension schemes. The consultation invites input through 22 Apr 2020. Proposals include using the Consumer Prices Index (CPI) — including owner-occupiers' housing costs (CPIH) methodology — to calculate the RPI; this likely would bring RPI increases closer to those of the CPI, which tends to be lower. Changes would be implemented between 2025 and 2030.

Changing the RPI to reflect CPIH inflation could have the following consequences for pension schemes:

- Coupons paid out on index-linked gilts — low risk investment bonds — would likely be reduced and the value of gilts already purchased would be reduced.
- Schemes with benefits linked to RPI are likely to see a reduction in liabilities, and to the extent that their liabilities are hedged using index-linked gilts, the effect on funding could be minimal.
- Schemes with benefits linked to CPI using index-linked gilts to hedge their liabilities could see a fall in their funding level.

Resources sebastian.bleasdale@mercer.com
[GRIST](#), 2 Apr 2020

U K (previously covered, newly effective)

Status  Currently effective

Development [Career — Health](#)

Paid parental bereavement leave entitlement now effective

Parents who suffer the loss of a child are entitled to two weeks of paid leave from 6 April. Highlights include:

- Employees have the right to a minimum of two-weeks leave if they lose a child under the age of 18 or suffer a stillbirth from 24 weeks of pregnancy, irrespective of how long they have worked for their employer.
- Parents employed continuously in a job for six months or longer and earning above the lower earnings limit (LEL) can claim statutory pay for this period, in line with the approach for other parental entitlements, such as paternity leave and pay. Employers will administer the pay in the same way as existing family-related statutory payments. The LEL will increase to £120 per week for the tax year 2020/21.
- Leave can be taken as a single two-week block or two separate one-week blocks in the 56 weeks after a child's death.

Resources [GRIST](#), 3 Feb 2020

UK (previously covered, newly effective)

Status  Currently effective

Development [Career](#)

Agency workers entitled to pay parity

Temporary agency workers employed on a “pay between assignments” contract — also known as a “Swedish derogation” contract — are entitled to pay parity with directly-hired employees after 12 continuous calendar weeks in the same role. Under the former rules, these temporary workers received a certain amount of pay between temporary assignments in exchange for waiving their right to pay parity. The changes —expected to affect around 130,000 workers and impacting employers relying on temporary workers — feature in The Agency Workers (Amendment) Regulations 2019. The Employment Standards Inspectorate will issue guidance to employment agencies and other stakeholders. The amending regulations provide the following:

- Agency workers with existing pay-between-assignments contracts on 6 Apr 2020 must be told in writing by 30 Apr 2020 that they are no longer opted out of their equal pay rights. These workers can bring claims against their employers for not issuing the statement in time.
- “Pay” includes any payment in connection with an agency worker’s employment, including certain bonus payments, overtime payments, shift allowances, premiums paid for unsociable working hours and holiday pay. The regulations exclude bonuses payable for the amount or quality of work done by the worker; company sick pay; maternity, paternity and adoption pay; pension contributions and severance pay.
- Workers are protected from detriment and unfair dismissal if they try to assert their rights under the regulations.

Resources [GRIST](#), 25 Jun 2019

UK (previously covered, newly effective)

Status  Currently effective

Development [Career](#)

Hourly wage increases take effect

Hourly wage increases became effective on 1 Apr 2020. Workers aged 25 years and older are paid a National Living Wage of £8.72 (up from £8.21). Other hourly wage rates are £8.20 for workers aged 21 to 24 years; £6.45 for workers aged 18 to 20; £4.55 for 16 to 17 year olds; and £4.15 for apprentices who are younger than 19 or who are first-year apprentices.

Resources [Government release](#), 31 Dec 2019

UK (previously covered, newly effective)

Status  Currently effective

Development [Career](#)

Termination payment costs change

United Kingdom employers must pay National Insurance Contributions (NICs) of 13.8% on any part of an employee's termination payment exceeding £30,000 from 6 Apr 2020. Under the former rules, employers paid only income tax on termination payments exceeding £30,000. The government announced the introduction of NICs on termination payments in 2017 but postponed implementation from 2018 until 2020. Employers should adjust their payroll processes — and factor in the change — when negotiating termination payments after 6 April.

Resources [GRIST](#), 10 Feb 2020

UK (previously covered, newly effective)

Status  Currently effective

Development [Career](#)

Expanded statement of employment terms required

Employers in Great Britain must provide new employees and workers an expanded statement of employment terms on or before the first day of their employment. The changes feature in the Employment Rights (Employment Particulars and Paid Annual Leave) (Amendment) Regulations 2018. Under the former rules, employers had to provide a statement of terms — sometimes called a “Section 1 Statement” — within two months of an employee’s start date, but the new law requires employers to provide more information. Since the law only applies to Great Britain (England, Wales and Scotland), employers in Northern Ireland currently are not affected. Highlights include:

- Employers must include employment rights information in one written document. Limited types of information — for example, sick leave and pay, and leave in addition to vacation entitlement — could be included in an employee handbook or on the intranet, if easily accessible by the individual.
- Employers must provide additional information, including the days to be worked; variable working hours; leave entitlement and any corresponding payment (for example, maternity and paternity leave) that is in addition to vacation entitlement; duration and applicable conditions of any probationary period; and any training entitlement, including an indication if training is required and any costs paid by the worker/employee.
- Employees and workers employed before 6 Apr 2020 can request an updated statement of terms, and employers must provide it within one month of the request. Employers may have to provide a statement of changes if terms are changed.
- Employees and workers can make a referral to an employment tribunal for a declaration of their employment terms if their employer does not provide the required information, and awards could be between two and four weeks of pay.

Resources [GRIST](#), 11 Feb 2020

UK (upcoming effective date)

Development [Wealth](#)

- [Pension schemes face new investment and disclosure rules](#) — Key date: 1 Oct 2020

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