



Law and Policy Group

Global Legislative Update

By Stephanie Rosseau and Fiona Webster
September 2020



welcome to brighter

In this document

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



Employer action required



Potential implications for employers



Developments to monitor

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

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Highlights

Global

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Americas

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Maternity leave expanded for adopting mothers

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Guidance issued on application of the Americans with Disabilities Act with regard to employees' opioid use
Temporary payroll tax deferral implemented
Restrictions on use of foreign workers for federal contracts considered
Human capital disclosure rule adopted
Employment discrimination based on hair prohibited in Colorado
Paid time for breastfeeding mothers required in Georgia
Using salary history in hiring and pay decisions prohibited in Maryland

Asia Pacific	
<u>Australia</u>	Consumer dispute resolution for finance sector revised Superannuation fee and cost disclosure rules updated Guidance on super investment fees and cost disclosures updated
<u>Hong Kong</u>	Maternity leave and pay increases to take effect
<u>Indonesia</u>	Employers will be required to contribute to new housing fund for employees
<u>Japan</u>	Employers urged to employ workers until age 70
<u>Malaysia</u>	Hiring incentive program for employers implemented Retirement withdrawal age to remain at age 55
<u>Malta</u>	Leave for medically assisted in vitro fertilization
<u>New Zealand</u>	Gender pay equity claim procedures outlined
<u>Singapore</u>	Foreign worker pass criteria tightened, local jobs boosted New labor market initiatives to boost jobs announced Work injury insurance protections expanded
<u>Taiwan</u>	Minimum wage rates to slightly increase
<u>Vietnam</u>	Employers will be allowed to reduce social contribution rate
Europe, Middle East and Africa (EMEA)	
<u>European Union</u>	Personal data standard contractual clauses to be modernized Draft standards for personal pension product published Court invalidates EU/US data privacy shield in landmark ruling
<u>Austria</u>	Update on wage and income tax rates for some employees
<u>Denmark</u>	Revisions to holiday accrual rules take effect

Europe, Middle East and Africa (EMEA) — (continued)

<u>Guernsey (Channel Islands)</u>	Expansion of equal pay law proposed
<u>Ireland</u>	Parents' leave to be extended Increase in unpaid parental leave now effective
<u>Netherlands</u>	Proposed pension reforms move forward
<u>Romania</u>	Protections expanded for employees with a disability
<u>Russia</u>	Severance payment rules revised
<u>Spain</u>	Decree finalizes pension fund EU IORP II implementation
<u>United Arab Emirates</u>	Paid parental leave for employees now required

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 **Career — Health**

Supreme court ruling upholds genetic non-discrimination law

Employers and insurers may not require individuals to provide their genetic information, according to a split decision by the Supreme Court of Canada. The ruling upheld the provisions of the 2017 federal Genetic Non-Discrimination Act that criminalized compulsory genetic testing and non-voluntary use or disclosure of genetic test results. Individuals seeking to obtain access to good, services and contracts cannot be asked to provide genetic information, and they cannot be refused that access because genetic information has not been shared.

The court held the sections treating genetic health-related requirements as a criminal offense to be constitutional — finding that genetic privacy is part of core biographical information and, as such, is a valid criminal objective.

Resources kristin.smith@mercer.com
[GRIST](#), 8 Sep 2020

Canada — Alberta (new)

Status  **Effective dates vary**

Development **Career**

Employment, labour standards revised

Changes to Alberta’s Employment Standards Code and Labour Relations Code feature in Bill 32, the Restoring Balance in Alberta’s Workplaces Act, 2020 that received Royal Assent on 29 Jul 2020. Highlights include:

- Changes to “temporary layoffs” unrelated to COVID-19, which were extended to 90 days in any 120-day period. Employers no longer have to provide advance notice to employees about such layoffs.
- Revised notification requirements for mass terminations of 50 or more employees in any four-week period.
- Changes to the average daily wage calculation: Employers will no longer need to include vacation pay and general holiday pay in that calculation.
- More time for employers to make final payments to terminated employees.
- Clarity on vacation rights during periods of statutory leaves of absence to ensure accumulation of vacation time in specified situations.
- Revised payroll error correction requirements: Employees must be notified in writing about the correction of payroll errors through payroll deductions, but employers no longer have to obtain advance written consent from the employee.
- Reductions of penalties applicable to breaches of the regulations — and flexible payment terms are available.
- Employer standards rules, such as working hours and the notification of work schedules, may be adjusted subject to agreement between the employer and union.
- Specific timelines for union certification and revocation have been removed. The Alberta Labour Relations Board will have the authority to determine if picketing is lawful. Employee union dues will be suspended during an illegal strike, but union dues will continue during an illegal lockout.
- Provisions to allow the early negotiation of collective agreements prior to their expiration, revised union arrangements in the construction sector, and a requirement for unions to make financial statements available to their members.

Resources kristin.smith@mercer.com
[GRIST](#), 26 Aug 2020

Canada (upcoming effective dates)

Development **Career**

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

Mexico (new)

Status **Proposal**

Development **Wealth**

Public pension reforms proposed

Measures aimed at strengthening the public pension system (IMSS) feature in proposed revisions of the social security law and would generally impact workers subject to the pension scheme introduced by the 1997 law. Highlights include:

- Increased employer contributions to the social security system would continue to be 100% tax deductible.
- Employer contributions to retirement, old age and old age unemployment insurances would increase to a maximum rate of 13.875% (up from 5.15%), but a government contribution would reduce the amount paid by employers for employees earning less than four UMA (Unit of Measurement and Update).
- The proposed increase is slated to start one to two years after the law takes effect and could be phased in over an eight-year period. The increased employer contribution also would apply to employees enrolled in the 1973 pension scheme.
- The employees' contribution rate would remain unchanged at 1.125%.
- The required contribution period for receiving a minimum guaranteed pension (MGP) would be reduced. Under the proposals, employees would have to be registered with the Mexican Institute of Social Security for a minimum period of 750 weeks (14.4 years) — currently the threshold is 1,250 weeks (24 years). The proposals include a gradual increase of the contribution period to receive an MGP — from 750 to 1,000 weeks.
- The MGP amount would increase 32% on average, depending on the amount of qualifying salary, the number of total contribution weeks, and the age at retirement (60-65 years).
- The commission or administration charge for pension funds would be reduced to 0.7%, from the current average of 0.92%.

Resources itzal.gonzalez@mercer.com and oscar.castanon@mercer.com
[GRIST](#), 19 Aug 2020

Puerto Rico (new)

Status  **Currently effective**

Development **Career**

Workplace bullying prohibited

Private and public sector employees in Puerto Rico now have legal protections against workplace harassment and bullying and are entitled to remedies greater than those provided by anti-discrimination statutes. The measures feature in House Bill 306 signed into law on 7 Aug 2020, to take effect immediately. Employers must adopt anti-harassment policies and protocols that prohibit all forms of workplace harassment and bullying and set out their procedures for investigating allegations. Prior to filing a lawsuit, employees must exhaust their organization’s internal remedies and complete a mediation process provided by the Alternate Dispute Resolution Bureau of the Judiciary. The new law defines conduct that would be considered as harassment, including verbal, written or physical conduct. Further regulations and guidance will be issued by 3 Feb 2021 by the Department of Labor.

Resources [Press release](#) (Spanish) (Governor’s website, 7 Aug 2020)

Puerto Rico (new)


Status  **Currently effective**

Development **Career — Health**

Maternity leave expanded for adopting mothers

Working mothers in Puerto Rico who adopt children aged six years or older will be entitled to five weeks of maternity leave. Previously, women were only entitled to adoption leave for children younger than five years if they weren’t enrolled in school. The leave will start on the day the child is placed with their new family, even if the adoption process is not final. Employees will be subject to a minimum 30-day notification period concerning their intention to adopt a child and take maternity leave. They must also provide a minimum 30-day notification of their expected return to work date. The expanded leave features in Bill No. 2424 that was signed into law, and took effect, on 8 Aug 2020.

Resources [Bill No. 2424](#) (Spanish) (Governor’s website, 8 Aug 2020)

United States (US) (new)	
Status	 Consultation is open until 60 days after publication in Federal Register
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 will be due 60 days after the IFR’s publication in the Federal Register, 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 and brian.kearney@mercer.com GRIST , 1 Sep 2020

US (new)

Status  **Currently effective**

Development **Career — Health**

Guidance issued on application of the Americans with Disabilities Act with regard to employees' opioid use

The Equal Employment Opportunity Commission (EEOC) has provided two new technical assistance documents regarding the American with Disabilities Act's (ADA's) employment provisions and the opioid epidemic to clarify existing legal requirements. The first document, while making clear that current illegal drug use is not a covered disability, clarifies in what circumstances employees are protected from disability discrimination. Reasonable accommodation questions are also addressed. The second document informs health care providers about their patients' legal rights in the workplace. In addition to describing the coverage limits under the ADA, the document provides guidance to health care workers seeking to provide documentation of covered disabilities on behalf of their patients

Resources [Use of codeine, oxycodone and other opioids: Information for employees](#) (EEOC, 5 Aug 2020)

[How health care providers can help current and former patients who have used opioids stay employed](#) (EEOC, 5 Aug 2020)

US (new)

Status  **Currently effective**

Development **Career**

Temporary payroll tax deferral implemented

The Internal Revenue Service has issued implementation guidance, Notice 2020-65, on President Trump's 8 Aug 2020 memorandum allowing employers to defer withholding and payment of the employee's portion of the Social Security tax from Sep 1, 2020 to Dec 31, 2020 if the employee's wages are below a certain amount.

Resources [Memorandum](#) (White House, 8 Aug 2020)

[Notice 2020-65](#) (IRS, 28 Aug 2020)

US (new)

Status  **Currently effective**

Development **Career**

Restrictions on use of foreign workers for federal contracts considered

President Trump issued an executive order on 3 August against federal agencies hiring foreign workers for contract positions over US citizens or green card holders and directed the Department of Labor and Homeland Security to take action. Agencies and departments are to review and report on foreign workers' effects on fiscal year 2018 and 2019 contracts within 120 days of the order.

Resources [Executive Order](#) (White House, 3 Aug 2020)

US (new)

Status  **Effective 30 days after publication in the Federal Register**


Development **Career**

Human capital disclosure rule adopted

The Securities Exchange Commission (SEC) adopted 3-2 a rule on 26 Aug 2020 requiring companies to disclose human capital measures (HCMs) or objectives used to manage the business, to the extent such disclosures would be material to understanding the company's business. The rule, adopted substantially as proposed, takes a principles-based approach and gives companies broad latitude to determine their HCM metrics and objectives. In an unusual step, three commissioners appeared to agree the SEC should revisit more prescriptive disclosure requirements on topics such as HCM and climate risk.

Resources amy.knieriem@mercer.com and carol.silverman@mercer.com
[Final rule](#) (SEC, 26 Aug 2020)


US — Colorado (new)

Status  **14 Sep 2020**

Development **Career**
Employers cannot discriminate based on hair
Colorado recently prohibited employment discrimination on the basis of hair under a new law. The “Creating a Respectful and Open World for Natural Hair Act of 2020” (CROWN Act) prohibits race discrimination on the basis of hair texture, hair type or a protective hairstyle that is commonly or historically associated with race. A “protective hairstyle” includes braids, locs, twists, tight coils or curls, cornrows, Bantu knots, Afros and headwraps. Other states have recently enacted similar legislation — in 2019 New York and California banned discrimination based on hair, followed by New Jersey and Virginia in 2020.

Resources [GRIST](#), 10 Aug 2020

US — Georgia (new)

Status  **Currently effective**

Development **Career — Health**
Paid time for breastfeeding mothers required
The governor signed legislation that requires employers to provide a reasonable paid break time and a private location for mothers who desire to express breast milk at the worksite during working hours. Employers with fewer than 50 employees are not required to comply with the legislation if it would impose an undue hardship.

Resources [House bill 1090](#) (Government website, 11 Aug 2020)

US — Maryland (new)

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 (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
- [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

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Asia Pacific

Australia (new)

Status  **Guidance takes effect on 5 Oct 2021**

Development **Wealth**

Consumer dispute resolution for finance sector revised

The Australian Securities and Investments Commission has published updated internal dispute resolution (IDR) procedures that financial firms — including superannuation funds — must use to address complaints from consumers and small businesses. Highlights include:

- An updated definition of complaints, including social media posts submitted to a channel or account owned or controlled by the financial firm that is the subject of the post, if the author is identifiable and contactable.
- A reduction in the time allowed to respond to complaints about superannuation issues — to 45 days from 90. The time allowed to address complaints about death benefit distributions generally remains unchanged — at 90 days — after the expiration of the 28 calendar day period allowed to object to a proposed distribution.
- Guidance that IDR responses must include certain information to help consumers decide if they want to escalate their complaint.
- New timeframes for the review of appeals against IDR decisions by “customer advocates,” where offered by financial firms.
- Guidance for financial firms to help them deal with representatives that are not acting in the consumers’ best interests.
- Specifications as to which IDR standards and requirements are enforceable.

Resources paul.shallue@mercer.com
[GRIST](#), 18 Aug 2020

Australia (new)

Status  **Currently effective**

Development **Wealth**

Superannuation fee and cost disclosure rules updated

Updated transitional arrangements for the disclosure of fees and costs associated with superannuation and managed investment products — published by the Australian Securities & Investment Commission (ASIC) — aim to take account of the impact of COVID-19. Regulatory Guide 97, published in November 2019 following an independent review of the disclosure rules, sets out how product issuers and platform operators should disclose fees and costs. The changes are included in ASIC Corporations (Amendment and Repeal) Instrument 2020/579. Highlights include:

- Product disclosure statements (PDSs) given on or after 30 Sep 2022, must comply with the new requirements.
- Issuers can opt to apply the new requirements from 30 Sep 2020, but must ensure that all subsequent PDSs for that particular financial product also comply.
- Periodic and exit statements must comply with the RG 97 rules for reporting periods starting from 1 Jul 2021, although an early opt-in is allowed from 1 Jul 2020 (these provisions are unchanged).
- Other technical arrangements include the disclosure of buy/sell spreads in periodic statements for collective investment products, the disclosure of performance fees, and the identification and treatment of derivative costs.
- Issuers applying the updated RG 97 rules for the first time will be exempt from issuing a “significant event notice” — unless there is a material increase in the amount of fees and costs that is not linked to the updated RG 97 calculation and presentation of fees and costs requirements.
- ASIC will continue to develop its proposals on disclosure by platforms, but a planned public consultation has been postponed due to COVID-19.

Resources paul.shallue@mercer.com
[GRIST](#), 7 Aug 2020

Australia (previously covered, soon to be effective)

Status  **30 Sep 2020**

Development **Wealth**

Guidance on super investment fees and cost disclosures updated

The Australian Securities and Investments Commission (ASIC) published updated guidance — Regulatory Guide 97 (RG 97) — for how product issuers and platform operators should disclose fees and costs for superannuation and managed investment products. It aims to clarify existing fees and cost disclosure requirements to help promote compliance among issuers.

The guidance applies to all product disclosure statements (PDS) issued on or after 30 Sep 2020, and periodic and exit statements with reporting periods commencing on or after 1 Jul 2021. Fund managers could choose to adopt the guidance early for periodic and exit statements for reporting periods starting on or after 1 Jul 2020. Associated legislation also was published — ASIC Corporations (Disclosure of Fees and Costs) Instrument 2019/1070 — effective 28 Nov 2019, although ASIC Class Order 14/1252 and the transitional version of RG 97 will apply until the end of the transition period. Highlights includes:

- Clear disclosure of fees and costs. Any information provided will have to explain ongoing fees and costs separately from those based on a member's activity.
- Simplified grouping of ongoing fees and costs into three types — administrative, investment and transaction. Direct and indirect costs must be combined and advice fees must be incorporated into administration fees. Performance fees averaged over the previous five years must be disclosed in a PDS; the performance fees of super products must be included in the investment fees amount and disclosed in a footnote.
- Inclusion of a single "cost of product" in disclosure statements and simplification of how costs and fees are presented in periodic and exit statements.

In 2020, ASIC will continue work on fees and cost disclosures on platform arrangements, including monitoring disclosures of fees and costs. ASIC also will clarify with industry bodies how financial advisers should use fees and costs information when giving advice.

Resources paul.shallue@mercer.com

[GRIST](#), 17 Dec 2019

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 increases consumer protection for financial products](#) — Key date: 5 Oct 2021

Hong Kong (new)

Status  **Expected to take effect later in 2020**

Development **Career — Health**

Maternity leave and pay increases to take effect

Female employees in Hong Kong will be entitled to longer periods of maternity leave and pay under measures passed by the Legislative Council on 9 Jul 2020. The measures feature in Employment (Amendment) Bill 2019 expected to take effect later in 2020. Women will be eligible for maternity leave if they have been employed under a continuous contract for at least 40 weeks immediately prior to taking the leave. Highlights include:

- Maternity leave will increase to 14 weeks — up from 10.
- Maternity pay for the additional four weeks of leave will be the same — four-fifths of the employee's daily average wage during the previous 12-month period — but the amount will be capped at HK\$80,000 per employee. Employers may apply to the government for reimbursement of the additional four weeks of leave.
- Employees who suffer a miscarriage at 24 weeks or later will be entitled to maternity leave — down from 28 — subject to meeting other eligibility criteria.
- Female employees will be entitled to paid time off for pregnancy-related medical examinations. Employers must accept a certificate of attendance (issued by the medical professional) as proof of entitlement to paid time off.
- The period of time male employees will be entitled to take paternity leave is extended to 14 weeks after the birth — up from 10.

The law is part of the government's commitment to implement the recommendations of the "Family Friendly Employment Policy." Other measures, effective 19 Jun 2021, expand the protection of women who are breastfeeding or who are expressing breast milk 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](#), 15 Jul 2020

Indonesia (new)

Status  **1 Jan 2028**

Development **Career**

Employers will be required to contribute to new housing fund for employees

From 2028, private sector employers in Indonesia will have to contribute to a new housing fund that aims to help employees purchase, construct or renovate their first home under government-run housing plans — employers could voluntarily opt to contribute to the fund before 2028. The fund will be managed by “BP Tapera,” the public housing savings management agency. Highlights of the scheme include:

- All employees aged between 20 years (or younger if they are married) and up to the normal retirement age of 57 must enroll in the scheme.
- The contribution rates will be 0.5% for employers and 2.5% for employees, calculated on a salary amount that is yet to be announced.
- Scheme members will be allowed to withdraw certain amounts of funds, or to borrow money, for the purchase or renovation of their home; and members who leave the scheme (for example on their retirement or death) will receive a lump sum payment.

Resources [Press release](#) (Indonesian) (Public Housing Savings Management Agency, 3 Jun 2020)

Japan (new)

Status  **1 Apr 2021**

Development [Career](#)

Employers urged to employ workers until age 70

From 1 Apr 2021, employers in Japan will be encouraged to retain employees up until the age of 70 years, but no sanctions will apply for noncompliance. Under the revised Act of Stabilization of Employment of Older Persons, employers are urged to abolish their retirement age, introduce arrangements for rehiring employees younger than 70 who had previously retired, and to employ workers as independent contractors up until age 70. Employers must submit an annual report to the labor authorities that includes the measures taken to provide continuous employment for older workers. The government will enhance the subsidies and grants available to organizations that employ older workers, provide advice to employers on redesigning jobs to help older workers remain in work, and will develop job matching programs. The labor ministry will publish guidelines for the employment of older workers, and has advised that further guidance could be issued. The current law requires employers to implement measures to foster the employment of workers up to age 65, either by extending the retirement age or rehiring employees on post-retirement contracts. The measures aim to address labour shortages and demographic changes.

Resources [Revised Act of Stabilization of Employment of Older Persons \(Japanese\)](#) (Ministry of Health, Labour and Welfare)

Malaysia (new)

Status  **Currently effective**

Development **Career — Health**

Hiring incentive program for employers implemented

A hiring incentive program — the Penaja Kerjaya Programme — took effect 1 July 2020, and employers can submit applications to the Social Security Organization. The program offers between MYR600 and MYR1,000 per employee, for up to six months, to employers who hire Malaysians. Available schemes include:

- MYApprentice scheme — Employers hiring apprentices are eligible for a MYR600 incentive.
- HireMalaysia scheme — Employers hiring unemployed individuals below age 40 are eligible for an incentive of MYR800 per person, and employers hiring unemployed individuals between ages 40 and 60, or persons with disabilities, are eligible for an incentive of MYR1,000 per person

The Ministry of Human Resources also encourages employers to use the available training courses to reskill or upskill these employees.

Resources Megat.Harith.Suhaimi@mercer.com

[GRIST](#), 3 Sep 2020

Malaysia (new)

Status  **Currently effective**

Development **Career — Wealth**

EPF Retirement withdrawal age remains at 55

The Employees Provident Fund (EPF) announced in June that it will maintain the current minimum full withdrawal age of 55. This is the age at which members can withdraw from their EPF retirement savings accounts 1 and 2. The World Bank had recommended gradually increasing the minimum withdrawal age to 65 to increase balances. However, the EPF announced that any major policy changes would be subject to in-depth analysis and engagement with key stakeholders to ensure members' well-being remains a priority.

Resources Megat.Harith.Suhaimi@mercer.com
[Press release](#) (EPF, 25 Jun 2020); [Report](#) (World Bank, 24 Jun 2020)

Malta (new)

Status  **Currently effective**

Development **Career — Health**

Leave for medically assisted in vitro fertilization

Prospective parents who are employed and who undergo medically assisted in vitro fertilization (IVF) are allowed up to 60 hours of paid leave under Legal Notice 263. Employees are allowed to take the leave entitlement for up to three IVF processes, and employees who are donors will have a one-time entitlement to 60 hours of paid leave.

Resources [Legal Notice 263](#) (Government)

New Zealand (new)

Status  **Beginning in late October 2020**

Development [Career](#)

Gender pay equity claim procedures outlined

Workers will be allowed to submit pay equity claims under measures included in the Equal Pay Amendment Bill passed by Parliament in July. The law aims to reduce “systemic sex-based pay undervaluation in pay in female-dominated occupations.” Procedures for making claims will be based on the current bargaining framework set out in the Employment Relations Act 2000 — court actions are intended to be a last resort. The government will publish online tools and other resources about the claims process.

Resources [GRIST](#), 10 Aug 2020

Singapore (new)

Status  **Generally effective now, but some work pass measures effective later**

Development **Career**

Foreign work pass criteria tightened, measures to boost local jobs introduced

Companies face increased barriers to hiring foreign workers and increased scrutiny of employers' track records for the hiring and training of skilled Singaporeans following the introduction of new salary and qualification criteria. Highlights include:

- The minimum qualifying salary for new Employment Pass (EP) applicants increased to SG\$4,500 on 1 Sep 2020, and will approximately double for applicants in their forties. The increased salary threshold will apply to EP renewal applicants from 1 May 2021. The EP is a type of work permit that allows foreigners to work in professional, management, executive and technician (PMET) roles.
- The minimum qualifying salary for new EP applicants in the financial service sector increased to SG\$4,500 on 1 Sep 2020, and a further increase to SG\$5,000 is slated for 1 Dec 2020. An increased qualifying salary will be required for EP applicants in their forties. The new minimum salary criteria will apply from 1 May 2021, to renewal applicants. This is the first time a sector-specific qualifying salary has been introduced.
- The minimum qualifying salary for new S Pass applicants will increase to SG\$2,500 from 1 Oct 2020, and will apply to renewal applicants from 1 May 2021. An increased minimum salary will be imposed for older and more experienced S Pass applicants. The S Pass allows midlevel skilled staff to work in Singapore.
- Employers applying for EP and S Passes will be evaluated with regard to their track records for hiring and training Singaporean nationals in PMET roles and for any previous discrimination against qualified Singaporeans.
- Employers must fairly consider all Singaporean job applicants regardless of their age, gender, nationality or race in accordance with the Fair Consideration Framework (FCF), which requires employers to advertise jobs first to local jobseekers, follow a fair selection process, and to document the reasons for each candidate's selection. The FCF will apply to S Pass applicants from 1 Oct 2020, to encourage increased hiring of mid-skilled. Authorities have warned that discrimination against Singaporeans by employers will be considered "especially unacceptable," and could be punished by reduced or suspended work pass privileges and prosecution. Also, employers face greater scrutiny of their hiring practices and could be placed on an expanded watch list if their PMET workforce profiles "suggest a bias against locals."

Resources [GRIST](#), 31 Aug 2020

Singapore (new)

Status  **Effective dates vary**

Development [Career](#)

New labor market initiatives to boost jobs announced

The Ministry of Manpower has announced initiatives to boost the employment rate among Singaporean nationals, including the proposed expansion of the Progressive Wage Model (PWM) to benefit lower-paid workers in certain sectors. The measures featured in an addendum to the President's Address 2020. Highlights include:

- Measures to boost the hiring of Singaporean nationals into “good jobs” include the provision of subsidized training, enhanced job search arrangements, closer examination of employer retrenchments to ensure fairness, and revised visa eligibility criteria to reduce employers’ reliance on Employment Pass and S Pass foreign workers.
- Measures to increase aimed wages in lower-paid sectors, including expansion of the PWM to new economic sectors. Currently, the PWM only covers the cleaning, security and landscaping sectors.
- Renewed focus on safeguarding the wellbeing of migrant workers accommodated in dormitory housing, particularly in the light of COVID-19. The government will consider the cost-sharing model for implementing higher standards, including the introduction of an insurance program to help employers manage their migrant workers’ health expenses.
- Initiatives to support employers’ provision of flexible working arrangements and work-life harmony.

Resources [GRIST](#), 31 Aug 2020

Singapore (previously covered, newly effective)

Status  **Currently effective**

Development **Career — Health**

Work injury insurance protections expanded

Reforms of Singapore's Work Injury Compensation Act (WICA) took effect on 1 Sep 2020 and aim to improve employees' protection, increase employers' certainty about their insurance obligations, and reward safer workplaces. The bill passed parliament on 3 Sep 2019. Highlights include:

- Only designated insurers can offer WICA-conforming policies containing core standard terms, which should provide more compliance certainty to employers. Unauthorized persons claiming to offer WICA-compliant policies face penalties.
- Improved sharing of policy information and claims data between designated WICA insurers will facilitate more accurate premium pricing, with the aim of rewarding companies with a good safety performance.
- The mandatory work injury compensation scheme has been extended to nonmanual employees at any workplace who earn up to S\$2,100 in April 2020 (increasing to S\$2,600 in April 2021). Under prior law, employers must provide insurance coverage only to nonmanual workers in factories earning up to S\$1,600 per month.
- Paid medical leave has been expanded to include employees on light work duty — currently, these employees can't claim paid medical leave. Under the revised WICA, employees will be paid the difference between their earnings while on light duty and their average monthly earnings before the work injury. Employers will have to report to the ministry of manpower all cases of work-related medical leave or light-duty assignments.
- Other WICA changes include:
 - Increased compensation limits, effective 1 Jan 2020.
 - Faster processing of injury claims.
 - Employees' right to consult a different doctor — without the employer's consent — if they are concerned that they have been unfairly or inadequately assessed for incapacity.
 - Increased fines for WICA breaches.

Resources [GRIST](#), 30 Oct 2019

Taiwan (new)

Status  **1 Jan 2021**

Development **Career**

Minimum wage rates to increase slightly

Taiwan's Basic Wage Committee, comprising social partners and academics, has agreed on the new monthly and hourly wage rates applicable for 2021. From 1 Jan 2021, the monthly minimum wage will increase to NT\$24,000 (up from the current wage of NT\$23,800), and the minimum hourly wage will increase to NT\$160 (up from NT\$158)

Resources echo.liu@mercer.com
[Announcement](#) (Chinese) (Ministry of Labor, 18 Aug 2020)

Vietnam (new)

Status  **Currently effective**

Development **Career**

Employers allowed to reduce social contribution rate

Employers in Vietnam can apply to reduce their contribution payment from 0.5% to 0.3% for occupational diseases and accidents if they demonstrate good health and safety performance. The measures feature in Decree 58/2020/ND-CP that took effect on 15 Jul 2020. The occupational disease and accident contribution is one of three elements that comprise the Social Insurance Fund — the other two cover retirement/death and sickness/maternity and employers' contribution rates for these elements remain unchanged at 14% and 3% respectively.

Resources [Decree 58/2020/ND-CP](#) (Vietnamese) (Government website, 27 May 2020)

5

Europe, Middle East and Africa (EMEA)

European Union (EU)

Status  Proposal


Development [Career](#)

Personal data standard contractual clauses to be modernized

The modernization of “standard contractual clauses” used for transferring personal data to non-European Union (EU) countries is one of the improvements identified by the European Commission in its evaluation of the General Data Protection Regulation (GDPR), which took effect in 2018. Standard contractual clauses are the most widely used tool by companies and other organizations to lawfully transfer personal data from EU member states to non-EU countries. Other highlights of GDPR evaluation report include:

- Specific guidance to be issued by The European Data Protection Board (EDPB) on the use of certification and codes of conduct for transferring data outside of the EU and guidance on other emerging topics.
- Efforts aimed at improving citizens’ awareness of the GDPR and their rights.
- Engagement with stakeholders aimed at supporting small and medium-sized firms’ use of the GDPR. The EDPB will issue toolkits aimed at supporting small and micro-enterprises.
- Recommendations that member states improve the resources allocated to national data protection authorities. The commission says there are currently “stark differences” between the authorities.
- Adoption of a more efficient and harmonized approach by member states’ data protection authorities to support the GDPR’s “one stop shop” provisions, enabling companies to deal only with one data protection authority when making cross-border data transfers.

Resources [GRIST](#), 14 Jul 2020

EU (new)	
Status	 Proposal
Development	Wealth Draft standards for personal pension product published The European Union’s (EU) Insurance and Occupational Pensions Authority (EIOPA) has published draft regulatory and technical standards as part of the framework for the design and delivery of the EU Pan-European Personal Pension product (PEPP). PEPPs are intended to be “portable, simple and cost-efficient products” that will complement public and occupational pensions and increase retirement savings choices for all individuals, especially mobile workers. EIOPA says its proposals set out “clear criteria” to support investment strategies and risk mitigation techniques, “include clear and enforceable quality criteria for PEPP to be followed by providers,” and leave “sufficient room for innovation and competition to reach good pension outcomes.” They include two mandatory consumer information documents — the PEPP Key Information Document and the PEPP Benefit Statement — to provide consumers with relevant information before they enter into a binding contract — and to enable them to monitor savings performance. EIOPA says the use of digital technology is expected to bring important cost efficiencies in the distribution process. The annual cost of the basic PEPP (the core or default investment option) will be capped at 1% of the PEPP saver’s accumulated capital at the end of each year.
Resources	GRIST , 27 Aug 2020

EU (new)

Status  **Currently effective**

Development **Career — Health — Wealth**

Court invalidates EU/US data privacy shield in landmark ruling

Organizations can no longer use the “privacy shield” to transfer personal data between the European Union (EU) and the United States (US), following a landmark ruling by the Court of Justice of the European Union (CJEU) on 16 Jul 2020. However, the CJEU’s ruling confirmed that standard contractual clauses (SCC) can be used to transfer personal data across borders, subject to recipient countries providing protection equivalent to EU law. The court’s decision concerned a complaint brought by an Austrian privacy activist who claimed that personal data sent by Facebook — from the EEA to the US — was not adequately protected. Highlights of the decision include:

- The broad powers of certain US public authorities to access data conflict with the more protective EU data protection law. Under US law, organizations could be required to share and allow the review of personal data for surveillance purposes.
- Due diligence requirements for controllers and processors of personal data who rely on SCCs to ensure that countries receiving such data can provide equivalent protection given to EU data subjects under EU law. National data protection authorities can audit SCCs and have the power to stop data transfers if necessary. It is unclear from the ruling if SCCs would provide sufficient protection for the transfer of data from the EU to the US given the CJEU’s concerns about the adequacy of data protection in the US.

The European Commission recently announced plans to update SCCs, but it is not known if the CJEU ruling will affect the review. The SCCs provide a set of model contractual terms that can be used to transfer personal data, but they have not been updated since the GDPR took effect in 2018.

Resources [GRIST](#), 22 Jul 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

Austria (new)

Status  **End of September**

Development Career

Update on wage and income tax rates for some employees

Employers will have to adjust their payroll procedures to take account of a reduced wage and income taxation rate from 25% to 20% for employees earning between €11,000 and €18,000 per year. The reduction will take effect at the end of September but will be retroactively applied for all of 2020. Also, the applicable 55% taxation rate for income increments of €1 million or more has been extended until 2025

Resources alexandra.taufer@mercer.com
[Information on taxation rates](#) (German) (Government website, 27 Aug 2020)

Belgium (upcoming effective date)

Development [Career — Health](#)

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

Denmark (new)

Status  **1 Sep 2020**

Development [Career](#)

Revisions to holiday accrual rules take effect

Changes to Denmark's law on holiday entitlement — enacted in 2018 — took effect on 1 Sep 2020, allowing employees to take their leave as it accrues. Under the old law, leave accrued in one calendar year could not be used until May of the following year, which meant that newly hired employees, or employees transferring to work in Denmark, could not take holiday leave for the first 18 months of their employment. The change aligns Danish law with the EU directive on working time that includes an annual entitlement to four weeks of paid holiday. Employees can now accrue their holiday entitlement from 1 September in one year to 31 August in the following year and have an additional four months to take their accrued holiday. Employers were required to make certain changes prior to 1 Sep 2020, including communicating the new holiday accrual arrangements to employees, updating collective agreements and adjusting employment contracts and HR systems. Recent government action to address effects of COVID-19 also affected accrued holiday measures in place during the transitional period from 1 Sep 2019 to 31 Aug 2020.

Resources [GRIST](#), 1 Sep 2020

Germany (upcoming effective date)

Development [Wealth](#)

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

Guernsey (Channel Islands)

Status [Proposal](#)

Development [Career](#)

Expansion of equality law proposed

Guernsey is considering the expansion of equality law to cover race, disability and carer status. The proposed legislation could take effect in 2022. Further equality initiatives — covering age, religious belief and sexual orientation — are slated for later consideration. Currently, it is unlawful to discriminate in employment on the grounds of sex, marriage and gender reassignment under the Sex Discrimination (Employment) (Guernsey) Ordinance 2005.

Resources [Information on the proposal](#) (Government)

Ireland (new)

Status  **Expected 1 Jan 2021**

Development [Health — Wealth](#)

Parents' leave to be extended

Parents in Ireland will be entitled to three weeks of additional parents' leave (five weeks in total) for each parent of children born or adopted after 1 Nov 2019, until the child is aged two, the government recently announced. The leave will be paid at the current "parents' benefit" rate of €245 per week. The measures are expected to take effect from January 2021 and have been introduced in light of the effects of COVID-19. Some political parties had called for extended maternity leave, but the government decided that longer parents' leave would be easier to introduce.

Resources [Announcement](#) (Government, 16 Jul 2020)

Ireland (previously covered, newly effective)

Status  **1 Sep 2020**

Development **Health — Wealth**

Increase in unpaid parental leave now effective

From 1 Sep 2020, parents in Ireland can take unpaid parental leave of 26 weeks (up from 18 weeks) for children up to age 12 (up from 8) under an act signed by the president on 22 May 2019, that was first introduced into parliament in 2017.

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[GRIST](#), 31 May 2019

Ireland (upcoming effective date)

Development **Wealth**

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

Netherlands (new)

Status  **Proposal — legislation and accompanying regulations expected to be finalized by the end of 2021**

Development **Wealth**

Proposed pension reforms move forward

Proposed extensive reforms plans feature in the Framework Memorandum on the Elaboration of the Pension Agreement submitted to parliament on 22 Jun 2020. Highlights include:

- Defined benefit pension schemes would be terminated and new pension accruals will be provided via defined contribution (DC) schemes based on the available premium.
- Pension benefits would be paid from “capital reserved for distribution” funded by premium payments, investment returns and contributions paid from the solidarity reserve.
- Contribution rates would be age-neutral, but age-related provisions in existing DC schemes would continue.
- Tax eligible annual pension contributions would be capped between 30% and 33% of pensionable earnings.
- Social partners would have to agree to new pension scheme arrangements proposed by the employer and decide if accrued pension benefits should be moved into the new pension scheme.
- Employers would have to prepare a transition plan that includes information on the available choices, the scheme’s rationale and the supporting calculations.
- Pension members disadvantaged by the new pension contract would be compensated, either by a financial payment from the employer, or an additional premium paid by the insurer or premium pension institution.
- The new pension contract would pay pension benefits for the person’s lifetime, with longevity risk shared by participants.
- Social partners could opt for an improved premium scheme.

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[GRIST](#), 24 Aug 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

Romania (new)

Status **Currently effective**

Development **Career**


Protections expanded for employees with a disability

Employees with a disability now have stronger workplace legal protections under Law No. 145. Employers are required to make reasonable adjustments — including adapting workplaces, work schedules and tasks — to accommodate employees with a disability. Employers that don't adapt their workplaces could be fined between RON 10,000 and RON 25,000.

The government is expected to announce a quota for the employment of disabled people — applicable to employers with 50 or more employees. Employers that don't meet the quota could be fined between RON 25,000 and RON 50,000 and may have to pay a sum of money to the state (yet to be announced).

Resources [GRIST](#), 11 Aug 2020


Russia (new)

Status  **Currently effective**

Development **Career**
Severance payment rules revised
The law related to making severance payments has changed, and employees must submit formal requests for severance payments for the second and third months following a layoff if still unemployed. From 13 Aug 2020, employees who are made redundant, or laid off due to a company’s liquidation, must be paid one month of average salary on their dismissal, then file a request with their employer to receive a severance payment for the second month, and are entitled to a third month’s payment only upon registration with the state employment center and subject to its approval. However, employers could decide to pay the second and third months directly to the employees, without requiring them to formally apply.

Resources [Federal law of 13 Jul 2020 N210-FZ \(Russian\) \(Federation Council\)](#)


Spain (new)

Status  **Currently effective**

Development **Wealth**
Decree finalizes pension fund EU IORP II implementation
Royal Decree 738/2020 — issued on 4 Aug 2020 — completes Spain’s implementation of the European Union (EU) directive on the supervision of institutions for the occupational retirement provision (IORP II) that took effect on 8 Aug 2020, and gives pension plan managers six months to make the necessary adjustments.
The decree sets out the information pension plan managers must include in the annual statements they provide to plan members — such as an annual Declaration of Pension Benefits that forecasts pension benefits at retirement age.
The Insurance Supervisory Authority (Dirección General de Seguros y Fondos de Pensiones) will publish the standards and deadlines applicable to the preparation and publication of the annual statement.

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[GRIST, 27 Aug 2020](#)

United Arab Emirates (UAE)

Status  **Currently effective**

Development **Career — Health**

Paid parental leave for employees now required

Employees of companies in the United Arab Emirates (UAE) are entitled to five days of paid parental leave during the first six months following their baby’s birth — under changes to the labor law approved by the president in August 2020. Both parents can apply for the leave entitlement. The law is applicable to private sector employers that follow the federal labour law, but does not apply to employees in the Dubai International Financial Centre or the Abu Dhabi Global Market free zones.

According to the official UAE news agency WAM, paid leave entitlement “aims to further cement family cohesion and stability, enhance UAE’s position and competitiveness in the field of gender balance, and encourage young talents to work in the private sector.” The UAE is the first Arab country to grant parental leave to employees in the private sector, but mothers were already entitled to paid maternity leave.

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[GRIST](#), 1 Sep 2020

United Kingdom (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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