

Law and Policy Group

# Global Legislative Update

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July/August 2022



# In this document

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



Employer action required



Potential implications for employers



Developments to monitor

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

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# Section 1

## Highlights

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### United States

[Senate panel approves SECURE 2.0 bill, spurs talks on final package](#)  
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[More health insurance mandates enacted in Illinois](#)  
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[Confidential hotline for sexual harassment complaints established in New York](#)  
[Certain labor rights reinstated in Puerto Rico](#)  
[No Surprises Act, association health plans addressed in new law in Vermont](#)  
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<b>Asia Pacific</b>	
<b>Australia</b>	<a href="#">Minimum wage increases</a> <a href="#">Superannuation guidance to avoid sustainability 'greenwashing'</a> <a href="#">Superannuation regulations at work take effect</a> <a href="#">Key superannuation rates and thresholds for 2022/23 take effect</a> <a href="#">Super Retirement Income Strategy, CCIV required</a> <a href="#">2021 budget superannuation changes now effective</a> <a href="#">Superannuation insurance standard and guidance now effective</a> <a href="#">Cyber incident reporting required</a>
<b>China</b>	<a href="#">Guidance issued on Uyghur Forced Labor Prevention Act</a>
<b>Hong Kong</b>	<a href="#">Mandatory pension fund offsetting to be abolished</a>
<b>India</b>	<a href="#">EPF interest rate for 2021-2022 announced</a>
<b>Laos</b>	<a href="#">Minimum wage to increase in two phases</a>
<b>New Zealand</b>	<a href="#">Whistleblower protections strengthened</a>
<b>Philippines</b>	<a href="#">Many regions increased minimum wages</a>
<b>Singapore</b>	<a href="#">Consultation on mental health and well-being strategy</a>
<b>South Korea</b>	<a href="#">Ruling on discrimination in some wage peak systems</a> <a href="#">Default investment options introduced for defined contribution plans</a>
<b>Europe, Middle East and Africa (EMEA)</b>	
<b>European Union (EU)</b>	<a href="#">New sustainability/ESG reporting duty for companies approaches</a> <a href="#">Member states' transposition deadline of the work-life balance directive approaches</a> <a href="#">Member states' transposition deadline of the 'nonstandard workers' rights directive approaches</a>
<b>Denmark</b>	<a href="#">Parental leave increased, leave to care for sick family members offered</a>
<b>Finland</b>	<a href="#">Paid paternity leave, maternity allowance expanded</a>
<b>Germany</b>	<a href="#">Certain companies face gender board mandate</a> <a href="#">Minimum wage to increase</a> <a href="#">Changes to statutory pensions approved</a>

<b>EMEA (continued)</b>	
<b>Ireland</b>	<a href="#"><u>Gender pay gap regulations issued</u></a>
<b>Netherlands</b>	<a href="#"><u>Minimum wage increases</u></a> <a href="#"><u>Parental leave payment increases</u></a>
<b>Nigeria</b>	<a href="#"><u>Health insurance coverage to significantly expand</u></a>
<b>Poland</b>	<a href="#"><u>Tax reforms modify health contribution deductions, salary thresholds</u></a>
<b>Spain</b>	<a href="#"><u>Pension reforms aim to boost second-pillar occupational pensions</u></a>
<b>Sweden</b>	<a href="#"><u>ITP occupational pension rules adjusted</u></a> <a href="#"><u>Earliest retirement age to increase</u></a>
<b>Turkey</b>	<a href="#"><u>Minimum wage increases</u></a>
<b>United Kingdom</b>	<a href="#"><u>NIC earnings threshold to increase</u></a>

## Section 2

# Global

### Minimum wage rates

Status  Ongoing initiatives

Development

**Career**

**Global employer resources on minimum wage increases**

To help multinational employers address the different minimum wage rates around the world, Mercer provides some information and links to resources from organizations, government websites, third-party resources and news articles

Resources

[Roundup: Global employer resources on minimum wage increases](#), regularly updated

### Coronavirus (COVID-19) pandemic

Status  Ongoing initiatives

Development

**Career — Health — Wealth**

**Countries address workplace issues resulting from the COVID-19 pandemic**

Since the World Health Organization declared COVID-19 a pandemic on 12 March 2020, employers continue to address the severe impact on work practices and adjust employment and benefit policies accordingly. Countries have enacted legislation and provided regulatory guidance related to workforce protections, leave and layoff procedures, employment subsidies, and changes to existing enforcement procedures. To help multinational employers address worksite, economic and associated travel issues, Mercer is providing analysis on workforce and investment implications and compiling information from organizations, government websites, news articles, and other resources.

Resources

[Roundup: COVID-19 resources for employers](#), regularly updated; [Navigating coronavirus](#), regularly updated

## Remote working

### Status



### Ongoing initiatives

### Development

#### Career — Health — Wealth

#### Countries address remote-working issues

Remote working has become more of a permanent feature for many employees and employers because of COVID-19 measures introduced in various countries. Remote working poses challenges and considerations for employers when devising or adjusting policies. Issues to consider include the definition of remote work, eligibility criteria, hybrid working arrangements, employee engagement and performance, cybersecurity, health and safety, the right to disconnect, possible relocation of employees to a different country or state, and the post-pandemic return to the workplace. Several jurisdictions have introduced remote-working legislative measures that clarify employer and employee requirements post-pandemic, and others are expected to follow suit. To help employers, Mercer is providing analysis and links to general information about ongoing remote-working rights and trends in some countries, including resources from Marsh McLennan, organizations, government websites, news articles and other parties.



### Resources



[Roundup: Employer resources on remote-working rights/trends](#), regularly updated





## Section 3

# Americas



<b>Argentina (new)</b>	
<b>Status</b>	 <b>Effective 23 March 2023</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Employers required to provide workplace childcare facilities</b></p> <p>From 23 March 2023, employers in Argentina with workplaces that have 100 or more employees must provide workplace daycare facilities for employees who have parental responsibility during the day for children aged 45 days to three years. The workforce threshold calculation must also include dependent workers who provide services at the employer’s worksite. Collective bargaining agreements could include measures that allow for the nontaxable reimbursement for all or a share of the costs of daycare services (the amount must not be less than 40% of the monthly salary of daycare employees, or the actual cost of daycare if less). Reimbursement will be pro-rated for part-time employees, and remote workers must be paid a benefit in lieu of using the facilities. Employers could subcontract another organization to provide daycare facilities, and employers could join together within a two-kilometer radius of the employers’ worksites. Sanctions for employers’ noncompliance would be classified as a “very serious” infringement, and could include fines of 50% to 2,000% of the minimum wage per affected worker. The measures are included in Decree 144/2022 published on 22 March 2022.</p>
<b>Resources</b>	<p><a href="mailto:dolores-liendo@mercer.com">dolores-liendo@mercer.com</a></p> <p><a href="#">Decree 144/2022</a> (Spanish) (Government, 23 March 2022)</p>
<b>Argentina (new)</b>	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Employers’ contributions to occupational disease fund increases</b></p> <p>Employers’ fixed sum contributions to the occupational disease trust fund (FEPP) will increase on 1 July 2022 to AR\$127.65 (up from AR\$111.75), per employee.</p>
<b>Resources</b>	<p><a href="mailto:graciela.magonza@mercermarshbeneficial.com">graciela.magonza@mercermarshbeneficial.com</a></p> <p><a href="#">Legislation</a> (Spanish) (Official Bulletin, 13 June 2022)</p>



Argentina (previously covered, soon to be effective)	
Status	 1 August 2022
Development	<p><b>Career</b></p> <p><b>Minimum wage to increase</b></p> <p>The daily minimum wage rate will increase to AR\$47,850, and the hourly rate will increase to AR\$239.30.</p>
Resources	<a href="#">Resolution 6/2022</a> (Spanish) (Official Bulletin, 10 May 2022)
Argentina (previously covered, with upcoming effective date)	
Development	<p><b>Career</b></p> <ul style="list-style-type: none"> <li><a href="#">Remote-working rights post COVID-19 pandemic clarified</a> — key date: 90 days after pandemic ends</li> </ul>
Brazil (new)	
Status	 Currently effective
Development	<p><b>Career — Health</b></p> <p><b>Clarification of food allowance payment issued</b></p> <p>Provisional Measure (PM) 1108/22 clarifies that tax-deductible food allowance vouchers must only be used for food, and not for any other purpose. The PM is currently effective, and is slated for discussion in the Chamber of Deputies in early August with to the goal of making the measures permanent. Companies are now prohibited from receiving discounts when contracting with food voucher suppliers — some employers had been receiving a rebate as part of the contracting arrangement. Employer and voucher suppliers that breach the PM could be fined between BRL\$5,000 and BRL\$50,000 — the amount could be doubled for recurring infringements. Vendors selling products unrelated to food allowance also could be subject to fines.</p>
Resources	<p><a href="mailto:carlos.carvalho@mercer.com">carlos.carvalho@mercer.com</a></p> <p><a href="#">Provisional measure 1108/22</a> (Portuguese) (Official Gazette, 28 March 2022)</p>

Brazil (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Career — Health</b></p> <p><b>Provisional measure on remote-working rights issued</b></p> <p>The government issued Provisional Measure 1108/22 (PM) (Portuguese), which changes several sections of the labor code (CLT) to regulate and improve remote workers' rights — the measures apply to employees, apprentices and interns. The PM is currently effective, and slated for discussion in the Chamber of Deputies in early August, with the goal of making the measures permanent. Highlights include:</p> <ul style="list-style-type: none"> <li>• Teleworkers/remote workers are defined as employees who work fully remotely, or in a hybrid working capacity. Employees can attend the employer's workplace to fulfill various tasks without altering their remote-worker status.</li> <li>• Teleworking must be expressly included in an individual's employment contract.</li> <li>• Employees' contracts can include individual agreements about work schedules, rest periods, and the methods of communication.</li> <li>• Employees with a disability, or individuals who have responsibility for children up to age four, receive priority for telecommuting vacancies.</li> <li>• Remote workers will be subject to the terms included in collective agreements applicable to the company's premises where the employee is on the payroll.</li> </ul>
Resources	<p><a href="mailto:carlos.carvalho@mercer.com">carlos.carvalho@mercer.com</a></p> <p><a href="#">Provisional measure 1108/22</a> (Portuguese) (Official Gazette, 28 March 2022)</p>
Brazil (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Health — Wealth</b></p> <p><b>New penalties for late social security payments by employers</b></p> <p>From 1 July 2022, the Declaration of Federal Tax Debts and Credits for Social Security and Other Entities and Funds (DCTFWeb) automatically issues notifications for payment of a Penalty for Delay to employers who are late submitting their social security contributions. Notifications of fines and requests for payment are subject to 2% interest per month calculated on the total reported contributions, and the interest levied is capped at 20% of the total amount. Other errors are subject to fines of BRL 200 to and BRL 500.</p>
Resources	<p><a href="mailto:carlos.carvalho@mercer.com">carlos.carvalho@mercer.com</a></p> <p><a href="#">Law 8212</a> (Portuguese) (Government)</p>

Canada (new)	
<b>Status</b>	 Consultation is open until 15 September 2022.
<b>Development</b>	<p><b>Wealth</b></p> <p><b>Pension regulator proposes consolidated risk-management guideline</b></p> <p>The Canadian Association of Pension Supervisory Authorities (CAPSA) is proposing a consolidated guideline on risk management, which would include guidelines on environmental, social, and governance (ESG) risks; leverage and cyber risk; and risk management. Comments can be submitted until 15 September 2022.</p>
<b>Resources</b>	<p><a href="mailto:ariella.fuhrmann@mercer.com">ariella.fuhrmann@mercer.com</a></p> <p><a href="#">Your feedback on an “inclusive” guideline on risk management to include ESG, leverage and cyber (CAPSA, 9 June 2022)</a>; <a href="#">CAPSA guideline: Environmental, social and governance considerations in pension plan management (CAPSA guideline, 9 June 2022)</a>; <a href="#">CAPSA guideline: Leverage and the effective management of associated risks (CAPSA, 9 June 2022)</a> and <a href="#">CAPSA Guideline: Cyber risk for pension plans (CAPSA, 9 June 2022)</a></p>
Canada	
<b>Status</b>	 Consultation is open until 15 August 2022.
<b>Development</b>	<p><b>Wealth</b></p> <p><b>Changes to guidelines for capital accumulation plans proposed</b></p> <p>The Canadian Association of Pension Supervisory Authorities (CAPSA) has proposed changes to CAPSA Guideline No. 3 — Guidelines for Capital Accumulation Plans (CAPs). These guidelines update and replace the 2004 guidelines issued by the Joint Forum of Financial Market Regulators, and reflect regulators’ expectations for the operation of a workplace CAP, regardless of the regulatory regime applicable to the plan. These guidelines are also relevant where CAP sponsors have chosen to offer retirement income options as part of or as an extension to their CAPs. Many of the administration, investment and communication principles will apply equally in the accumulation and decumulation phases. Comments can be submitted until 15 August 2022.</p>
<b>Resources</b>	<p><a href="mailto:ariella.fuhrmann@mercer.com">ariella.fuhrmann@mercer.com</a></p> <p><a href="#">Press release (CAPSA/ACOR, 13 May 2022)</a> and <a href="#">Draft guidelines for capital accumulation plans (CAPSA/ACOR, 13 May 2022)</a></p>

Canada — Alberta (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Career — Health</b></p> <p><b>Bereavement leave eligibility expanded</b></p> <p>From 31 May 2022, three days of unpaid bereavement leave in Alberta are granted for stillbirths, miscarriages and abortions of the employee, their spouse, or common law partner under the Labour Statutes Amendment Act, 2022. Situations where the employee would have been the parent of the child (such as adoption and the parents of children being carried by gestational carriers/surrogates) are also covered. Other measures have removed the cap on the amount of leave that reservists with 12 or more consecutive weeks of service can take for reservist training and travel — currently, the cap is 20 days per year. The bill received royal assent on 31 May 2022 and amends the Employment Standards Code and the Labour Relations Code.</p>
Resources	<a href="#">Labour Statutes Amendment Act, 2022</a> (Legislature)
Chile (previously covered, with upcoming effective date)	
Development	<p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Protection of digital platform workers boosted</a> — key date: 1 September 2022</li> </ul>
Colombia (previously covered, with upcoming effective date)	
Development	<p><b>Career — Health</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Maximum weekly working time reduced</a> — key date: Beginning in 2023</li> </ul>
US (new)	
Status	 <b>Proposal</b>
Development	<p><b>Wealth</b></p> <p><b>Senate panel approves SECURE 2.0 bill, spurs talks on final package</b></p> <p>The Senate Finance Committee unanimously approved its SECURE 2.0 bill, the Enhancing American Retirement Now (EARN) Act on 22 June, kicking off an effort to meld the legislation and two other bipartisan bills into a final package that could become law by the end of the year. The EARN Act overlaps with a widely-supported SECURE 2.0 bill approved by the Senate Health, Education, Labor and Pensions (HELP) panel earlier in June (S 4353) and with a measure that passed the House in March (HR 2954). All of the bills build on the suite of retirement reforms enacted in the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 (Div. O of Pub. L No. 116-94).</p>
Resources	<a href="mailto:geoff.manville@mercer.com">geoff.manville@mercer.com</a> , <a href="mailto:matthew.calloway@mercer.com">matthew.calloway@mercer.com</a> , <a href="mailto:brian.kearney@mercer.com">brian.kearney@mercer.com</a> and <a href="mailto:margaret.berger@mercer.com">margaret.berger@mercer.com</a> <a href="#">GRIST</a> , 27 June 2022

US/China (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career</b>  <b>Guidance issued on Uyghur Forced Labor Prevention Act</b></p> <p>In advance of the Uyghur Forced Labor Prevention Act effective on 21 June 2022, the US Customs and Border Protection issued operational guidance (on 13 June) to provide information on its enforcement strategy and to help importers with compliance.</p> <p>The Act, signed into law on 23 Dec 2021, bans companies from importing products from the Xinjiang region of China, including products manufactured using raw materials from the region. The US and several other countries (including the UK and Canada) have alleged that products and raw materials — such as cotton, chemicals, polysilicon, and coal — are produced using Uyghurs and other predominantly Muslim ethnic minorities in Xinjiang. Other measures in the act include a rebuttable presumption barring importation of all goods from the Xinjiang region.</p>
<b>Resources</b>	<a href="#">Uyghur Forced Labor Prevention Act: US Customs and Border Protection operational guidance for importers</a> (US Customs and Border Protection, 13 June 2022) and <a href="#">Statement by Press Secretary Jen Psaki on the Uyghur Forced Labor Prevention Act</a> (The White House, 14 December 2021)
US (previously covered, soon to be effective)	
<b>Status</b>	 <b>Companies have until later of 8 Aug 2022, or one day after they file their 2022 proxy or information statement, to disclose their matrix</b>
<b>Development</b>	<p><b>Career</b>  <b>Nasdaq rule requires disclosure of board diversity matrix</b></p> <p>The Securities and Exchange Commission (SEC) has approved a Nasdaq rule requiring listed companies to have at least two diverse board members or explain why the board does not and to disclose a board diversity data matrix. The board membership requirement will phase in over several years, and companies have to disclose their matrix by 8 August 2022 or one business day after they file their 2022 proxy or information statement. Companies must have one director who self-identifies as female and one who self-identifies as an underrepresented minority or as LGBTQ+, but limited exceptions apply to smaller reporting companies, companies with small boards, and foreign issuers. Companies have until 7 August 2023 to appoint their first diverse director and until 2025 or 2026 (depending on the company's listing tier) to appoint their second. Companies that do not meet the diversity objective (or fail to explain why they do not) have 45 calendar days to submit a compliance plan and must comply within 180 days or face delisting. Nasdaq said the rule is not a mandate and if a company chooses to explain its lack of board diversity rather than comply, Nasdaq will not assess the merits of the explanation.</p>
<b>Resources</b>	<a href="mailto:amy.knieriem@mercer.com">amy.knieriem@mercer.com</a> and <a href="mailto:carol.silverman@mercer.com">carol.silverman@mercer.com</a> <a href="#">SEC approves Nasdaq board diversity rule, 12 Aug 2021</a>

<b>US</b>	
<b>Status</b>	 <b>Effective dates vary.</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Roundup: Employer resources on minimum wage increases</b></p> <p>In April 2021, President Joe Biden signed an executive order requiring federal contractors to pay workers a \$15/hour minimum wage, effective for new federal contract solicitations starting 30 January 2022. The Department of Labor (DOL) issued final implementation rules on 22 November 2021 and a field assistance bulletin in January 2022. In January 2021, President Biden also issued an executive order asking the director of the Office of Personnel Management to provide recommendations on promoting a \$15/hour minimum wage for federal employees. House and Senate Democrats also introduced the Raise the Wage Act of 2021 to progressively increase the minimum wage to \$15/hour by 2025. Several states have already taken action to gradually increase the minimum wage to \$15/hour for most employees. To help employers prepare and address related issues, this roundup provides links to federal and state resources from organizations, government websites, third-party resources and news articles.</p>
<b>Resources</b>	<a href="#">GRIST</a> , regularly updated
<b>US</b>	
<b>Status</b>	 <b>Effective dates vary.</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Roundup: Employer resources on hairstyle nondiscrimination laws</b></p> <p>The Creating a Respectful and Open World for Natural Hair (CROWN) Act movement in the US aims to prohibit discrimination based on natural hair texture or hairstyles that are normally associated with race, such as braids, locs, twists, curls, cornrows, afros, head wraps or bantu knots. The official campaign of the CROWN Act is led by the CROWN Coalition. Federal legislation, supported by the Biden administration, passed the house in March 2022. Fourteen states have already passed CROWN Acts, and many others are considering legislation. To help employers ensure their employee handbooks and appearance policies are nondiscriminatory and in compliance with federal, state and local laws, this roundup provides links to federal and state resources from organizations, government websites, third-party resources and news articles.</p>
<b>Resources</b>	<a href="#">GRIST</a> , regularly updated

## US — States (new)

### Status



Effective dates vary.

### Development

#### Career — Health

##### State accrued paid sick leave mandates

To date, 14 states — Arizona, California, Colorado, Connecticut, Maryland, Massachusetts, Michigan, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, Washington, and Washington, DC, have enacted paid sick leave mandates. Maine and Nevada have laws requiring accrued paid time off not limited to sick time. All of these laws have common features, including the following:

- Accruals are based on the employee's work location and start on the date of hire.
- Employers whose existing paid leave programs (e.g., time off, sick leave or personal leave) meet or exceed the maximum accrual and allow the same leave uses without more restrictions or limitations do not have to provide additional leave.
- The term "health" includes mental health, preventive care and chronic conditions in addition to physical illness.
- Employees exempt from the federal Fair Labor Standards Act's minimum wage and overtime standards are considered to work 40 hours per week.
- Properly classified independent contractors are not eligible for paid sick leave.
- Employers may require reasonable notice if the leave is foreseeable.
- If the leave is unforeseeable, employees should provide notice as soon as practicable.
- Worker protections and anti-retaliation provisions apply.
- Leave mandates do not apply to federal government employers, but may apply to state and/or local government employers.

This GRIST can help employers track key provisions of different jurisdictions' accrued paid leave laws.




### Resources

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


[Roundup: State accrued paid sick leave mandates](#), regularly updated




<b>US — California (previously covered, now effective)</b>	
<b>Status</b>	 <b>Applies to large group health insurance policies issued or renewed in California on or after 1 July 2022.</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Large group health policies to cover basic healthcare services</b></p> <p>Large group health insurance policies issued or renewed in California on or after 1 July 2022, must cover medically necessary basic healthcare services under legislation (SB 280) approved by the Governor on 7 October 2021. Basic healthcare services include physician services, hospital inpatient and ambulatory care services; diagnostic laboratory and diagnostic or therapeutic radiologic services; home healthcare, preventive healthcare, emergency healthcare (including ambulance and ambulance transport services), and hospice care. Large group plans include policies for more than 100 employees.</p> <p>Plans also must provide out-of-area coverage for “urgently needed services” for an unforeseen illness or injury needing treatment immediately. The basic healthcare mandate does not apply to self-insured ERISA plans or to specialized policies that cover only dental or vision benefits. However, the measure does not exempt grandfathered health plans.</p> <p>The measure also prohibits an insurer from marketing practices or benefit designs that will have the effect of discouraging the enrollment of individuals with significant health needs or discriminating based on an individual’s race, color, national origin, present or predicted disability, age, sex, gender identity, sexual orientation, expected longevity, degree of medical dependency, quality of life, or other health conditions.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">SB 280</a> (Legislature, 10 August 2021)</p>
<b>US — Colorado (new)</b>	
<b>Status</b>	 <b>10 August 2022</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Noncompete restrictions limited</b></p> <p>Noncompete agreements will be prohibited in Colorado unless the individual is a highly compensated worker (earning \$101,250 in 2022) under a bill (HB 22-1317) signed by the Governor on 8 June 2022. Financial penalties will be imposed for employer violations. The law is effective 10 August 2022 — 90 days after the end of the legislative session.</p>
<b>Resources</b>	<a href="#">HB 22-1317</a> (Legislature)

US — Colorado (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Career — Health</b></p> <p><b>Supreme Court upholds paid family medical leave law</b></p> <p>The Colorado Supreme Court held that the state's paid family medical leave (PFML) law, enacted by Proposition 118, does not violate the state's Taxpayer Bill of Rights. Because of the Chronos Builders v. Dept. of Labor and Employment decision, it is full speed ahead for the PFML program, with contributions starting in 2023 and benefits starting in 2024.</p>
Resources	<p><a href="mailto:katharine.marshall@mercer.com">katharine.marshall@mercer.com</a></p> <p><a href="#">Decision</a> (Colorado Supreme Court, 21 June 2022)</p>
US — Colorado (new)	
Status	 <b>10 August 2022</b>
Development	<p><b>Health</b></p> <p><b>Balance billing law mirrors No Surprises Act</b></p> <p>Colorado enacted a balance billing law (HB22-1284), which largely changes current law to align with federal requirements under the No Surprises Act portion of the 2021 Consolidated Appropriations Act. The law applies to fully insured plans situated in the state. Based on longstanding guidance by the state's Division of Insurance, Colorado's insurance provisions also apply to self-funded governmental plans in the state</p>
Resources	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">HB22-1284</a> (Legislature)</p>
US — Connecticut (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Career</b></p> <p><b>'Captive audience meetings' banned, employee free speech protections expanded</b></p> <p>Connecticut's governor has signed legislation (SB 163) that amends its free speech law. Employers cannot require employees to attend meetings to discuss political or religious matters, which includes the decision to join or support labor organizations. The intent is to ban "captive audience meetings." The legislation also enables employees to sue for damages when they are subject to discipline or discharge for exercising free speech rights. The law became effective 1 July 2022.</p>
Resources	<a href="#">SB 163</a> (Legislature)

**US — District of Columbia (previously covered, updated)**

<b>Status</b>	 <b>Effective dates vary</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Changes to paid family leave contributions, leave period and waiting period</b></p> <p>The tax rate for employers decreased effective 1 July 2022 under the DC universal paid leave (UPL) program, and employees have gained expanded benefits. The change follows the 1 March certification by the city’s chief financial officer that:</p> <ul style="list-style-type: none"> <li>• There is sufficient funding to enact the maximum level of benefits authorized by current law (12 weeks for qualifying parental, medical and family leave and two weeks for prenatal leave), and</li> <li>• To lower the employer contribution rate to 0.26%, down from .62%, without affecting solvency of the program’s fund.</li> </ul> <p>The first paid family leave tax payment at this new rate is due 31 October 2022 for wages paid to covered employees between 1 July 1 and 30 September. An increase in leave duration is not expected until 1 October. The employer contribution rate will be reevaluated in March 2023.</p> <p>In addition, Mayor Muriel Bowser signed Act 24-0437, which eliminates the one-week waiting period, effective 25 July.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">Information on the DC Paid Family Leave</a> (District of Columbia); <a href="#">Projected annual revenues and expenditures for the universal paid leave fund</a> (Office of the Chief Financial Officer, 1 March 2022); <a href="#">Act 24-0437</a> (Legislature) and <a href="#">Newsletter</a> (Office of paid family leave, 22 June 2022)</p>

**US — Florida (new)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>PBM restrictions added</b></p> <p>A new Florida law (Ch. 2022-200, HB 357) subjects health insurers and health maintenance organizations providing pharmacy benefits to the pharmacy benefit manager (PBM) audit requirements under existing law, even if pharmacy payment obligations are transferred to the PBM. These entities must register as a PBM or risk a \$10,000 penalty. The law took effect on 1 July 2022.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">Ch. 2022-200, HB 357</a> (Legislature)</p>

## US — Florida (previously covered, now effective)

### Status



Currently effective

### Development

#### Career

##### Workplace diversity training limited



A Florida “anti-woke” law amends the state’s civil rights act to bar any covered employer from conducting employee training or instruction that “espouses or promotes” the belief that certain concepts constitute discrimination based on race, color, sex, or national origin. Concepts constituting unlawful discrimination include the idea that:


- Members of one race, color, national origin or sex are morally superior to members of another race, color, national origin or sex.
- By virtue of race, color, national origin or sex, a person is inherently racist, sexist or oppressive.
- A person’s moral character or status as privileged or oppressed is determined by race, color, national origin or sex.
- By virtue of race, color, national origin or sex, a person should be discriminated against or receive adverse treatment to achieve diversity, equity or inclusion.

These concepts may be discussed as part of a course or training if “given in an objective manner without endorsement of the concepts.” The law became effective 1 July 2022 and is similar to President Donald Trump’s controversial Executive Order 13950, which President Biden revoked.

### Resources

Ch. 2022-72, [HB 7](#) (Legislature, 22 April 2022) and [Press release](#) (White House, 20 January 2021)

<b>US — Hawaii (new)</b>	
<b>Status</b>	 <b>Effective dates vary.</b>
<b>Development</b>	<b>Career</b> <b>Hourly minimum wage will increase to \$18 by 2028</b> Legislation (HB 2510) has been signed by Hawaii’s governor and will gradually increase the current \$10.10 hourly minimum wage to \$18 per hour by 2028 — currently the highest in the US. The hourly minimum wage will increase to \$12 in October 2022, to \$14 on 1 January 2024, to \$16 on 1 January 2026 and to \$18 on 1 January 2028.
<b>Resources</b>	<a href="#">HB 2510</a> (Legislature) and <a href="#">Press release</a> (Governor’s office, 22 June 2022)
<b>US — Hawaii (new)</b>	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<b>Health</b> <b>Gender-affirming care coverage mandate enacted</b> Hawaii enacted the Gender Affirming Treatment Act (Act 039, HB 2405), which imposes the following restrictions on fully insured plans: <ul style="list-style-type: none"><li>• Prohibition on categorical cosmetic or blanket exclusions to medically necessary gender-affirming treatments or procedures</li><li>• A required process for appealing a claim denied because of medical necessity</li><li>• Provision of clear information about gender transition services coverage, including the appeals process for adverse determinations based on medical necessity.</li></ul> The statute gives a nonexhaustive list of 13 gender transition services that must be covered. The law specifically applies to health insurers, mutual benefit societies and HMOs. The law took immediate effect.
<b>Resources</b>	<a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a> <a href="#">Act 039, HB 2405</a> (Legislature)

US — Illinois (new)	
Status	 Effective dates vary.
Development	<b>Health</b> <b>More health insurance mandates enacted</b> Illinois recently enacted these new coverage requirements for fully insured plans situated in the state: <ul style="list-style-type: none"><li>• Pub. Act No. 102-0901 — balance billing (substantive provisions are effective 1 January 2023, other provisions take effect 1 July 2022)</li><li>• Pub. Act No. 102-0930 — prenatal vitamins (effective 1 January 2023)</li><li>• Pub. Act No. 102-0979 — genetic testing for breast and ovarian cancer susceptibility (effective for plan years starting on or after 1 January 2024)</li><li>• Pub. Act No. 102-1038 — no copayment for naloxone hydrochloride, used to treat opioid overdoses, with an exception for HSA-eligible HDHPs (effective for plan years starting after 1 January 2024)</li><li>• Pub. Act No. 102-1073 — broader coverage of prostate cancer screening to include “medically viable methods” (effective for plan years starting after 1 January 2024)</li><li>• Pub. Act No. 102-1093 — medically necessary continuous glucose monitors (effective for plan years starting on or after 1 January 2024)</li></ul>
Resources	<a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a> <a href="#">Pub. Act No. 102-0901</a> (Legislature); <a href="#">Pub. Act No. 102-0930</a> (Legislature); <a href="#">Pub. Act No. 102-0979</a> (Legislature); <a href="#">Pub. Act No. 102-1038</a> (Legislature); <a href="#">Pub. Act No. 102-1073</a> (Legislature) and <a href="#">Pub. Act No. 102-1093</a> (Legislature)

## US — Illinois (new)

### Status



1 January 2023

### Development

#### Career

##### Employees' meal and rest break rights strengthened


A bill (SB 3146) strengthening the One Day Rest in Seven Act (ODRISA) was signed into law by the governor and will take effect on 1 January 2023. ODRISA provides employees the right to a day of rest every workweek, and meal or rest breaks during daily work shifts. Highlights include:

- Clarification of the day of rest requirements for employees whose schedules do not align with a Sunday to Saturday calendar week, and its application to any consecutive seven-day work period.
- Requirement to add an additional 20-minute break for employees during a 12-hour shift.
- Penalties of \$500 per offense and damages up to \$500 per offense for employers with 25 or more employees. Employers with fewer than 25 employees that violate ODRISA can face a penalty of \$250 per offense and damages up to \$250 per offense.

Covered employers must post a notice at the workplace to notify employees of their rights under ODRISA. Illinois Department of Labor will provide this notice on its website for employers to download and post.

### Resources

[SB 3146](#) (Legislature)

US —Iowa (new)	
Status	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>PBM law enacted</b></p> <p>A new Iowa law (HB 2384) adds restrictions to activities of pharmacy benefit managers (PBMs) but was scaled back in recent weeks to eliminate any willing provider requirement, restrictions on mail-order drugs, a mandated PBM payment of a dispensing fee that matches state Medicaid and a requirement that all rebates be provided at the point of sale. Here are highlights of what remains in the law:</p> <ul style="list-style-type: none"><li>• Requirement that all pharmacies must be reimbursed at the same rate as PBM-affiliated pharmacies</li><li>• Prohibition against a PBM assessing any claim processing fees, performance-based fees, network participation fees or accreditation fees on a pharmacy</li><li>• Prohibition on charging a cost-sharing amount that exceeds the pharmacy’s reimbursement amount</li><li>• Permits a pharmacy to disclose the availability of lower-cost drug options to participants</li><li>• New subjective standard of good faith and fair dealing owed by PBMs to any third-party payor</li><li>• Disclosure requirements related to the PBM’s maximum allowable cost list.</li></ul> <p>The new law applies to fully insured plans situated in the state, as well as self-funded government plans.</p> <p>It is not entirely clear whether the law applies to self-funded ERISA plans. Prior to HB 2384, the statute explicitly excluded a “private single employer self-funded plan” from the PBM definitions. HB 2384 broadened the definition to include “a person who, pursuant to a contract or other relationship with a third-party payor, either directly or through an intermediary, manages a prescription drug benefit provided by the third-party payor.” However, a recent fiscal note described the law’s scope as applying to “individual coverage, fully insured small and large employer groups, self-insured public employees, and the State of Iowa Plan.”</p> <p>The law took immediate effect on 13 June.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">HB 2384</a> (Legislature)</p>



## US — Mississippi (previously covered, now effective)

**Status**  **Currently effective**

**Development**

### Career

#### Equal pay law enacted



Mississippi has become the last US state to enact an equal pay law. Effective 1 July 2022, an employer cannot pay an employee a lower wage than an employee of the opposite sex in the same establishment earns for equal work on a job that requires equal skills, education, effort, and responsibility and is performed under similar working conditions. Pay differences are permitted when due to a seniority system, a merit system, a system that measures earnings by quantity or quality of production, or any factor other than sex (such as salary history, employment gaps, competition with other employers and employee negotiations). Under this law, if an employee files a claim under the federal Equal Pay Act, the employee cannot bring a separate action.

The Mississippi law has drawn criticism for including broad exceptions that are generally viewed as factors contributing to the wage gap. In recent years, many states have strengthened efforts to address equal pay. Examples include state laws that prohibit employers from asking job applicants about their salary history, require employers to disclose salary ranges and pay data, protect employees who disclose their pay, expand equal pay protections for characteristics other than sex, and broaden comparisons of work and pay.

**Resources**

[HB 770 \(Legislature\)](#)

[Roundup: US employer resources on states' recent equal pay laws](#), regularly updated

US — New Mexico (new)	
Status	 Currently effective
Development	<p><b>Health</b></p> <p><b>Sick leave rules finalized</b></p> <p>Just in time for the 1 July effective date, the New Mexico Department of Workforce Solutions issued an Adopted Rule related to the Healthy Workplaces Act, the state’s sick leave law. Highlights include:</p> <ul style="list-style-type: none"> <li>• <b>Front-loading.</b> This is permissible at the start of the year as long as an employer does not recoup the used leave through payroll deductions.</li> <li>• <b>Amount of leave.</b> This is based on an employee’s regularly scheduled hours, which are unaffected when an employee actually takes paid sick leave.</li> <li>• <b>Timing.</b> Earned leave is paid on the same payday as regular wages.</li> <li>• <b>Documentation.</b> If an employer requires documentation for leaves of two or more days in a row, an employee has 14 days from the date of return to provide the documentation.</li> <li>• <b>Termination of employment.</b> An employer does not have to pay out unused, earned sick leave upon the employee’s separation from employment.</li> </ul>
Resources	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a> and <a href="mailto:katharine.marshall@mercer.com">katharine.marshall@mercer.com</a></p> <p><a href="#">GRIST</a>, 19 May 2021 and <a href="#">Roundup: State accrued paid leave mandates</a>, regularly updated)</p>
US — New York (new)	
Status	 Proposal
Development	<p><b>Career</b></p> <p><b>Disclosure of salary ranges in job postings proposed</b></p> <p>A New York employer, employment agency, employee or agent thereof would be required to include compensation or the compensation range when advertising a job, promotion or transfer opportunity under legislation (S9427A) that would amend the labor code. The legislation passed the Senate and will go to the governor for consideration. While the legislation is similar to the New York City salary disclosure law scheduled to be effective in November 2022, it explicitly states that it would not supersede or preempt any provisions of local law, rules or regulations. Therefore, New York City employers would need to comply with both laws.</p>
Resources	<a href="#">S9427A</a> (Legislature)

**US — New York (previously covered, soon to be effective)**

**Status**



14 July 2022

**Development**

**Career**

**Confidential hotline for sexual harassment complaints established**

On 16 March 2022, the Governor signed legislation (S0812b/A2035b) that will require the New York State Division of Human Rights (NYSDHR) to establish a toll-free, confidential hotline to provide counsel and assistance to individuals with workplace sexual harassment complaints. Employees who call this hotline will be assisted by pro bono attorneys experienced in sexual harassment matters. The NYSDHR will work with the Department of Labor to ensure that hotline information is included in the required materials employers must post.

**Resources**

[Video, audio, photos & rush transcript: Governor Hochul signs package of legislation to address workplace harassment and discrimination \(Governor's office, 16 March 2022\)](#) and [S0812b/A2035b \(Government, 14 January 2022\)](#)

## US — Puerto Rico (new)

### Status



20 July 2022

### Development

#### Career — Health


##### Certain labor rights reinstated

Certain employment rights in Puerto Rico that had been previously eliminated or reduced by 2017 labor reforms will be reinstated, and the rights of part-time workers' expanded, under measures included in Law No 41-2022 signed by the governor on 20 June 2022 and generally effective on 20 July 2022. In March 2022, the governor vetoed an earlier version of the bill that included more reforms. Highlights include:

- Eligible employees will accrue 1.25 days of paid vacation and one day of sick leave for every 115 hours worked per month — down from 130 hours.
- Part-time employees working 20 hours or more per week but fewer than 115 hours will accrue 0.5 hours per month of paid vacation and sick leave.
- Nonexempt employees can request — in writing — to cash out part or all of their accumulated leave entitlement. Currently, they can cash out up to 10 days of leave. Employees who work on their weekly rest day after having worked six consecutive days will be paid twice their normal rate. The timing of meal breaks will also change.
- Probationary periods will be capped at 90 days, unless employers provide notification of a further 90-day extension to the Puerto Rico secretary of labor.
- The threshold for employees to be eligible for an annual bonus generally returns to 700 hours — regardless of hiring date.
- The statute of limitations for wage-related and unfair dismissal claims will increase to three years, up from one. Severance payments for unfair dismissals will be calculated at three or six months depending on the employee's length of service, and additional progressive severance payments will no longer be capped.

### Resources

[Law No. 41-2022 \(Spanish\) \(Legislature\)](#)

US — Vermont (previously covered, now effective)	
Status	 Currently effective
Development	<p><b>Health</b></p> <p><b>No Surprises Act, association health plans addressed in new law</b></p> <p>Effective 1 July 2022, the state insurance division’s involvement increased in the enforcement of provisions of the No Surprises Act (NSA) portion of the federal 2021 Consolidated Appropriations Act, as those provisions apply to fully insured plans. The law also imposes restrictions on association health plans (AHPs).</p> <p>Under the new law (HB489), the insurance commissioner has the authority to enforce the transparency, surprise billing and mental health parity requirements in the NSA. In addition, the external review requirements applicable to fully insured plans now include surprise-billing disputes, consistent with the NSA.</p> <p>The law prohibits insurer-operated or insurer-controlled AHPs. Factors in this determination include whether the insurer and association have common board members, common ownership and common use of office space. To form an AHP, an association must have at least 100 members (previously, the threshold was 25 members) at the time of formation and meet other requirements.</p> <p>Vermont insurance law generally does not apply to fully insured plans situated elsewhere, unless more than 25 Vermont residents are covered under the plan, or Vermont residents covered under the plan work outside the state.</p>
Resources	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">HB 489</a> (Legislature)</p>

## US — Virginia (previously covered, now effective)

### Status



Currently effective

### Development

#### Health

##### Association health plan rules expanded

Two new Virginia laws increase employers' access to association health plans (AHPs), which are a type of multiple-employer welfare arrangement (MEWA). The first law (Chs. 349-350, HB 768 and SB 335) allows for a fully insured AHP covering real estate salespeople (including self-employed individuals), provided the association meets certain requirements: It must not discriminate based on a factor related to health status, must have at least 25,000 members and a purpose beyond obtaining insurance, and must have existed for at least five years.

The fully insured coverage will be deemed a large-group market and must meet certain requirements. Those requirements include the obligation to meet the federal Affordable Care Act (ACA)'s coverage, essential health benefits and cost-sharing standards, not exclude preexisting conditions, guarantee issue and renewability, have actuarial value of at least 60%, and limit age-based premium variations to no more than 4:1 (no gender-based variations permitted).

The second law (Chs. 404-405, HB 884 and SB 195) allows associations to form a self-funded MEWA, as long as the association meets certain requirements: It must not discriminate based on a factor related to health status, must have nonprofit status under §§ 501(c)(5)–(c)(6) of the federal Internal Revenue Code (qualifying nonprofits include chambers of commerce and business leagues), and must have existed for at least five years. The self-funded coverage must meet certain requirements: The obligation to meet the ACA's essential health benefits and cost-sharing standards, not exclude preexisting condition, meet the renewability standards for fully insured plans, have actuarial value of at least 60%, and set rates using an actuarially sound, modified community rating methodology that considers the pooling of all participant claims.

A self-funded MEWA must be licensed by the State Corporation Commission, which is in charge of issuing regulations.

As background, in 2018 the federal Department of Labor issued rules making it easier for small businesses and self-employed individuals to form AHPs through what became known as Pathway 2. However, a year later, a DC district court invalidated the Pathway 2 approach, and litigation remains pending.

### Resources

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

[Ch. 349](#), [HB 768](#); [Ch. 350](#), [SB 335](#); [Ch. 404](#), [HB 884](#) and [Ch. 405](#), [SB 195](#) (Legislature, 11 April 2022)

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

### Development

#### Career

- [New York City job postings will have to give salary information](#) — key date: 1 November 2022
- [Data privacy rights expanded in California](#)— key date: 1 January 2023
- [Extensive pay equity law enacted in Rhode Island](#) — key date: 1 January 2023
- [Pay disclosure requirements expanded in Washington](#) — key date: 1 January 2023

#### Career — Health

- [Insurance laws on mental health parity, mammograms enacted](#) — key date: 1 November 2022
- [2023 EHB benchmark with gender-affirming care approved in Colorado](#) — key date: 1 January 2023
- [Colorado voters approve paid family and medical leave](#) — key date: 1 January 2023
- [Mental health parity act enacted in Georgia](#) — key date: 1 January 2023
- [Vacation law passed in Maine](#) — key date: 1 January 2023
- [New Hampshire enacts voluntary paid family leave program](#) — key date: 1 January 2023
- [Oregon's paid family and medical leave contributions delayed to 2023](#) — key date: 1 January 2023
- [2023 PFMLI contribution rate announced in Oregon](#) — key date: 1 January 2023
- [Paid family medical leave program legislation enacted in Delaware](#) — key date: 2025

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

### Development

#### Health

- [Insulin cost-sharing law capped in Oklahoma](#) — key date: 1 November 2022
- [Machine-readable file rules issued for insured plans in Texas](#) — key date: 29 November 2022
- [Drug reporting rules present challenges for many](#) — key date: 27 December 2022
- [Fertility coverage mandated for large-group market plans in Colorado](#)— key date: 1 January 2023
- [Coverage for cancer screenings enhanced in Connecticut](#) — key date: 1 January 2023
- [Insurance coverage mandated in Illinois](#) — key date: 1 January 2023
- [Prescription drug cost-sharing law enacted in Maine](#) — key date: 1 January 2023
- [Law caps insulin, HIV and cost-sharing in Maryland](#) — key date: 1 January 2023
- [Mental health parity for insured plans addressed in Maine](#) — key date: 1 January 2023
- [Abortion coverage legislation enacted in California](#) — key date: 1 January 2023
- [Mental health parity law updated in Illinois](#) — key date: 1 January 2023
- [New licensure program for pharmacy benefit managers in Nebraska](#) — key date: 1 January 2023
- [Contraceptive coverage mandate in New Jersey](#) — key date: 1 January 2023
- [Midyear drug formulary changes barred in New York](#) — key date: 1 January 2023
- [PBM bill enacted in Tennessee](#) — key date: 1 January 2023
- [Association health plan rules expanded in Virginia](#) — key date: 1 January 2023
- [Consumer privacy law enacted in Virginia](#) — key date: 1 January 2023
- [Insulin cost-sharing bill enacted in Washington](#) — key date: 1 January 2023
- [Implementation of long-term care program delayed in Washington](#) — key dates: 1 January and 1 July 2023
- [Pharmacy benefit management law enacted in West Virginia](#) — key date: 1 January 2023
- [Long-term care law changes enacted in Washington](#) — key date: 1 July 2023
- [Pharmacy benefit manager legislation enacted in Michigan](#) — key date: 1 January 2024
- [Hearing aid coverage mandated in Vermont](#) — key date: 1 January 2024



#### Wealth

- [Audiovisual conferencing for witnessing retirement plan elections extended](#) — key date: 31 December 2022




## Section 4

# Asia Pacific

<b>Australia (new)</b>	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Minimum wage increases</b></p> <p>Australia's Fair Work Commission has published its annual wage review. From 1 July 2022, increased rates for the national minimum wage (NMW) and most modern award minimum wage rates will take effect. The NMW increased by 5.2% to AU \$812.60 per week (up from AU\$772.60) and AU\$21.38 per hour (up from AU\$20.33). The modern award minimum wage rate increased by 4.6%, subject to a minimum increase of AU\$40 per week; this means that wage rates above the current rate of AU\$869.60 increased by 4.6%, and wage rates below that amount increased by AU\$40 per week. Modern award rates in the aviation, tourism and hospitality sectors will take effect on 1 October 2022.</p>
<b>Resources</b>	<a href="#">Annual Wage Review 2021-22</a> (Fair Work Commission, 15 June 2022)
<b>Australia (new)</b>	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Wealth</b></p> <p><b>Superannuation guidance to avoid sustainability 'greenwashing'</b></p> <p>Guidance was issued by the Australian Securities and Investments Commission (ASIC) on 14 June 2022 to help superannuation and managed funds, and other product issuers avoid "greenwashing" when offering or promoting sustainability-related products, such as environmental, social and governance (ESG) matters. ASIC also issued Information Sheet 271 on how to avoid greenwashing when offering or promoting sustainability-related products for responsible entities of managed funds, corporate directors of corporate collective investment vehicles (CCIVs) and superannuation fund trustees. ASIC defines "greenwashing" as "the practice of misrepresenting the extent to which a financial product or investment strategy is environmentally friendly, sustainable or ethical." In addition, ASIC's Regulatory Guide 65 issued in November 2011 explains how product issuers can meet their disclosure obligations on how labor standards or ESG considerations are taken into account in investment decision-making. ASIC also published information to help investors assess if their personal values and goals align with a sustainability-related or ESG product.</p>
<b>Resources</b>	<p><a href="mailto:paul.shallue@mercer.com">paul.shallue@mercer.com</a></p> <p><a href="#">Information Sheet 271</a> (ASIC, June 2022) and <a href="#">Regulatory Guide 1013DA disclosure guidelines</a> (30 November 2011)</p>

Australia (previously covered, now effective)	
Status	 Currently effective
Development	<p><b>Wealth</b></p> <p><b>Superannuation regulations at work take effect</b></p> <p>Amended superannuation regulations address removal of the work test for voluntary nonconcessional, salary sacrificed, and employer super contributions for individuals aged 67 to 74, and a reduced minimum age for downsizer contributions. Announced in the 2021 Federal Budget, the measures allow superannuation funds to accept voluntary employer contributions and personal nonconcessional contributions for members aged 67 to 74 without having to meet the work test, and downsizer contributions in respect of individuals aged 60 and older (down from 65). The changes begin on 1 July 2022 and were partly implemented by the Treasury Laws Amendment (Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest) Bill 2021.</p>
Resources	<p><a href="mailto:paul.shallue@mercer.com">paul.shallue@mercer.com</a></p> <p><a href="#">Treasury Laws Amendment (Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest) Bill 2021 (Government)</a></p>
Australia (previously covered, now effective)	
Status	 Currently effective
Development	<p><b>Wealth</b></p> <p><b>Key superannuation rates and thresholds for 2022/23 take effect</b></p> <p>The Australian Taxation Office published updated key superannuation rates and thresholds with 2022/2023 numbers, which allow for indexation (where applicable) from 1 July 2022. The Pension Transfer Balance Cap and superannuation contribution caps (except for the Capital Gains Tax Cap) are unchanged. However, the maximum super guarantee (SG) Maximum Contribution Base increased to AU\$60,220 per quarter, up from AU\$58,920 per quarter. Individuals with income up to AU\$42,016 (up from AU\$41,112) are eligible for payment of the maximum government super co-contribution of AU\$500. In addition, employers should note that the SG rate increased to 10.5%, up from 10%, calculated as a percentage of each eligible employee's earnings to a complying super fund or retirement savings account. The minimum earnings threshold of AU\$450 for SG eligibility are removed.</p>
Resources	<p><a href="mailto:paul.shallue@mercer.com">paul.shallue@mercer.com</a></p> <p><a href="#">Key super rates and thresholds (Australian Taxation Office, 17 March 2022)</a></p>

Australia (previously covered, updated)	
Status	 Currently effective
Development	<p><b>Wealth</b></p> <p><b>Super Retirement Income Strategy, CCIV required</b></p> <p>The Corporate Collective Investment Vehicle (CCIV) Framework and Other Measures Bill 2021 has received Royal Assent. It requires super trustees to implement a Retirement Income Strategy (RIS) for eligible fund members under a new covenant and introduce a CCIV for fund management. The measures also include other minor miscellaneous and technical amendments. Australia's Securities and Investment Commission (ASIC) has issued Information Sheet 272, which includes CCIV guidance and initial sub-fund registration requirements, the application process (including for the registration of additional sub-funds), and CCIV constitution and compliance plan requirements. Other guidance to entities addresses corporate directors and the registration and operation of CCIVs and sub-funds. ASIC also issued a legislative instrument prescribing the applicable financial resources requirements for corporate directors of retail CCIVs. Under the covenant, superannuation fund trustees must develop, by 1 July 2022, an RIS for members who are retired, or approaching retirement (self-managed superannuation funds are excluded), and also make a summary publicly available. The RIS is expected to evolve over time, but must identify and recognize fund members' broad retirement income needs, and include a plan to build the fund's capacity and capability to meet those needs. Trustees do not have to make all components effective by 1 July, and implementation and regular review will occur after that date.</p> <p>The CCIV will be a company structure that is recognizable to offshore investors and fund managers, and will be comprised of an umbrella vehicle of one or more sub-funds, operated by its single corporate director. A CCIV could offer multiple products and investment strategies, and will be taxed on a flow-through basis to align with the current tax treatment of Attribution Managed Investment Trusts and their members.</p>
Resources	<p><a href="mailto:paul.shallue@mercer.com">paul.shallue@mercer.com</a></p> <p><a href="#">Corporate Collective Investment Vehicle Framework and Other Measures Bill 2021 (Legislature)</a>; <a href="#">Information Sheet 272 (ASIC)</a>; and <a href="#">ASIC Corporations (Financial Requirements for Corporate Directors of Retail Corporate Collective Investment Vehicles) Instrument 2022/449 (Government)</a></p>

## Australia (previously covered, now effective)

### Status



Currently effective

### Development

#### Wealth

##### 2021 budget superannuation changes now effective


Several superannuation measures announced in the 2021 Federal Budget received Royal Assent and took effect on 1 July 2022. The measures feature in Treasury Laws Amendment (Enhancing Superannuation Outcomes for Australians and Helping Australia Businesses Invest) Bill 2021. Highlights include:

- Removal of the AU\$450 minimum monthly earnings for super guarantee contributions and removal of the Work Test for voluntary, nonconcessional and salary-sacrificed superannuation contributions for individuals aged 67 to 74 (although the Work Test must be met to receive a tax deduction).
- Introduction of downsizer contributions up to AU\$300,000 for individuals aged 60 to 64 (in addition to those aged 65 or older) from the proceeds of selling their home.
- Increased maximum withdrawal under the First Home Super Saver Scheme (based on contributions of up to AU\$50,000, up from AU\$30,000)
- More flexibility for calculating pension earnings tax exemption in certain circumstances.


### Resources

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[Treasury Laws Amendment \(Enhancing Superannuation Outcomes for Australians and Helping Australia Businesses Invest\) Bill 2021](#) (Legislature)

Australia (previously covered, now effective)	
Status	 Currently effective
Development	<p><b>Wealth</b></p> <p><b>Superannuation insurance standard and guidance now effective</b></p> <p>The finalized superannuation prudential standard (SPS 250) on insurance and its associated prudential practice guide (SPG 250) took effect on 1 July 2022 with the goal of improving member outcomes through enhanced requirements for trustees to select, manage, and monitor members' insurance arrangements. The Australian Prudential Regulatory Authority (APRA) has urged trustees to assess their insurance arrangements. Highlights include:</p> <ul style="list-style-type: none"><li>• Trustees must obtain independent certification before entering into or renewing related-party insurance arrangements, after material changes to those arrangements and periodically thereafter. The certification will simply confirm "it is reasonable for the RSE [registrable superannuation entity] licensee to form the view that the insurance arrangement is in the best financial interests of the beneficiaries." APRA must be promptly notified about this certification or inability to obtain it. Transitional rules apply to existing arrangements.</li><li>• The comprehensive review of the insurance management framework has been broadened to consider whether any conflicts of interest or duty may affect the "arm's length" nature of the insurance arrangement, and whether beneficiaries' best financial interests have been prioritized.</li><li>• Trustees must be satisfied and able to demonstrate to APRA that rules for attributing an insurance status to a beneficiary (such as occupational category for a premium insurance rating) are fair and reasonable.</li><li>• Fund processes must allow beneficiaries to easily opt out of insurance coverage and include methods for communicating this information to beneficiaries.</li><li>• Sufficient data must be maintained to enable an appropriate level of cohort analysis when conducting member outcomes assessments.</li></ul>
Resources	<p><a href="mailto:paul.shallue@mercer.com">paul.shallue@mercer.com</a></p> <p><a href="#">GRIST</a>, 2 Dec 2021</p>

**Australia (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Wealth</b></p> <p><b>Cyber incident reporting required</b></p> <p>The Security of Critical Infrastructure (Application) Rules (SOCIR) took effect on 8 April 2022, with a three-month grace period during which responsible entities are strongly encouraged to report cyber incidents. Beginning 8 July 2022, trustees of superannuation funds with assets exceeding AUD 20 billion (“large” funds) and other responsible entities are subject to new mandatory cyber incident reporting. Under SOCIR, responsible entities must notify the Australian Cyber Security Centre (ACSC) about critical cyber security incidents affecting “critical superannuation assets” within 12 hours and certain other incidents within 72 hours. “Critical superannuation assets” are defined as assets owned and operated by a large superannuation fund located in Australia and used in connection with the fund’s operation. The new ACSC reporting requirements are in addition to existing requirements for superannuation funds to report certain cyber incidents to the Australian Prudential Regulation Authority.</p>
<b>Resources</b>	<p><a href="mailto:paul.shallue@mercer.com">paul.shallue@mercer.com</a></p> <p><a href="#">Security of Critical Infrastructure (Application) Rules (LIN 22/026) 2022</a> (Federal Register of Legislation, 6 April 2022)</p>

**Australia (previously covered, with upcoming effective dates)**

<b>Development</b>	<p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Revised remuneration standard finalized</a> — key date: 1 January 2023</li> </ul> <p><b>Wealth</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Existing relief for retirement estimates extended</a> — key date: 31 December 2022</li> <li>• <a href="#">ASIC finalizes IDR data reporting requirements</a> — key date: 1 January 2023</li> <li>• <a href="#">FSC bans occupational exclusions in default insurance in superannuation</a> — key date: 1 January 2023</li> </ul>
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## China/US (new)

### Status



Currently effective

### Development

#### Career

##### Guidance issued on Uyghur Forced Labor Prevention Act

In advance of the Uyghur Forced Labor Prevention Act effective on 21 June 2022, the US Customs and Border Protection issued operational guidance (on 13 June) to provide information on its enforcement strategy and to help importers with compliance.

The Act, signed into law on 23 Dec 2021, bans companies from importing products from the Xinjiang region of China, including products manufactured using raw materials from the region. The US and several other countries (including the UK and Canada) have alleged that products and raw materials — such as cotton, chemicals, polysilicon, and coal — are produced using Uyghurs and other predominantly Muslim ethnic minorities in Xinjiang. Other measures in the act include a rebuttable presumption barring importation of all goods from the Xinjiang region.

### Resources

[Uyghur Forced Labor Prevention Act: US Customs and Border Protection operational guidance for importers](#) (US Customs and Border Protection, 13 June 2022) and [Statement by Press Secretary Jen Psaki on the Uygur Forced Labor Prevention Act](#) (The White House, 14 December 2021)

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

### Development

#### Wealth

- [Private 'third pillar' pension plan for individuals](#) — key date: Implementation date is not yet known

## Hong Kong (new)

**Status**  **Implementation is not expected until at least 2025.**

**Development** **Wealth**  
**Mandatory pension fund offsetting to be abolished**  
 Hong Kong employers will face increased costs for long service (LSP) and severance (SP) payments when the Mandatory Pension Fund (MPF) offsetting system ends. Currently, employers can reduce the amount of LSP and SP to employees by offsetting them against the employer’s mandatory and voluntary contributions to the MPF and occupational retirement schemes under the Occupational Retirement Schemes Ordinance (ORSO). After the effective date of abolition, employers’ mandatory contributions to MPF or ORSO cannot be used to offset SP and LSP. These changes appear in the Employment & Retirement Schemes Legislation (Offsetting Arrangement) Amendment Act 2022 that passed the Legislative Council on 9 June 2022. No effective date was announced, but implementation is not expected until at least 2025. Highlights include:

- **No retrospective application.** Employers can continue to offset SP and LSP accrued for employment periods before the effective date. However, SP and LSP accrued after this date can only be offset against the employer’s voluntary contributions to MPF and ORSO, not the employer’s mandatory contributions. The calculation methods for SP and LSP payments will not change.
- **Government support for employers.** A government subsidy scheme allocates HK\$33.2 billion to help alleviate the additional costs for employers over a 25-year period. In addition, the government will implement measures that require employers to save for future SP and LSP liabilities by contributing 1% of employees’ wages to a “designated savings account.”
- **Clarification of taxation of LSP and SP.** Statutory LSP and SP that comply with the Employment Ordinance will not be taxed, but any additional payments will be taxable.

**Resources** [mandy.chan@mercer.com](mailto:mandy.chan@mercer.com)  
[GRIST](#), 23 June 2022



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


**Development** **Career**


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



India (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Wealth</b></p> <p><b>EPF interest rate for 2021-2022 announced</b></p> <p>India's Ministry of Labour and Employment announced on 3 June 2022 a revised interest rate of 8.10% per year (down from 8.5%) to be paid on contributions to the Employees' Provident Fund (EPF) for 2021-2022. The EPF is a retirement benefits scheme comprising employees and employers' contributions, and the government announces annually the applicable interest rate.</p>
Resources	<p><a href="mailto:priya.pandey@mercer.com">priya.pandey@mercer.com</a></p> <p><a href="#">Announcement</a> (Ministry of Labour and Employment, 3 June 2022)</p>
India (previously covered, with upcoming effective date)	
Development	<p><b>Career — Health — Wealth</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Labor and employment laws reformed</a> — key date — effective date delayed</li> </ul>
Japan (previously covered, with upcoming effective date)	
Development	<p><b>Wealth</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Defined contribution reforms enacted</a> — key date: 1 December 2024</li> </ul>
Laos (new)	
Status	 <b>Effective dates vary.</b>
Development	<p><b>Career</b></p> <p><b>Minimum wage to increase in two phases</b></p> <p>The monthly minimum wage paid to private sector workers in Laos reportedly will increase to LAK 1,300,000, up from LAK 1,100,000 from 1 August 2022. A second increase is scheduled for 1 May 2023. The increases are the first since 2018.</p>

New Zealand (previously covered, now effective)	
Status	 Currently effective
Development	<p><b>Career</b></p> <p><b>Whistleblower protections strengthened</b></p> <p>The Protected Disclosures (Protection of Whistleblowers) Act 2022 begins in July 2022, replacing the Protected Disclosures Act 2000. The new law simplifies the disclosure process, extends and clarifies the grounds under which protected disclosures are made, and provides increased protection for whistleblowers. It ensures confidentiality for individuals making the disclosures, including immunity from disciplinary action, and protection from retaliation through the Employment Relations Act 2000 and the Human Rights Act 1993. The Minister for the Public Service said that another “key improvement” allows a person to make a protected disclosure direct to an appropriate authority at any time — instead of needing to disclose to their employer first.</p>
Resources	<a href="#">The Protected Disclosures (Protection of Whistleblowers) Act 2022</a> (Legislature)
Philippines (previously covered, now effective)	
Status	 Currently effective
Development	<p><b>Career</b></p> <p><b>Many regions increased minimum wage rates</b></p> <p>Sixteen regions in the Philippines have increased their minimum wage rates for private sector employees, effective on various dates in June 2022. The minimum wage rates for domestic workers also increased in 13 regions in June. Additionally, increased minimum wage rates in the National Capital region and Western Visayas — announced in May — took effect on 4 and 5 June 2022, respectively.</p>
Resources	<a href="#">News release</a> (Philippine News Agency, 6 June 2022) and <a href="#">NCR and Western Visayas wage boards grant minimum wage increase</a> (Department of Labor and Employment, 14 May 2022)

Singapore (new)	
Status	 Consultation is open until 7 August 2022.
Development	<b>Career — Health</b> <b>Consultation on mental health and well-being strategy</b> Singapore's Ministry of Health wants input on 12 preliminary recommendations that would improve mental health and well-being — the public consultation is open until 7 August 2022. The government aims to adopt a comprehensive approach to mental health care and support, and to address the gaps identified in three areas: <ul style="list-style-type: none"><li>• Improved access, coordination and quality of mental health services</li><li>• Stronger services and support for youth mental well-being</li><li>• Improved workplace wellbeing measures and employment support that would aim to enable employers, human resource practitioners and staff to support individuals with mental health conditions.</li></ul>
Resources	<a href="#">Public consultation on the preliminary recommendations of the interagency taskforce on mental health and well-being (Ministry of Health)</a>
Singapore (previously covered, with upcoming effective date)	
Development	<b>Wealth</b> <ul style="list-style-type: none"><li>• <a href="#">CPF contributions to rise</a> — key date: 1 January 2023</li></ul>

South Korea (new)	
Status	 Currently effective
Development	<p><b>Career</b></p> <p><b>Ruling on discrimination in some wage peak systems</b></p> <p>On 26 May 2022, South Korea’s Supreme Court ruled that a wage peak system (WPS) is discriminatory toward older workers unless the measures can be justified. The ruling included the factors that employers and unions should consider in order to ensure that WPSs are not discriminatory.</p> <p>WPS is a compensation scheme that gradually reduces employees’ wages after they reach a certain age but before they reach the employer’s mandatory retirement age. South Korea’s Employment Promotion Act prohibits age discrimination unless there is a justifiable reason. Many WPSs were introduced after legal changes in 2016 that required employers to increase the retirement age to 60.</p> <p>Factors that employers must consider in order to determine that their WPS is not discriminatory include assessing its impact on affected employees and the effect of other measures taken by the employer. The employer must also ensure that the financial savings arising from the implementing a WPS were used as intended.</p> <p>The court’s judgment concerned a company whose WPS required the gradual reduction of employees’ salaries from age 55 (the company’s mandatory retirement age was 61). The court said that the company’s WPS was discriminatory because it significantly reduced salaries in order to cut labor costs, but the company did not introduce any other measures, such as reduced working hours, workload, performance targets, etc.</p>
Resources	<a href="#">Ruling (Korean) (Supreme Court of Korea)</a>

## South Korea (previously covered, now effective)

**Status**  **Currently effective**

### Development

#### Wealth

##### Default investment options introduced for defined contribution plans

Changes to the Employee Retirement Benefit Security Act (ERSA) that introduce default investment options for defined contribution (DC) pension plans passed parliament in December 2021, and became effective on 12 July 2022. There is one-year grace period for companies to implement the default option so plan document (or plan covenants) must be updated by 12 July 2023, with collective agreement.

The changes aim to improve the financial returns of DC assets predominantly invested in the short-term Principal Guaranteed Product. Investment products that can be designated default investment include the Principal Guaranteed Product, target date funds, balanced fund, asset allocation funds, money market funds and Social Overhead Capital (SOC) fund. Pension providers will have to obtain Ministry of Labor approval for investment products offered under the default investment option, and pension plans must verify that default options specified in existing pension covenants remain eligible under the new regulations.

### Resources

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[Information on the legislation](#) (Korean) (Government)

## Section 5

# Europe, Middle East and Africa (EMEA)

European Union (EU) (new)	
Status	 Proposal
Development	<p><b>Career — Wealth</b></p> <p><b>New sustainability/ESG reporting duty for companies</b></p> <p>Certain companies in the European Union (EU) face new reporting requirements on environmental, social and governance (ESG) issues under the corporate sustainability reporting directive (CSRD) that will replace the current directive on nonfinancial information disclosure. The proposed CSRD were issued by the European Commission in April 2021 as part of a package of sustainability measures, and the EU Council and European Parliament approved a provisional political agreement on 21 June 2022. If formally approved by both institutions, the CSRD will take effect 20 days after its publication in the EU’s Official Journal.</p> <p>Companies will have to report on environmental and social rights, human rights, workforce and employee relations matters, have their reports certified by an accredited independent auditor or certifier, and, publish the information in a dedicated section in their company management reports. The auditors or certifiers must ensure that companies comply with the reporting rules, and that the information complies with the EU’s certification standards. The European Financial Reporting Advisory Group will be responsible for establishing European standards, following technical advice from a number of European agencies.</p> <p>The CSRD’s effective date will be phased in starting on 1 January 2024 for companies already subject to the current nonfinancial reporting directive (generally all large companies with an average of 500 employees or more, and all companies listed on regulated markets). Companies that are not in scope of the current nonfinancial directive would have to report from 1 January 2025, and all small- and medium-sized enterprises and noncomplex credit institutions and captive insurance undertakings would report from 1 January 2026. Non-European companies will have to issue a certified sustainability report if they generate an annual net turnover of €150 million in the EU, and have one or more subsidiaries or branches located in the EU.</p>
Resources	<a href="#">New rules on corporate sustainability reporting: Provisional political agreement between the Council and the European Parliament</a> (Council of the EU, 21 June 2022)

## EU (previously covered, soon to be effective)

### Status



2 August 2022

### Development

#### Career — Health

##### Member states' transposition deadline of the work-life balance directive approaches

Member states must implement the provisions of the work-life balance directive by 2 August 2022. Highlights include:

- **Paternity leave.** Fathers or equivalent second parents (regardless of marital or family status) will have at least 10 workdays of leave around the time of a child's birth — national laws could allow the flexibility to take leave at different times. Workers will not need to have a minimum service period before taking unpaid leave, but member states could make payment subject to having six months' service prior to the child's birth. Paternity leave pay must be the same amount as sick pay.
- **Parental leave.** Each parent will be entitled to four months' paid parental leave for children up to age eight — or any older age specified by a member state or a collective agreement. To encourage more fathers to take leave, the directive prohibits transferring more than two of the four months between parents. National laws must allow workers to take leave flexibly, but could require one year of service to take parental leave, and must specify notification arrangements for leave requests and circumstances under which employers could postpone leave. Member states can decide on the payment amount, but it should be sufficient to encourage both parents to use their leave entitlement.
- **Carers' leave.** Workers caring for relatives who live in the same household and require significant care or support due to serious medical reasons will be entitled to five workdays of unpaid leave per year. Relatives include the worker's son, daughter, mother, father, spouse or civil partner (if civil partnerships are recognized by national law). Member states are urged to expand the definition to include others, such as grandparents and siblings, and to pay an allowance to carers. National laws can set different reference periods for calculating leave, grant leave on a case-by-case basis, or require leave to be taken as a single period or individual days.
- **Right to request flexible work.** Workers can request flexible work arrangements for caregiving, including remote work, flexible work schedules or reduced work hours. National laws can limit the duration of these arrangements and require workers to have minimum service of six months. The current parental leave directive already allows parents to request flexible work arrangements to help meet their caring duties for children up to age 8.

The new directive retains the existing right for workers to take time off for urgent family reasons caused by illness or accident.

### Resources

[GRIST](#), 19 July 2019

**EU (previously covered, soon to be effective)****Status****Development****Career****Member states' transposition deadline of the 'nonstandard workers' rights directive approaches**

Member states must implement the provisions of the directive on transparent and predictable working conditions in the EU. This EU directive responds to new types of employment, makes working conditions more transparent and predictable for “nonstandard workers,” and generally applies to anyone working more than three hours a week over a four-week period — or 12 hours a month. The EU Council agreed to the directive in June 2019, and member states have until 1 August 2022 to implement it into national laws. Nonstandard workers include those on temporary, part-time and short-term contract work, individuals who perform on-demand and digital platform work, and workers engaged through temporary agencies. Certain groups of workers can be excluded from some of the requirements, including civil servants, armed forces, emergency services or law enforcement services. Highlights of the directive include the following:

- Employers must tell a worker about the essential aspects of the job no later than seven calendar days after the worker's start date.
- The ability to take a job with another employer
- The terms of probationary periods
- The availability of training required by either EU or national laws free of charge to the employee.

**Resources**

[GRIST](#), 24 June 2019 and [Directive 2019/1152](#) (Europa, 20 June 2019)

**Belgium (upcoming effective date)****Development****Wealth**

- [Blue- and white-collar pension harmonization postponed](#) — key date: 1 January 2027



## Denmark (previously covered, soon to be effective)

### Status



August 2022

### Development

#### Career — Health

##### Parental leave increased, leave to care for sick family members offered

From August 2022, employed parents in Denmark will each be entitled to 24 weeks of parental leave (the so-called 24/24 model), and mothers will still be entitled to four weeks of maternity leave prior to the birth or adoption of their child. Eleven out of the 24 weeks will be reserved for each parent, of which two weeks must be taken in connection with the birth or adoption, and nine weeks within the first year. The reserved leave cannot be transferred between parents, and it will be lost if untaken. Employed parents will be entitled to maternity benefit payments. Parents can transfer the remaining 13 weeks of parental leave until their child is nine years of age. Single parents also can benefit from the 24/24 model, and will be allowed to transfer leave to a close family member. Additionally, parents will be allowed to transfer leave to LGBT+ “social parents,” including the legal parent’s spouse, cohabitant, a donor, and the donor’s spouse or cohabitant if they have a parent-like relationship with the child.

Other measures will allow employees to take a leave of absence to care for a family member or person living in the same household who requires substantial care or support due to a serious health condition. Carers’ leave is unpaid and capped at five days per year.

The measures feature in a law that passed parliament on 3 March 2022 that aims to implement the European Union’s directive on work-life balance.

### Resources

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[Legislation](#) (Danish) (Legislature)

## Finland (previously covered, soon to be effective)

**Status**  **Effective for children expected to be born on or after 4 September 2022, and for children placed for adoption on or after 31 July 2022.**

### Development

#### Career — Health

##### **Paid paternity leave, maternity allowance expanded**

Parents in Finland will be entitled to expanded paid leave for children expected to be born on or after 4 September 2022, and for children placed for adoption on or after 31 July 2022. Under the new law, pregnant women will be entitled to 40 days of maternity allowance (up from 30 days) to be taken in a single continuous period during the final stages of their pregnancy. Both parents will be given the same amount of parental leave (160 days each) to be taken until their child is age two. Parents will be allowed to transfer up to 63 days of their parental leave to the other parent, or to another specified caregiver. Single parents will be entitled to 320 days of parental leave, and the leave entitlement for multiple births will increase by 84 days for the second child, and for every child thereafter. Parents will be allowed to divide their parental leave into four periods, and could take their leave in partial days. Currently, mothers can take up to 105 days of maternity leave starting from the baby's estimated birth date, fathers are entitled to 54 work days of paternity leave, and both parents can take 158 working days of parental leave to be shared between them, or taken by one parent.

### Resources

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[Reform encourages both parents to take family leave](#) (Ministry of Social Affairs and Health, 13 Jan 2022) and [Pregnancy allowance and special pregnancy allowance](#) (Kela, regularly updated)

## France (upcoming effective date)

### Development

#### Career — Health

- [Metallurgy sector agrees on national CBA](#) — key date: 1 January 2023

#### Career

- [New gender quotas for senior execs, management teams imposed](#) — key date: 1 March 2026

**Germany (previously covered, soon to be effective)****Status**  **1 August 2022****Development****Career****Certain companies face gender board mandate**

From 1 August 2022, private sector listed companies in Germany subject to co-determination (have more than 2,000 employees), and with executive boards comprising more than three members, must appoint at least one woman and one man to their management boards. The requirement applies to new board appointments, and existing members can continue until the end of their term. Companies can set a target figure of zero for the supervisory board, the executive board or the two highest management roles, but they must include an explanation in their annual report. Companies face penalties for noncompliance, and new appointments to management boards will be null and void if they do not comply with the law.

The measures feature in the Second Act on Equal Participation of Men and Women in Management Roles (“second law”), and repealed a 2015 “first law” that failed to significantly increase female board representation. It required certain public and private companies to appoint 30% men and 30% women to their supervisory boards, increasing in 2018 to 50%.

**Resources**[Second Act](#) (German) (Federal Ministry for Family Affairs, Senior Citizens, Women and Youth)**Germany (new)****Status**  **1 October 2022****Development****Career****Minimum wage to increase**

Germany’s parliament has approved the government’s draft law to increase the hourly minimum wage to €12 per hour as of 1 October 2022. On 1 January 2022, the statutory hourly minimum wage increased (German) to €9.82, and increased on 1 July to €10.45.

**Resources**[david.lesch@mercer.com](mailto:david.lesch@mercer.com)[Press release](#) (German) (Federal Ministry of Labour and Social Affairs, 3 June 2022)

## Germany (updated)

**Status**  **Effective dates vary.**

**Development**

### Wealth

#### Changes to statutory pensions approved

Legislation approved by the Bundesrat on 10 June 2022, adjusts the statutory pension in 2022, improves reduced earning capacity benefits, and aims to maintain intergenerational fairness. The legislation reactivated the so-called “catch up factor,” resulting in increased pension benefits from 1 July 2022. However, the increased pension will be lower in 2022 to offset the 2021 impact of the safeguard clause that prevented a reduction of pension benefits. Highlights include:

- The current pension value applicable to the old federal states (West) will increase 5.35% to €36.02, up from €34.19.
- The current pension value applicable in the new federal states (East) will increase 6.12% to €35.52, up from €33.47.
- Effective 1 July 2024, increased pension benefits will be paid to individuals in receipt of a reduced earning capacity pension from 2001 to 2018, and who have not benefitted from various statutory improvements implemented since 2014. Individuals who received a reduced earning capacity pension up to June 2014, and whose pension benefits have not improved since that date, will be paid a 7.5% supplement. Individuals in receipt of a reduced earning capacity pension between July 2014 and December 2018, who have received improved benefits, will be paid a slightly lower supplement of 4.5%.

The “catch-up” factor is one component in the pension adjustment formula, and works in conjunction with the state pension guarantee that prohibits pension reductions. In 2018, the “catch-up” factor was suspended until 2025, but was reactivated by the new government.

**Resources**

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[Announcement \(German\)](#) (Bundesrat, 10 June 2022) and [Significant increase in pensions](#) (Federal government, 22 March 2022)

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

**Development**

### Career

- [Larger companies face human rights mandates](#) — key date: 1 January 2023

## Ireland (new)

**Status**  **Large employers must provide their first report within six months of their chosen June reference date.**

### Development

#### Career

##### Gender pay gap regulations issued

The Irish government issued gender pay gap regulations on 3 June 2022 to accompany guidance published on 10 May. The regulations define certain terms, including ordinary pay, working hours, calculation of hourly remuneration, benefits in kind, allowances, and bonus remuneration. They also provide more detail about the calculation of the mean and median pay gaps. Under The Gender Pay Gap Information Act 2021, employers with more than 250 employees must provide their first report within six months of a reference date chosen in June 2022, and thereafter annually. Employers with more than 150 employees must first report from 2024, and employers with 50 or more employees from 2025.

### Resources

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[S.I. No. 264/2022 — Employment Equality Act 1998 \(Section 20A\) \(Gender pay gap information\) regulations 2022](#) (Irish Statute Bill, 3 June 2022) and [GRIST](#), 17 May 2022

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

### Development

#### Career

- [Decree outlines procedures for submitting gender equality reports](#) — key date: 30 September 2022
- [Retirement pension age to decrease](#) — key date: 1 January 2023

### Netherlands (new)

**Status**  **Currently effective**

**Development**

#### Career

##### Minimum wage increases

The minimum wage increased (Dutch) on 1 July 2022 to €1,756.20 per month for all workers older than 21 years of age. Workers aged 15 to 21 are paid the minimum youth wage (€526.85 to €1,404.95) — the wage increases gradually according to the individual's age.

**Resources**

[Regulation](#) (Dutch) (Government, 10 May 2022)

### Netherlands (previously covered, soon to be effective)

**Status**



**August 2022**

**Development**

#### Career — Health

##### Parental leave payment increases

From August 2022, parents will be allowed to take nine weeks of parental leave paid at 70% of their daily rate capped at €160 per day (calculated on a daily rate of €228.76), instead of 50% as had been previously agreed on. The Senate voted in favor of a higher payment to increase fathers' uptake of parental leave, forcing the government to reconsider the rate.

**Resources**


[Legislation](#) (Dutch) (Government)

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

**Development**

#### Wealth

- [Pension plan reforms delayed](#) — key date: enactment expected in 2023

Nigeria (new)	
Status	 Implementation date is not yet known
Development	<p><b>Health</b></p> <p><b>Health insurance coverage to significantly expand</b></p> <p>Measures featured in the National Health Insurance Authority Act, 2022 establish and empower the Nigerian Health Insurance Authority (NHIA) to ensure that all Nigerian citizens and legal residence have a healthcare provision. Signed by the president on 19 May 2022, the act repeals the National Health Insurance Scheme Act, 2004 and aims to promote and regulate health insurance schemes in Nigeria. The law requires the new NHIA, in collaboration with state health insurance agencies, to provide “a basic minimum package of care” to “vulnerable” citizens currently unable to afford healthcare costs — estimated at 83 million people. The act defines “vulnerable” citizens as children younger than five years, pregnant women, older people, individuals with physical and mental health needs, and government-defined indigent individuals. The Vulnerable Group Fund (VGF) will be established and financed by the basic Health Care Provision Fund, the health insurance levy, the Special Intervention Fund, and money accruing to the VGF from investments, grants, donations, gifts and other voluntary contributions. The NHIA will be required to collaborate with state government health schemes to accredit primary and secondary healthcare facilities, and to enroll citizens. Until now, health insurance was decentralized with some states requiring mandatory health insurance, but only an estimated 3% of the population has health coverage.</p>
Resources	<a href="#">National Health Insurance Authority Act, 2022 (Official Gazette, 24 May 2022)</a>

**Poland (new)****Status**  **Currently effective****Development****Health****Tax reforms modify health contribution deductions, salary thresholds**

Major tax reform legislation (the “Polish Deal 2.0”) took effect on 1 July 2022, following the president’s signature on 14 June 2022. The measures include:

- Health insurance contributions are only partially tax deductible. Individuals subject to a flat, lump sum, or fixed amount tax can either deduct health insurance contributions from their income, or add them to their tax deductible costs for a total deduction. The annual deduction is capped at certain limits for each taxable category — respectively, PLN 8,700, 50% of the amount of contributions paid, and 19% of the premiums paid. Under the old rules, all health insurance contributions were tax deductible.
- The tax rate is now 12%, down from 17%, for individuals earning from PLN 30,000 to PLN 120,000. The new rate is effective for salaries paid for the month of July, and will be backdated for salaries already paid in 2022. The tax-free allowance increased to PLN 30,000 — up from PLN 3,091.
- Personal income tax exemptions will be extended for some employees (for example, to taxpayers with at least four children and pensioners’ income if they remain employed), and single parents also receive tax relief.

**Resources**

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[Polish Deal 2.0 \(Polish\) \(Government\)](#)

**Portugal (previously covered, with upcoming effective date)****Development****Career — Health**

- [Job quota deadline for people with disabilities approaches](#) — key date: 1 February 2023


**Wealth**



- [Retirement pension age to decrease](#) — key date: 1 January 2023



**Saudi Arabia (previously covered, with upcoming effective date)****Development****Career**

- [Contracting with companies with regional headquarters outside of the kingdom to cease](#) — key date: 1 January 2024



<b>Spain (new)</b>	
<b>Status</b>	 Generally effective on 30 June 2022, but some measures effective from 1 January 2023
<b>Development</b>	<p><b>Wealth</b></p> <p><b>Pension reforms aim to boost second-pillar occupational pensions</b></p> <p>Spain has introduced pension reforms to expand second-pillar occupational pension availability through the creation of public promoted employment pension funds and simplified qualified employment pension plans. The measures feature in the amended law regulating pension plans and funds and generally took effect on 30 June 2022 (some measures — such as the new contribution limits — will be effective from 1 January 2023). Currently, only 10% of Spain’s working population have complementary pension plans, and the measures aim to improve access for low- and middle-income workers, self-employed individuals, and small and medium-sized companies. Highlights include:</p> <ul style="list-style-type: none"> <li>• <b>New open public promotion employment pension funds.</b> These funds will be supervised by the Special Control Commission and their establishment will be promoted by the Ministry of Inclusion, Social Security and Migration through the Promotion and Monitoring Commission. Both the new simplified qualified employment pension plans and the existing defined contribution employment qualified pension plans can be included in these funds.</li> <li>• <b>New simplified employment pension plans.</b> The reforms establish different types of simplified qualified pension plans: Employer-linked collective pension schemes, or a private pension fund for salaried employees subject to sectoral collective agreements, public sector plans promoted by the public administrations, self-employed workers, cooperative organizations and employee-owned enterprises. The plans can be integrated into the new public promotion employment pension funds or a privately promoted employee pension fund.</li> <li>• <b>Tax incentives.</b> The contribution limits and tax reductions for qualified pension plans and similar arrangements are increased. Employees earning up to €60,000 per year can make higher contributions as long as the employer’s contribution is less than €1,500.</li> <li>• <b>Corporate tax discount.</b> A 10% corporate tax deduction will be applied to employers’ contributions to qualified pension plans for employees earning up to €27,000 gross per year.</li> <li>• <b>Social security incentives.</b> Employers contributing to qualified pension plans will benefit from reduced employer contributions to social security — capped at €115 per employee, per month (€1,380 per employee, per year).</li> </ul>
<b>Resources</b>	<p><a href="mailto:JuanLuis.alonso@mercer.com">JuanLuis.alonso@mercer.com</a> and <a href="mailto:bruno.olivella@mercer.com">bruno.olivella@mercer.com</a></p> <p><a href="#">Law 12/2022</a> (Spanish) (Legislature)</p>

Sweden (new)	
<b>Status</b>	 <b>1 January 2023</b>
<b>Development</b>	<p><b>Wealth</b></p> <p><b>ITP occupational pension rules adjusted</b></p> <p>Changes to Sweden’s collectively agreed occupational pension (ITP) will take effect on 1 January 2023. The measures include:</p> <ul style="list-style-type: none"> <li>• Increased age for accruing an ITP1 defined contribution pension to 66 — the age applicable to ITP2 defined benefit pensions is unchanged.</li> <li>• Introduction of a salary cap for certain individuals accruing an ITP1 pension. Individuals will not receive pension contributions on earnings that exceed 30 income base amounts (equivalent to SEK 177,500 per month in 2022).</li> <li>• Increased eligible age for an ITP disability pension to age 66 for both ITP1 and ITP2 pensions.</li> </ul> <p>ITP1 is a defined contribution pension that covers salaried employees born in 1979 or after, beginning at age 25. Currently, ITP1 employer contributions are equivalent to 4.5% of salary (up to EK 44,375), and 30% of the amount exceeding SEK 44,375. IPT2 is a defined benefit pension that covers salaried employees born in 1978 or earlier. The ITP occupational pension scheme was agreed to by the PTK (the Council for Negotiation and Cooperation for Salaried Employees) comprising 27 trade unions representing 860,000 private sector salaried employees, and the Confederation of Swedish Enterprise representing 49 member organizations and 60,000 member companies.</p>
<b>Resources</b>	<p><a href="mailto:richard.bjaerneaell@mercer.com">richard.bjaerneaell@mercer.com</a> and <a href="mailto:robert.bergendahl@mercer.com">robert.bergendahl@mercer.com</a></p> <p><a href="#">Press release</a> (PTK, 21 June 2022)</p>
Sweden (new)	
<b>Status</b>	 <b>Beginning in 2023</b>
<b>Development</b>	<p><b>Career — Wealth</b></p> <p><b>Earliest retirement age to increase</b></p> <p>Sweden’s parliament approved a proposal to increase the earliest retirement pension age of income-based old age pension to 63 — up from 62 — in 2023. The earliest age for accessing the guaranteed pension also will increase to 66 years — up from 65. The increased age thresholds will be linked to the “benchmark pension age” that will start in 2026, and will replace the current norm of 65 years to take account for the increased life expectancy.</p>
<b>Resources</b>	<p><a href="mailto:richard.bjaerneaell@mercer.com">richard.bjaerneaell@mercer.com</a> and <a href="mailto:robert.bergendahl@mercer.com">robert.bergendahl@mercer.com</a></p> <p><a href="#">Information on legislation</a> (Swedish) (Parliament)</p>

Turkey (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Career</b></p> <p><b>Minimum wage increases</b></p> <p>On 1 July 2022, the new monthly minimum salary increased by approximately 30% to TRY 5,500.35 — up from TRY 4,250 — and is valid until 31 December 2022.</p>
Resources	<a href="#">Announcement</a> (Turkish) (Ministry of Labor and Social Security, 1 July 2022)
United Arab Emirates (previously covered, with upcoming effective date)	
Development	<p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Unemployment scheme to be introduced</a> — key date: 1 January 2023</li> </ul>
United Kingdom (UK) (previously covered, now effective)	
Status	 <b>Currently effective</b>
Development	<p><b>Career</b></p> <p><b>NIC earnings threshold to increase</b></p> <p>Employers will have to update their payroll systems by 6 July 2022, when the earnings threshold for individuals to start paying National Insurance Contributions (NIC) increases to £12,570, up from £9,880. Announced in the chancellor of the exchequer's Spring Statement 2022, the increase aligns the NIC threshold with the basic income tax threshold (personal allowance). In addition, before the end of the current parliament in 2024, the basic income tax rate will be reduced to 19% (down from 20%) — this measure applies in England and Wales but Scotland sets its own rates. The government previously announced that the NIC rate will increase by 1.25% from April 2022 for one year.</p>
Resources	<a href="#">Spring Statement 2022</a> (Government, 23 March 2022)
UK (previously covered, with upcoming effective dates)	
Development	<p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Digital right to work checks delayed</a> — key date: 30 September 2022</li> <li>• <a href="#">Unemployment scheme to be introduced</a> — key date: 1 January 2023</li> </ul>



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