



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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## 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 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. To help multinational employers continue to address worksite, economic and associated travel issues, Mercer is providing analysis on workforce and investment implications and compiling 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)

# 3 Americas

## Brazil (upcoming effective date)

### Development **Wealth**

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

## Canada (new)

Status  **Currently effective**

### Development **Wealth**

#### Temporary funding relief measures for Ontario defined benefit pension plans

The Financial Services Regulatory Authority of Ontario has announced temporary funding relief for eligible single employer defined benefit pension plans. Under Regulation 520/20, sponsors of eligible plans can defer for up to six months employer pension contributions from 1 Oct 2020 to 31 Mar 2021. All deferred contributions must be paid with interest and in accordance with the schedule by 31 Mar 2022. Employers must carefully consider obligations imposed on plan sponsors electing to take advantage of the regulation.

Resources [luc.gerard@mercer.com](mailto:luc.gerard@mercer.com)

[Press release](#) (Financial Services Regulatory Authority of Ontario, 21 Sep 2020); [Regulation](#) (Government, 21 Sep 2020)

## Canada (upcoming effective dates)

### Development **Career**

- [Employers face workplace harassment prevention rules](#) — Key date: 1 Jan 2021

<b>United States (US) (new)</b>	
<b>Status</b>	 <b>Proposal</b>
<b>Development</b>	<b>Wealth</b>
	<b>Clarifications of proxy voting rules proposed</b> The Department of Labor (DOL) has proposed clarifying the rules around proxy voting in ERISA-covered retirement, health and welfare plans, laying out fiduciary duties relating to shareholder actions and providing some examples of policies that plans may adopt for use in deciding whether to vote a particular proxy. By detailing fiduciary considerations around proxy voting, DOL seeks to erase the “persistent misunderstanding” that ERISA fiduciaries must vote all proxies. DOL also emphasizes that fiduciaries exercising shareholder rights must be guided solely by the plan’s economic interest, not by any non-pecuniary concerns, and formally withdraws Interpretive Bulletin 2016-01, which was more permissive on reflecting environmental, social and corporate governance goals when voting shares. Comments on the proposal were due 5 Oct 2020.
<b>Resources</b>	<a href="mailto:margaret.berger@mercer.com">margaret.berger@mercer.com</a> , <a href="mailto:brian.kearney@mercer.com">brian.kearney@mercer.com</a> and <a href="mailto:ellen.stone@mercer.com">ellen.stone@mercer.com</a> <a href="#">GRIST</a> , 15 Sep 2020

## US (new)

Status  Consultation open until 26 Oct 2020

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

#### **Worker classification test simplifications proposed**

A proposed Department of Labor (DOL) rule would simplify and clarify how to distinguish between employees and independent contractors under the Fair Labor Standards Act (FLSA). DOL and the courts have long taken the position that distinguishing between an employee and independent contractor requires evaluating the worker's economic dependence on a company. Independent contractors are workers who, as a matter of economic reality, are in business for themselves — unlike employees, who are economically dependent on their employers. The proposed rule would establish an economic reality test, using five factors to determine economic dependence:

- The nature and degree of the worker's control over the work (core factor).
- The worker's opportunity for profit or loss based on initiative and/or investment (core factor).
- The amount of skill required for the work.
- The degree of permanence of the working relationship between the worker and the potential employer.
- The extent to which the work is part of an integrated unit of production.

The list is not exhaustive, and no single factor would be determinative, but the two core factors would carry greater weight in the analysis. The proposal also states that actual practices would have greater weight than what might be contractually or theoretically possible.

Employers and business lobbies will likely welcome the new test, as the proposed rule would relax the parameters for determining independent contractor status under the FLSA. However, different standards may apply for identifying independent contractors under other laws. For employees misclassified as independent contractors, companies will owe additional payroll taxes and might need to provide retroactive benefits. Given the potential for litigation, the varying tests applied by other federal agencies and courts, and the divergent standards under some state laws, employers should continue to work with legal counsel to make worker determinations.

**Resources** [margaret.berger@mercer.com](mailto:margaret.berger@mercer.com) and [cheryl.hughes@mercer.com](mailto:cheryl.hughes@mercer.com)  
[GRIST](#), 5 Oct 2020

## US (new)

**Status**  **Currently effective**

**Development** **Career**

### Part of new joint employer rule struck down

On 8 Sep 2020, a federal judge struck down a significant part of the Department of Labor's new joint employer rule that was released in January. The rule addressed vertical joint employment (where an employee works one set of hours in a workweek for the employer, and that work simultaneously benefits another entity), and horizontal joint employment (where an employee works separate sets of hours for multiple employers in the same workweek). In February, 18 states sued to block enforcement of the rule. The court found that the "novel interpretation for vertical joint employer liability" conflicts with the Fair Labor Standards Act and is arbitrary and capricious. However, the standard for horizontal joint employment relationships remains in effect. The decision is likely to be appealed.

**Resources** [Decision](#) (Court, 8 Sep 2020); [GRIST](#), 15 Jan 2020

## US (new)

**Status**  **Consultation open until 17 Nov 2020**

**Development** **Wealth**

### Defined contribution plan lifetime income disclosures interim final rule issued

An interim final rule (IFR) on lifetime income disclosures provides implementation guidance from the Department of Labor (DOL) on this requirement of the Setting Up Every Community for Secure Retirement Enhancement (SECURE) Act (Pub. L. No. 116-94). The act requires defined contribution plans to show the account's annuity equivalent, using DOL prescribed assumptions, in each participant's benefit statement. Comments are due by 17 Nov 2020, and the DOL is looking for stakeholder feedback on several areas of the proposal. The IFR will take effect one year after publication and plans don't need to comply before then. DOL intends to publish a final rule before the end of the one-year period that will reflect stakeholder comments and supersede the interim final rule. In the meantime, plan administrators may want to start evaluating their benefit statements in preparation for any changes that may be necessary once the final rule takes effect.

**Resources** [margaret.berger@mercer.com](mailto:margaret.berger@mercer.com) and [brian.kearney@mercer.com](mailto:brian.kearney@mercer.com)  
[GRIST](#), 1 Sep 2020

**US — California (new)**

**Status**  **31 Dec 2021**

**Development** **Career**

**Board director from underrepresented communities required**

Publicly traded companies headquartered in California and foreign corporations with principal executive offices located in the state must appoint at least one director from an underrepresented community by 31 Dec 2021, under measures in Assembly Bill 979 signed by the governor on 30 Sep 2020. California already requires public companies to appoint at least one female board member — representation will increase to a minimum of two female board members by the end of 2021, depending on the size of the board. Highlights include:

- A director from an underrepresented community includes anyone who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaska Native or who self identifies as gay, lesbian, bisexual or transgender.
- From 31 Dec 2022, larger boards face increased quotas — a minimum of two directors from an underrepresented community for boards with five to eight directors and three for boards with nine or more directors.
- Companies that do not comply could be fined US\$100,000 for the first violation and US\$300,000 for all later violations. Companies that fail to provide information to the state could be fined US\$100,000.

**Resources** [GRIST](#), 7 Oct 2020

## US — California (new)

Status  31 Mar 2021

### Development **Career**

#### Employers required to file equal pay reports

Private sector employers with 100 or more employees will have to file a report covering pay data and hours worked for the categories of gender, race and ethnicity. The first reports — based on 2020 pay data — must be filed with the California Department of Fair Employment and Housing by 31 Mar 2021, and thereafter by the same date annually. The measures feature in Senate Bill No. 973 signed by the governor on 30 Sep 2020 and effective on 1 Jan 2021. The bill aims to reduce the pay gap for women and people of color. Highlights include:

- Employers must provide pay data for 10 job categories by race, ethnicity and gender, covering all individuals in each job category during a single period between 1 October and 31 December of the applicable reporting year. The categories follow the former federal Component 2 of the Equal Employment Opportunity–1; in 2019, the Equal Employment Opportunity Commission halted the controversial collection of this extensive information about employee compensation and hours worked.
- Employer must set out the annual total earnings and hours for all employees, and the report must be in a searchable format.
- The amount of pay must be categorized into pay bands established by the US Bureau of Labor Statistics in the Occupation Employment Statistics Survey.
- Employers must submit a report for each establishment maintained, and a consolidated report covering all employees.
- The law doesn't clarify if non-California employees must be included in the report.

Resources [GRIST](#), 7 Oct 2020

## US — California (new)

Status  Currently effective

### Development **Career**

#### **Certain professions from independent contractor test exempted**

The governor recently signed legislation (AB 2257) that exempts more professions from the "ABC" strict independent contractor test. In 2019, the governor enacted legislation (AB 5) establishing this test to reduce worker misclassification (see the GRIST below for more information). Assemblywoman Laura Gonzalez, who authored both laws, says AB 2257 “makes a clear distinction between employer-employee relationships and professionals that run their own independent businesses” and is the “product of robust dialogue over the last year with workers and businesses from every part of the state.”

Resources [AB 2257 \(California Legislative Information\)](#) and [GRIST](#), 26 Sep 2019

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

Status  1 Oct 2020

### Development [Career](#)

#### Using salary history in hiring/pay decisions prohibited

From 1 Oct 2020, employers in Maryland generally will not be allowed to ask or rely on a job applicant's wage history when making decisions about hiring or setting initial pay — and could have to provide an applicant with information about the wage range. The recently enacted legislation amends Maryland's Equal Pay for Equal Work law. Highlights include:

- Employers will have to provide the specified position's wage range upon request.
- Employers may not retaliate or refuse to interview, hire or employ an applicant because the applicant did not provide their wage history or requested the wage range.
- Employers will not be allowed to ask applicants for their salary history from current or former employers and cannot use an applicant's wage history to screen for roles or to set a new hire's starting pay.
- Employers may use the applicant's voluntarily provided wage history to increase the initially offered compensation amount, following a conditional offer of employment.
- Employers will face penalties for breaches of the wage history and wage notice requirements up to \$300 for each applicant for whom the employer is not compliant, and up to \$600 for each subsequent violation if it occurs within three years of the prior violation.

Resources [GRIST](#), 26 Aug 2020

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

Status  1 Oct 2020

### Development **Career**

#### **Protections against workplace harassment, discrimination enacted**

A new law requires Oregon employers to implement a written anti-harassment policy and prohibits use of nondisclosure agreements (NDAs) to prevent employees or job applicants from revealing harassment or discrimination under any protected category. Most provisions of the Workplace Fairness Act, signed by the governor on 11 June 2020, took effect on 1 Oct 2020. The Bureau of Labor and Industries will soon publish model procedures and policies for employers. Highlights include:

- The law extends the statute of limitations, from one to five years, for filing a complaint alleging harassment.
- Employers can't use NDAs as a condition of employment (such as hiring, continued employment, promotion, receipt of benefits and compensation) if the agreement aims to prevent the employee from discussing or disclosing harassment or discriminatory conduct related to any protected category under state law, including sex, sexual orientation, age, race, religion or national origin.
- However, employers can enter into an NDA separation or severance agreement if the aggrieved employee requests one and is allowed seven days to revoke the agreement after signing. Signed NDAs may also be revoked if an investigation by the employer reveals that harassment or discrimination were substantially contributing factors to an employee's termination.
- Written anti-harassment policies must include certain minimum information and must be given to all new employees upon hire and to employees who disclose information about discrimination or harassment.

Resources [GRIST](#), 26 Jun 2019

## US (upcoming effective dates)

### Development **Career**

- [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
- [Gender diverse boards required in Washington state](#) — Key date: 1 Jan 2022

### **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

# 4

## Asia Pacific

### Australia (new)

Status  Proposal

Development **Career — Health**

#### Leave protections expanded, flexibility provided

Parents of stillborn babies would be given more leave, and all parents would be able to use unpaid parental leave more flexibly, under legislation recently introduced by the government. Highights include:

- Improving and clarifying minimum unpaid leave entitlements for parents of stillborn babies and babies who die during the first 24 months of life. The measures:
  - Grant parents of stillborn babies the same entitlement to leave as parents of live babies.
  - Remove an employer’s freedom to recall a parent on leave back to work or to cancel any upcoming planned leave following a stillbirth or death of a child or infant.
  - Ensure that impacted employees can return to work earlier if they wish to do so, subject to providing their employer with at least four weeks’ written notice.
  - Allow employees who are on unpaid leave to take compassionate leave following the stillbirth or death of the child.
  - Clarify that employees can take compassionate leave following a stillbirth, if that child would have been an immediate family or household member.
- Improved unpaid leave entitlements for parents who experience premature birth and other birth-related complications that require the baby’s immediate hospitalization.
- Allowing parents to take up to 30 days of flexible unpaid parental leave until their child turns two, consistent with recent changes to paid leave.

Resources [GRIST](#), 18 Sep 2020

## Australia (upcoming effective dates)

### Development **Career — Wealth**

- [Modern slavery statement deadlines extended](#) — Key date: 31 Dec 2020

### **Wealth**

- [Financial product design, distribution rules postponed](#) — Key date: 5 Oct 2021
- [Australia revises consumer dispute resolution for finance sector](#) — Key date: 5 Oct 2021
- [Australia increases consumer protection for financial products](#) — Key date: 5 Oct 2021

## China (new)

**Status**  1 Jan 2021

### Development **Career**

#### **Civil code covers sexual harassment, privacy protections**

Employers in China will have to implement measures to prevent and address sexual harassment — and take account of employees' privacy rights — under measures included in the first ever Civil Code issued by the National People's Congress on 28 May 2020. Highlights include:

- Employers will have to take “reasonable measures” to prevent sexual harassment, and introduce procedures for investigating and handling claims. Employers must also prevent and stop sexual harassment resulting from abuse of power, such as personal and other networks or connections.
- “Sexual harassment” includes misconduct manifested through words, text, images, physical behavior or other means. While current law does prohibit sexual harassment, it is not defined.
- Victims of harassment will be allowed to bring claims against perpetrators, although the code does not set out the procedures for bringing claims or the potential damages that could be awarded.
- The code also includes privacy right provisions, which will prohibit employers from infringing on an employee's life outside of the workplace via telephone, text messages, instant messaging tools, emails and leaflets — unless the employee agrees. The code also defines personal data and how it may be processed.

**Resources** [GRIST](#), 28 Sep 2020

## Hong Kong (upcoming effective dates)

### Development **Career — Health**

- [Maternity leave and pay increases to take effect](#) — Key date: 11 Dec 2020

## India (new)

**Status**  **Effective date has not been announced**

### Development **Health**

#### **EDLI payment benefits increases**

The maximum amount of benefits payable under the Employees Deposit Linked Insurance Scheme (EDLI) increased from INR 6 Lakh to INR 7 Lakh, the Ministry of Labor recently announced. The effective date of this increase is not yet known.

The EDLI is a type of life insurance coverage provided by the Employees Provident Fund Organisation (EPFO) for private sector salaried employees. The registered nominee receives a lump-sum payment in the event of the death of the insured employee. All organizations registered in the Employee Provident Fund and Miscellaneous Provisions Act, 1952 are automatically enrolled in the EDLI, with employers paying 0.5% of an employee's basic salary up to a maximum of INR 75 per month. However, employers are exempt from contributing to the EDLI if they provide improved insurance benefits through alternative life insurance schemes. The amount of benefit payable is calculated on the employee's last salary payment.

For employers that opted to use life insurance to provide EDLI coverage, the premium cost will increase by approximately 15% to 18%, depending on the type of plan chosen. For employers that provide EDLI coverage through the EPFO, the extra cost will be paid for by the government.

**Resources** [shilpa.lakhi@mercer.com](mailto:shilpa.lakhi@mercer.com)  
[GRIST](#), 9 Oct 2020

## Japan (upcoming effective dates)

### Development **Career**

- [Employers urged to employ workers until age 70](#) — Key date: 1 Apr 2021

### New Zealand (upcoming effective dates)

#### Development [Career](#)

- [Gender pay equity claim procedures outlined](#) — Key date: 8 Nov 2020

### Oman (new)

**Status**  **1 Nov 2020 fund is launched; contributions begin from 1 Jan 2021**

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

##### **Job Security Fund launched**

From 1 Nov 2020, a new Job Security Fund will pay an allowance to Omani citizens who have completed any probationary period and are terminated for non-disciplinary reasons. The allowance amount will be 80% of the employee's average wage — calculated over the 24 months prior to the termination date — and will be paid for up to six months. From 1 Jan 2021, private and public sector employees will pay 1% of their monthly salaries to the fund via payroll deduction, and employers will be required to pay the same amount to the Public Authority for Social Insurance. Employers that hire non-Omani employees will have to pay an additional 5% into the fund when applying for, or renewing, work permits. From 1 Nov 2023, the fund will expand to pay an allowance to Omani citizens searching for a job.

**Resources** [GRIST](#), 5 Oct 2020

### Oman (upcoming effective date)

#### Development [Health](#)

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

### Taiwan (upcoming effective dates)

#### Development [Career](#)

- [Minimum wage rates to increase slightly](#) — Key date: 1 Jan 2021

# 5 Europe, Middle East and Africa (EMEA)

## European Union (EU)

Status  Initiatives for 2021

Development **Career**

### Policy priorities for 2021

Measures to support minimum wage setting and strengthen race equality laws, and expanded protections against hate crime and hate speech, were some of the initiatives affecting employment announced by the European Commission's president. In particular, the list of EU crimes will be extended to include all forms of hate crime and hate speech, whether based on race, religion, gender or sexuality. The commission also will appoint its first ever anti-racism coordinator and will publish a strategy to strengthen LGBTQI rights. These initiatives were included in the EU's state of the union speech on 16 Sep 2020.

Resources [Press release](#), 16 Sep 2020

## 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

## France (new)

**Status**  **1 Oct 2020**

### Development **Career — Health**

#### **Caregiver leave now available**

Employees and self-employed persons in France can take up to three months of paid caregiver leave to care for a relative or a close friend (eligibility rules apply). For individuals needing extended or multiple periods of caregiver leave, the total cannot exceed one year over the course of their careers.

Employees taking the leave will receive a daily allowance of EUR 52.08 if they are single and EUR 43.83 if they live as a couple. The benefits will be paid through the family allowance and mutual social agricultural funds. Payment rules are similar to those applicable to leave to care for a sick child.

**Resources** [ayce.nisancioglu@mercer.com](mailto:ayce.nisancioglu@mercer.com) and [franck.juvin@mercer.com](mailto:franck.juvin@mercer.com)  
[GRIST](#), 2 Oct 2020

## France (new)

Status  1 Jul 2021

Development **Career — Health**

### **Paternity leave to increase**

The maximum duration of paid paternity leave in France will increase from 14 to 28 days starting 1 Jul 2021, under measures included in the 2021 social security financing bill. Fathers will have to take at least one week off work after the birth of their child.

Resources [ayce.nisancioglu@mercer.com](mailto:ayce.nisancioglu@mercer.com) and [franck.juvin@mercer.com](mailto:franck.juvin@mercer.com)  
[GRIST](#), 2 Oct 2020

## France (new)

Status  Proposal

Development **Career — Health**

### **Social security financing 2021 bill published**

The government's 2021 Social Security financing bill, published on 29 Sep 2020, includes the following measures:

- Introduction of an exceptional contribution on complementary health insurers during 2020 and 2021.
- Changes to the governance and funding of a new branch of social security coverage aimed at supporting individuals at risk of losing their independence, for example, due to disability or age.
- Coverage of telehealth consultations by Social Security until 31 Dec 2022.
- Increase of paternity leave to 28 days, up from 14, from 1 Jul 2021.

The bill will be discussed in parliament, and the finalized act likely will be adopted in December 2020.

Resources [marie.le.gloan@mercer.com](mailto:marie.le.gloan@mercer.com)  
[GRIST](#), 7 Oct 2020

**Germany (upcoming effective date)**

**Development** [Wealth](#)

- [Basic pension law benefits low-wage earners](#) — Key date: 1 Jan 2021

**Ireland (upcoming effective date)**

**Development** [Wealth](#)

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

**Israel (new)**

**Status**  **1 Jun 2022**

**Development** [Career](#)

**Gender pay gap reporting expanded**

From 1 Jun 2022, Israeli employers with more than 518 employees must publish an annual report on the organization’s gender pay gap. The measures feature in an amendment to the Equal Pay for Male and Female Employees Law, 1996 that passed parliament on 24 Aug 2020, and will take effect on 25 Oct 2020. Current law includes a gender pay gap reporting duty, but is applicable only to certain state or public entities.

Under the law, employers will have to prepare internal and external reports that analyze employees’ average salary by gender, job role and ranking, and publish the average percentage pay gap by gender and by group of employees. The first 2022 report must be based on 2021 pay data. The law includes a measure that allows the government to expand the reporting duty to include smaller employers.

**Resources** [GRIST](#), 24 Sep 2020

## Poland (new)

**Status**  **1 Jan 2021**

### Development **Career**

#### **Minimum wage rates for 2021**

Poland's minimum wage will increase in 2021 from PLN 2,600 to PLN 2,800 per month, and from PLN 17 to PLN 18.3 per hour.

**Resources** [News release](#) (Polish) (Government, 15 Sep 2020)

## Poland (previously covered, newly effective)

**Status**  **27 Oct 2020 and 10 Nov 2020**

### Development **Wealth**

#### **Pension auto-enrollment scheme deadlines approaching**

The deadlines for implementing certain aspects of the pension auto-enrollment (scheme PPK) reforms for employers with 50 or more employees are 27 Oct 2020 (postponed from 24 Apr 2020) for employers to sign PPK management agreements with financial institutions and 10 Nov 2020 (postponed from 11 May 2020) for signing a PPK participation agreement with a financial institution.

**Resources** [PPK market regulator website](#) (Polish); [Government release](#), 26 Mar 2020; [GRIST](#), 5 Nov 2019

## Portugal (new)

Status  Currently effective

### Development **Wealth**

#### **New pension rules introduced to comply with EU IORP II**

Portugal has introduced measures to implement the European Union (EU) Directive on the activities and supervision of institutions for occupational retirement provision (IORP II) that aims to improve the governance of workplace pensions and ease workers' job mobility within the EU. Highlights include:

- The pension fund committee must now include a representative of the works council and one representative from each of the two most important trade unions in the applicable economic sector.
- An actuary must be appointed for defined contribution (DC) schemes that require the funds to pay pension benefits directly to beneficiaries.
- Payment rules applicable to DC schemes are extended to include defined benefit schemes.
- The minimum age for an individual to start vesting must not exceed 21 years, and the period of time before an individual is allowed to build up a pension entitlement is capped at three years after they join the plan. Upon termination of an employment contract, pension plans cannot require the transfer of vested rights to other pension funds.
- Fees generally cannot be charged for the transfer of accumulated amounts to a new pension fund.
- Contracts between the sponsor and the pension fund manager must be published.
- On an annual basis, plans must issue a document detailing the plan's pension benefits and an estimate of a member's expected benefits.
- Pension fund managers must post a statement of the fund's investment principles on the manager's site. The statement must be revised at least every three years and after any significant investment policy change.
- The total net amount of open- and closed-ended pension funds must be unitized.

**Resources** [cristina.duarte@mercer.com](mailto:cristina.duarte@mercer.com)  
[GRIST](#), 8 Oct 2020

## Portugal (new)

**Status**  **Currently effective**

**Development** **Wealth**

### **Sustainability factors not required in early retirement pension schemes**

Portugal has eliminated the requirement to include sustainability factors — that adjust the retirement age to average life expectancy — in special early retirement old-age schemes. The measure features in a decree-law that took effect on 21 Sept 2020.

**Resources** [Decree law 70/2020](#) (Portuguese) (Official Journal, 16 Sep 2020)

## Slovakia (new)

**Status**  **1 Jan 2021**

**Development** **Career**

### **Minimum wage, supplementary pay rates to increase**

The Slovakian government has approved revised minimum wage rates, effective 1 Jan 2021. The new monthly minimum wage will be €623 (up from €580 in 2020), and the new hourly rate will be €3.58 (up from €3.33). Different minimum wage rates will apply to jobs based on their work intensity. In addition, the supplements payable for night work, work performed on Saturday or Sunday, and for work outside of the employment relationship will be revised. Currently, the supplements are set as a percentage of the hourly minimum wage, but from 2021 they will be paid at flat rates (the value of the flat rate will be less than the current percentage). From 2021, the flat rates will be €1.25 for night work, €1.61 for working on Saturdays, €3.22 for Sunday working, and €3.58 for work performed outside of an employment relationship on a public holiday.

**Resources** [Press release](#) (Slovakian) (Government, 26 Aug 2020)

## South Africa (new)

**Status**  Consultation open until 19 Oct 2020

### Development **Career**

#### **Consultation on prevention, elimination of workplace violence and harassment**

A draft code of practice on the prevention and elimination of workplace violence and harassment was published on 20 Aug 2020, providing interested parties 60 days to submit comments. The revised code would amend the Code of Good Practice on the Handling of Sexual Harassment in the World of Work, in particular, expanding the types of violence that could be experienced in a work environment, and setting out the procedures and steps employers would have to follow. The four types of workplace violence included in the proposed code are: sexual violence and harassment; racial, ethnic or social origin violence and harassment; workplace bullying; and protected disclosures (these are not defined in the draft code although whistleblowers would be protected). The draft code aims to implement the terms of the International Labor Organization Convention to combat workplace violence and harassment.

**Resources** [Draft code of practice on the prevention and elimination of violence and harassment in the world of work for public comment \(Gazette, 20 Aug 2020\)](#) and [GRIST](#), 26 Jun 2019

## Switzerland (new)

Status  1 Jan 2021

### Development **Career — Health**

#### **Paternity leave offered**

Fathers in Switzerland will be entitled to 10 days of paid paternity leave starting 1 Jan 2021, under legislation amending the Loss of Earnings Compensation Act. Fathers currently do not have a statutory right to paternity leave after the birth of a child.

Highlights include:

- Fathers can take paternity leave in a single period or as individual days, but must use the leave within six months after the baby's birth.
- Paternity leave benefits will equal 80% of the employee's average salary prior to the baby's birth, but will be capped at a total of CHF 2,744, or CHF 196 per day.
- The eligibility rules for paternity leave will be the same as for maternity leave. The father must be employed or self-employed at the time of the birth, covered by the old age and survivor's insurance scheme during the past nine months, and employed for at least five months of that period.
- Employers that pay an employee's salary during paternity leave will receive the benefit payment instead of the employee. Employers can increase the amount of paternity leave and pay.
- Employers cannot reduce the vacation entitlement of employees who take paternity leave.

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[GRIST](#), 1 Oct 2020

## Switzerland (new)

**Status**  **Currently effective**

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

### **‘Privacy shield’ invalidated for personal data transfers to US, following EU court ruling**

The Swiss data protection authority (FDPIC) has invalidated the privacy shield mechanism for transferring personal data from Switzerland to the US — the FDPIC’s decision follows a recent ruling by the Court of Justice of the European Union (EU). Although Switzerland is not part of the EU or the European Economic Area (EEA), it applies the EU’s General Data Protection Regulation, which — among various measures — allows the transfer of personal data outside the EU/EEA only if the recipient country provides adequate data protection. The FDPIC has now removed the US from the list of countries that provide adequate data protection and advised that companies transferring personal data to the US must use other means (such as contractual clauses or binding corporate guidelines).

**Resources** [Press release](#) (Government, 8 Sep 2020); [GRIST](#), 22 Jul 2020

## United Arab Emirates (new)

**Status**  **Currently effective**

**Development** **Career**

### **Equal pay law expanded**

Female employees in the United Arab Emirates are entitled to receive equal pay as men for work of equal value — not just the same work — in changes that took effect on 25 Sep 2020. The measures feature in revisions to Article 32 of Labour Law No. 8 of 1980 — the main law governing private sector employment. The Ministry of Human Resources and Emiratization is expected to publish guidance to help employers in evaluating different roles and work. The UAE Gender Balance Council also published a cabinet resolution on gender wage equality.

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[Equal pay for equal work](#) (Arabic) (UAE Gender Balance Council, 25 Sep 2020) and [Cabinet resolution on gender wage equality](#) (Arabic) (UAE Gender Balance Council, 25 Sep 2020)

**United Kingdom (UK) (new)**

**Status**  **Proposal**

**Development** **Career — Wealth**

**Modern slavery supply chain reporting to be strengthened**

Measures to strengthen the steps companies must take to combat modern slavery in their operations and supply chains feature in the UK government’s response to a 2019 consultation on supply chain transparency featured in Section 54 of the Modern Slavery Act 2015. Published on 22 Sep 2020, the measures include mandatory reporting on modern slavery and human trafficking, the introduction of a single reporting date, and consideration of the options for strengthening enforcement for companies’ noncompliance. No timeframe was announced for proposing the necessary legislative measures.

**Resources** [GRIST](#), 29 Sep 2020

## UK (previously covered, newly effective)

Status  1 Oct 2020

### Development **Wealth**

#### **Pension schemes have new investment and disclosure rules**

Regulations published on 6 Jun 2019, impose new investment and disclosure requirements on pension scheme trustees, largely related to stewardship and governance. Highlights include:

- Currently, most schemes are required to produce a Statements of Investment Principle (SIP). By 1 Oct 2020, SIPs must be revised to include additional information on the trustees' stewardship policy, and a policy in relation to the trustees' arrangements with any asset managers.
- Under prior rules, defined contribution (DC) schemes with 100 or more members must by 1 Oct 2020, prepare a statement as part of the scheme annual report on how they have acted on the principles in their SIP. The new regulations expand the disclosure requirement to include details on the trustees' voting behavior. And the regulations set out two new requirements with the same deadline of 1 Oct 2020. By that date, defined benefit (DB) scheme trustees will have to produce a similar (narrower) annual implementation report on their voting behavior and actions taken to implement their stewardship and engagement policy. And the scheme annual report must set out the scheme's policies in relation to its arrangements with asset managers.
- Public disclosure requirements. Prior regulations already require DC trustees to make their SIP freely available on a public website by 1 Oct 2019, and their implementation report similarly available by 1 Oct 2020. Under the new regulations, DB scheme trustees will have to do the same with their SIP by 1 Oct 2020, and their implementation statement by 1 Oct 2021.

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[GRIST](#), 27 Jun 2019

## United Kingdom (upcoming effective date)

### Development **Career**

- [Government postpones off-payroll working start date](#) — Key date: 6 Apr 2021

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