MERCER

Law and Policy Group

Global Legislative Update

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welcome to brighter

In this document

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

Employer action required

Potential implications for employers

Developments to monitor

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

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Highlights

Global	
Coronavirus (COVID-19) pandemic	Countries address workplace issues resulting from the COVID-19 pandemic.
Americas	
Argentina	Social security and tax payment dates are extended
Brazil	Social security, social integration payment dates extended Allowance of salary reductions continue COVID-19 safety requirements for open workplaces published
Canada	Federally-regulated employers face workplace harassment prevention rules New agreement on the supervision of multi-jurisdictional pension plans takes effect Federal wage subsidy continues until the end of August Pension relief measures address effects of COVID-19 Alberta issues COVID-19 pension relief measures Newfoundland extends annual information return filing deadlines Ontario extends pension plan filing deadlines and asset transfer deadlines

Americas (continued)	
United States	Ruling on sexual orientation and gender discrimination has employment and health benefit impacts Relief provided for suspending 401(k) contributions Department of Labor proposal would curtail social investing Pay options for employees with varied workweeks Relief offered to cafeteria plans, HDHPs, individual-coverage HRAs Department of Labor and Internal Revenue Service issue guidance on COVID-19 emergency paid leave Washington state mandates gender diverse boards by 2022
Asia Pacific	
Australia	Maximum ages to make pension contributions increased Parental leave flexibility increased COVID-19 JobKeeper Scheme addresses effects of COVID-19
Hong Kong	New environmental social and governance reporting requirements Anti-discrimination protections expanded Occupational retirement scheme rules revised Employment Support Scheme addresses effects of COVID-19
India	Late EPFO contribution payment levy suspended Pension contribution rate reduced to address effects of COVID-19
Malaysia	Wage subsidy scheme addresses effects of COVID-19
New Zealand	Paid parental leave period increases
Singapore	Budgetary measures to address COVID-19 announced

Europe, Middle East and Africa (EMEA)	
European Union	Changes to companies' reporting of nonfinancial, sustainability information considered Revised employment rights for posted workers must be implemented by member states
Denmark	Reimbursement for sickness benefit continues
France	Stronger protections issued for those posted to work in France
Germany	Pensionkassen pension benefits protected from insolvency Basic pension law benefits low-wage earners Short-time work scheme and allowance addresses effects of COVID-19
Ireland	Temporary wage subsidy scheme provides relief from effects of COVID-19 COVID-19 pandemic unemployment payment available
Jersey, Channel Islands	Leave and other family-friendly measures enacted
Kazakhstan	Labor code revised
Netherlands	Paid paternity leave increased Government provides wage compensation scheme for companies impacted by COVID-19
Norway	Social security contribution payments delayed due to COVID-19
South Africa	PAYE tax payment relief addresses effects of COVID-19
Spain	Pension fund supervision strengthened to comply with European Union IORP II
Sweden	Short-time work allowance measures address the effects of COVID-19
Switzerland	Second-pillar pension changes enacted Gender pay audit required by 2021
United Arab Emirates	DIFC issues measures to address effects of COVID-19

Europe, Middle East and Africa (EMEA) — continued	
United Kingdom	Defined benefit superfunds guidance issued
	New statutory sick pay regulations to address effects of COVID-19
	New employment, labor market support announced to address effects of COVID-19
	Consultation on employment rights for domestic abuse survivors
	Neonatal care leave and payment planned
	Input requested on leave for carers

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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 continue to address the severe implications on working practices and adjust their 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. We covered many of the countries' initiatives in the May and June Global Legislative Updates. This month, we include some new and ongoing actions countries are taking to provide relief from the effects of COVID-19 for employers and employees. In addition, to help multinational employers address worksite, economic and associated travel issues, Mercer is providing 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)

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Americas

Argentina (new)	
Status	⚠ **Currently effective**
Development	Health — Wealth **Social security, tax payment dates extended** The special payment regime that suspended tax and social security payments has been extended to 31 Jul 2020 from 30 Jun 2020.
Resources	Government resolution (Spanish), 25 Jun 2020

Brazil (new)	
Status	⚠ **Currently effective**
Development	Health — Wealth **Social security, social integration payment dates extended** The government has extended the deadlines for making social security contribution payments (COFIN) and social integration contributions (PIS/PASEP). The payment deadline set for June is extended until November for certain employers, and follows earlier decisions to extend payment deadlines due in April and May to August and October 2020, respectively.
Resources	Government announcement (Portuguese) 17 Jun 2020

Brazil (new)	
Status	⚠ **Currently effective**
Development	Career **Allowance of salary reductions continued** A Provisional Measure introduced in April 2020 that allows salary reductions for up to three months — to save jobs during COVID-19 pandemic — remains in effect following its approval by the senate. Employers also can suspend employment contracts without salary for up to two months, with the government paying between 70% and 100% of an employee's unemployment benefits, depending on the employer's revenues. The measure also extends for one year the reduction of the social security payroll tax to between 1% and 4.5% of gross revenues for employers in 17 labor-intensive industry sectors — the usual payroll tax is 20%.
Resources	Provisional Measure 936 (Portuguese) (Senate, 1 Apr 2020)

Brazil (new)	
Status	⚠ **Currently effective**
Development	Career **COVID-19 safety requirements for open workplaces published** Employers must implement measures to prevent and control the risks of COVID-19 workplace transmission under Joint Ordinance Number 20. Most of the measures took effect on 19 Jun 2020 and apply to workplaces that are already open. Highlights include: • The provision of face masks to all employees to wear in shared workspaces and when in contact with the public. • Information to employees about the steps taken to reduce workplace transmission and the employer's safety guidelines or protocols, including temperature or other screenings prior to entering worksites. • Measures to avoid face-to-face meetings and to enable remote working for employees at high risk for COVID-19. • The protocols applicable to employees who have tested positive for COVID-19. The ordinance requires employers to update employee records for possible inspection by the labor authorities.
Resources	Joint Ordinance Number 20 (Portuguese) (Official Gazette, 18 Jun 2020)

Brazil (upcoming effective date)	
Development	**Wealth** • Council imposes CNPJ registration duty on pension entities — Key date: 31 Dec 2021

Canada (new)	
Status	**1 Jan 2021**
Development	**Career** **Employers face workplace harassment prevention rules** Federally-regulated employers in Canada must develop a workplace harassment and violence prevention policy and assess the organization's risks by 2021. The recently published Work Place Harassment and Violence Prevention Regulations will take effect, along with Bill C-65, on 1 Jan 2021. These employee protections are part of reforms to the Canada Labour Code featured in four omnibus bills that received Royal Assent in 2017 and 2018. Bill C-65 defines harassment and violence as "any action, conduct or comment, including of a sexual nature, that can reasonably be expected to cause offense, humiliation or other physical or psychological injury or illness to an employee, including any prescribed action, conduct or comment." • The workplace risk assessment must identify specified internal and external workforce risk factors. Employers must develop preventive measures within six months after the risk factors have been identified. • The regulations outline the required elements of a workplace harassment and violence prevention policy, and the procedures employers must implement to respond to incidents. While policies can differ, all must have certain specified components. The policy must be made available to all employees and updated at least every three years. Employers must also keep records on every incident of harassment and violence in the workplace and report them annually to the Labour Program. • Employers must conduct training specific to the culture, conditions and activities of the workplace that includes certain information. Employers must ensure that existing employees receive training by 1 Jan 2022. New hires must receive training within three months of starting employment. Retraining must occur at least every three years or when there is an update.
Resources	GRIST, 29 Jun 2020

Canada (previously covered, newly effective)	
Status	**1 Jul 2020**
Development	Wealth **New agreement on the supervision of multi-jurisdictional pension plans takes effect** The 2020 Agreement Respecting Multi-Jurisdictional Pension Plans (Agreement) took effect on 1 Jul 2020. Developed by the Canadian Association of Pension Supervisory Authorities (CAPSA) to coordinate and harmonize pension regulation across Canada, the federal government — together with governments of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, New Brunswick and Nova Scotia — have signed the Agreement. Highlights include: • Requirement that a multi-jurisdictional plan only register with one pension regulator (the major authority). • Rules for determining the major authority. • Provision that certain requirements of the major authority's pension legislation, such as plan-wide funding and investment requirements, will apply to the entire plan. • Requirement that the final location approach be used to determine a plan member's benefits where the member has been employed in more than one jurisdiction while a member of the plan. • Rules for allocating the assets of a plan between jurisdictions in the event of a plan termination and wind up or a plan split.
Resources	Adoption of the 2020 agreement respecting multi-jurisdictional pension plans (CAPSA, 2 Jun 2020); Agreement (CAPSA, 2 Jun 2020); FAQs on 2020 agreement respecting multi-jurisdictional pension plans (Office of the Superintendent of Financial Institutions, 4 Jun 2020)

Canada (updated)	
Status	**Currently effective**
Development	Career **Federal wage subsidy continues until the end of August** The federal government's Canada Emergency Wage Subsidy (CEWS) — established as part of the COVID-19 Economic Response Plan — was extended in May to 29 Aug 2020. The subsidy covers 75% of an employee's wages — up to C$847 per week — for employers of any size and in any sector who meet certain conditions for the qualifying periods. Employers eligible for the CEWS can receive a 100% refund for certain employer contributions to Employment Insurance, the Canada Pension Plan, the Quebec Pension Plan and the Quebec Parental Insurance Plan made for employees who are on paid leave.
Resources	Government extends the Canada Wage Subsidy (Government of Canada, 15 May 2020)

Canada	
Status	**Currently effective**
Development	**Wealth** **Pension relief measures address effects of COVID-19** Relief for federally regulated pension plan sponsors, announced in April, imposes a moratorium on solvency payment requirements for defined benefit plans until 2021. Details of the regulations, effective 27 May 2020, include: • Solvency special payments due from 1 April through 30 Dec 2020 are not required. • Any solvency special payments due and paid from 1 April 2020 through 27 May can be deducted from future normal cost contributions and going concern special payment requirements until 30 Dec 2020. • If a plan sponsor uses letters of credit to meet its solvency funding requirements, the face value of the letters of credit used to cover solvency special payments during the moratorium period may be reduced by the amount of payments that would have been due for that period in the absence of the regulations. • If a plan sponsor continues to make solvency payments, those contributions will be considered additional payments and applied to subsequent plan years — to the extent that the payments exceed the required solvency special payments in the absence of the regulations. • From 27 May 2020 until 30 Nov 2020, any plan amendment that would reduce the solvency ratio of the plan to less than 1.05 requires authorization by the Superintendent of Financial Institutions. Similarly, for any plan with a solvency ratio below 1.05, authorization is required for any plan amendment that would increase pension benefits or credits. • Plan administrators must disclose, in the annual statement, certain information to members and former members about any plan year in which solvency special payments were reduced under the regulations. In addition, the Office of the Superintendent of Financial Institutions (OSFI) has adjusted its policies to protect the interests of pension plan members and beneficiaries, while allowing administrators of federally regulated private pension plans to focus on the challenges posed by the COVID-19 crisis, including its impact on financial markets.
Resources	jean-françois.poirier@mercer.com Government announces coming into force of regulations providing relief for federally regulated pension plan sponsors (Department of Finance, 29 May 2020); COVID-19 updates (OSFI)

Canada — Alberta (new)	
Status	⚠ **Currently effective**
Development	**Wealth** **COVID-19 pension relief measures issued** The Alberta pension regulator expanded COVID-19 relief measures by temporarily amending the Employment Pension Plans Regulation (EPPR) in Order in Council 190/2020 (OIC). Under the amended EPPR, sponsors can apply in writing to the Office of the Superintendent of Pensions for the following exemptions: • For plans with defined benefit provisions, exemption from special payments related to an unfunded liability and/or solvency deficiency • For collectively-bargained multiemployer plans with target benefit provisions, exemption from the application of the Provision for Adverse Deviation on contributions. The exemption period ends 31 Dec 2020. The Superintendent's Office reserves the right to request additional documentation or information to support the exemption application, and can impose terms and conditions on the exemption once approved. The OIC increased the percentage of a plan's accessible going concern excess available to reduce or eliminate contributions from 20% to 40%, applicable to one fiscal year ending no later than 31 Dec 2021. To use this provision, sponsors must apply in writing no later than December 31, 2020. Applications to the Superintendent's Office for either form of funding relief must: • Confirm that no benefit improvements are introduced during the exemption period • Provide the estimated funding (both going concern and solvency) position of the plan, as of the date of the application • Include the plan administrator's reasons for seeking funding relief. The temporary relief cannot be applied to a plan until the application has been approved. Approval can be applied retroactively to 24 Jun 2020. The OIC also has permanently allowed for disclosures and other documents, including annual statements, to be delivered electronically, provided they meet the requirements of the Electronic Transactions Act. Beneficiary designations cannot be made through electronic communications.
Resources	Kristin.smith@mercer.com EPPA Update 20-04; Alberta Regulation 96/2020

Canada — Newfoundland (new)	
Status	**Currently effective**
Development	**Wealth** **Annual information return filing deadlines extended** The superintendent of pensions announced extended deadlines for submitting annual information returns — normally sponsors must file returns within six months following the end of the pension plan's fiscal year, together with the required fee. Sponsors are not required to request an extension in writing.
Resources	lori.park@mercer.com New extending filing deadlines for Annual Information Returns (Government, 1 Jun 2020)

Canada — Ontario (new)	
Status	⚠ **Deadline extensions vary**
Development	Wealth **Temporary relief measures extend pension plan filing deadlines** Deadlines for many pension plan filings have been extended. The following annual filings that must usually be finalized within six months of the plan's fiscal year end must now be filed by 31 Dec 2020: • Annual Information Return for defined contribution plans • Member annual statements and biennial statements to former and retired members • Financial statements and auditor's reports, where required • Investment information summary For defined benefit (DB) pension plans, the deadline for filing an actuarial valuation report with a valuation date of 31 Dec 2019 or 1 Jan 2020 is extended to 31 Dec 2020. Sponsors of DB plans should note that the deadline for filing and paying Pension Benefits Guarantee Fund assessments was not extended. Other filing deadline extensions include the Annual Information Return for DB plans, filings in respect of plan wind ups and plan amendments, the Statement of Investment Policies and Procedures, and reports on multiemployer pension plan funding options. Automatic deadline extensions apply to many plan sponsors that previously were required to apply for extensions on a case-by-case basis. Although the filing extension contemplates delaying the filing of an actuarial valuation until the end of the year, sponsors of defined benefit plans should note that the deadline for filing and paying Pension Benefits Guarantee Fund assessments has not been extended.
Resources	scott.mcmanus@mercer.com Ontario Regulations 287/20 and 288/20

Canada — Ontario (new)	
Status	**Currently effective**
Development	Wealth **Asset transfer deadlines extended** The government has amended the regulation governing asset transfers where the original application deadline is on or after 18 Jun 2020 and before 1 Nov 2020.
Resources	ariella.fuhrmann@mercer.com Ontario Regulation 288/20

US (new)	
Status	⚠ **Currently effective**
Development	**Career — Health** **Ruling on sexual orientation and gender discrimination has employment and health benefit impacts** Federal protections against workplace sex discrimination extend to gender identity and sexual orientation, the Supreme Court ruled in a groundbreaking decision on Title VII of the 1964 Civil Rights Act (CRA) (*Bostock v. Clayton Cty., Georgia*, No. 17-1618 (U.S. June 15, 2020)). For employers with 15 or more employees, Title VII bans discrimination on the basis of race, color, religion, sex and national origin in hiring, firing, compensation, and other terms, conditions or privileges of employment. Employment terms and conditions include employer-sponsored healthcare benefits. Historically, not all authorities have agreed that Title VII protects homosexuality or transgender workers against discrimination. Whether Title VII prohibits employment discrimination based on sexual orientation and gender identity, or sex stereotyping were the questions posed to the Supreme Court this term in three cases. In each case, the workers argued they were fired because they did not conform to sex-based stereotypes. Addressing all three cases in one opinion, the Supreme Court held "[D]iscrimination based on homosexuality or transgender status necessarily entails discrimination based on sex; the first cannot happen without the second." The ruling will have far-reaching consequences for employers and the workforce and has an immediate impact on human resource policies — including employers' efforts to advance diversity and inclusion — and employee benefits. While the ruling is about wrongful employment termination, the decision has implications for employer-sponsored health plans and other benefits. Employers evaluating existing limits on health coverage for same-sex spouses or gender-transition services in light of this decision need to keep in mind not just Title VII, but also other federal and state laws protecting the LGBTQ community. When designing benefits, employers should seek out clinical expertise and carrier positions while keeping diversity and inclusion goals in sight. Employers can always maintain nondiscrimination policies and practices broader than what federal or state law requires.
Resources	katharine.marshall@mercer.com; kaye.pestaina@mercer.com GRIST, 15 Jun 2020

US (new)	
Status	**Currently effective**
Development	Wealth **Relief provided for suspending 401(k) contributions** The Internal Revenue Service (IRS) has provided relief to employers looking to suspend 401(k) safe harbor matching or nonelective contributions this year. Ordinarily, employers can suspend safe harbor contributions only if they are operating an economic loss or they included language in their safe harbor notice that the contributions could be suspended mid-year. Notice 2020-52 says IRS won't treat employers as violating these requirements if they amend their plans to suspend contributions between March 13 and August 31, 2020. Notice 2020-52 also says employers suspending safe harbor nonelective contributions have more time to provide the required notice of suspension. IRS has also clarified that contributions to highly compensated employees (HCEs) aren't safe harbor contributions, so employers that limit the suspension to HCEs can preserve their plan's safe harbor status.
Resources	brian.kearney@mercer.com GRIST, 28 Apr 2020 (updated 30 Jun 2020)

US (new)	
Status	**Consultation is open until 30 Jul 2020**
Development	Wealth **Department of Labor proposal would curtail social investing** The latest social investing proposal from the Department of Labor (DOL) would require ERISA fiduciaries to subordinate environmental, social or corporate governance (ESG) factors to financial ones when making investment decisions for retirement plans. Under the proposal, fiduciaries could invest in an ESG fund only if they base the decision solely on objective financial criteria and document the rationale for reaching that conclusion. If finalized, the proposal could result in fewer ERISA plans investing in ESG funds. The proposal contains rules that would require fiduciaries relying on a nonpecuniary factor to choose one investment over an "economically indistinguishable" alternative to document how they determined the two alternatives were indistinguishable and why the selected alternative was chosen. Separate guidelines for individual-account plans would require the use of only objective risk/return criteria for selecting and monitoring investments, but would drop the provisions relating to economic indistinguishability, since the concept of tie-breakers has little relevance to those plans. DOL has included several comment requests, including: • The possible addition of explicit requirements for individual-account plan fiduciaries to focus solely on pecuniary factors and to justify the choice between economically indistinguishable investments. • The prevalence of ESG investing. • The frequency with which fiduciaries will find two investments to be economically indistinguishable. • The costs and benefits of the proposed rule. • Suggested alternatives to the proposal, particularly ones that reduce the burden on small entities.
Resources	margaret.berger@mercer.com, brian.kearney@mercer.com GRIST, 7 Jul 2020

US (previously covered, soon to be effective)	
Status	**7 Aug 2020**
Development	Career **Pay options for employees with varied workweeks** A final rule issued by the US Department of Labor (DOL) allows employers to offer bonuses or other incentive-based pay to employees whose hours vary week to week. The rule revises the regulation for computing overtime compensation of salaried, nonexempt employees with a varying work schedule or fluctuating workweek under the Fair Labor Standards Act (FLSA). The final rule clarifies that bonuses, premium payments, commissions and hazard pay — on top of fixed salaries — are compatible with the fluctuating workweek method of compensation, and employers must include supplemental payments when calculating the regular rate of pay as appropriate under the FLSA. It includes examples and minor revisions to make the rule easier to understand. The DOL addressed the current challenges employers face from the effects of COVID-19, noting that "the rule enhances flexibility to provide hazard pay, and to promote health and safety in the workplace through flexible work schedules that stagger start and end times and implement social distancing in the workplace."
Resources	GRIST, 28 May 2020

US	
Status	**Currently effective**
Development	**Health** **Relief offered to cafeteria plans, HDHPs, individual-coverage HRAs** IRS Notice 2020-29 expands temporary COVID-19 relief so cafeteria plans can allow certain midyear election changes and extend special grace periods for claims under health flexible spending arrangements (FSAs) and dependent care assistance programs. Notice 2020-29 also clarifies earlier guidance for health savings accounts and high-deductible health plans on coverage of COVID-19 testing and treatment costs and telehealth services. Permanent guidance in Notice 2020-33 provides an annual cost-of-living increase to the $500 health FSA carryover limit, starting in 2020. Notice 2020-33 also allows individual-coverage health reimbursement arrangements to cover current plan-year premiums paid before the plan year began. The most important step is for employers to coordinate with an insured plan's carrier or a self-funded plan's stop-loss carrier before adopting certain midyear election changes.
Resources	cheryl.hughes@mercer.com, katharine.marshall@mercer.com, dorian.smith@mercer.com GRIST, 28 May 2020

US	
Status	⚠ **Currently effective**
Development	Career — Health **Department of Labor and Internal Revenue Service issue guidance on COVID-19 emergency paid leave** The Families First Coronavirus Response Act (FFCRA) (Pub. L. No. 116-127), amended by the CARES Act, requires private employers with fewer than 500 employees — and most government employers — to provide two weeks of paid sick leave and 12 weeks of partially paid, expanded Family and Medical Leave Act leave to employees affected by the COVID-19 pandemic. The emergency leave is available between 1 Apr and 31 Dec 2020. Temporary regulations (29 CFR Part 826, as corrected) and other agency guidance on emergency paid leave and related tax credits answer some employer questions about the FFCRA. Current guidance is subject to change by new agency regulations, guidance or Q&As, as well as future legislation.
Resources	katharine.marshall@mercer.com; kaye.pestaina@mercer.com GRIST, 29 Apr 2020

US — Washington (new)

Status **1 Jan 2022**

Development Career

Gender diverse boards required

Public companies subject to the Washington Business Corporation Act (WBCA) face new gender-based diversity requirements for their boards, under legislation effective 11 Jun 2020. By 1 Jan 2022, 25% of company board members must self-identify as women. This requirement must be met for a period of 270 days or more in the fiscal year preceding the company's annual meeting of shareholders. If not, companies must provide their shareholders with new board diversity disclosure information. Certain companies — such as emerging growth or smaller reporting companies — are exempt from the WBCA's diversity requirements.

Companies that do not reach the 25% female gender threshold by 1 Jan 2022 will have to post a "board diversity discussion and analysis" on their website, or include it in the annual proxy statement to shareholders. The discussion and analysis must include:

- How the company considers the representation of diverse groups when identifying and nominating board candidates, or explain why diverse representation was not considered.
- Company policies that were used to identify and nominate board candidates who are members of any diverse group, or the reasons why such policies were not used.
- Measures aimed at refreshing board membership, for example, the limitation on terms of office and requiring mandatory retirement.

Companies that do not publish a diversity discussion and analysis could be ordered to do so by a superior court if a voting shareholder requests it.

Resources GRIST, 11 Jun 2020

US (upcoming effective dates)

Development

Career

- Oregon law protects against workplace harassment, discrimination — Key date: 1 Oct 2020
- Changes to 2021 ACA out-of-pocket maximums, ESR penalties; other changes ahead— Key date: 1 Jan 2021
- Health savings account, high-deductible health plan figures set— Key date: 1 Jan 2021
- 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
- Employee data collection delayed due to effects of COVID-19 — Key date: March 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
- COVID-19 legislation gives 2020 defined benefit funding relief — Key date: 1 Jan 2021
- Electronic delivery rule for retirement plan notices finalized — Key date: 27 Jul 2021

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Asia Pacific

Australia (new)	
Status	⚠ **Contributions made on or after 1 Jul 2020**
Development	**Wealth** **Maximum ages to make pension contributions increased** The maximum ages for making certain voluntary pension contributions in Australia will increase under measures included in the Superannuation Legislation Amendment (2020 Measures No. 1) Regulations 2020. The measures apply to contributions made on or after 1 Jul 2020. Highlights include: • The maximum age for voluntary contributions will increase from age 64 to 66 for members who are not required to meet the work test or work test exemption. • The maximum age for making spousal contributions to funds will increase from age 70 to 74, subject to the spouse fulfilling the work test or work test exemption (if aged 67 to 74). In addition, a proposal in parliament would extend the three-year non-concessional contribution *bring forward* rule to the end of the financial year in which the member reaches age 67. Currently, the cutoff for triggering the *bring forward* rule is the end of the financial year in which the member reaches age 65. The measure features in the Treasury Laws Amendment (More Flexible Superannuation) Bill 2020, and although the bill will not receive Royal Assent until later in 2020, it will be backdated to contributions made on or after 1 Jul 2020.
Resources	paul.shallue@mercer.com GRIST, 23 Jun 2020

Australia (new)	
Status	⚠ **1 Jul 2020**
Development	**Career — Health** **Parental leave flexibility increased** Parents of children born or adopted on or after 1 Jul 2020 have more flexibility in how they take their paid parental leave entitlement. The changes feature in the Paid Parental Leave Amendment (Flexibility Measures) Act 2020 that received Royal Assent on 16 Jun 2020. Under the old law, parents could take up to 18 weeks (90 payable days) of continuous parental leave. Under the amended act, parents can still take 90 paid days of parental leave, but will have more flexibility when taking the time off, as follows: • In the first 12 months after a birth or adoption, parents must take a continuous period of 12 weeks (60 days) of paid parental leave. • Within 24 months of a birth or adoption, parents have 30 flexible paid parental leave days that can be taken immediately after the 60 days of paid parental leave, or in later shorter blocks.
Resources	GRIST, 18 Jun 2020

Australia	
Status	⚠ **Currently effective**
Development	**Career — Wealth** **COVID-19 JobKeeper Scheme addresses effects of COVID-19** A temporary wage subsidy program — the JobKeeper Scheme —aims to help eligible employers cover their wage costs by paying A$1,500 (before tax) to eligible employees every two weeks from 30 Mar until 27 Sep 2020. Employers are allowed to top up salary payments. Employers must apply to the scheme and meet certain eligibility criteria. The Tax Commissioner has the discretion to apply alternative tests to establish eligibility in specific circumstances. Eligible employers who laid off employees before the commencement of this scheme can participate. The scheme is open to employees hired on or before 1 Mar 2020, including employees who were let go and then rehired. Payments to employers are made in arrears and began in early May. The scheme is open to New Zealand citizens on "444 visas" provided they are tax residents, but not to people of other nationalities on working visas in Australia. Employers do not have to pay superannuation guarantee payments on any additional payment made because of the JobKeeper Payment. A number of states and territories announced changes to exempt JobKeeper payments from payroll tax and other payroll tax concessions to help businesses affected by COVID-19.
Resources	Economic response to coronavirus (Government); JobKeeper payment (Government); JobKeeper updates (Government)

Australia (upcoming effective dates)	
Development	**Career — Wealth** • Modern slavery statement deadlines extended — Key date: 31 Dec 2020 **Wealth** • Australia updates guidance on super investment fees and cost disclosures — Key date: 30 Sep 2020 • Financial product design, distribution rules postponed — Key date: 5 Oct 2020 • Australia increases consumer protection for financial products — Key date: April 2021

Hong Kong (new)	
Status	**Currently effective**
Development	Career **New environmental social and governance reporting requirements** New environmental, social and governance (ESG) reporting requirements took effect on 1 Jul 2020 for listed companies, and imposes a duty on directors and officers to improve safety governance and risk management. New key performance ESG indicators (KPIs) feature in the Hong Kong Stock Exchange's Environment, Social and Governance Reporting Guide, and include: • Requirement for companies to assess the ESG risks in their supply chains and how they are addressed and monitored. • Improved reporting of health and safety accidents and injuries. Companies also will have to "comply or explain" their social KPIs — previously, disclosure was voluntary.
Resources	ESG Guide (The Stock Exchange of Hong Kong, March 2020)

Hong Kong (new)	
Status	**Currently effective**
Development	Career **Anti-discrimination protections expanded** Recently enacted changes to Hong Kong's anti-discrimination legislation have increased individuals' protections from discrimination and harassment. Most of the measures took effect on 20 Jun 2020, but provisions aimed at protecting breastfeeding women from discrimination take effect on 19 Jun 2021. The measures feature in the Discrimination Legislation (Miscellaneous Amendments) Ordinance 2020 and amend four discrimination ordinances — sex, disability, family status and race. Highlights include: • Protections against sexual, racial and disability harassment now include interns, volunteers and barristers' pupils. Previously, only employees, employers, contract workers, principals, commission agents and partners were protected. Now, all workers are referred to as "workplace participants." Interns could also be liable for claims of harassment against other individuals in the workplace, and employers could be vicariously liable for harassment acts they commit. • Individuals treated less favorably because of their association with another person of a certain race have protection from direct discrimination and harassment. "Associates" include spouses, another person who is living with the person on a genuine domestic basis, relatives or carers of a protected person, and individuals who are in business, sporting or recreational relationships with a protected person. Race protections are also extended to those assumed to be of a particular race. • Victims of indirect discrimination can now claim damages against defendants who say they didn't have any discriminatory intent. Previously, the absence of an intention to discriminate precluded individuals from claiming damages. • From 19 Jun 2021, women who are breastfeeding or expressing breast milk, and who are employed in key sectors including education, employment and the provision of goods, services and facilities, will be protected from direct and indirect discrimination and victimization. A separate bill that would prohibit harassment on grounds of breastfeeding was published in January 2020 and, if agreed to, will take effect on 19 Jun 2021.
Resources	GRIST, 30 Jun 2020

Hong Kong (new)	
Status	**Currently effective**
Development	**Wealth** **Occupational retirement scheme rules revised** Effective 26 Jun 2020, employers in Hong Kong with occupational retirement schemes (ORSO schemes) will face new compliance requirements under changes that passed the Legislative Council on 17 Jun 2020. The measures, which feature in the Occupational Retirement Schemes (Amendment) Bill 2019, aim to ensure that ORSO schemes meet the employment-based criterion and improve governance. Further information about the changes will be published by the Mandatory Provident Fund Schemes Authority (MPFA). Highlights include: • Employers with an ORSO-registered scheme must confirm that the scheme is employment based, and that membership comprises eligible categories of individuals, for example, current and past employees, beneficiaries of deceased members, pensioners who are no longer active scheme members, and individuals who transferred into the scheme following a company amalgamation, restructuring or joint venture. The MPFA has published statement form templates. • Employers with an ORSO-exempted scheme that meets the criteria for an acceptable or approved offshore scheme must submit an annual return that includes information on the number of scheme members, domicile, and any benefits transferred from another scheme. Currently, employers only have to submit information on the total number of scheme members who do and do not hold a Hong Kong permanent identity card. • Employers that apply to the MPFA to establish a new registered or exempted scheme must confirm the eligibility of all scheme members. For ORSO-exempted schemes, there is no limit on the number of scheme members who can hold a Hong Kong permanent identity card. Currently, the number of members is capped at 10% or 50 members. • New applications for ORSO-exempted schemes must be registered with, or approved by, a relevant regulator outside of Hong Kong that is broadly aligned with the MPFA.
Resources	mandy.chan@mercer.com GRIST, 30 Jun 2020

Hong Kong	
Status	⚠ **Currently effective**
Development	Career — Wealth **Employment Support Scheme addresses effects of COVID-19** A job retention program — the Employment Support Scheme (ESS) —provides wage subsidies to eligible employers in exchange for employers not conducting any layoffs while receiving the subsidies. The ESS pays a subsidy to employers calculated on 50% of an employee's wage in a specified month. The wage amount used to calculate the subsidy is capped at HK$18,000 per month, and the subsidy is capped at HK$9,000 per employee. Employers had until 14 Jun 2020 to apply for the first tranche of ESS funding to pay wages for June, July and August. Employers cannot lay off staff during the subsidy period. Application dates for the second phase have not been announced, but the government plans to pay the subsidy in September for wages through November.
Resources	Wage subsidy scheme clarified (Labour & Welfare Secretary, 23 Jun 2020); Employment support is vital (Labour & Welfare secretary); Coronavirus information (Government)

India (new)	
Status	⚠ **Currently effective**
Development	Wealth **Late EPFO contribution payment penalty suspended** Employers will not be penalized for late payment of Employees' Provident Fund Organisation contributions during the COVID-19 pandemic lockdown period, announced the organization on 15 May 2020.
Resources	Government release, 15 May 2020

India	
Status	⚠ **Currently effective**
Development	Wealth **Pension contribution rate reduced to address effects of COVID-19** The statutory contribution rate paid by employers and employees to the Employees' Provident Fund Organisation (EPFO) has been reduced from 12% to 10% of basic wages for three months (May through July 2020) to address the effects of COVID-19. The reduction is applicable to all organizations covered by the EPFO and means that employees' take home pay will increase, and employers' EPFO contribution liabilities are reduced by 2% of employees' wages bill.
Resources	Press release (Ministry of Labour & Employment, 19 May 2020)

Malaysia	
Status	⚠ **Currently effective**
Development	Career **Wage subsidy scheme addresses effects of COVID-19** A government wage subsidy scheme, launched in April, allows small- and medium-sized employers to apply for wage subsidies for resident employees who earn less than MYR$4,000 per month. The program is effective from 1 Apr to 31 Dec 2020, and employers can submit applications until 15 Sep 2020, subject to fund availability for a period of up to three months. The scheme is open to employers (i) registered with, or contributing to, the social security organization or the employment insurance system prior to 1 Apr 2020, (ii) registered with the Companies Commission of Malaysia or relevant local authorities before 1 Jan 2020, and (iii) operational before 1 Jan 2020. The amount of monthly subsidy depends on the enterprise's workforce size: • Companies with 75 or fewer employees will receive a wage subsidy of MYR$1,200 per eligible employee. • Companies with 76- 200 employees will receive a wage subsidy of MYR$800 per eligible employee. • Companies with 201 or more employees will receive a wage subsidy of MYR$600 per eligible employee. To be eligible for the scheme, companies with 76 or more employees must show at least a 50% decline in their organization's revenue or income compared with January 2020 or later months. Employers must also continue to employ their workers for at least six months, comprising three months during receipt of the subsidy and three months after the end of the subsidy period.
Resources	megat.harith.suhaimi@mercer.com Government Release, April 2020

New Zealand (new)	
Status	⚠ **Currently effective**
Development	**Career — Health** **Paid parental leave period increases** Eligible parents of children less than six years old can now take up to 26 weeks of paid parental leave. The Parental Leave and Employment Protection Amendment Act 2017 provides for the phasing-in of a longer period of parental leave, beginning with 22 weeks in 2018 (up from 18 weeks under the former law), which has now increased to 26 weeks as of 1 Jul 2020. Eligible employees receive a parental leave payment of NZ$606.46 per week. Parents also are entitled to paid parental leave if they become the permanent caregiver of a child aged less than six years old. Permanent care is defined as adoption or ”home for life,” but does not include foster care.
Resources	GRIST, 2 Jul 2020

Singapore	
Status	⚠ **Currently effective**
Development	Career **Budgetary measures to address COVID-19 announced** The government issued its fourth budget for 2020, which includes further measures to address the impact of COVID-19. Highlights include: • The Job Support Scheme is extended for one month to cover wages paid in August 2020. Employers that were unable to open after the end of the "circuit breaker" period on 1 Jun 2020 will receive a 75% wage subsidy until August 2020, or when they are allowed to reopen (whichever is sooner). Firms in more severely impacted sectors will receive wage subsidies of either 75% or 50%, depending on the sector. Previously, these firms received wage subsidies of 25%. • New employment skills and retraining programs aim to create 100,000 jobs and training opportunities, including 40,000 jobs by the end of 2020 (of which 11,000 will be in the private sector). The new training programs will be rolled out in the coming months and aim to help local first-time and mid-career job seekers, along with a scheme to help individuals who have lost their jobs upgrade their skills while seeking new roles. • Employers will receive a monthly wage subsidy for up to six months for hiring local workers who have completed certain training programs. Subsidy amounts will be 20% (capped at SG$6,000 for workers under age 40) and 40% (capped at SG$12,000 for workers aged 40 and over). • Foreign worker levy rebates are extended for up to two months for businesses that were not allowed to resume on-site operations after the end of the "circuit breaker." In June, eligible employers received the full levy waiver and a rebate of SG$750, and in July the waiver is 50% with a rebate of SG$375. • A scheduled increase in Central Provident Fund (CPF) contribution rates for older workers is deferred by one year — from 1 Jan 2021 to 1 Jan 2022. The CPF Transition Offset scheme is also deferred until after the CPF higher contribution rates take effect. • The government will fund a COVID-19 support grant that will pay individuals up to SG$800 per month for three months if they have lost their job, been placed on leave without pay, or have had their salaries significantly reduced.
Resources	GRIST, 1 Jun 2020

Singapore (upcoming effective date)

Development **Career — Health**

- Singapore expands work injury insurance protections — Key date: 1 Sep 2020

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Europe, Middle East and Africa (EMEA)

European Union (EU)	
Status	**Proposal**
Development	Career **Changes to companies' reporting of nonfinancial, sustainability information considered** The European Commission recently invited stakeholders' views on options for revising the European Union's (EU) nonfinancial reporting directive. In its consultation document, the commission said that the non-financial statement currently disclosed by companies does not adequately meet the needs of the intended users. The directive requires certain large public companies to provide information on four sustainability themes, including social and employee matters (for example, implementation of ILO core labor conventions, employee representation and trade union arrangements, human capital topics, health and safety, and diversity) and human rights issues. As part of its review, the commission also will conduct targeted surveys addressed to small- and medium-sized firms and companies in scope of the current directive with the aim of collecting more detailed opinions and data on certain issues, including the costs of non-financial reporting. The directive took effect in 2016, and companies submitted their first reports in 2018 based on 2017 data.
Resources	Consultation on non-financial reporting directive (European Commission, 20 Feb 2020)

EU (previously covered, newly effective)	
Status	**Member states must incorporate requirements by 20 Jul 2020**
Development	Career **Revised employment rights for posted workers must be implemented by member states** A revised directive on the employment rights of workers who work in one member state and are posted to work temporarily in another was approved in mid-2018, and must be incorporated into EU member states' national laws by 20 Jul 2020. The revised directive addresses: • Posted workers' remuneration. • The applicability of certain types of collective agreements to posted workers. • Rights of workers posted by temporary work agencies to another member state. • The introduction of the concept of a long-term posting for workers sent to another member state for longer than 12 months.
Resources	Directive (EU) 2018/957 (Official Journal of the European Union, 28 Jun 2019)

EU (upcoming effective date)	
Development	**Career** • 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 (upcoming effective date)	
Development	**Career — Health** • Constitutional court annuls 'cash for car' system — Key date: 31 Dec 2020

Denmark	
Status	⚠ **Currently effective**
Development	**Career** **Reimbursement for sickness benefit continues** Until 1 Jan 2021, employers can be reimbursed for sickness benefits from the first day of absence for employees who are ill, believed to be ill or quarantined due to COVID-19.
Resources	heine.olsen@mercer.com COVID-19 information (Department of Health); COVID-19 information (Danish) (Government legal information system)

France (previously covered, soon to be effective)

Status 30 Jul 2020

Development Career — Health

Stronger protections issued for those posted to work in France

Employees from another member state of the European Economic Area who are posted to work temporarily in France will have stronger employment protections under an order that takes effect on 30 Jul 2020. The order implements the EU directive on the posting of workers. This directive specifies the terms and conditions of employment that impacts posted workers throughout the EU — and aims to ensure a level playing field by preventing foreign service providers from undercutting local service providers due to lower labor standards. Workers posted to another member state remain employed by the sending company and are subject to the laws of their home state, but are entitled to a set of core rights applicable in the host state. Highlights of the protections include:

- Employees posted to France for up to 12 months will continue to be protected by core provisions in the French labor code. Employers must guarantee that posted workers are treated equally, including equal remuneration and the reimbursement of professional expenses during the posting, including transport, meals and accommodations. Currently, employers only have to pay posted workers the applicable minimum salary and other additional remuneration. Employers will be allowed to request approval for a six-month extension to a posting. 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 be required to demonstrate their compliance to the French labor authorities. French employers that use the services of a posted worker will have to inform the worker's employer about the remuneration payable during the posting, and failure to do so could incur a fine.

Resources GRIST, 5 Mar 2020

Germany (new)

Status **Currently effective**

Development Wealth

Pensionkassen pension benefits protected from insolvency

German pension benefits funded by “Pensiondkassen” are protected if an employer becomes insolvent, under revisions to Germany’s Company Pensions Act (“Betriebsrentengesetz”). The act’s revision follows a 2019 ruling of the Court of Justice of the European Union that requires the protection of defined benefit pension rights in the event of employer insolvency.

From 2022, the mutual insurance association for German occupational pension schemes — “Pensions-Sicherungs-Verein auf Gegenseitigkeit” (PSVaG) — will cover certain pension benefits funded by Pensionskassen in the event of the employer’s insolvency. Currently, the PSVaG does not protect this type of company pension scheme. However, public sector schemes and Pensionskassen already are protected by the “Protektor Lebensversicherung” (the guarantee scheme for German life insurers) and won’t be covered by the PSVaG.

Under the law, pension payments are protected if the Pensionskasse reduces benefits and if an insolvent employer is unable to compensate members. Due to current economic conditions, some Pensionskassen have reduced members’ benefits. Employers that have a Pensionskasse will have to pay regular contributions to the PSVaG from 2022, and must also pay an additional contribution of 9‰ (per-mille) to the equalization fund set up under the PSVaG — comprising a 3‰ (per-mille) contribution in 2021 and 1.5‰ (per-mille) for each year from 2022 to 2025. The annual contribution rate will be reviewed in 2026. The PSVaG is handling claims submitted before 2022 where the reduction in pension benefits exceeds 50%, or situations where an individual pensioner’s income falls below the “at risk of poverty threshold”; in these cases, the state bears the cost.

Resources david.lesch@mercer.com

GRIST, 7 Jul 2020

Germany (new)	
Status	⚠ **Expected to become effective on 1 Jan 2021**
Development	Wealth **Basic pension law benefits low-wage earners** A new supplementary state basic pension law (“Grundrente”) has been finalized for low wage earners who contributed to the German social security system for at least 33 years. In addition, the amount of subsidy paid to employers for contributing to occupational pension schemes for low wage earners will increase. The changes are expected to become effective on 1 Jan 2021. To be eligible for the basic pension, low-wage earners must have contributed to the social security insurance system for a minimum of 33 years, and their annual earnings must not have exceeded 80% of average earnings over the whole period. The monthly amount of the basic pension paid will be linked to the number of years the individual has contributed — up to a maximum of €404.86. The full pension is payable if the individual has 35 years of contributions, and it will be reduced proportionately between 33 and 35 years. Individuals with other sources of monthly income — for example, occupational pension benefits - will receive a reduced basic pension if their income exceeds certain thresholds. Employers will be subsidized by up to 30% for occupational pension scheme contributions on behalf of employees whose salary does not exceed €2,200 per month. Under the new law, the maximum amount of employer contribution eligible for the subsidy will double to €960 per year — up from €480. The maximum amount of subsidy an employer could receive will also double to €288 — up from €144. To be eligible for the subsidy, employers must meet the following conditions: • Contributions are paid only by the employer • Contributions must be at least €240 each year • The scheme must be insurance-based • Scheme benefits are paid as an annuity
Resources	stefanie.beyer@mercer.com GRIST, 10 Jul 2020

Germany		
Status	⚠	**Currently effective**

Development

Career

Short-time work scheme and allowance addresses effects of COVID-19

The government introduced measures to reduce layoffs, retroactive to 1 Mar 2020, that allow employers to implement a short-time work scheme and to pay an allowance to affected employees to cover associated income loss. Highlights include:

- Employers that want to introduce short-time work due to economic reasons or "force majeure" must show that a minimum of 10% of the company's workforce will suffer a significant, temporary and unavoidable loss of working hours (previously, the minimum employee threshold to trigger the scheme was as high as one-third of the workforce).
- Employers must fulfill certain eligibility criteria and cannot unilaterally introduce the scheme. The employees or works council must agree to the scheme, or the provisions must be incorporated into a collective agreement. Once agreed upon, employers must register schemes with the responsible employment agency.
- Employees who are temporarily placed on short-time work are eligible to receive the short-time work allowance for up to two years. This is an increase from the maximum of one year under the old scheme. The employment agency pays the allowance (currently 60% of the employee's net income lost due to short-time work, increasing to 67% if the employee has one or more children; and government proposals could increase the allowance by 20%). Employers can top-up the allowance and may be required to under collective agreement terms. Social security contributions paid by employers will be reimbursed retroactively to 1 Mar 2020.
- Short-time workers can take other employment. From 1 May to 31 Dec 2020, employees' ancillary earnings will not count against the allowance, but the amount cannot exceed salary earned prior to being placed on short-time work.

Resources

david.lesch@mercer.com

Law on short-time working (German) (Government); Information on short-time working (German) (Government); Proposed changes to short-time working (German) (Government, 14 May 2020)

Ireland	
Status	**Currently effective**
Development	Career **Temporary wage subsidy scheme provides relief from effects of COVID-19** The Temporary Wage Subsidy Scheme (TWSS) runs until end of August 2020 and provides income support to eligible employees if the employer's business activities have been negatively impacted by COVID-19. TWSS is paid through the employer's payroll, and employers are encouraged to retain employees and maintain a significant portion or 100% of employees' income. To qualify for the TWSS, an employer must suffer significant negative economic disruption due to COVID-19, a reduced turnover rate of at least 25%, and must be unable to pay wages. Employees must remain on the payroll during the subsidy period. The subsidy amount is up to 70% of the employee's average net weekly pay (capped at either €350 or €410). Part- and full-time employees and those who have been temporarily laid off can make claims if they are retained on the employer's payroll. Employees cannot receive a subsidy if they have an annual gross salary of more than €76,000. Subsidy payments made to employees through payroll are not subject to income tax or universal social charges, and employees do not pay social insurance (PRSI) on subsidy payments or top-up payments made by the employer. Employers do not pay PRSI on the subsidy, and the PRSI is reduced to 0.5% on top-up payments. Employers should be aware that there are implications for pension schemes if the TWSS is used.
Resources	james.campbell@mercer.com Press release on TWSS (Revenue, 23 Jun 2020) COVID-19 information and advice for taxpayers and agents (Revenue); FAQs on guidance on the operational phase of the COVID-19 TWSS (Revenue) Supports for businesses impacted by COVID-19 (Department of Business, Enterprise and Innovation, 1 Jul 2020)

Ireland	
Status	**Currently effective**
Development	Career **COVID-19 pandemic unemployment payment available** The government has made available a payment of €350 per week to employees who lost their jobs or were temporarily laid off on or after 13 March due to the COVID-19 pandemic. The payment is in place until 10 August. Employees temporarily placed on a shorter working week could also qualify for short-time work support.
Resources	james.campbell@mercer.com COVID-19 pandemic unemployment payment (Department of Employment Affairs and Social Protection); Short Time Work Support (Department of Employment Affairs and Social Protection, 28 Feb 2020)

Ireland (upcoming effective date)	
Development	Wealth Ireland updates auto-enrolment pension system implementation — Key date: Expected by 2022

Jersey, Channel Islands	
Status	⚠ **Currently effective**
Development	**Career — Health** **Leave and other family-friendly measures enacted** Family-friendly measures, including an increase in parental leave for new parents to 52 weeks, took effect on 28 Jun 2020. The measures feature in Employment (Amendment No. 11) (Jersey) Law 2020 and apply to all employers, regardless of workforce size. Highlights include: • Parents whose expected week of childbirth is on or after 5 July are entitled to 52 weeks of parental leave, of which six weeks is paid at 100% of the employee's salary by the employer. Intended parents of surrogate or adopted children also are entitled to leave. • Eligible employees can take parental leave in three blocks over a two-year period from the date of the birth, adoption or start of the surrogacy. Each period of leave must be a minimum of two weeks' duration. • Employees should notify their employer of their intention to take leave 15 weeks prior to the expected week of childbirth, and must provide 42 days' notice if they want to revise any previously agreed to leave arrangements. Employers must make reasonable efforts to accommodate any requests to change leave arrangements. • Intended parents of adopted children must notify their employer no later than seven days after receiving official notification of matching with a child, or in the case of an overseas adoption, after the employee is notified of the date of the child's arrival in Jersey. • Intended surrogate and adoptive parents can take unlimited time off to attend appointments connected to the surrogacy or adoption, of which up to 10 hours is paid. • Women who continue breastfeeding after returning to work can ask their employers to modify their employment terms and conditions. If requested, employers must provide breastfeeding employees with reasonable workplace facilities. • Women who are pregnant or breastfeeding are entitled to paid leave if a risk assessment shows that it's unsafe for them to perform their normal job, and it's not possible to adjust their working arrangements.
Resources	GRIST, 29 Jun 2020

Kazakhstan (new)	
Status	**Currently effective**
Development	Career **Labor code revised** Changes to Kazakhstan's labor code took effect in May 2020. Highlights include: • Requirement for employers to input employment contract information into the unified accounting system. • Requirement for employers to establish a conciliation committee. • Changes to permitted termination arrangements. • Expanded list of dispute topics that the state court can consider without prior conciliation. • Expanded role for the state labor authority. • Revised rules on extending fixed-term contracts. • New employee representation arrangements. • Changes to working conditions for employees who work on rotation. • Increased penalties for late salary payments. • Health and safety arrangements for remote workers. • Expanded list of entities to which employees can be seconded.
Resources	Labor code (Government)

Netherlands (previously covered, newly effective)	
Status	⚠ **Currently effective**
Development	Career — Health **Paid paternity leave increased** Partners of mothers who give birth are entitled to six weeks of paid leave under 2019 law changes aimed at improving the sharing of parental responsibilities and boosting women's employment opportunities. From 1 Jan 2019, partners are entitled to five days of paternity leave that must be taken during the first four weeks after the child's birth, and, from 1 Jul 2020, partners became entitled to an additional five weeks of paid paternity leave to be taken during the first six months after the child's birth. To be eligible for this leave, partners must have taken the initial five days of paternity leave. The government will pay up to 70% of the person's salary, capped at €4,660.59 per month. Employers can refuse to grant paternity leave only for compelling business reasons, but must agree to alternative arrangements with the employee.
Resources	GRIST, 1 Mar 2019

Netherlands	
Status	**Currently effective**
Development	Career — Health — Wealth **Government provides wage compensation scheme for companies impacted by COVID-19** The Dutch government has revised and extended by one month — to 30 Sep 2020 — the Temporary Emergency Bridging Measure for Sustained Employment (NOW) that provides wage compensation for employers anticipating a 20% or more decrease in revenue due to COVID-19 or other reasons. Employers can currently apply for NOW for the period from June through September 2020 — applications must be submitted by 31 Aug 2020. The government also reinstated a severance penalty for employers that make collective economic layoffs. The wage subsidy paid to employers laying off staff will be reduced by 5% unless (i) they reach an agreement with the labor union (or another employee representative body in the absence of a union) or, if there is no agreement, (ii) they request mediation by a committee to be established by the Dutch Labour Foundation (Stichting van de Arbeid). Employers making economic layoffs must pay back 100% of the wage subsidy, and will have to pay increased surcharges on employer contributions (for example, pension contributions and holiday allowance accrual). Employers receiving compensation under the scheme must inform their works council or employees. Certain organizations benefiting from the NOW scheme cannot pay bonuses to board or company managers, and are not permitted to pay dividends or buy back shares during 2020.
Resources	Dutch measures against coronavirus (Government); Temporary emergency bridging measure NOW (Government); Dutch government measures to help businesses (Government); Unemployment benefit during short-time working (Government)

Norway (new)	
Status	⚠ **Deadline extended to 15 Oct 2020**
Development	Wealth — Health **Social security contribution payments delayed due to COVID-19** The Norwegian tax administration has extended to 15 Oct 2020 the deadline for employers to pay social security contributions due for May and June. The deadline for employers to prepay financial tax on salaries remains unchanged. The tax authority had applied a 4% reduction to social security contributions in May and June.
Resources	Government announcement (Norwegian), 25 Jun 2020
Oman (upcoming effective date)	
Development	Health • Oman issues implementation rules for new health insurance scheme — Key date: Mid-2020
Poland (upcoming effective date)	
Development	Wealth • Postponement of some pension auto-enrollment scheme deadlines — Key dates: 27 Oct 2020 and 10 Nov 2020
South Africa	
Status	⚠ **Currently effective**
Development	Career **PAYE tax payment relief addresses effects of COVID-19** The government is providing eligible employers with temporary tax relief to address the effects of COVID-19 by allowing them to apply for deferred payments of up to 35% of their monthly pay-as-you-earn (PAYE) liabilities for April, May, June and July without having to pay penalties or interest. Employers that apply for deferral must pay their full PAYE liabilities in six monthly installments starting in September 2020 — penalties will then apply to missed payments. Eligible employers must have a gross income of less than R100 million during the assessment year ending on or after 1 Apr 2020.
Resources	Q&As for employers on COVID-19 tax relief (Government)

Spain (previously covered, soon to be required)	
Status	**6 Aug 2020**
Development	Wealth **Pension fund supervision strengthened to comply with European Union IORP II** A Spanish decree aimed at implementing the EU directive on the supervision of institutions for the occupational retirement provision (IORP II) took effect on 6 Feb 2020, but organizations have until 6 Aug 2020 to adjust to the new requirements. The decree aims to set conditions for cross-border activity of pension funds, increase the protection of scheme members, and strengthen prudential supervision. Highlights include: • Pension funds must issue more transparent documentation for all phases, especially with regard to accrued pension rights and the amount of retirement benefits members can expect to receive. • Funds must fulfill certain governance requirements subject to implementing risk management and internal audit arrangements appropriate to the fund's size and complexity, and can outsource certain functions. • Pension fund committees must publish their long-term investment strategy and implement an appropriate remuneration policy (1) for all staff performing key functions within the managing entity and (2) for staff with who have a significant impact on the risk profile of the fund. The remuneration policy must be in line with the organization's size, nature, scale and complexity.
Resources	juan.luis.alonso@mercer.com GRIST, 25 Feb 2020

Spain (updated)	
Status	⚠ **Currently effective**
Development	Career — Health — Wealth **Employment measures continue to address effects of COVID-19** The government ended its state of emergency on 21 Jun 2020. Royal Decree-Law 24/2020, effective 27 Jun 2020, incorporates the social partners' agreement on employment measures and extends certain provisions included in Royal Decree-Law 8/2020 that was due to expire on 30 Jun 2020. Employers can no longer apply for new temporary collective redundancy procedures ("ERTE") due to COVID-19 "force majeure," but procedures applied for prior to 27 June are extended until 30 Sep 2020, exempting employers from social security payments (contributions will gradually increase from September through December 2020). Employers can apply for ERTE for economic, technical, organizational, or production reasons linked to COVID-19. The ban on dismissals due to COVID-19 and interruption of temporary contracts that were suspended due to ERTE's is extended until 30 Sep 2020. Since the COVID-19 pandemic began, numerous other royal decrees introduced exceptional employment measures throughout Spain to help employers and employees.
Resources	gloria.villar@mercer.com Royal-Decree Law 24/2020 (Spanish) (Government); Royal-Decree Law 21/2020 of 9 Jun 2020 (Spanish) (Government); Authorization of state of emergency (Spanish) (Government); Best practice workplace guidelines (Spanish) (Government); Royal Decree-law 6/2020 of 10 Mar 2020 (Spanish) (Government); Royal Decree-law 463/2020 of 14 Mar 2020 (Spanish) (Government); Royal Decree-law 8/2020 of 17 Mar 2020 (Spanish) (Government); Royal Decree-law 9/2020 of 27 Mar 2020 (Spanish) (Government); Royal Decree-law 10/2020 of 28 Mar 2020 (Spanish) (Government); Royal Decree-law 15/2020 of 21 April 2020 (Spanish) (Government); Royal Decree-law 492/2020 of 24 April 2020 (Spanish) (Government); Royal Decree-law 16/2020 of 28 Apr 2020 (Spanish) (Government)

Sweden	
Status	**Currently effective**
Development	Career **Short-time work allowance measures address the effects of COVID-19** A short-time work allowance law offers three levels (20%, 40% and 60%) of reduced working time and corresponding amounts of government subsidy to employers. For instance, employers that reduce working time to 60% will receive a subsidy to cover 52.5% of salary costs, capped at a salary of SEK44,000 per month. Organizations that are subject to collective bargaining must reach an agreement on reduced working time arrangements with the unions, or sign an agreement with at least 70% of its employees. The program will remain in effect throughout 2020.
Resources	richard.bjaernehaell@mercer.com Short-time work allowance (Swedish Agency for Economic Growth and Regional Growth)

Switzerland (new)	
Status	**Currently effective**
Development	Wealth **Second-pillar pension changes enacted** From 1 Jan 2021, individuals in Switzerland aged 58 or older, whose employment has been terminated, could choose to remain enrolled in their employer-sponsored occupational pension schemes until they reach the normal retirement age specified by the pension scheme. In the case of restructuring, individuals who are at least 55 also may have this option if the pension scheme allows. The measures feature in the revised Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) that provides mandatory employee benefits insurance. Highlights include: • Individuals who choose to stay in the pension scheme must continue invalidity and death insurance coverage and pay both employer and employee contributions. • Individuals can choose to continue accruing old age pension benefits if they pay both the employer and employee contributions. • Individuals can terminate their participation in the scheme at any time. • Individuals who subsequently take other employment will have to transfer their pension entitlement into their new employer's scheme, subject to meeting certain criteria.
Resources	daniel.tonks@mercer.com GRIST, 9 Jul 2020

Switzerland (previously covered, newly effective)	
Status	**Currently effective**
Development	Career **Gender pay audit required by 30 Jun 2021** Changes to the Equality Act and an implementing ordinance became effective on 1 Jul 2020, and require any Swiss employer with 100 or more employees to conduct its first gender pay gap analysis by 30 Jun 2021. Companies with fewer than 100 employees may voluntarily comply. Both measures will take effect on 1 Jul 2020 and expire on 1 Jul 2032. Highlights include: • Companies must use a "scientific and legally compliant method" to perform the internal equal pay analysis by 30 Jun 2021. An independent auditor must then be appointed to confirm the internal analysis. • When hiring independent auditors, companies can use the public procurement model or another audit type. The ordinance sets out the required training for gender pay auditors. • Audits must cover all employees and include all elements of remuneration. Employers must share the audit results with employees. • Audits must take place every four years unless the first analysis finds no unexplained gender pay gap.
Resources	eric.grosjean@mercer.com GRIST, 6 Oct 2019

United Arab Emirates	
Status	**Currently effective**
Development	**Career — Health** **DIFC issues measures to address effects of COVID-19** The Dubai International Finance Centre (DIFC) — a special economic zone — published Presidential Directive No. 4 of 2020 that addresses employment provisions applicable during the "emergency period," effective 21 April until 31 July, or until a date announced by the DIFC president. DIFC employers can introduce certain employment measures with five days' notice to the affected employees, but do not need their consent. The permitted measures can cover reduced working hours; remote working; restriction on workplace access; reduced remuneration for a temporary period; unpaid leave; and require employees to the use their holiday entitlements. Employees who contract COVID-19, or who are quarantined, will receive full sick pay and the leave taken will not reduce their sick leave allowance.
Resources	Ministerial Resolution No. 279 of 2020 (Ministry of Human Resources and Emiratization); Ministerial Resolution No. 281 of 2020 (Ministry of Human Resources and Emiratization); Dubai International Financial Centre announcement (26 Apr 2020)

United Kingdom (UK) (new)	
Status	⚠ **Currently effective**
Development	Wealth **Defined benefit superfunds guidance issued** Guidance from The Pensions Regulator (TPR) requires those setting up and running a defined benefit superfund model and other new consolidators, including directors, senior managers and trustees, to demonstrate good governance and adequate capital, and describes how these funds will be assessed and regulated. "Superfunds" allow employers to consolidate existing schemes by replacing the sponsoring employer with a special purpose vehicle, and transferring assets and liabilities to that vehicle. Superfunds may cover several unconnected employers and are aimed at schemes that do not expect to be able to buy out their liabilities in the foreseeable future (the TPR suggests five years as the "foreseeable future"). The guidance was issued in advance of legislation on these consolidator funds, establishing an interim regulatory regime to ensure clear rules are in place as new models emerge.
Resources	deborah.cooper@mercer.com GRIST, 2 Jul 2020

UK (new)	
Status	⚠ **Currently effective**
Development	**Career — Health** **New statutory sick pay regulations to address effects of COVID-19** New statutory sick pay (SSP) regulations took effect on 6 Jul 2020 and address certain situations related to COVID-19. Under the changes, SSP is now paid to workers who self-isolate because they are part of a "linked household" (a social support "bubble") with someone who has symptoms of COVID-19. Revised rules on SSP eligibility applicable to extremely vulnerable workers who were advised to "shield" now allow for formal notification to terminate shielding (to override an earlier instruction to shield), but the new rules also allow for future changes about shielding. However, individuals who must quarantine for 14 days on entering or returning to the UK, and who are unable to work during this period, don't qualify for SSP unless they fulfil one of the other eligibility conditions.
Resources	The Statutory Sick Pay (Coronavirus) (Suspension of Waiting Days and General Amendment) (No. 2) Regulations 2020 (Government)

UK (new)	
Status	**Currently effective**
Development	Career **New employment, labor market support address effects of COVID-19** The government's Plan for Jobs, announced on 8 Jul 2020, includes the payment of a Job Retention Bonus aimed at encouraging employers to continue employing previously furloughed employees through the end of January 2021. The one-off payment of £1,000 per employee will be paid to employers in February 2021. To be eligible, employees must earn, on average, more than the Lower Earnings Limit (£520 per month) over the period from October 2020 (when the current Coronavirus Job Retention Scheme ends) to the end of January 2021. Other government initiatives featured in the plan aim to support workers aged 16-24; enhance job creation and training programs; create financial incentives for hiring apprentices aged under 25; and introduce measures to support hospitality sector employment. Further details about the Job Retention Bonus will be announced the end of July 2020.
Resources	A Plan for Jobs 2020 (UK Government, 8 Jul 2020)

UK (new)	
Status	**Consultation is open until 9 Sep 2020**
Development	Career **Consultation on employment rights for domestic abuse survivors** A consultation on the employment rights of the survivors of domestic abuse is open for input until 9 Sep 2020. Views are sought on the provision of flexible working, unplanned leave entitlement and other employment issues, including ways that employers could help tackle economic abuse of individuals (for example, by paying wages to a different bank account or making emergency salary payments to individuals experiencing real financial hardship). The government says it will explore examples of employer best practices in the UK and internationally.
Resources	Press release (Business and Industry, 9 June 2020)

UK (new)	
Status	**Proposal**
Development	**Career — Health** **Neonatal care leave and payment planned** The UK government recently confirmed plans to provide parents with a statutory right to take leave and pay if their baby requires neonatal care — the statement follows a consultation in 2019. Parents could take leave either immediately after a baby's birth, or during the first 28 days of life — the amount of leave would comprise one week if the baby requires admission into neonatal care that lasts for a continuous period of seven days or more, capped at a maximum leave entitlement of 12 weeks. The amount of payment would be the family leave flat rate, subject to employees fulfilling service and earnings criteria, but employees would be entitled to unpaid leave from the first day of their employment. The government will consider if the new right should be extended to caregivers other than parents, and if leave could be taken to care for babies receiving palliative care or neonatal care outside of a hospital setting. The entitlement is unlikely to made available before 2023.
Resources	Government response — Neonatal leave and pay (Department for Business, Energy & Industrial Strategy, March 2020)

UK	
Status	**Consultation is open until 3 Aug 2020**
Development	**Career — Health** **Input requested on leave for carers** The government is considering allowing qualifying employees to take a week of unpaid leave each year to provide care, and invites input through 3 Aug 2020. The government proposes that the amount of leave would be capped over a certain number of years. Specifically, the consultation invites comments on the following issues: • The purpose of carers' leave and its interaction with other employment rights that aim to help individuals balance work and other responsibilities (for example, flexible working, vacation entitlement, unpaid parental leave, and emergency leave to care for a dependent). • The eligibility criteria for taking leave. • How the leave could be taken and the notification process for requesting leave. The government proposes two options — a single block of one week, or taking leave as individual or half-days. Leave would be prorated for part-time work. • The employment protections for individuals applying for, or taking, carers' leave. The government proposes that employees would have similar employment protections applicable to other types of leave. They would not be treated detrimentally or dismissed because they requested or took time off, and would be entitled to claim automatic unfair dismissal. The government also proposes that employees could complain to an employment tribunal if their employer unreasonably refused to grant time off.
Resources	GRIST, 5 May 2020

UK (upcoming effective date)	
Development	**Career** • Government postpones off-payroll working start date — Key date: 6 Apr 2021 **Wealth** • Pension schemes face new investment and disclosure rules — Key date: 1 Oct 2020

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