Law and Policy Group

Global Legislative Update

By Stephanie Rosseau and Fiona Webster
December 2020

welcome to brighter

In this document

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

Employer action required

Potential implications for employers

Developments to monitor

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

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Highlights

Global	
Coronavirus (COVID-19) pandemic	Countries address workplace issues resulting from the COVID-19 pandemic
Americas	
Canada	Revised pay equity transparency measures issued Consultation launched on strengthening pension plans Proposed rules for employee life and health trusts outlined Canada Revenue Agency announces retirement plan limits Parental insurance plan flexibility increased in Québec
Costa Rica	Minimum wage rate to increase
United States	Healthcare cost transparency rules and medical loss ratio changes finalized IRS bends on CARES Act funding deadline, PBGC follows suit Department of Labor finalizes pooled plan provider registration requirements States increase group health plan reporting deadlines Guidance on employee pay data reporting issued in California Pay equity rules to implement law issued in Colorado Paid family and medical leave approved by voters in Colorado Voters approve $15 minimum wage in Florida Layoff notification law amended in New York

Asia Pacific	
Australia	Regulator asks for input on revised remuneration standard Bills address financial services commission report Super funds subject to small business reporting Modern slavery statement deadlines approaching
Hong Kong	Maternity leave and pay increased
Malaysia	EPF measures to address COVID-19 pandemic
Pakistan	Paid maternity, paternity leave mandated
South Korea	Changes to retirement benefits act proposed
Europe, Middle East and Africa (EMEA)	
European Union	Guidance proposed on data protection transfers outside of EU Consultation on sustainable corporate governance Additional maternity leave not discriminatory against workers, court rules European Banking Authority issues proposals for sound remuneration guidelines CRD-V implementation deadline approaching for member states
Belgium	Constitutional court cancels 'cash for car' system
Greece	Temporary reduction of social security contributions
Saudi Arabia	Minimum wage to increase, labor reforms expected
Switzerland	Minimum wage increased in Geneva
United Kingdom	Immigration health surcharge increased National living wage, national minimum wage rates increased

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Global

Coronavirus (COVID-19) pandemic	
Status	**Ongoing initiatives**
Development	**Career — Health — Wealth** **Countries take action to address workplace issues as result of COVID-19 pandemic** The World Health Organization (WHO) declared COVID-19 a pandemic on 12 Mar 2020, and employers continue to address the severe implications on working practices and adjust their employment and benefit policies accordingly. Countries have enacted legislation and provided regulatory guidance related to workforce protections, leave and layoff procedures, employment subsidies and changes to existing enforcement procedures. We covered many of the countries' early initiatives in the May and June Global Legislative Updates. To help multinational employers continue to address worksite, economic and associated travel issues, Mercer is providing analysis on workforce and investment implications and compiling information from organizations, government websites and other resources and news articles.
Resources	Roundup: COVID-19 resources for employers (regularly updated); Stay informed on coronavirus (regularly updated)

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Americas

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

Canada (new)	
Status	The revisions will not apply until the 2021 reporting period (the current regulations continue to apply to the 2020 reporting period, for which data must be submitted by 1 Jun 2021)
Development	**Career** **Revised pay equity transparency measures issued** Amendments to the Employment Equity Regulations address reporting salary data by federally regulated private-sector organizations with 100 or more employees. The revisions will apply for the 2021 reporting period (current regulations apply for the 2020 data reporting due by 1 Jun 2021). Pay equity regulations have also recently been issued for consultation. Highlights of the employment equity regulation include: • Employers will be able to submit data elements to determine hourly pay rate wage gaps, bonus pay gaps, overtime pay gaps and gaps in the number of overtime hours worked. • Employer reports must consider all the census metropolitan areas to provide a complete picture of employment equity in the labor market — currently there are 35 such areas. • Employers must use the definitions of the four designated groups covered by the Employment Equity Act and could decide to expand their workforce survey to gather information on other groups in their workforce for internal analysis. • The salary levels are revised to reflect the current salary levels in Canada, as identified by the national census. • The government's Labour Program will issue further guidance and the Workplace Equity Information Management System will be modified to collate the data submitted by employers. The government separately confirmed it will publish an effective date for the Pay Equity Act later in 2021. The Pay Equity Act aims to ensure that women and men in federally regulated workplaces receive equal pay for work of equal value. Supporting regulations were published on 13 Nov 2020, and are subject to public consultation until 13 Jan 2021.
Resources	kristin.smith@mercer.com GRIST, 4 Dec 2020

Canada (new)	
Status	**Consultation is open until 14 Jan 2021**
Development	**Wealth** **Consultation on strengthening pension plans launched** Canada's Federal Department of Finance has launched a major consultation (Consultation on Strengthening Federally Regulated Pension Plans) on potential short-term solvency funding relief options for 2021, and longer-term measures to strengthen the framework for federally regulated pension plans. The consultation comprises a series of questions on each topic and invites other relevant comments by 14 Jan 2021. Additionally, the consultation follows the government's commitment to consult with stakeholders on options to provide additional solvency funding relief in 2021 as necessary, and includes several other proposals to support the sustainability of defined benefit pension plans and enhance retirement security. Consultation topics include pension plan governance, solvency reserve accounts, variable payment life annuities and ministerial guidelines on special funding relief
Resources	kristin.smith@mercer.com GRIST, 7 Dec 2020

Canada (new)	
Status	**Proposal**
Development	**Health** **Proposed rules for employee life and health trusts outlined** Revised legislative proposals from Canada's Finance Department outline rules for transitioning the Health and Welfare Trusts (HWTs) that allow employers to provide benefits to their employees — to Employee Life and Health Trusts (ELHTs). This follows a consultation process in 2019. Final legislation is expected "at an early opportunity." The proposals would: • Facilitate the conversion of existing HWTs into ELHTs before 2022. • Amend existing ELHT tax rules to allow current HWT arrangements to operate in a manner similar to that in which they currently operate. • Relax the current restrictions that apply to the participation of "key employees." Budget 2018 originally announced that the Canada Revenue Agency (CRA) would no longer apply its administrative rules with respect to HWTs after the end of 2020. The Department of Finance Canada and the CRA extended this date until the end of 2021.
Resources	kristin.smith@mercer.com GRIST, 7 Dec 2020

Canada (new)	
Status	**1 Jan 2021**
Development	**Wealth** **Canada Revenue Agency announces retirement plan limits** The CRA announced that the 2021 money purchase limit will be $29,210, the 2021 defined benefit limit will be $3,245.56, the 2022 registered retirement savings plan limit will be $29,210, the 2021 deferred profit sharing plan limit will be $14,605 and the maximum pensionable earnings for 2021 will be $61,600.
Resources	Canada Revenue Agency Table

Canada — Québec (new)	
Status	⚠ **Effective dates vary**
Development	**Career — Health** **Parental insurance plan flexibility increased** Bill 51, an Act to improve the flexibility of Québec's Parental Insurance Plan (QPIP), received assent from the National Assembly on 29 Oct 2020. The act promotes family-work balance and the sharing of family responsibilities between parents, and aligns parental leave measures included in the Québec Act Respecting Labour Standards. Certain measures took effect immediately and others will be phased in. Highlights include: • An increased income-related exemption for individuals receiving QPIP benefits, including maternity benefits for which no exemption was previously provided. • Cessation of paternity, parental or adoption benefits at the end of the second week following the death of a child. • Welcome and support benefits for adoptive parents, effective the week the child is placed with one or both of the parents for adoption, or five weeks prior to the child's arrival if the adoption is taking place outside of Québec. The benefit period and payment amount depend on if it is the basic or special plan. • Additional weeks of benefits will be given to parents who share a minimum number of weeks of parental or adoption benefits. The payment amount will depend on if it is the basic or special plan. • Additional weeks of parental or adoption benefits will be given to each parent in the event of a multiple birth or adoption. The payment amount will depend on if it is the basic or special plan. • Increased leave period for taking paternity, parental or adoption benefits (from 52 weeks to 78 weeks). • Increased maternity benefits (from 18 weeks to 20 weeks). • Exclusive adoption leave and benefits for each parent. The maximum number of weeks of benefits depends on if it is the basic or special plan. • Additional weeks of parental or adoption benefits for births and adoptions where only one parent is recorded. The amount of the increase will depend on if it is the basic or special plan
Resources	camille.pillière@mercer.com GRIST, 4 Dec 2020

Canada (upcoming effective dates)	
Development	**Career** • Employers face workplace harassment prevention rules — Key date: 1 Jan 2021

Costa Rica (new)	
Status	**1 Jan 2021**
Development	**Career** **Minimum wage rate to increase** The minimum wage will increase by 0.30% for all categories of employees in the private sector, and by 2.33% for domestic employees. The national wages committee (CNS) also announced that it will review the socio-economic situation in Costa Rica no later than April 2021, with a view to a possible adjustment of the minimum wage rate.
Resources	Press release (CNS, 28 Oct 2020) (Spanish)

United States (US) (new)	
Status	**Beginning in 2022**
Development	**Health** **Healthcare cost transparency rules and medical loss ratio changes finalized** Final transparency-in-coverage rules require group health plans and insurance issuers in the individual and group markets to disclose extensive price and cost-sharing information beginning in 2022. Issued by the Treasury and Labor departments and the Centers for Medicare & Medicaid Services (CMS), the final rules have some modifications and clarifications to the proposed regulations. The new regulations and an earlier set of final hospital transparency rules come in response to a 2019 executive order on improving transparency in the cost and quality of healthcare services. Both sets of regulations aim to address wide price variations, reduce waste in healthcare systems and help individuals make informed choices about their healthcare spending. As part of this project, CMS has also added a shared-savings provision to the medical loss ratio rules. To comply with these rules, most employers will need to work closely with insurers, TPAs and point-solutions (like fertility point solutions) vendors that have the needed pricing data. Employers and other stakeholders may get an idea of the transparency information's value in promoting cost-conscious healthcare decisions once the hospital data becomes public (perhaps as soon as 2021).
Resources	cheryl.hughes@mercer.com and kaye.pestaina@mercer.com GRIST, 2 Dec 2020

US (new)	
Status	⚠ **4 Jan 2021**
Development	**Wealth** **Internal Revenue Service (IRS) bends on CARES Act funding deadline; Pension Benefit Guarantee Corporation (PBGC) follows suit** IRS has agreed to let defined benefit plan sponsors make contributions as late as 4 Jan 2021, the first business day of 2021 — three months after taking a hard stance on the 1 Jan 2021, extended deadline for minimum required contributions otherwise due in 2020 under the Coronavirus Aid, Relief and Economic Security Act (Pub. L. No. 116-136). Within hours of the IRS announcement, PBGC issued guidance similarly extending the deadline to 4 Jan 2021, for recognizing contributions in the variable-rate premium calculation.
Resources	margaret.berger@mercer.com, bruce.cadenhead@mercer.com and brian.kearney@mercer.com GRIST, 18 Nov 2020

US (new)	
Status	⚠ **Pooled plan providers can offer pooled employer plans starting 1 Jan 2021**
Development	**Health** **Department of Labor (DOL) finalizes pooled plan provider registration requirements** The DOL has finalized its regulation establishing registration requirements for providers offering “pooled employer plans.” These defined contribution retirement plans are open multiple-employer plans authorized by the Setting Every Community Up for Retirement (SECURE) Act of 2019 (Pub. L. No. 116-94). The final regulation adopts the proposed registration requirements without significant changes, but makes some tweaks to clarify registration deadlines and simplify reporting requirements. Pooled plan providers can offer pooled employer plans starting Jan. 1, 2021.
Resources	brian.kearney@mercer.com and margaret.berger@mercer.com GRIST, 20 Nov 2020

US (new)	
Status	**Effective dates vary**
Development	**Health** **States increase group health plan reporting obligations** Group health plan sponsors' state reporting obligations have grown over the past few years. While ERISA continues to preempt certain state regulation of private employers' group health plans, some state reporting requirements for group health plan sponsors have moved forward. The resource GRIST below reviews key state reporting mandates for group health plan sponsors and has revisions to reflect updated New Jersey guidance.
Resources	catherine.stamm@mercer.com; dorian.smith@mercer.com and cheryl.hughes@mercer.com GRIST, 20 Nov 2020

US — California (new)	
Status	**March 2021**
Development	**Career** **Guidance on employee pay data reporting issued** Guidance on California's new law (SP 973) that will require employers with 100 or more employees to file employee compensation data beginning in March 2021, has been issued by the California Department of Fair Employment and Housing.
Resources	Guidance (California Department of Fair Employment and Housing, November 2020) and GRIST, 7 Oct 2020

US — Colorado	
Status	**1 Jan 2021**
Development	**Career** **Pay equity rules to implement law issued** Starting 1 Jan 2021, Colorado's Equal Pay for Equal Work Act (SB 19-085) will prohibit all employers from discriminating because of sex (including gender identity) — alone or with another protected status — by paying less for substantially similar work in terms of skill, effort and responsibility. Every employer with any employees in the state will have to comply with the law. The Department of Labor and Employment, through its Division of Labor Standards and Statistics (the Division), adopted final administrative rules on 11 Nov 2020 that were scaled back from their proposed rules and limit the scope of the job posting requirement. The Division will enforce the law, investigate complaints and establish a voluntary mediation service. Employees could also pursue private civil actions and recover up to three years of back pay and double damages. The Division will not accept complaints of violations that occurred before 1 Jan 2021. Employers can limit liability for damages by showing the act or omission causing the pay violation was made in good faith. In particular, employers that proactively self-evaluate their compensation practices for disparities could use those audits as a partial defense against a pay equity claim.
Resources	GRIST, 18 Nov 2020

US — Colorado (new)	
Status	⚠ **Contributions begin in 2023**
Development	**Career — Health** **Paid family and medical leave approved by voters** Colorado must launch a paid family and medical leave insurance (PFMLI) program, with contributions beginning in 2023 and benefits available in 2024. The ballot measure (Proposition 118) approved by voters is similar in many respects to a bill (SB 19-188) considered by state lawmakers in 2019. The PFMLI program will provide partial wage replacement for 12–16 weeks of leave, depending on the circumstances. Employees will be able to take paid leave for many of the same reasons permitted under the federal Family and Medical Leave Act. The program also will extend paid leave so victims of domestic violence, sexual assault or stalking can handle related issues.
Resources	catherine.stamm@mercer.com, rebecca.atkins@mercer.com GRIST, 10 Nov 2020

US — Florida (new)	
Status	**Increases begin on 3 Sep 2021**
Development	**Career** **Voters approve $15 minimum wage** The minimum wage in Florida will gradually increase to $15 after voters approved Amendment 2 on 3 Nov 2020. The minimum wage is currently $8.56. It will increase to $10 an hour on 30 Sept 2021, and will increase $1 each year until it reaches $15 in 2026. The minimum wage rate will then be adjusted annually based on changes to the consumer price index. Florida is the 8th state to adopt a $15 minimum wage — the others are California, Connecticut, Illinois, Maryland, Massachusetts, New Jersey and New York. Washington, DC also has a $15 minimum wage rate.
Resources	Amendment 2

US — New York (new)	
Status	⚠ **Currently effective**
Development	**Career** **Layoff notification law amended** New York's governor signed legislation on 11 Nov 2020 to amend its Worker Adjustment and Retraining Notification ("WARN") law requiring employers with 50 or more employees to also notify the following governmental entities in the event of mass layoff, relocation or employment loss: (1) the chief elected official of the unit or units of local government and the school district or districts; and (2) each locality that provides police, firefighting, emergency or ambulance services or other emergency services to the site of employment subject to the mass layoff, relocation or employment loss.
Resources	Assembly Bill A10674A (Government)

US (upcoming effective dates)

Development

Career

- Changes to 2021 ACA out-of-pocket maximums, ESR penalties; other changes ahead — Key date: 1 Jan 2021
- Health savings account, high-deductible health plan figures set — Key date: 1 Jan 2021
- California employers must provide sexual harassment training by 2021 — Key date: 1 Jan 2021
- Colorado's new pay equity law takes effect in 2021 — Key date: 1 Jan 2021
- California employers required to file equal pay reports — Key date: 31 Mar 2021
- Employee data collection delayed due to effects of COVID-19 — Key date: March 2021
- Board director from underrepresented communities required in California — Key date: 31 Dec 2021
- Gender diverse boards required in Washington state — Key date: 1 Jan 2022

Career — Health

- Connecticut enacts paid family and medical leave — Key date: 1 Jan 2021

Health

- Employee-funded long-term care to be established in Washington — Key date: 1 Jan 2022

Health — Wealth

- 2021 benefit contribution and other limits set — Key date: 1 Jan 2021

Wealth

- COVID-19 legislation gives 2020 defined benefit funding relief — Key date: 1 Jan 2021
- Electronic delivery rule for retirement plan notices finalized — Key date: 27 Jul 2021

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Asia Pacific

Australia (new)	
Status	**Consultation is open until 12 Feb 2021**
Development	**Career** **Regulator asks for input on revised remuneration standard** The Australian Prudential Regulation Authority (APRA) has released a revised remuneration prudential standard for consultation. Draft Prudential Standard CPS 511 Remuneration responds to industry feedback and proposes a more principles-based approach designed to be risk-based and proportionate, with more comprehensive requirements for larger, more complex regulated entities known as Significant Financial Institutions (SFIs). Input is requested by 12 Feb 2021. The revised standard is expected to be finalized in mid-2021 and would take effect for SFIs that are authorized deposit-taking institutions on 1 Jan 2023, for insurance and superannuation SFIs on 1 Jul 2023, and for non-SFIs on 1 Jan 2024. APRA stated that it would notify entities of their SFI status by Q3 2021.
Resources	michael.moses@mercer.com GRIST, 19 Nov 2020

Australia (new)

Status Proposal

Development **Wealth**

Bills address financial services commission report

The Financial Sector Reform (Hayne Royal Commission Response) Bill 2020 and the Corporation (Fees) Amendment (Hayne Royal Commission Response) Bill 2020 recently were introduced into Australia's parliament and would impact superannuation and financial advice providers. These bills are part of the Financial Services Royal Commission's recommendations, but do not include limiting the payment of financial advice fees from superannuation accounts (the government has indicated that legislative proposals could be published before the end of 2020). Highlights include:

- Strengthened curbs on the unsolicited selling of all financial products — including superannuation and insurance — to consumers. The proposed effective date is 5 Oct 2021.
- Classification as a 'financial service' of the handling and settlement of insurance claims, requiring relevant providers to meet licensing and other standards aimed at improving claims handling practices. The proposed effective date is 1 Jan 2021, or the day after Royal Assent.
- Adjustment of the roles assigned to the Australian Prudential Regulation Authority and the Australian Securities and Investments Commission (ASIC), including expanded powers for ASIC to take regulatory action against poor conduct and consumer outcomes in relation to superannuation.
- Prohibition of superannuation fund trustees from having a duty to act in the interests of another person. The proposed effective date is 1 Jul 2021.
- Provisions to enforce the financial services industry codes. Mandatory financial codes could be established by regulation. The proposed effective date is 1 Jan 2021, or the day after Royal Assent.
- Expanded provisions for reporting breaches and requirements for financial advice misconduct investigation, reporting and remediation. The measures generally would apply from 1 Oct 2021.
- Fees levied by ASIC for an entity's application for exemption from the deferred sales model for the sale of add-on insurance products to be implemented under the Financial Sector Reform Bill.

Resources paul.shallue@mercer.com

GRIST, 1 Dec 2020

Australia (new)	
Status	**Effective dates vary**
Development	**Wealth** **Super funds subject to small business reporting** Large Australian businesses — including superannuation funds with total annual income exceeding A$100 million — will have to report, every six months, payment terms and practices for any supplier that is a small business. The measures, which aim to improve payment outcomes for small businesses, feature in The Payment Times Reporting Act 2020 and will generally take effect in 2021. Significant penalties will be levied for failure to file reports under the Payment Times Reporting Scheme — these will not apply until mid-2022. Highlights include: • Reporting organizations will have to put systems in place by 1 Jan 2021, to identify suppliers that are small businesses, set out the timeframe for invoice payments, and provide any other reporting information required. Smaller organizations could voluntarily decide to report under the scheme. • Provided information must include the proportion of small business invoices paid by the reporting organization according to various timeframes (such as invoices paid within 21 days, 21 to 30 days, etc.). • Small businesses will be defined as organizations with less than A$10 million in annual turnover. This is the same definition used in taxation legislation. The Payment Times Reporting Small Business Identification Tool will help reporting organizations identify their small business suppliers. • Earlier in 2020, the government consulted on rules to address the act’s implementation. The finalized rules have not yet been published, but they will define small businesses as any organization recognized by the identification tool. • A new regulator — the Payment Times Reporting Regulator — will be established to administer and enforce compliance with the scheme, including instructing reporting entities to undertake independent audits where there is reasonable suspicion of wrongdoing. Reporting entities will have a period of 18 months to apply the new measures, without penalty. Penalties are expected to apply from 30 Jun 2022, and could be levied for failure to report or maintain payment records, or for providing false or misleading information.
Resources	paul.shallue@mercer.com GRIST, 11 Nov 2020

Australia (previously covered, soon to be effective)

Status 31 Dec 2020

Development Career — Wealth

Modern slavery statement deadlines approaching

In April 2020, Australia's government extended, by three months, deadlines for the submission of statements by entities subject to the Modern Slavery Act 2018 (the Act). Organizations slated to submit their statement by 30 Sep 2020 (for the reporting year 1 Apr 2019 to 31 Mar 2020) have a revised deadline of 31 Dec 2020, and organizations due to report by 30 Dec 2020 (for the reporting period 1 Jul 2019 to 30 Jun 2020) must report by 31 Mar 2021. The six-month deadline remained unchanged for reporting periods after June 2020.

Effective 1 Jan 2019, the Act applies to a wide range of commercial and not-for-profit entities, including individuals, partnerships, associations, companies, trusts, superannuation funds and other types of investment organizations. It covers an estimated 3,000 domestic and foreign entities that conduct business in Australia and have an annual consolidated revenue exceeding A$100 million. These entities must provide an annual statement disclosing how their operations and supply chain risks contribute to modern slavery, explaining actions taken to address the risks, and assessing the effectiveness of those actions. Government guidance on the contents of the annual disclosure and submission and publication of the statements, was published on 24 Sep 2019.

Resources GRIST, 8 Jun 2020

Australia (upcoming effective dates)

Development Wealth

- Superannuation pension reform measures in budget — Key date: 1 Jul 2021
- Financial product design, distribution rules postponed — Key date: 5 Oct 2021
- Australia revises consumer dispute resolution for finance sector — Key date: 5 Oct 2021
- Australia increases consumer protection for financial products — Key date: 5 Oct 2021

China (upcoming effective dates)

Development Career

- Civil code covers sexual harassment, privacy protections — Key date: 1 Jan 2021

Hong Kong (previously covered, newly effective)

Status 11 Dec 2020

Development **Career — Health**

Maternity leave and pay increased

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

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

The law is part of the government's commitment to implement the recommendations of the "Family Friendly Employment Policy." Other measures, effective 19 Jun 2021, expand the protection of women who are breastfeeding or who are expressing breast milk from direct and indirect discrimination and victimization. A separate bill that would prohibit harassment on grounds of breastfeeding was published in January 2020, and if agreed to, will take effect on 19 Jun 2021.

Resources GRIST, 15 Jul 2020

India (upcoming effective dates)	
Development	**Career — Health — Wealth** • Labor and employment laws reformed — Key date: 1 Apr 2021 **Health** • EDLI payment benefits to increase — Key date: Effective date has not been announced

Japan (upcoming effective dates)	
Development	**Career** • Employers urged to employ workers until age 70 — Key date: 1 Apr 2021 **Career — Health** • Time off for child, family member care becomes more flexible — Key date: 1 Jan 2021

Malaysia (new)	
Status	1 Jan 2021
Development	**Wealth** **EPF measures to address COVID-19 pandemic** Malaysia's Employee Provident Fund (EPF) has announced two measures aimed at responding to the COVID-19 pandemic. The measures will allow individuals to increase the amount they can drawdown from their EPF account, and introduce a one-year reduction in the employees' statutory EPF contribution. The EPF manages the compulsory savings plan and retirement planning for private sector workers in Malaysia. Highlights include: • The EPF will increase the amount that eligible members can choose to drawdown from MYR 9,000 to MYR 10,000 (the total amount that can be withdrawn from Account 1 will be capped at MYR 60,000). Further details about the scheme (called "i-Sinar") will be published soon, and the drawdown facility is expected to open in mid-December 2020, with the first payments likely to start in January 2021.The i-Sinar scheme was announced in Budget 2021 and aims to provide financial support to members facing financial hardship due to COVID-19. It is restricted to active and inactive members who meet the following eligibility criteria: Loss of employment, self-employment, leave without pay and individuals without any other income source. • The employees' statutory contribution rate to the EPF will be temporarily reduced to 9% (from 11%) for a period of one year (January to December 2021) for members younger than age 60; the contribution rate remains unchanged for members aged 60 and older. Members could choose to maintain their contribution at 11%, subject to filing forms with the EPF. The reduction aims to alleviate financial pressures arising from the COVID-19 pandemic.
Resources	megat.harith.suhaimi@mercer.com GRIST, 2 Dec 2020

Oman (upcoming effective date)	
Development	**Career** • Employer and employee contributions begin for job security fund — Key date: 1 Jan 2021 **Health** • Oman issues implementation rules for new health insurance scheme — Key date: Expected end of 2020

Pakistan (new)	
Status	⚠ **Currently effective**
Development	**Career — Health** **Paid maternity, paternity leave mandated** Private and public sector employers under administrative control of the federal government are now required to provide periods of paid maternity and paternity leave to employees as part of efforts to enhance work-family balance. The law — The Maternity and Paternity Leave Act, 2020 — recently passed parliament and took immediate effect. Highlights include: • Female employees are entitled to take fully paid maternity leave up to 180 days for the birth of the first child, 120 days for the second, and 90 days for the third. For additional children, unpaid leave could be granted. • Male employees are entitled to take up to 30 days of fully paid paternity leave for the first three separate births. For additional children, unpaid leave could be granted. • Employers who do not comply face up to six months of imprisonment and/or a fine of PKR 100,000.
Resources	GRIST, 1 Dec 2020

South Korea (new)	
Status	**Proposal**
Development	**Wealth** **Changes to retirement benefits act proposed** Proposals to amend the Employment Retirement Benefits Security Act were recently presented to South Korea's parliament. Highlights include: • Requirements to set up a pension plan would be phased in by company size. • Employers with 300 or more employees (full-time equivalents) that provide a defined benefit pension plan must establish a pension committee and an Investment Policy Statement. • Employers must provide pension education at least once per year. The external institutions qualified to provide education on pension issues would be specified. • A retirement pension fund plan operated by the Korea Workers' Compensation and Welfare Service would be provided for small- and medium-sized companies with 30 or fewer employees (full-time equivalents).
Resources	celine.lee@mercer.com GRIST, 24 Nov 2020
Taiwan (upcoming effective dates)	
Development	**Career** • Minimum wage rates to increase slightly — Key date: 1 Jan 2021
Vietnam (upcoming effective dates)	
Development	**Career** • Vietnam approves labor code changes — Key date: 1 Jan 2021

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Europe, Middle East and Africa (EMEA)

European Union (EU)	
Status	**Proposal**
Development	**Career** **Guidance proposed on data protection transfers outside of EU** Recommendations 1 Jan 2020 on supplementary measures that businesses must take when transferring personal data outside the European Economic Area were adopted on 10 Nov 2020 by the European Data Protection Board and are now open for public comment until 30 Nov 2020. Also, the European Commission published, on 12 Nov 2020, a draft implementing decisions on standard contractual clauses (SCCs) for the transfer of personal data to third countries, and draft standard contractual clauses between controllers and processors located in the European Union (EU) — comments are invited on both SCCs through 10 Dec 2020. These issuances follow the Court of Justice of the EU's ruling in July 2020 that organizations can no longer use the "privacy shield" to transfer personal data between the EU and the US but confirmed that SCCs can be used to transfer personal data across borders, subject to recipient countries providing protection equivalent to EU law.
Resources	Recommendations 01/2020 on measures that supplement transfer tools to ensure compliance with the EU level of protection of personal data (European Data Protection Board, 10 Nov 2020); Data protection — standard contractual clauses for transferring personal data to non-EU countries (implementing act) (European Commission, 12 Nov 2020); Data protection —-standard contractual clauses between controllers and processors located in the EU (implementing act) (European Commission, 12 Nov 2020)

EU (new)	
Status	**Consultation is open until 8 Feb 2021**
Development	**Career** **Consultation on sustainable corporate governance** The European Commission invites input by 8 Feb 2021, on measures required to realign corporate governance with key aspects of a sustainable economy, such as social and human rights and environmental matters. The public consultation comprises 26 questions that include the alignment of directors' remuneration with sustainability metrics, directors' duties of care and supply chain due diligence measures. The commission is expected to publish legislative proposals in Q1 2021. The consultation follows earlier commission initiatives to promote long-term sustainability in corporate governance, including measures included in the European Green Deal and the Communication on the COVID-19 recovery plan. Earlier in 2020, the commission published two studies on directors' duties and sustainable corporate governance, and a study on due diligence requirements in supply chains. Separately, the commission is reviewing implementation of the nonfinancial reporting directive. Highlights of the consultation include: • The commission invites input on different approaches to aligning directors' remuneration with a longer-term perspective, including integrating sustainability risks and opportunities in their business strategies, and the establishment of sustainability metrics. • The consultation seeks input about the need to more clearly define directors' duties of care. This includes considering and balancing the interests of a broader range of stakeholders with the short-term financial interests of shareholders. This could require companies to consider the environmental, human rights and social impacts of their stakeholders. • The commission will consider what steps boards might take to deepen their expertise on sustainability issues. • The consultation invites input on issues that should be addressed in supply chain due diligence, including the introduction of adequate processes to prevent, mitigate and account for human rights and environmental impacts in companies' operations and supply chains. The consultation also asks for views on the need for enforcement measures of mandatory due diligence duty. The suggested topics include human rights (including labor rights, workplace safety and health, decent wages and working hours), climate change mitigation, natural capital, land degradation, pollution, efficient use of resources and raw materials, hazardous substances and waste.
Resources	GRIST, 11 Nov 2020

EU (new)	
Status	**Currently effective**
Development	**Career — Health** **Additional maternity leave not discriminatory against workers, rules court** National collective agreements that grant additional leave at the end of statutory maternity leave to women who are sole parents does not discriminate against male workers who also bring up their children on their own, the Court of Justice of the European Union ruled. The court clarified that giving additional leave to mothers is not discriminatory provided the leave is provided to them in connection with the effects of pregnancy and motherhood, and is not granted in their capacity as a parent.
Resources	Press release and judgment (Court of Justice of the European Union, 18 Nov 2020)

EU	
Status	**Consultation is open until 29 Jan 2021**
Development	**Career** **European Banking Authority issues proposals for revised sound remuneration guidelines** The European Banking Authority (EBA) has issued proposed revisions to the Guidelines on Sound Remuneration Principles in order to comply with the European Union's capital requirements directive (CRD V) that will take effect on 28 Dec 2020 (see below entry). The EBA says the proposed revisions are more limited in scope than those made in 2015, and the new guidelines will be finalized during the first half of 2021. Highlights include: • Governance arrangements and processes that promote sound and effective risk management must be included in institutions' remuneration policies. • Guidelines differentiate between remuneration requirements applicable to all staff and to "identified staff" who have a material impact on the institution's risk profile. • Remuneration policies and practices must avoid incentivizing excessive risk taking, be aligned with the long-term strategy of the institution, and be transparent with regard to fixed and variable pay and the award criteria used. • The guidelines restrict the use of any variable remuneration. In particular, the guidance on retention bonuses is significantly expanded. Institutions should ensure clawback provisions in cases where the deferral of variable remuneration is waived and malus cannot be used. • Gender neutral remuneration policies and practices must be applicable to all staff. The equal pay principle covers all pay (whether cash or in kind) and requires equal pay for the same work or for work of equal value. • Clarification of the institutions that should establish a remuneration committee. • National laws may allow (i) the waiver of payouts in instruments and (ii) the deferral of variable remuneration for smaller institutions and staff who are paid smaller amounts of variable remuneration. • Clarification of how the remuneration framework applies, on a consolidated basis, to investment and other financial institutions subject to a specific remuneration framework.
Resources	richard.symons@mercer.com GRIST, 10 Nov 2020

EU (previously covered, soon to be effective)	
Status	**28 Dec 2020**
Development	**Career** **Capital requirements directive (CRD V) implementation deadline approaching for member states** European Union (EU) member states will have to implement the finalized EU CRD V by 28 Dec 2020. CRD V aims “to promote the sound and effective risk management of institutions by aligning the long-term interests of both institutions and their staff whose professional activities have a material impact on the institution's risk profile (material risk takers).” Highlights of the directive impacting remuneration include: • Material risk takers who could materially impact an institution’s risk profile are listed, including the functions they perform. • The maximum ratio between fixed and variable remuneration — the so-called bonus cap — will continue to apply to all risk takers in all institutions. The bonus cap remains at 100% of an individual's basic salary or up to 200% of salary with shareholder approval. • A revised proportionality principle will exempt smaller institutions and certain staff members from the directive’s provisions on instruments, retention and deferral. • The minimum deferral periods will increase to four-to-five years, up from three-to-five years. • Listed institutions will be allowed to use share-linked instruments to fulfill the requirement of paying a portion of remuneration in instruments. Under CRD IV, only unlisted institutions could do this. • Remuneration policies will need to be gender-neutral and based on equal pay for women and men for equal work or work of equal value. The European Banking Authority (EBA) will issue guidelines for institutions. • Remuneration principles won’t necessarily apply to subsidiaries on a consolidated basis. However, a subsidiary’s employees whose professional services to the group would qualify them as material risk takers should still be identified under the group structure. In November 2020, the EBA issued proposed revisions to the Guidelines on Sound Remuneration Principles in order to comply with CRDV — input is invited until 29 Jan 2021 (see above entry).
Resources	richard.symons@mercer.com GRIST, 1 Aug 2019

EU (upcoming effective date)

Development

Career

- Directive expands whistleblower protections — Key date: End of 2021
- Revised rules will impact participating companies, employees — Key date: 1 Jan 2022
- Law strengthens rights of 'nonstandard workers' — Key date: Summer 2022

Career — Health

- Work-life balance measures, including leave finalized — Key date: Summer 2022

Wealth

- ESG agenda, capital markets union progress — Key date: 10 Mar 2022

Belgium (previously covered, soon to be effective)

Status ⚠ **31 Dec 2020**

Development

Career — Health

Constitutional court cancels 'cash for car' system

A 2018 law that established a mobility allowance — the "cash for car" system — was annulled in January 2020 by Belgian's constitutional court as of 31 Dec 2020. The system allowed employees to exchange company cars for remuneration and still receive favorable tax treatments, with a goal of reducing the number of cars being driven. However, the system was controversial for a variety of reasons — including discriminatory application — and the system did not necessarily reduce the number vehicles in use.

Unions and environmental agencies challenged the system as unconstitutional. The court found that the system led to an unequal tax treatment of wages and was discriminatory — as the cash benefit for car replacement was taxed more favorably than other cash payments and only those with access to a company car could benefit. Also, the court held that the scheme did not guarantee there would be less cars in use — because employees could replace their company car with another vehicle. Based on these findings, the court annulled the law as of 31 Dec 2020 to allow time for any needed new legal provisions to come into force.

Resources

dieter.valgaerts@mercer.com
GRIST, 31 Jan 2020

Denmark (upcoming effective date)	
Development	**Wealth** • New early retirement option agreed on — Key date: January 2022

France (upcoming effective date)	
Development	**Career — Health** • Paternity leave to increase — Key date: 1 Jul 2021

Germany (upcoming effective date)	
Development	**Wealth** • Basic pension law benefits low-wage earners — Key date: 1 Jan 2021

Greece (new)	
Status	**1 Jan 2021**
Development	**Career** **Temporary reduction of social security contributions** As of 1 Jan 2021, the social security contribution rate for private sector employees will be reduced for one year.
Resources	Legislation (Greek) (Government, 26 Nov 2020)

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

Israel (upcoming effective date)	
Development	**Career** • Gender pay gap reporting expanded — Key date: 1 Jun 2022

Poland (upcoming effective date)	
Development	**Career** • Minimum wage rate to increase — Key date: 1 Jan 2021

Saudi Arabia (new)	
Status	**Effective dates vary**
Development	**Minimum wage to increase and labor reforms expected** The Ministry of Human Resources recently announced an increase to the monthly minimum wage for full-time Saudi workers in April 2021, and introduced a Labor Reform Initiative (LRI) scheduled to take effect on 14 Mar 2021. The monthly minimum wage will increase to SAR 4,000 (up from SAR 3,000) for purposes of calculating private sector employers' compliance with the Nitaqat program. Introduced in 2011, the Nitaqat program requires companies to employ a certain ratio of Saudi nationals to foreign workers, depending on the company's industry and size. The goal is to reduce the number of unemployed Saudi nationals and to boost private sector employment of Saudis. Saudi nationals earning SAR 4,000 or more (up from SAR 3,000) will count as one Saudi national under the Nitaqat program calculation. Saudi nationals earning between SAR 3,000 and SAR 4,000 will count as one-half of a Saudi national under the Nitaqat program calculation. Saudi nationals who work part-time and earn SAR 3,000 or more per month will count as one-half of a Saudi national under the Nitaqat program calculation. Employees who work for more than one employer can be included only in one employer's Nitaqat program calculation. Saudi nationals paid hourly will count as one-third of a Saudi national in the Nitaqat program calculation, subject to working 168 hours or more for their employer, and contributing to social insurance. The LRI aims to increase labor market efficiencies and attract employers. Highlights include: • Digitizing employment contracts with a goal of reducing differences in terms and conditions between Saudi nationals and expatriate workers. • Implementing dispute resolution measures. • Adding provisions that allow expatriate workers to transfer to a new employer upon expiration of their contracts — without the employer's consent. • Reforming final exit visas that allow expatriate workers to leave Saudi Arabia upon expiration of their contracts — without the employer's consent.
Resources	GRIST, 3 Dec 2020

Slovakia (upcoming effective date)	
Development	**Career** • Minimum wage, supplementary pay rates to increase — Key date: 1 Jan 2021

Spain (upcoming effective date)	
Development	**Career** • Gender equality, pay transparency laws published — Key date: 7 Mar 2021

Switzerland — Geneva (new)	
Status	**Currently effective**
Development	**Career** **Minimum wage increased** From 1 Nov 2020, the minimum hourly wage payable to employees working in the canton of Geneva increased to CHF 23 with a further cost of living increase to CHF 23.14 slated for 1 Jan 2021. The minimum wage applies to all jobs with the exception of the agricultural sector, apprenticeships, and some types of internships. The increased rate was the result of a referendum held on 27 Sep 2020, and is reportedly the highest minimum wage in the world.
Resources	Press release (French) (Government, 28 Oct 2020)

Switzerland (upcoming effective date)	
Development	**Career — Health** • Paternity leave offered — Key date: 1 Jan 2021

Turkey (upcoming effective date)	
Development	**Career — Health** • Date to re-enroll in auto-enrollment pension postponed — Key date: 2022

United Kingdom (new)	
Status	⚠ **Currently effective**
Development	**Career** **Immigration health surcharge increased** The increased Immigration Health Surcharge of £624 a year (up from £400) took effect on 27 Oct and requires visa applicants (or their employers) to pay the surcharge at the time of submitting their application. The surcharge is a contribution for healthcare provided under the National Health Service, but it is not paid by workers who do not need a visa to work in the UK. Applicants for a Health and Care visa are also exempt.
Resources	The Immigration (Health Charge) (Amendment) Order 2020 (Government, 6 Oct 2020)

UK (new)	
Status	**April 2021**
Development	**Career** **National living wage, national minimum wage rates increased** The UK has announced increases to the National Living Wage (NLW) and National Minimum Wage (NMW) rates, effective April 2021. The NLW will be £8.91, and will be the statutory hourly minimum wage for all workers aged 23 and over — it currently applies to workers aged 25 and over. The new hourly NWM rates will be: £8.36 for individuals aged 21-22 years; £6.56 for individuals aged 18-20 years; £4.62 for individuals aged 16-17 years; and £4.30 for apprentices. The maximum allowable daily deduction from wages for employer-provided accommodation will be £8.36. The government accepted in full the recommendations put forward by the Low Pay Commission in October.
Resources	Press release (Government, 25 Nov 2020)

UK (upcoming effective date)	
Development	**Career** • Government postpones off-payroll working start date — Key date: 6 Apr 2021

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