Mercer

Law and Policy Group

Global Legislative Update

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January 2022

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	
COVID-19 pandemic	Countries address workplace issues resulting from the COVID-19 pandemic
Remote working	Countries address remote-working issues
Americas	
Argentina	Employers' contribution to occupational disease fund to increase
Canada	Employers required to provide paid sick leave in British Columbia
Colombia	Minimum wage increased
Dominican Republic	Minimum wage increased
Ecuador	Basic minimum monthly salary increased
Guatemala	Minimum wage rates announced for 2022
Mexico	Minimum wage increased

Americas (continued)	
US	Final rule implements $15 minimum hourly wage for federal contractors 2022 health FSA, other health and fringe benefits limits published Rule on reporting prescription drug and other plan data issued States, cities tackle COVID-19 paid leave Third-party payments to count toward cost sharing in Arkansas Most drug manufacturer insulin discounts banned in Arkansas 1095 health coverage reporting delayed in California State disability insurance and paid family leave rates for 2022 in California announced City option, 2022 health expenditure rates for 2022 in San Francisco, California posted Rules prohibit use-it-or-lose-it vacation policies in Colorado State public option established in Colorado Health plan cards to identify if plan is fully insured or self-funded in Connecticut Implementation of paid family and medical leave program begins in Connecticut Third-party payments to count toward cost sharing in Connecticut First-dollar coverage mandated for insulin pumps in Delaware Third-party contribution legislation limits insurers' cost sharing in Kentucky Mental health parity aligned with federal mandate in Kentucky Cost sharing for insulin restricted in Kentucky New guidance sets 2022 transit benefit tax exclusion amounts in Massachusetts 2022 paid family medical leave rates in Massachusetts posted 2022 individual-mandate coverage dollar limits revised in Massachusetts PBM regulation required in Montana 2022 paid family medical leave rates in New Jersey posted Behavioral health cost sharing banned, health premium surtax raised in New Mexico 2022 paid family leave rates in New York posted

Americas (continued)	
US	Discrimination based on hairstyles banned in Oregon Telehealth and parity expanded in Oregon Minimum wage increases in Puerto Rico to be phased in Family caregiver benefits extended to six weeks in Rhode Island Minimum wage progressively increases to $15 in Rhode Island Insulin cost sharing capped in Rhode Island Gender diverse boards required in Washington Gender affirming treatment mandated in Washington Paid family and medical leave rates in Washington posted Washington Cares long-term premium collection delayed Insureds' insulin and supplies costs limited in Washington, DC
Asia Pacific	
Australia	Final guidance on climate change risks issued Measures to boost fund management sector proposed Retirement income covenant proposed Consumer remediation guidance proposed FSC bans occupational exclusions in default insurance in superannuation
China	Some preferential employee taxation arrangements extended
Hong Kong	Gender board diversity, corporate governance required
Japan	Maximum period for payment of injury and sickness benefit changed
Singapore	Listed companies face new climate, diversity reporting requirements Family leave eligibility expanded CPF contribution increased

Asia Pacific (continued)	
South Korea	Annual paid leave entitlement changed for employees on one-year fixed term contract Default investment options introduced for defined contribution plans Minimum wage increased National health insurance rate increased Long-term care insurance rate increased Employment insurance premium increased
Europe, Middle East and Africa (EMEA)	
European Union (EU)	Gender equal pay, transparency proposals advance Expansion of platform workers' rights proposed Minimum wage proposal advances Revised company law impacts participating companies, employees
Bahrain	VAT tax increases will impact medical insurance services
Czech Republic	Mimimum wage significantly increased
Denmark	New early retirement option now effective
Egypt	Private-sector minimum wage established
Finland	Survivors' pension scheme revised
Germany	Employers to pay contributions for some pre-2019 defined contribution pension plans Commercial partnership taxation revised Maximum life insurance and 'Pensionsfonds' interest rates reduced
Greece	New mandatory individual retirement account introduced
Israel	Normal retirement age for women to increase

EMEA (continued)	
Jersey, Channel Islands	Rest break established, paid leave increased Minimum wage increased
Netherlands	Gender balance duty for companies introduced
Poland	Tax reforms will impact health insurance contributions, highly paid employees
Portugal	Minimum wage and exceptional compensation payment to increase Employers prohibited from contacting employees after hours
Russia	Requirements for foreigners' medical examination, fingerprint registration clarified
Spain	2022 budget changes impact pension contributions Public pension system reforms enacted
Sweden	Income cap for sickness benefit increased
Turkey	Re-enrollment process for auto-enrollment pension system abolished
United Arab Emirates (UAE)	Weekend changed and shorter working week introduced for federal sector Emirati employment rate boosted Fines imposed on individuals without health insurance delayed in Abu Dhabi
United Kingdom (UK)	Consultation on disability reporting by large employers invites input

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Global

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 Mar 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 many 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

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Americas

Argentina (new)	
Status	**1 Feb 2022**
Development	**Career — Health** **Employers' contribution to occupational disease fund to increase** Employers' fixed sum contributions to the occupational disease trust fund (FFEP) will significantly increase on 1 Feb 2022 to AR$100, up from AR$49.98 per employee
Resources	Resolution 794/2021 (Spanish) (Official Bulletin, 7 Dec 2021)

Argentina (upcoming effective date)	
Development	**Career** • Remote working rights post COVID-19 pandemic clarified — Key date: 90 days after pandemic ends • Minimum wage to increase — Key date: 1 Feb 2022

Canada — British Columbia (previously covered, now effective)	
Status	**Currently effective**
Development	**Career — Health** **Employers required to provide paid sick leave** From 1 Jan 2022, provincially regulated employers in British Columbia must provide five days of paid sick leave per year to all eligible employees under Bill 13, which amends the Employment Standards Amendment (ESA) Act (No. 2), 2021. The new leave is in addition to the current entitlement of three days of unpaid sick leave. Full- and part-time employees covered by the ESA who have worked for their employer at least 90 days are eligible. However, the ESA does not cover federally regulated sectors, self-employed workers, and explicitly excluded professions and occupations. Employers must pay an average day's pay for each day of sick leave, using a pay calculation formula. Employees intending to take paid leave do not have to provide advance notification, but employers can request proof of illness or injury. British Columbia is the third province in Canada to enact paid sick leave and the first to provide this amount of leave. The government estimates that more than one million workers in the province currently do not have access to paid sick leave.
Resources	Bill 13 (Legislature) kristin.smith@mercer.com

Canada (previously covered, with upcoming effective dates)	
Development	**Career** • Revised pay equity transparency measures issued — Key date: 2021 reporting period (1 Jun 2022) **Career — Health** • Right to disconnect policy mandated and other changes in Ontario — Key date: 2 Jun 2022

Colombia (new)	
Status	**Currently effective**
Development	**Career** **Minimum wage increased** Effective 1 Jan 2022, Colombia's monthly legal minimum wage (Spanish) is COP$1,000,000 — a 10.07% increase on the 2021 wage. In addition, the monthly integral salary increased to COP$13,000,000 — which comprises salary, the value of fringe benefits such as social security, surcharges and other payments for night work, Sunday working, public holiday working, and legal benefits including bonus payments (for example, "primas legales"). The monthly transportation assistance payment is COP$117,172 and is paid to certain workers earning up to two times the monthly minimum wage (base salary of COP$2,000,000).
Resources	Release (Spanish) (Government, 15 Dec 2021)

Colombia (previously covered, with upcoming effective dates)	
Development	**Career — Health** • Maximum weekly working time reduced — Key date: Beginning in 2023

Dominican Republic (previously covered, now effective)	
Status	**Currently effective**
Development	**Career** **Minimum wage increased** From 1 Jan 2022, the monthly minimum wage rates in the Dominican Republic is DOP$21,000 for large private sector employers, DOP$19,250 for medium-sized enterprises, DOP$12,900 for small employers, and DOP$11,900 for microenterprises. In addition, the minimum wage amount used to calculate certain insurance contributions (workers' compensation, health and retirement pension) increased to DOP$16,262.50.
Resources	Resolution No. 01/2021 (Spanish) (Ministry of Labor) and Press release (Spanish) (Social Security, 5 Aug 2021)

Ecuador (new)	
Status	**Currently effective**
Development	**Career** **Basic minimum monthly salary increased** From 1 Jan 2022, the basic minimum monthly salary (Spanish) is US$425 — up 6.25% from the 2021 rate. The increase also applies to sectoral wage rates.
Resources	Ministry Decision No. MDT-2021-276 (Spanish) (Ministry of Labor, 21 Dec 2021)

Guatemala (new)	
Status	**Currently effective**
Development	**Career** **Minimum wage rates announced for 2022** Minimum wage rates will increase effective 1 Jan 2022. Different minimum wage rates and premiums will apply, depending on industry sector, and working conditions applicable to certain job types. In addition to the minimum monthly wage, workers must be paid the “incentive bonus” (GTQ 250). The new monthly minimum wage rates, including the incentive bonus, are GTQ 3,209.24 for non-agricultural workers, GTQ 3,122.55 for agricultural workers, and GTQ 2,954.35 for workers in export industries.
Resources	Minimum wage rates (Spanish) (Government, 17 Dec 2021)

Mexico (new)	
Status	**Currently effective**
Development	**Career** **Minimum wage increased** From 1 Jan 2022, Mexico’s daily minimum wage increased by 22% to MXV $172.87 up from MXV $141.70, and to MXV $260.34 up from MXV $213.39 in the Free Economic Zone of the Northern Border. The increased amount includes the Independent Recovery Amount (MXV $25.45 in the Free Economic Zone, and MXV $16.90 in the rest of the country). These increases were announced by the national wage commission (CONSAMI) on 1 Dec 2021.
Resources	norma.del.rivero@mercer.com Bulletin No. 16/2021 (Spanish) (Governor’s office, 1 Dec 2021)

US (new)	
Status	**Beginning 1 Feb 2022**
Development	**Career** **New online portal for affirmative action program verification introduced** Beginning 1 Feb 2022, covered federal contractors and subcontractors (contractors) may begin registering for access to the new affirmative action program (AAP) verification portal, the Office of Federal Contract Compliance Program (OFCCP) recently announced. Contractors must use this portal to annually certify whether they have developed and maintained an AAP for each establishment and/or functional unit, as required. In addition, scheduled contractors can use the portal to submit their AAPs to OFCCP during compliance evaluations. On 31 Mar 2022, contractors will be able to use the portal's certification feature to certify their AAP compliance, and by 30 Jun 2022, existing contractors must certify whether they have developed and maintained an AAP for each establishment and/or functional unit. OFCCP says more information about registration and certification is forthcoming, and additional information, including Frequently Asked Questions, can be found on OFCCP's Contractor Portal Landing Page.
Resources	OFCCP's contractor portal (OFCCP)

US (new)	
Status	**Beginning 1 Feb 2022**
Development	**Career — Health** **Final rule implements $15 minimum hourly wage for federal contractors** A final rule from the Labor Department's Wage and Hour Division, issued by the president on 27 Apr 2021, sets standards and procedures to implement and enforce Executive Order 14026, which increases the minimum wage for federal contractors. The minimum hourly wage for workers working on or in connection with covered federal contracts will increase to $15 on 30 Jan 2022 for new contracts, with annual increases for inflation every 1 Jan thereafter. Other changes eliminate the tipped minimum wage for federal contract workers by 2024; set a $15 minimum wage for workers with disabilities working on or in connection with covered contracts; and restore minimum wage protections to outfitters and guides operating on federal lands.
Resources	Increasing the minimum wage for federal contractors (Federal Register, 24 Nov 2021)

US (previously covered, now effective)	
Status	**Currently effective**
Development	**Health** **2022 health FSA, other health and fringe benefits limits published** IRS Rev. Proc. 2021-45 provides 2022 contribution and other limits for health flexible spending arrangements (FSAs), qualified small-employer health reimbursement arrangements (QSEHRAs), long-term care (LTC) policies, transportation fringe benefits and adoption assistance programs. The 2022 figures reflect the increase in the average chained Consumer Price Index for All Urban Consumers (C-CPI-U) for the 12 months ending 31 Aug 2021, after applying statutory rounding rules. Mercer's 2022 quick benefit facts sheet highlights other key health and retirement benefit amounts announced earlier this year.
Resources	dorian.smith@mercer.com and katharine.marshall@mercer.com GRIST, 11 Nov 2021

US (previously covered, now effective)	
Status	**Departments will accept comments through 24 Jan 2022**
Development	**Health** **Rule on reporting prescription drug and other plan data issued** The Consolidated Appropriations Act, 2021 (CAA) requires group health plans and insurers to report extensive prescription drug and other plan data to the Departments of Labor, Treasury and Health and Human Services. An interim final rule (IFR) published on 23 Nov 2021 provides detailed guidance. The departments previously announced a one-year enforcement delay to 27 Dec 2022, as long as plans/insurers submit 2020 and 2021 data by that deadline. Highlights include: • Only general plan information (like enrollment information and the state in which the plan or coverage is offered) will be reported at the plan level. • Regulators expect that most data will be provided by the insurer or third-party administrator (TPA), which must report information in the aggregate, by state and market segment. The data consists of the top 50 brand drugs most frequently dispensed, the top 50 most costly drugs by total annual spending, the top 50 prescription drugs with the greatest increase in expenditures from the previous year, total annual healthcare spending by type of cost (including prescription drug spending by employees vs. employers/insurers), average monthly premiums paid by employees and employers, the impact of rebates, fees, and other remuneration paid to the plan or insurer in each therapeutic class of drugs and each of the 25 drugs with the highest amount of rebates — and the impact of rebates, fees, and other remuneration on premiums and cost sharing. • The top 50 and top 25 lists may exclude prescription drugs covered under a plan's hospital/medical benefit. • Self-funded plan sponsors may need to engage multiple reporting entities, such as a TPA and pharmacy benefit manager, and the IFR explains how to aggregate such data. The preamble notes that plans may need to revise their TPA agreements to address the liability for and accuracy of reporting. • Self-funded plans may contract with a vendor to do the reporting, but are responsible for violating reporting requirements if the vendor fails. By contrast, when an insured plan sponsor enters into a written agreement with the insurer to do the reporting, the plan sponsor will not be responsible for reporting failures.
Resources	jennifer.wiseman@mercer.com Interim final rule, Prescription drug and healthcare spending (Federal Register, 23 Nov 2021)

US — States, cities	
Status	**Currently effective**
Development	**Career — Health** **States, cities tackle COVID-19 paid leave** To alleviate some of the economic strain on employees unable to work due to COVID-19, some state and local authorities have implemented new paid leave requirements. Other jurisdictions modified existing leave laws or benefit programs to accommodate employees' needs during the pandemic. Mercer has provided brief summaries of the new state and local paid leave benefits, as well as guidance addressing how current paid leave benefits apply during the COVID-19 pandemic and recent OSHA ETS requirements.
Resources	katharine.marshall@mercer.com and catherine.stamm@mercer.com GRIST, regularly updated

US — Arkansas (previously covered, now effective)	
Status	**Health plans issued or renewed on or after 1 Jan 2022**
Development	**Health** **Third-party payments to count toward cost sharing** New Arkansas law HB 1659, Act 965 requires health insurers to apply third-party payments to the covered individual's cost-sharing obligations. The requirement also applies to pharmacy benefit managers, but does not apply to a brand-name drug that the prescriber does not deem medically necessary if a medically appropriate generic prescription drug equivalent is available. Though the stated intent is to save patients money at the pharmacy counter, the text appears to apply to all health plan cost sharing, not just prescription drugs. Regulators may need to clarify. The new mandate applies to health plans issued or renewed on or after 1 Jan 2022, but excludes standalone dental and vision plans.
Resources	catherine.stamm@mercer.com HB 1569, Act 965 (Legislature)

US — Arkansas (previously covered, now effective)	
Status	**Currently effective**
Development	**Health** **Most drug manufacturer insulin discounts banned** New Arkansas law HB 1709, Act 1104 prohibits pharmaceutical drug manufacturers that sell insulin in the state from providing coupon cards and other discounts for insulin products — except to end users in the form of discount coupon cards. Banned discounts include price concessions, rebates, and assorted fees paid by the manufacturer. The legislation adds the new section to the state's consumer protection law (Ark. 4-86). The state attorney general is authorized to investigate potential violations and bring suit against pharmaceutical manufacturers that fail to comply. A Maryland law that sought to regulate certain drug manufacturers' activity was struck down in 2018 when the 4th US Circuit Court of Appeals ruled the Maryland law essentially regulated trade beyond the state's borders and therefore violated the US Constitution (*Assoc. for Accessible Meds. v. Frosh*, No. 17-2166 (4th Cir.13 Ap 2018)). It's unclear if the Arkansas law would withstand a similar challenge.
Resources	catherine.stamm@mercer.com Act 1104

US — California (new)	
Status	⚠ **Delayed until 31 Mar 2022**
Development	**Health** **1095 health coverage reporting delayed** California has updated its reporting information page for health coverage payers in the state, giving applicable entities until 31 Mar 2022 to report to the California Franchise Tax Board (FTB) for the 2021 coverage year. However, penalties for failure to file won't begin to accrue until 31 May 2022. The state is one of several that requires health coverage reporting by self-funded plan sponsors, health insurers and other entities that provide minimum essential coverage (MEC). Though the IRS has extended the 2022 federal deadline to provide individual statements until 2 March 2022, the state's 31 January 2022 due date hasn't been extended; the date is set by statute (Ca. Rev. § 61005(e)). However, the FTB has indicated that California penalties for furnishing statements to individuals after the deadline won't apply. In addition, duplicative California statements aren't necessary if individuals have received the federal coverage statement (IRS Form 1095-B or 1095-C)
Resources	Report health insurance information (Government); GRIST, 20 Nov 2020

US — California (previously covered, now effective)	
Status	**Currently effective**
Development	**Career — Health** **State disability insurance and paid family leave rates for 2022 announced** California announced its State Disability Insurance (SDI) and Paid Family Leave (PFL) rates for 2022. The taxable wage base is $145,600, an increase from $128,298 in 2021. The employee contribution rate, which includes both SDI and PFL, will drop from 1.2% to 1.1% in 2022 — up to the taxable wage base. The 2022 maximum weekly benefit of $1,540 reflects an increase from the 2021 maximum of $1,357. Benefits are payable at 60% or 70% depending on greatest quarterly base period earnings above or below one-third of the state's average quarterly rate. The state average weekly wage is up to $1,570, increasing by one-third or the quarterly average to $6,803 for 2021 ($1,570 x 13 ÷ 3 = $6,803).
Resources	catherine.stamm@mercer.com GRIST, 20 Jan 2021

US — California (San Francisco) (previously covered, now effective)	
Status	⚠ **Currently effective**
Development	**Health** **San Francisco updates city option, 2022 healthcare expenditure rates posted** San Francisco has posted the 2022 healthcare expenditure (HCE) rates required by the city's Health Care Security Ordinance (HCSO) rules. The HCSO applies to all employers that must obtain a San Francisco business registration certificate and have at least 20 employees in any location — if at least one works in San Francisco. The city also has consolidated its HCE city options into one. Employers with workers in San Francisco will need to adjust 2022 expenditures to meet the new HCE standards. Once premiums are set for insured plans, plan sponsors can review any deficits and determine the best approach to make up any shortfall. Self-funded plans may want to work with their third-party administrators and actuaries to evaluate spending options.
Resources	catherine.stamm@mercer.com and andrea.alarcon@mercer.com GRIST, 12 Aug 2021

US — Colorado (previously covered, now effective)	
Status	⚠ **Currently effective**
Development	**Career — Health** **Rules prohibit use-it-or-lose-it vacation policies** Effective 1 Jan 2022, revised wage protection rules for employees in Colorado prohibit the forfeiture of any accrued paid time off to use for vacation, even if an employee can also use the leave for other purposes. The updated rules come after a state supreme court ruling banning use-or-lose vacation policies left uncertainty about the impact on other types of leave programs. Updates to this GRIST incorporate the clarified wage protection rules.
Resources	catherine.stamm@mercer.com and katharine.marshall@mercer.com GRIST, 30 Nov 2021

US — Colorado (previously covered, now effective)	
Status	⚠ **Currently effective**
Development	**Health** **State public option established** Recently signed legislation (HB 1232) calls on the Commissioner of Insurance to establish rules by 1 Jan 2022 for standardized health benefit plans (designed with input from stakeholders) to be offered on Connect for Health Colorado. Carriers operating in the small group and individual markets will have to offer gold, silver and bronze plans in the areas where they currently offer individual and/or small group coverage. Premiums for the plans slated to begin 1 Jan 2023 must be at least 5% lower than a comparable benefit plan in 2021. In 2024, premiums must be 10% lower, and 15% lower in 2025. These amounts will be adjusted for inflation. Regulators may require healthcare providers, including hospitals, to participate in a standardized plan. Additional requirements apply for network adequacy, cost-sharing limits, and provider reimbursement rates. Colorado joins Washington and Nevada in adding the public option.
Resources	catherine.stamm@mercer.com HB 1232 (Legislature)

US — Connecticut (previously covered, now effective)	
Status	⚠ **Currently effective**
Development	**Health** **Health plan cards to identify if plan is fully insured or self-funded** Effective 1 Jan 2022, health plans in Connecticut must identify — on any insurance card issued — whether the coverage is fully insured or self-funded. New law PA 21-02/SB 1202 applies to health carriers and third-party administrators — including self-funded ERISA plan administrators — that issue healthcare coverage identification cards in Connecticut. The statement must be prominently displayed on the card in a readily understandable, standardized format that insurance regulators will provide.
Resources	catherine.stamm@mercer.com PA 21-02/SB 1202 (Legislature)

US — Connecticut (previously covered, now effective)	
Status	**Currently effective**
Development	**Career — Health** **Implementation of paid family and medical leave program begins** Connecticut's paid family and medical leave (PFML) benefits became available in January 2022. The PFML program applies, with the limited exceptions, to any employer with one or more employees working in Connecticut. Eligible employees will be able to take up to 12 weeks (or more in some cases) of partially paid leave for many of the same reasons allowed for unpaid leave under the federal Family and Medical Leave Act (FMLA). Employers don't have to contribute, but must collect and remit employee contributions, which began at the start of 2021. Employers may want to look at their options for coordinating their own paid family and medical leave with the Connecticut PFML program. Self-insured plan sponsors may offer a single point of contact for employees. However, the plan would need to satisfy the state's requirements, limiting eligibility and design options. Relying on the state program would free employers to establish their own leave programs, but employees would need to work with multiple access points. An employer's paid leave administrator — if approved by the state to offer a PFML plan — may offer a single point of entry for employees by coordinating an approved insured plan with the employer's own paid leave programs. Employers with insured plans should review policies to determine the correct coordination of benefits with the state. In addition, employers must conspicuously display the state's poster at each Connecticut work location and provide a notice of PFML benefits and rights to employees who give notice of a covered absence.
Resources	catherine.stamm@mercer.com, stacey.forrester@mercer.com and charlene.dambrosio@mercer.com GRIST, 2 Dec 2021

US — Connecticut (previously covered, now effective)	
Status	**Currently effective**
Development	**Health** **Third-party payments count towards cost sharing** Effective 1 Jan 2022, Connecticut law SB 1003, Pub. Act No. 14 requires insured health plans to apply a credit for any discount provided or payment made by a third party toward patient cost sharing for the covered benefit. This provision does not apply to self-funded ERISA plans. For pharmacy benefit manager (PBM) contracts entered into with insurance carriers on or after 1 Jan 2022, the PBM must give credit for any discount provided or payment made by a third party for a covered prescription toward patient cost sharing. Employers with fully insured high-deductible health plans underwritten in Connecticut should review the new law's implications for health savings accounts. The US Department of Health and Human Services (HHS) earlier issued guidance clarifying the use of so-called copay accumulator programs, which by design, subtract the value of drug coupons from costs credited toward the out-of-pocket (OOP) maximum (and deductibles). HHS stated that group health plans and insurers may — but are not required — to count toward the OOP maximum any form of direct cost reductions, including coupons, that drug manufacturers offer to enrollees purchasing specific medications, regardless of whether a generic equivalent is available. This guidance — reversing a prior HHS position that seemingly required accumulation of drug coupons to OOP maximum (unless a generic equivalent was available) — was issued partly out of concern for the negative impact copay accumulator programs could have on HSA eligibility.
Resources	catherine.stamm@mercer.com Pub. Act No. 21-14, SB 1003 (Legislature, 2 Jun 2021)

US — Delaware (previously covered, now effective)	
Status	⚠ **Currently effective**
Development	**Health** **First-dollar coverage mandated for insulin pumps** Health plans issued or renewed in Delaware or on or after 1 Jan 2022 must provide first-dollar coverage for medically necessary insulin pumps, under recently enacted law SB 107. The plan may apply cost sharing to related services and restrict coverage to services at an approved facility. An exception for certain high-deductible health plans (HDHP) applies if omitting cost sharing would prevent health savings account (HSA) contributions under Section 223 of the federal tax code. The law applies to insured health plans issued in Delaware and certificates of coverage issued to state residents. The measure does not apply to self-insured ERISA plans.
Resources	catherine.stamm@mercer.com SB 107 (Legislature)

US — Kentucky (previously covered, now effective)	
Status	⚠ **Insured plans in Kentucky issued or renewed on or after 1 Jan 2022**
Development	**Health** **Third-party contribution legislation limits insurers' cost sharing** The governor signed legislation (SB 44) that requires certain third-party contributions to count toward an insured's cost sharing obligation under the plan. The law applies to payments made on behalf of the insured by state, federal, and tribal governments, religious establishments and nonprofit organizations. The condition does not apply to payments made by, or on behalf of, any organization that receives funding in any form from a healthcare provider. High-deductible health plans are exempt if the contribution would impair an individual's eligibility to contribute to a health savings account.
Resources	catherine.stamm@mercer.com SB 44 (General Assembly)

US — Kentucky (previously covered, now effective)	
Status	**Insured plans issued or renewed in Kentucky on or after 1 Jan 2022**
Development	**Career — Health** **Mental health parity aligned with federal mandate** New Kentucky mental health parity law HB 50 prohibits insured health plans from imposing a nonquantitative treatment limitation (NQTL) on mental health and substance use disorders (MH/SUD) that doesn't apply to medical and surgical (Med/Surg) benefits in the same classification. Any medical necessity criteria or an NQTL in any classification must be comparable to and applied no more stringently than those applied to med/surg benefits, in line with the federal Mental Health Parity and Addiction Equity Act. Insurers must submit an annual report to state regulators describing the process they use to develop or select the medical necessity criteria for both MH/SUD and Med/Surg benefits. The report must also identify all NQTLs that apply for benefits and services covered under the plan — for both MH/SUD and Med/Surg benefits — within each benefit classification. The mandate takes effect for insured plans issued or renewed in Kentucky on or after 1 Jan 2022. Small groups with 50 or fewer employees are exempt.
Resources	HB 50 (Legislature); GRIST, 13 Apr 2021

US — Kentucky (previously covered, now effective)	
Status	⚠ **Applies to insured and self-insured governmental plans issued or renewed in Kentucky on or after 1 Jan 2022**
Development	**Health** **Cost sharing for insulin restricted** Under new Kentucky law HB 95, cost sharing for an insured individual's covered prescription insulin drug cannot exceed $30 per 30-day supply of each prescription insulin drug, regardless of the amount or type of insulin needed. Cost sharing includes any copayment, coinsurance, deductible or other out-of-pocket expense requirements imposed by the plan. The law applies to insured plans and self-insured governmental plans issued or renewed in Kentucky on or after 1 Jan 2022. Kentucky joins several other states in restricting cost sharing.
Resources	catherine.stamm@mercer.com HB 95 (General Assembly); GRIST, 2 Sep 2020

US — Massachusetts (previously covered, now effective)	
Status	⚠ **Currently effective**
Development	**Career — Health** **New guidance sets 2022 transit benefit tax exclusion amounts** New Massachusetts guidance (TIR 21-12) sets state tax limits for parking and transit benefits for taxable years beginning in 2022. The Massachusetts monthly exclusion amounts are $285 for employer-provided parking and $150 for combined transit pass and commuter highway vehicle transportation benefits. This differs from the federal limits of $280 for each. Massachusetts tax law (MA Gen. Laws Ch. 62 § 1) generally follows the federal tax code in effect on 1 Jan 2005 with targeted updates. As a result, most federal tax changes enacted since 2005 — including the change to Internal Revenue Code §132(f) — don't flow through to state income tax. The state did not update its tax code to mirror the federal change allowing the same exclusion amount for both commuter benefit categories. Employers with Massachusetts employees receiving mass transit and/or commuter vehicle benefits must include any amount exceeding $150 per month as income at the state level.
Resources	catherine.stamm@mercer.com TIR 21-12 (Department of Revenue, 16 Nov 2021)

US — Massachusetts (previously covered, now effective)	
Status	**Currently effective**
Development	**Career — Health** **2022 paid family medical leave rates posted** Massachusetts posted its 2022 paid family and medical leave (PFML) benefit rates. For leave beginning on or after 1 Jan 2022, weekly benefits are capped at $1,084.31. The contribution rate has dropped from 0.75% to 0.68% of Massachusetts employees' wages up to the Social Security maximum. Unless an exemption has been granted, employers with 25 or more Massachusetts employees contribute 0.336%, a drop from 0.372% in 2021. Those with fewer than 25 workers in the state do not have to contribute, but must collect and remit employee contributions of 0.344% — 0.12% for family leave and 0.224% for medical. The 2022 state average weekly wage — used in the benefit calculation — is $1,694.24.
Resources	Paid family and medical leave (PFML) benefits guide (Government); GRIST, 20 Jan 2021

US — Massachusetts (previously covered, now effective)	
Status	**Currently effective**
Development	**Health** **2022 individual-mandate coverage dollar limits revised** The Massachusetts Health Connector has announced revised 2022 dollar limits on deductibles and other cost sharing for minimum creditable coverage (MCC), as required by regulations (956 MA Code Regs. 5). The Massachusetts individual coverage mandate, in place since 2007, requires state residents to maintain MCC or face a potential state tax penalty. Though employers have no obligation to provide MCC for their Massachusetts employees, many employees use their employment-based health coverage to satisfy the mandate. In addition, health plan reporting requirements compel plan sponsors (or their vendors) to determine whether the coverage they offer meets MCC standards. Deductibles receive annual adjustments tied to federal indexing. The regulations also clarify the MCC criteria for health arrangements that religious organizations provide for their members.
Resources	catherine.stamm@mercer.com and patricia.farrell@mercer.com Administrative Information Bulletin 06-21 (Health Connector, 30 Jul 2021); GRIST, 30 Aug 2021

US — Montana (previously covered, now effective)	
Status	**Currently effective**
Development	**Health** **PBM regulation required** The Montana Pharmacy Benefit Manager Oversight Act (SB 395) establishes pharmacy benefit managers (PBM) licensure requirements, prohibits certain PBM practices, requires transparency and maximum allowable cost (MAC) reporting, and mandates network adequacy standards. The measure requires licensing for PBMs providing services for residents enrolled in health plans and multiple employee welfare arrangements (MEWAs) in the state. Mandatory disclosures to insurers and plan sponsors includes certain rebates and fees received, exclusivity arrangements, utilization data and claim information. Annual reports with additional information must also be sent to state regulators.
Resources	catherine.stamm@mercer.com SB 395 (Legislature)

US — New Jersey (previously covered, now effective)	
Status	**Currently effective**
Development	**Career — Health** **2022 paid family medical leave rates posted** New Jersey has posted its 2022 temporary disability insurance (TDI) and family leave insurance (FLI) contribution and benefit rates. Employee contribution rates decreased from 0.47% in 2021 to 0.14% in 2022 for TDI and from 0.28% in 2021 to 0.14% in 2022 for FLI, for a total contribution rate of 0.28%. Employers must collect and remit contributions on wages up to the $151,900 taxable wage base for 2022, an increase from $138,200 in 2021. Benefits replace 85% of wages up to the maximum benefit for up to 26 weeks for TDI and up to 12 weeks for FLI. The 2022 maximum TDI/FLI weekly benefit of $993 reflects an increase from $903 in 2021.
Resources	catherine.stamm@mercer.com Rate information, contributions and due dates (Department of Labor and Workforce Development)

US — New Mexico (previously covered, now effective)	
Status	**Currently effective**
Development	**Health — Career** **Behavioral health cost sharing banned, health premium surtax raised** Beginning 1 Jan 2022, New Mexico prohibits patient cost sharing for behavioral health services in all group health coverage under recently enacted legislation (Ch. 136, SB 317). The ban extends to treatment, habilitation, prevention and identification of mental illnesses, substance abuse disorders and trauma spectrum disorders. The scope of covered services includes inpatient, detoxification, residential treatment and partial hospitalization, intensive outpatient therapy, and all medications, including brand-name pharmacy drugs when generics are unavailable. The cost-sharing ban is set to sunset on 1 Jan 2027. Gov. Grisham announced the law also imposes a 3.75% health insurance premium surtax, increased from 1% the state's existing surtax, to fund a new Health Care Affordability Fund. The fund will be used to reduce healthcare premiums and cost sharing for New Mexico residents who purchase healthcare coverage on the state's health insurance exchange, reduce premiums in the small group market, and pay for other state healthcare coverage initiatives for uninsured New Mexico residents. Bulletin 2021-007 seeks to clarify the legislation (Ch. 136, SB 317) for high-deductible health plans (HDHPs) paired with a health savings account (HSA). First-dollar mental health treatment in an HDHP, as required under SB 317, would prevent HSA contributions under federal law. The bulletin notes that due to "New Mexico public policy," the "language in a statute should not be applied literally" because of conflicts with existing state laws. Therefore, New Mexico insurers should consider HSA-qualified HDHPs to be exempt from the behavioral health first-dollar coverage.
Resources	catherine.stamm@mercer.com SB 317 (Legislature); Bulletin 2021-007 (New Mexico Office of the Superintendent of Insurance, 13 May 2021)

US — New York (previously covered, now effective)	
Status	**Currently effective**
Development	**Career — Health** **2022 paid family leave rates posted** New York has posted 2022 paid family leave (PFL) benefits. For qualified leave beginning on or after 1 Jan 2022, eligible employees receive 67% of their average weekly wage, up to the annually adjusted maximum for up to 12 weeks. The weekly maximum rose to $1,068.36, up from $971.67. The premium rate for PFL coverage in 2022 remains 0.511% of an employee's wages each pay period up to an annual maximum employee contribution of $423.71. This rate includes coverage for benefits in situations when an employee or their minor, dependent child is under an order of quarantine or isolation due to COVID-19. The state's website includes the updates and FAQs.
Resources	catherine.stamm@mercer.com New York state paid family leave (Government)

US — Oregon (previously covered, now effective)	
Status	**Currently effective**
Development	**Career** **Discrimination based on hairstyles banned** Oregon has joined the growing number of states banning discrimination based on hairstyles associated with race under HB 2935, signed by the governor on 11 Jun 2021 and effective 1 Jan 2022. The Oregon Equality Act has been amended to include a new definition of "race" that "includes physical characteristics that are historically associated with race, including but not limited to natural hair, hair texture, hair type and protective hairstyles." "Protective hairstyles" include any "hairstyle, hair color or manner of wearing hair that includes, but is not limited to, braids, regardless of whether the braids are created with extensions or styled with adornments, locs and twists." Also, the legislation states that an employer's otherwise valid dress code or policy may "not have a disproportionate adverse impact on members of a protected class to a greater extent than the policy impacts persons generally."
Resources	HB 2935 (Legislature)

US — Oregon (previously covered, now effective)	
Status	**Currently effective**
Development	**Health** **Telehealth and parity expanded** Oregon has amended its telehealth law (ORS 743A.058) effective immediately to allow the use of audio-only technology. However, the legislation (HB 2508) prohibits using email, fax machines or text messaging. Dental services can also be provided under the amended law. Insured health and dental plans can't deny otherwise covered benefits merely because the services are rendered via telemedicine or restrict a provider to in-person only treatment. Additional insurance restrictions bar a plan from imposing additional certification, location or training requirements for telemedicine, charging different annual dollar maximums, or adding prior authorization requirements that do not apply to in-person visits. A plan must pay the same reimbursement for a health service regardless of whether the service is provided in person or using any permissible telemedicine application or technology. However, a plan may use capitated, bundled, risk-based or other value-based payment methods.
Resources	catherine.stamm@mercer.com ORS 743A.058 (Oregon Laws)

US — Puerto Rico (previously covered, now effective)	
Status	**Currently effective**
Development	**Career** **Minimum wage increases to be phased in** Starting 1 Jan 2022, the hourly minimum wage in Puerto Rico increased to $8.50, up from $7.25. Further increases are slated to take effect on 1 Jul 2023 ($9.50), and on 1 Jul 2024 ($10.50). The 2024 increase will require approval of the newly created Minimum Wage Evaluation Committee that is part of the Department of Labor and Human Resources. The minimum wage was last increased in 2009.
Resources	Press release (Spanish) (Government, 21 Sep 2021)

US — Rhode Island (new)	
Status	**Currently effective**
Development	**Career — Health** **Family caregiver benefits extended to six weeks** Beginning on or after Jan. 1, 2022, Rhode Island’s temporary disability and family leave law allows up to five weeks — an increase from four weeks — to bond with a new child or care for a family member with a serious health condition. The legislation (Ch. 178, HB 6090) lengthens the duration to six weeks for leaves beginning in 2023. The state continues to cap combined family and disability leave at 30 weeks.
Resources	catherine.stamm@mercer.com Ch. 178, HB 6090 (Legislature)

US — Rhode Island (previously covered, now effective)	
Status	**Progressive increases, starting 1 Jan 2022**
Development	**Career** **Minimum wage progressively increases to $15** Rhode Island's governor recently signed legislation that increased the minimum wage to $12.25 as of 1 Jan 2022, progressively increasing to $15 by 1 Jan 2025.
Resources	Governor McKee sings legislation raising the minimum wage in Rhode Island (Government, 20 May 2021); Roundup: US employer resources on minimum wage increase (Mercer, 1 Dec 2021)

US — Rhode Island (previously covered, now effective)	
Status	**Currently effective**
Development	**Health** **Insulin cost sharing capped** Effective 1 Jan 2022, Rhode Island insured health plans that cover insulin must cap a patient’s total cost sharing for insulin at $40 for a 30-day supply. The new law (Ch. 110, HB 5196) doesn’t provide for any limitations, such as by type of insulin needed. The state’s action replicates similar cost-sharing restrictions in other states after a steep rise in insulin prices. IRS Notice 2019-45 expands first-dollar coverage for the drug in high-deductible health plans paired with health savings accounts.
Resources	catherine.stamm@mercer.com Ch. 110, HB 5196 (Legislature)

US — Washington (previously covered, now effective)	
Status	Currently effective
Development	**Career** **Gender diverse boards required in Washington** Public companies subject to the Washington Business Corporation Act (WBCA) face new gender-based diversity requirements for their boards, under legislation effective 11 Jun 2020. By 1 Jan 2022, 25% of company board members must self-identify as women. This requirement must be met for a period of 270 days or more in the fiscal year preceding the company's annual meeting of shareholders. If not, they must provide their shareholders with new board diversity disclosure information. Certain companies — such as emerging growth or smaller reporting companies — are exempt from the WBCA's diversity requirements. Companies that don't reach the 25% female gender threshold by 1 Jan 2022, must post a "board diversity discussion and analysis" on their website, or include it in the annual proxy statement to shareholders. The discussion and analysis must include: • How the company considers the representation of diverse groups when identifying and nominating board candidates, or an explanation as to why diverse representation wasn't considered. • Company policies used to identify and nominate board candidates who are members of any diverse group, or the reasons why such policies weren't used. • Measures aimed at refreshing board membership, for example, the limitation on terms of office and requiring mandatory retirement. Companies that don't publish a diversity discussion and analysis could be ordered to do so by a superior court if a voting shareholder requests it.
Resources	GRIST, 11 Jun 2020

US — Washington (new)	
Status	**Health plans issued or renewed on or after 1 Jan 2022**
Development	**Career — Health** **Gender affirming treatment mandated** Under a new Washington law (SB 5313, Ch. 280), health plans issued or renewed on or after 1 Jan 2022 may not deny or limit coverage for medically necessary gender affirming treatment, and a plan can't apply categorical cosmetic or blanket exclusions. Gender affirming treatment benefits must comply with the federal Mental Health Parity and Addiction Equity Act and the Affordable Care Act. The measure specifies that gender-affirming treatment can be prescribed to "two spirit, transgender, nonbinary, intersex, and other gender diverse individuals." Washington insurance law applies to insured healthcare plans issued in the state and often to healthcare plans issued elsewhere for any covered Washington residents.
Resources	catherine.stamm@mercer.com Ch. 280, SB 5313 (Legislature)

US — Washington (previously covered, now effective)	
Status	**Currently effective**
Development	**Career — Health** **Paid family and medical leave rates posted** Washington has posted its paid family and medical leave (PFML) rates. Contributions rose from 0.4% in 2021 to 0.6% of employee wages up to the 2022 Social Security cap or $147,000. Of this amount, employers with 50 or more Washington employees pay up to 26.78% — and employees pay 73.22%. Smaller employers do not have to contribute. Benefits are calculated at 90% of employee's average weekly wage (AWW) up to 50% of state AWW (updated to $1,475), and 50% for AWW over 50% of the state's AWW. The maximum weekly benefit amount for 2022 is $1,327 — up from $1,206 in 2021.
Resources	catherine.stamm@mercer.com Premiums calculator (Government); GRIST, 20 Jan 2021

US — Washington (previously covered, updated)	
Status	**Collection date is not yet known**
Development	**Health** **Washington Cares long-term premium collection delayed** Employers with Washington employees don't have to begin collection for the state's WA Cares long-term care (LTC) fund slated to begin in January 2022. Gov. Jay Inslee, together with legislative leaders, issued statements on 17 Dec 2021 delaying the start of the program to "make improvements to the fund during the 2022 legislative session," noting that "some areas … need adjustments." Specifically, lawmakers will make recommendations about near-term retirees and residents who move out of Washington to retire. In addition, revised legislation will need to ensure those who opted out of the program maintain their private insurance policies. Some of these issues were identified in a lawsuit filed in November seeking to halt the law's implementation. The governor said he ordered the state Employment Security Department not to collect the premiums for this program from employers "before they come due in April." Employers are not subject to penalties and interest for not withholding fees from employees' wages while legislation is under consideration. Lawmakers "strongly encourage" employers to pause on collecting premiums from employees. However, it is not certain whether any retroactive collections will apply once the collection is restarted.
Resources	catherine.stamm@mercer.com; wade.symons@mercer.com and steven.ginsburg@mercer.com Press release (Government,17 Dec 2021); GRIST, 3 May 2021

US — Washington, DC (previously covered, now effective)	
Status	Currently effective
Development	**Health** **Insureds' insulin and supplies costs limited** Effective 1 Jan 2022, a new Washington, DC law (B23-920) requires health insurers that cover prescription insulin drugs to limit an insured individual's cost for a 30-day insulin drug supply to $30, regardless of the quantity or type of covered insulin. Health insurers that cover diabetes devices must limit to $100 the amount an insured has to pay for a 30-day supply of all medically necessary covered diabetes devices. Diabetic drugs and supplies must be covered with no deductible. The amounts will be annually indexed to the local area medical care Consumer Price Index. The act was passed by Congress on 1 Feb 2021, and became effective 19 March 2021. The District of Columbia joins a growing list of states curbing out-of-pocket insulin costs for insured individuals. The limits don't apply to self-insured ERISA plans.
Resources	B23-0920 (Council of the District of Columbia); DC Act 23-588 (Council of the District of Columbia, 13 Jan 2021); GRIST, 2 Sep 2020

US (previously covered with upcoming effective dates)	
Development	**Career** • Nasdaq board diversity rule approved — Key date: 8 Aug 2022 • Extensive pay equity law enacted in Rhode Island — Key date: 1 Jan 2023 **Career — Health** • Paid sick leave legislation enacted in New Mexico — Key date: 1 Jul 2022 • 2023 EHB benchmark with gender-affirming care approved in Colorado — Key date: 1 Jan 2023 • Colorado voters approve paid family and medical leave — Key date: 1 Jan 2023 • New Hampshire enacts voluntary paid family leave program — Key date: 1 Jan 2023 • Oregon's paid family and medical leave contributions delayed to 2023 — Key date: 1 Jan 2023

US (previously covered with upcoming effective dates, continued)	
Development	**Health** • Employer health plan reporting deadline extended to match federal in Rhode Island — Key date: 31 Mar 2022 • Employers required to notify employees about electronic monitoring in New York — Key date: 7 May 2022 • Large group health policies to cover basic healthcare services in California — Key date: 1 Jul 2022 • Mental health parity law updated in Illinois — Key date: 1 Jan 2023 • Consumer privacy law enacted in Virginia — Key date: 1 Jan 2023

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Asia Pacific

Australia (new)	
Status	**Currently effective**
Development	**Career — Wealth** **Final guidance on climate change financial risks issued** Final Prudential Practice Guide CPG 229 Climate Change Financial Risks will assist banks, insurers, and superannuation trustees with managing the financial risks of climate change. Issued by the Australian Prudential Regulation Authority (APRA), the principles-based guide does not impose new regulatory requirements but aims to help APRA-regulated entities manage climate-related risks and opportunities within their current risk management and governance practices, and to tailor their approaches according to their size, customer base and business strategy. APRA encourages super funds and other regulated entities to start using the guidance immediately and will advance its climate-related program of activities in 2022.
Resources	paul.shallue@mercer.com APRA finalises prudential guidance on managing the financial risks of climate change (APRA, 26 Nov 2021)

Australia (new)	
Status	**Proposal**
Development	**Wealth** **Measures to boost fund management sector proposed** A bill that would allow funds to be managed by a Corporate Collective Investment Vehicle (CCIV) feature in legislation that aims to promote Australia's fund management sector to international investors. The CCIV would be a new type of company, limited by shares, and used for fund management. It would be an umbrella vehicle comprised of one or more sub-funds and operated by a single corporate director — as such, it would be recognizable to offshore investors and fund managers. The bill would amend taxation law to specify the tax treatment of the CCIV, aligning the general tax treatment of CCIVs and their members with existing taxation of Attribution Managed Investment Trusts and its members. Currently, around 5% of the AU$ 2.5 trillion funds in Australia come from overseas.
Resources	paul.shallue@mercer.com Corporate collective investment vehicle framework and other measures bill 2021 (Parliament)

Australia (new)	
Status	**Proposal**
Development	**Wealth** **Retirement income covenant proposed** Proposals to introduce a retirement income covenant would require super fund trustees to develop a retirement income strategy for members who are retired, or approaching retirement with the aim of improving their retirement outcomes. If agreed to, the amendments would take effect on the day after Royal Assent, and by 1 Jul 2022, trustees must formulate their retirement income strategy, start to implement all strategy components, and will then need to update their strategy on an ongoing basis. The proposed covenant features in the Corporate Collective Vehicle Framework and Other Measures Bill 2021, but it would not apply to self-managed super funds or to members whose only entitlement is a noncommutable defined benefit pension or an insured benefit. The covenant would be a governance document, requiring trustees to identify the broad retirement income needs of fund members, and to present a plan to service those needs. The covenant could result in trustees evaluating the products and assistance offered to their members, and identifying improvements to better meet members' needs.
Resources	paul.shallue@mercer.com Corporate collective investment vehicle framework and other measures bill 2021 (Parliament)

Australia (new)	
Status	**Consultation open until 11 Feb 2022**
Development	**Wealth** **Consumer remediation guidance proposed** The Australian Securities and Investment Commission (ASIC) issued a second consultation on proposed updates to the Regulatory Guide 256 (RG 256), with input requested through 11 Feb 2022 — RG256 provides guidance on how licensees should act to ensure their remediations are conducted efficiently, honestly and fairly. The latest proposals incorporate input from an earlier consultation, including more clarity about how licensees should conduct remediations to return money owed to consumers.
Resources	paul.shallue@mercer.com 21-307MR ASIC consults on consumer remediation draft guidance (ASIC, 17 Nov 2021)

Australia (new)	
Status	**Consultation open until 28 Jan 2022**
Development	**Wealth** **Renewal of relief for superannuation calculators proposed** The Australian Securities and Investment Commission (ASIC) issued a consultation on relief and guidance for superannuation forecasting tools (such as superannuation calculators and retirement estimates included on superannuation member benefit statements) with input requested through 28 Jan 2022. The current relief is due to sunset on 1 Apr 2022, and ASIC's proposals aim to achieve greater consistency, including the adoption of a single framework for providing calculators and retirement estimates, the use of set standard assumptions for retirement ages and inflation rates, and greater flexibility to trustees to tailor forecasts based on investment strategies.
Resources	paul.shallue@mercer.com 21-309MR ASIC consults on updates to relief for superannuation calculators and retirement estimates (ASIC, 18 Nov 2021)

Australia (new)	
Status	⚠ **1 Jan 2023 following a one-year transition period**
Development	**Wealth** **FSC bans occupational exclusions in default insurance in superannuation** Effective 1 Jan 2023, an enforceable Financial Services Council (FSC) Standard will prohibit the use of occupational exclusions and restrictive disability definitions in default life insurance cover in superannuation, following a one-year transition period. The Standard follows an earlier consultation, and will technically be enforceable only on superannuation trustees and life insurers that are FSC members — an estimated 87% of the industry. The new standard aims to ensure individuals with default insurance are not prevented from making a valid claim due to their occupation. Trustees could still choose not to offer insurance coverage to a new member of a fund, based on their occupation, and the ban will not apply to individually underwritten life insurance in superannuation. A number of exclusions will apply, including for defined benefit schemes, members of the armed forces, and full-time reservists. The FSC expects that the standard will establish a new norm, and that non-FSC superannuation funds will follow "in the near term."
Resources	paul.shallue@mercer.com Release of FSC standard prohibiting occupational exclusions (FSC, 14 Dec 2021)

Australia (previously covered with upcoming effective dates)	
Development	**Career** • Revised remuneration standard finalized — Key date: 1 Jan 2023 **Wealth** • New mechanism for disclosure of superannuation information in family law proceedings — Key date: 1 Apr 2022 • Reduced minimum pension payment drawdown extended — Key date: 30 Jun 2022 • Superannuation insurance standard and guidance issued — Key date: 1 Jul 2022

China (new)	
Status	**Currently effective**
Development	**Career** **Some preferential employee taxation arrangements extended** On 29 Dec 2021, the State Council announced the extension of preferential individual taxation of annual bonus payments and equity-based incentives slated to expire on 1 Jan 2022. The taxation of annual bonuses will continue to be taxed separately from other income until the end of 2023, and equity-based incentives will be taxed separately from other income arising in the same month until the end of 2022. Individuals earning CNY 120,000 or less per year will be exempt from taxation until the end of 2023, and individuals whose tax liability is less than CNY 400 in any one year will not have to pay. Also, the preferential taxation of certain fringe benefits for expatriates has been extended until the end of 2023 — the tax-free status of certain fringe benefits-in-kind were due to expire on 31 Dec 2021, and would have resulted in increased tax liability for certain expatriate workers. The Ministry of Finance and State Administration of Taxation issued the extension on 31 Dec 2021 in Announcement No 43. The tax-exempt fringe benefits include housing expenses, educational expenses for children, language training, meal and laundry costs, relocation costs, business travel, and home leave expenses, and were slated to have been replaced by itemized deductions under changes included in the Amended PRC Individual Income Tax Law (Chinese) that took effect on 1 Jan 2019, with a three-year transition period until 31 Dec 2021.
Resources	angela.li@mercer.com Press release (Chinese) (Government, 29 Dec 2021); Announcement No. 43 (Chinese) (Government, 31 Dec 2021) and Amended PRC Individual Income Tax Law (Chinese)

Hong Kong (new)	
Status	**Effective dates vary**
Development	**Career** **Gender board diversity, corporate governance required** Single gender boards of listed companies in Hong Kong will be required to appoint a minimum of one director of a different gender and strengthen board independence under revisions to the Stock Exchange of Hong Kong Limited's Corporate Governance Code and Listing Rules. Highlights include: • Companies will have to define numerical board gender diversity targets and timelines, conduct an annual review of their board diversity policy, disclose workforce gender ratios (including senior managers), and publish plans or measureable objectives to achieve gender diversity. Existing listed issuers will have a three-year transition period to comply with the gender diversity requirement — and will have to appoint a director of a different gender by 31 Dec 2024. • Boards will be required to appoint new independent nonexecutive directors (INEDs) if all INEDs have served more than nine years for the financial year commencing on or after 1 Jan 2023. Companies must disclose the factors considered in reappointing INEDs serving more than nine years, outline the board's discussion of the independence of long-serving INEDs facing re-election, and publish the tenure of named long-serving INEDs in shareholder papers prepared for the annual general meeting. • Environmental, social and governance reports must be published at the same time as annual reports. The measures follow an April 2021 consultation on proposals aimed at strengthening board diversity and independence — currently 850 or 32.9% of listed companies have single gender boards. The revised code will generally take effect on 1 Jan 2022 and will apply to reports for financial years starting on or after that date.
Resources	GRIST, 22 Dec 2021

Hong Kong (previously covered with upcoming effective dates)	
Development	**Career** • Five more statutory holidays to be phased in — Key date: May 2022
India (previously covered with upcoming effective dates)	
Development	**Career — Health — Wealth** • Labor and employment laws reformed — Key date: Effective date unknown **Career — Wealth** • Top-listed companies face enhanced sustainability reporting — Key date: April 2022 **Wealth** • Guidance addresses taxation of certain employee provident fund contributions — Key date: April 2022
Japan (new)	
Status	**Currently effective**
Development	**Health** **Maximum period for payment of injury and sickness benefit changed** From 1 Jan 2021, the period of time for payment of benefits for illnesses or injuries that began on or after 31 Dec 2021 is capped at 18 months for the same illness or injury. Previously, benefits terminated 18 months after the start date. Now, if there is a period when the allowance stops, for example, working in the middle of the 18 months, the benefit payment could restart and extend beyond 18 months. The measure features in the revised Health Insurance Act.
Resources	yukiko.sanjo@mercer.com Legislation (Japanese) (Government)

Japan (previously covered with upcoming effective dates)	
Development	**Career — Health** • Childcare leave entitlement expanded — Key date: Beginning in April 2022 **Wealth** • Defined contribution reforms enacted — Key date: 1 Dec 2024

Singapore (new)	
Status	**Currently effective**
Development	**Career — Wealth** **Listed companies face new climate, diversity reporting requirements** The Singapore Exchange (SGX) has new diversity and climate reporting requirements for all issuers, beginning 1 Jan 2022. The measures follow August 2020 consultations that included proposals for 27 core environmental, social and governance (ESG) metrics, which the SGX adopted. An SGX portal will make ESG data more transparent, accessible, and comparable and simplify investors' decision making. Highlights include: • Starting on 1 Jan 2022, listed companies will have to publish a board diversity policy addressing gender, skills and experience, along with other relevant diversity issues. • Companies' annual reports must include the diversity policy and set out diversity targets, plans, and the timetable for achieving the targets. Companies will have to report on progress achieved and describe how the company's strategy aligns with directors' skills, experience and diversity. • Starting in financial year (FY) 2022, all issuers must include a climate report on a comply-or-explain basis in their company sustainability reports. These reports generally must be issued at the same time as the annual report. • From FY 2023, climate reporting will be mandatory for issuers in the financial, agriculture, food and forest products and energy industries. From FY 2024, climate reporting will be mandatory for the materials and buildings and the transportation industries. • Issuers must internally audit their sustainability reporting processes and ensure that directors follow a one-time training on sustainability.
Resources	GRIST, 28 Dec 2021

Singapore (previously covered, now effective)	
Status	**Applications will be accepted from 1 Jan 2022, but measures apply to children who are born or whose adoption process is initiated on or after 1 Jan 2021.**
Development	**Career — Health** **Family leave eligibility expanded** Parents are now entitled to more government-paid maternity, paternity or adoption leave protections. Highlights include: • Eligible working natural or adoptive fathers and adoptive mothers employed on multiple short-term contracts that end shortly before the birth or adoption of a child are entitled to government-paid paternity or adoption leave. Parents can opt to receive a cash benefit instead of taking such leave. To be eligible, parents must have worked for 90 days or more during the previous 12-month period. • The benefit amount is calculated on the parent's average income earned during the 12 months before the birth or adoption. The paternity benefit is capped at SG$2,500 per week and includes Central Provident Fund contributions. Adoptive mothers can receive eight or 12 weeks of maternity benefits capped between SG$20,000 and SG$30,000, depending on the number of children in the family. • Parents with unused maternity, paternity or adoption leave who are laid off due to redundancy or corporate reorganization are eligible for the corresponding benefit payment. Under old rules, laid-off workers forfeited any unused paid leave. • The government will reimburse employers that voluntarily grant paid maternity, paternity or adoption leave to employees who are continuously employed for fewer than three months. • Parents of a stillborn baby delivered after the twenty-second week of pregnancy will be entitled to certain government-paid leave and benefit schemes, if the child would have been a Singapore citizen.
Resources	huateck.tan@mercer.com GRIST, 27 Aug 2021

Singapore (new)	
Status	⚠ **Currently effective**
Development	**Career — Wealth** **CPF contribution increases take effect** Increased contribution rates to Singapore's Central Provident Fund (CPF) for older workers took effect on 1 Jan 2022, postponed from 1 Jan 2021 due to the impact of COVID-19. The total contribution rate increased from 26% to 28% for employees aged 55 or older, and from 16.5% to 18.5% for those aged 60 to 65. Other upcoming changes include an increased minimum retirement age (from age 62 to 63 by July 2022 for those born on or after 1 Jul 1960, and to 65 by 2030), and increased reemployment age (from age 67 to 68 in 2022 for those born on or after 1 Jul 1955, and n to age 70 by 2030). The government will support employers to implement these measures with a Senior Worker Support Package, comprising the Senior Employment Credit, the CPF Transition Offset, the Senior Worker Early Adopter Grant, and the Part-time Reemployment Grant.
Resources	Announcement (CPF Board, 2 Mar 2021)

South Korea (new)	
Status	Currently effective
Development	**Career — Health** **Annual paid leave entitlement changed for employees on one-year fixed term contract** Effective 16 Dec 2021, the eligibility criteria changed for the paid annual leave period of 15 days granted to employees who have worked a single one-year fixed term contract under the Labor Standards Act. Previously, the Ministry of Employment and Labor's position was that employees earned this leave immediately on completion of one full year of employment, subject to working for at least 80% of the year. This leave was in addition to the 11 days of paid leave for completing each full month — resulting in a total of 26 days of paid leave. Now, the additional 15 days of annual leave is granted only to employees who have completed one year of employment, plus one additional working day (day 366). The change follows a Supreme Court decision in October ruling that fixed-term employees under one-year contracts who leave employment are only entitled to compensation for unused leave of up to 11 days — instead of 26 days.
Resources	sungjae.you@mercer.com Government release (Korean) (Ministry of Employment and Labor, 16 Dec 2021)

South Korea (new)	
Status	**Changes will be implemented in first half of 2022**
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 will be implemented in the first half of 2022. 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, asset allocation funds, and money market funds. 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	sungjae.you@mercer.com Information on the legislation (Korean)

South Korea (previously covered, now effective)	
Status	**Currently effective**
Development	**Career** **Minimum wage increased by 5.1%** The Minimum Wage Commission increased the minimum wage 5.1% to KRW 9,160 per hour for 2022, much higher than the 1.5% increase in 2021. The monthly wage will be approximately KRW 1,914,440 per month.
Resources	sungjae.you@mercer.com Minimum wage system (Minimum Wage Commission)

South Korea (previously covered, now effective)	
Status	Currently effective
Development	**Health** **National health insurance rate increased** The national health insurance rate increased to 6.99% of income in 2022, up from 6.86%. The contribution payment is divided equally between employers and employees, and the monthly average national health insurance contribution increased by KRW 2,475 to KRW 133,087, up from KRW 130,612.
Resources	sungjae.you@mercer.com Press release (Korean) (Ministry of Health and Welfare, 8 Aug 2021)

South Korea (previously covered, now effective)	
Status	Currently effective
Development	**Health** **Long-term care insurance rate increased** The long-term care insurance rate increased to 12.27% of the national health insurance rate for 2022, an increase of 0.75%. The average monthly contribution — which is calculated by multiplying the national health insurance rate by the long-term care rate — is KRW 14,446, up from 13,311 KRW. The long-term care rate is 0.86% of income (up from 0.79%), and the 2022 national health insurance rate is 6.99% of income.
Resources	sungjae.you@mercer.com Press release (Korean) (Ministry of Health and Welfare, 13 Sep 2021)

South Korea (previously covered, now effective)	
Status	**Currently effective**
Development	**Career — Health** **Employment insurance premium increased** The employment insurance premium increased to 1.8% from 1 Jul 2022, up from 1.6%. The premium payment is divided equally between employers and employees, and all regular employees working more than 15 hours per week must contribute.
Resources	sungjae.you@mercer.com Press release (Korean) (Ministry of Labor, 1 Sep 2021)

South Korea (previously covered with upcoming effective dates)	
Development	**Career** • Five more statutory holidays to be phased in — Key date: May 2022 • Protections against gender discrimination and sexual harassment to expand — Key date: 19 May 2022

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Europe, Middle East and Africa (EMEA)

EU (new)	
Status	Proposal
Development	**Career** **Gender equal pay, transparency proposals advance** A proposed EU directive to strengthen equal pay for equal work or work of equal value between men and women, including pay transparency measures, will advance following agreement by the Council of Ministers on 6 Dec 2021. In June 2019, the Council asked the European Commission to take measures to improve pay transparency, and the commission published the proposed directive on 4 Mar 2021. The European Parliament and the Council of Ministers have started negotiations to finalize the directive. Highlights include: • Employees and their representatives would be entitled to request and receive information, by gender, on individual and average pay levels for employees doing the same work or work of equal value. • Employers would have to indicate initial pay level or salary range to job candidates. • Organizations with 250 or more employees would have to provide annual information on the gender pay gap, and would have to share this information with their employees, representatives and the designated national authority. They may also make this information publicly available. • Organizations with a gender pay of 5% or more for any employee category that is not due to gender-neutral factors or cannot be objectively justified, would have to conduct a joint pay assessment with employee representatives. Member states would have to ensure judicial procedures to enforce equal pay rights. • Compensation or reparation payable for equal pay breaches would be uncapped, and would have to include full back pay, related bonuses or payments in kind, compensation, and interest on the arrears.
Resources	GRIST, 16 Dec 2021

EU (new)	
Status	**Proposal**
Development	**Career — Health — Wealth** **Expansion of platform workers' rights proposed** Digital labor platform (DLP) workers in the EU could be given employment rights under a proposed directive issued by the European Commission. Highlights include: • DLPs include any person providing commercial services that meets certain criteria, for example, a service provided at a distance using electronic means. Platform work includes any work organized through a digital labor platform that is performed by an individual on a contractual basis between the platform and individual. • A DLP will be presumed to be the employer of platform workers if they exercise certain controls (these are defined by the directive), entitling the worker to employment rights. • DLPs would have to provide information to national authorities about their business and use of platform workers, and implement procedures to correctly determine the employment status of individuals performing platform work, and rectify any misclassification. • DLPs would have to inform platform workers about the use of automated monitoring and decision-making systems, and their impact on working conditions (for example, task allocation and bonus awards). • DLPs would have to provide in-person monitoring and evaluation of automated decision making to ensure they do not put undue pressure on platform workers, or risk their physical and mental health. • Platform workers would be entitled to an explanation about the decisions taken by automated systems that significantly affect their working conditions, and to discuss and clarify the facts, circumstances and reasons for such decisions. • DLPs would have to provide workers with a written statement of reasons for any decision to restrict, suspend or terminate their account, or refusal to remunerate their work. Platform workers could request the digital labor platform to review any such decision and provide a substantiated reply within one week. • National laws would have to protect platforms workers from adverse treatment and dismissal for applying their rights under the directive.
Resources	GRIST, 16 Dec 2021

EU (new)	
Status	Proposal
Development	**Career** **Minimum wage proposal advances** The EU Council of Ministers agreed on a proposed directive on minimum wages, paving the way for negotiations with the European Parliament. Issued by the European Commission (commission) in October 2020, the directive aims to ensure statutory minimum wages are sufficient throughout the EU (a minimum of 60% of the national median wage), promote collective bargaining on wage setting, and improve access to minimum wage protection for workers. The directive would not require member states that lack a statutory minimum wage to introduce such a system. Hungary and Denmark voted against the directive. Highlights include: • Member states would have to create action plans to promote collective bargaining if fewer than 70% of workers are covered by such arrangements. Countries with high collective bargaining coverage tend to have fewer low wage workers and higher minimum wages than countries with low collective bargaining coverage. • Member states with statutory minimum wages would have to implement a procedural framework to set and update minimum wages, using clear criteria. • National laws would have to include controls and inspections, penalties for noncompliant employers, and ensure individuals have easy access to information on minimum wage protection, including a right to redress. • Member states would have to monitor the coverage and adequacy of minimum wages, and submit a report to the commission every two years on the rate of collective bargaining coverage, the level of statutory minimum wages, and the workers covered by them. Member states with exclusive collective agreements would have to report the lowest pay rates set by such agreements, and the wage levels of those not covered by collective agreements.
Resources	GRIST, 15 Dec 2021

EU (previously covered, now effective)	
Status	**Currently effective**
Development	**Career** **Revised company law impacts participating companies, employees** Companies that carry out cross-border mergers, divisions and conversions are now subject to revised EU rules from 2022, under a new directive on company law that includes employee participation and consultation requirements. Highlights include: • The consultation and participation provisions will enable employee representatives to assess the implications of proposed business changes on the workforce, and assure consultation and participation rights in the resulting organization, where required. • In most cases, the company carrying out the cross-border operation should prepare a report “to explain and justify” the legal and economic aspects of the proposed cross-border operation and the anticipated implications for employees. Specifically, the report should set out: – The implications of the cross-border operation for the company’s future business, including its subsidiaries – An explanation of the proposed cross-border operation on the employment situation and any material changes that would be made to employment conditions, collective agreements or to transnational company agreements – Remedies available to employees, especially information about their right to exit the company – Likely changes to work, wages and salaries, the location of specific jobs and expected consequences for the employees occupying those roles, company-level social dialogue, arrangements for board-level employee representation (where applicable), and the impact on any company subsidiaries • Employees will have the right to be represented on information and consultation bodies (for example, works councils) and in employee participation arrangements (for example, supervisory boards) in the converted company. • The commission must evaluate the directive, including its impact on employee participation and consultation rights, by 2026.
Resources	GRIST, 21 Nov 2019

EU (previously covered with upcoming effective dates)	
Development	**Career** • Law strengthens rights of 'nonstandard workers' — Key date: Summer 2022 **Career — Health** • Measures on work-life balance, including leave, finalized — Key date: Summer 2022 **Wealth** • ESG agenda, capital markets union progress — Key date: 10 Mar 2022

Bahrain (new)	
Status	**Currently effective**
Development	**Health** **VAT tax increases will impact medical insurance services** The rate of value added tax (VAT) doubled on 1 Jan 2022 to 10%, up from 5%. The same VAT rate is expected to apply uniformly across a range of goods and services, including medical insurance services and commission. The increased rate measure aims to boost government revenues and rebalance the government's Fiscal Balance Programme that was negatively impacted by COVID-19.
Resources	soukeine.salah@mercermarshbenefits.com Law No. 33 of 2021 (Arabic) (Government)

Belgium (new)	
Status	⚠ **Gradually increasing by 2024**
Development	**Career** **Salary ceiling increases to negatively impact second pillar plans** A gradual increase in Belgium's statutory salary ceiling (12% by 2024, or 20% including indexation) will reduce the amount of contributions and accumulated capital in supplementary pension plans established under the second pillar. The annual salary ceiling currently is €60,026.75, corresponding to a gross monthly wage of approximately €4,500, and will increase incrementally to €67,266.74 in 2024. The salary ceiling caps the amount of annual salary used to calculate statutory pension entitlement, and is also used to calculate annual premiums for supplementary pension plans. The increased salary ceiling will reduce the premium amounts and the plan's accumulated capital, negatively impacting individuals earning more than the wage ceiling (typically middle and higher managerial level employees). Mercer estimates that the biggest impact will be on employees earning just above the increased salary ceiling. As a result, the accumulated pension capital of younger employees with a projected career of 40 years could be reduced by as much as 20%. The increased salary ceiling implements a governmental commitment to increase the statutory monthly pension to €1,500 by 2024 and alleviate poverty among retirees.
Resources	Law (Dutch) (Government)

Belgium (upcoming effective date)	
Development	**Wealth** • Blue- and white-collar pension harmonization approaches — Key date: 1 Jan 2025

Czech Republic (previously covered, now effective)	
Status	**Currently effective**
Development	**Career** **Minimum wage significantly increased** The minimum monthly wage increased to CZK 16,200, up from CZK 15,200.
Resources	Press release (Czech Republic) (Government, 5 Nov 2021)

Denmark (previously covered, now effective)	
Status	**1 Jan 2022**
Development	**Wealth** **New early retirement option now effective** A new early retirement option for employees, including self-employed persons who have had long and hard working lives, took effect on 1 Jan 2022. Highlights include: • The early retirement option is based on the number of years an individual has worked. For example, a 61-year-old individual who has been in the labor market for 44 years can retire three years before the national retirement age, and those with 42 and 43 years may retire one or two years early. • Certain periods when individuals do not work full-time (such as a period of unemployment, sickness, part-time work, maternity leave or compulsory internship periods) will not count against calculating the number of years in the labor market. • The agreement also includes measures to improve the working environment. For example, DKK 100 million will be set aside in 2023 and private and public workplaces can apply for funds to improve the mental and physical work environment. According to the employment ministry, 41,000 full-time employees are expected to be entitled to early retirement in 2022, and 24,000 full-time employees are expected to exercise the right.
Resources	Act (Danish) (Government, 15 Dec 2020); GRIST, 3 Nov 2020

Egypt (new)	
Status	**Currently effective**
Development	**Career** **Private-sector minimum wage established** For the first time for Egypt's private sector employees, a monthly minimum wage of EGP 2,400 has been established, effective 1 Jan 2022. The National Wages Council also approved the payment of a periodic bonus to private-sector employees, calculated on 3% of the insurance contribution wage for the fiscal year 2021/2022. The minimum bonus payment is EGP 60 — but implementation details have not been published. The measures feature in Ministerial Decree No. 57 of 2021 and include "flexible mechanisms" aimed at encouraging employers' compliance. Employers can submit comments on the new minimum wage until October 2021.
Resources	Ministerial Decree No. 57 of 2021 (Government)

Finland (previously covered, now effective)	
Status	**Currently effective**
Development	**Wealth** **Survivors' pension scheme revised** Changes to Finland's survivors' pension scheme effective 1 Jan 2022 impact payments made under the surviving spouses' and orphans' pensions that aim to replace income when a family wage earner dies. The spousal pension is calculated on the deceased person's pension and comprises an initial payment and a continuing pension payment that is partly income-tested, subject to certain eligibility criteria. The orphan's pension had been paid to children up to age 18 when their parent or step-parent dies, subject to certain eligibility criteria. Highlights include: • For surviving spouses born in 1975 or later, both the national pension element and the continuing pension portions of the surviving spouse pension is a fixed term limited to 10 years or the date the youngest child turns age 18. • The upper age limit for the widow's pension under the National Pensions Act remained unchanged at age 65. • Unmarried partners are eligible for a survivor's pension if they have cohabited for five or more years or have a child younger than age 18. Previously, cohabiting partners were not entitled to receive a survivor's pension. • The cutoff age for the orphan's pension increased from 18 to 20.
Resources	sirkka.linden@mercer.com GRIST, 29 Nov 2021

Germany (previously covered, now effective)	
Status	⚠ **Currently effective**
Development	**Wealth** **Employers to pay contributions for some pre-2019 defined contribution pension plans** From 1 Jan 2022, employers in Germany must contribute to employees' deferred compensation plans if agreed to before 2019. The measure featured in a 2017 law that allowed the establishment of defined ambition and pure defined contribution (DC) retirement plans from 2018. It aimed to boost participation in DC schemes and reduce employers' pension liabilities. Employers had to pay compulsory contributions from 1 Jan 2019 for salary-sacrifice arrangements established after that date, and from 1 Jan 2022 for arrangements agreed to before 2019. Employer contributions must equal 15% or less, if the employee's sacrificed salary is paid into a direct insurance arrangement, pension fund or pension fund society and results in lower employer social security contributions. Employer contributions of 15% or less of sacrificed salary also are payable on pure DC plans introduced by collective or works council agreements.
Resources	david.lesch@mercer.com Occupational Pensions Strengthening Act (German) (Government)

Germany (previously covered, now effective)	
Status	⚠ **Currently effective**
Development	**Career** **Commercial partnership taxation revised** From 1 Jan 2022, changes to company law allow partners in commercial partnerships and partnership companies to be treated as a corporation for tax purposes, and enable them to reinvest certain amounts of profit on the same basis as a corporation. The changes aim to strengthen Germany's economic competitiveness and will reduce the amount of taxation liability on retained earnings and shareholders.
Resources	david.lesch@mercer.com Legislation (German) (Bundestag, 4 Jun 2021)

Germany (previously covered, now effective)	
Status	**Currently effective**
Development	**Health — Wealth** **Maximum life insurance and 'Pensionsfonds' interest rates reduced** The Finance Ministry reduced maximum interest rates applicable to life insurance contracts and Pensionsfonds 0.25% — down from 0.9% as of 1 Jan 2022. Pensionsfonds offer occupational retirement provision in the form of a funded pension scheme.
Resources	monika.oecking@mercer.com Legislation (German) (Bundesanzeiger Verlag)

Germany (upcoming effective date)	
Development	**Career** • Larger companies face human rights mandates — Key date: 1 Jan 2023

Greece (previously covered, now effective)	
Status	⚠ **Currently effective**
Development	**Wealth** **New mandatory individual retirement account introduced** Companies must enroll new hires in a mandatory individual defined contribution (DC) fund — the Hellenic Auxiliary Pensions Defined Contributions Fund (TEKA) — under measures aimed at improving pension sustainability and benefits. Highlights include: • Employees born on or after 1 Jan 1987 who participate in the auxiliary pension scheme of the Unified Agency for Social Insurance (e-EFKA) can switch to the TEKA and stop contributing to the e-EFKA. The transfer must be made between 1 Jan 2023 and 31 Dec 2023. • Certain employees aged 35 years or younger can also transfer to the TEKA from the current supplementary pension program (ETEAEP). They must be self-employed in the healthcare sector, insured under the Organization of Agricultural Insurances, or exempt from insurance in any other supplementary pension program. Employees aged 35 or older who work in these sectors must remain in the ETEAEP but can participate in the e-EFKA. • TEKA is a fully funded DC scheme that will pay old age, disability and survivor benefits to eligible individuals. • The government guarantees a minimum benefit equivalent to a TEKA scheme member's total employee and employer contributions, adjusted for inflation. • TEKA scheme members have a predefined investment scheme, approved by the scheme's board as the most suitable for the average insured member. Members are offered investment options with different risk profiles and can change investment selections once every three years. • Individuals with at least 15 years of contributions will receive their retirement pension at the normal retirement date as a lifetime annuity. Individuals with fewer than 15 years of contributions will receive a lump sum payment. • Contribution rates will be the same as for the ETEAEP: Employers and employees each contribute 3.25% calculated on monthly earnings or payroll up to €6,500. The contribution rate will reduce to 3% in June 2022.
Resources	theodosios.anagnostopoulos@mercermarshbenefits.com and imitra.toubakari@mercermarshbenefits.com GRIST, 1 Dec 2021

Greece (new)	
Status	**Currently effective**
Development	**Career** **Minimum wage increased** A 2% increase to minimum wage rates took effect on 1 Jan 2022. The monthly minimum wage increased to between €663 and €861.90, subject to the employee's length of service.
Resources	Press release (Greek) (Government, 26 Jul 2021)

Ireland (upcoming effective date)	
Development	**Career** • Employers face annual reporting on gender pay gap — Key date: Effective date is not yet known 2022

Israel (new)	
Status	**Beginning 1 Jan 2022**
Development	**Career — Wealth** **Normal retirement age for women to increase** The normal retirement age for women in Israel will gradually increase to age 65 —– up from age 62 — under measures in the Economic Arrangements Law that passed parliament on 4 Nov 2021. The increase will start with four months per year from 2022 to 2024, and three months per year from 2025 to 2032. To ease the transition for women nearing retirement age, the government will expand the duration of unemployment benefits for women aged 60 and older, fund professional training programs, and pay an employment grant to women on lower earnings. Pensioners under age 70 can also earn increased income before their pension is reduced. The male retirement age remains unchanged at 67.
Resources	Press release (The Knesset, 5 Nov 2021)

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

Jersey, Channel Islands (previously covered, now effective)	
Status	**Currently effective**
Development	**Career — Health** **Rest break established, paid leave increased** Effective 1 Jan 2022, Jersey introduced a 20-minute daily rest break for employees who work six or more hours a day and three weeks — up from two weeks — of paid annual leave.
Resources	Vote for Draft Employment (Amendment of Law) (No. 3) (Jersey) Regulations 202-[P.88-2021] Principles (Legislature, 11 Mar 2021)

Jersey, Channel Islands (previously covered, now effective)	
Status	**Currently effective**
Development	**Career** **Minimum wage increased** Jersey's minimum wage rose to £9.22 (up from £8.32), and the rate for first- and second-year trainees in approved training increased to £6.91 (up from £6.24) and £8.07 (up from £7.28) respectively. The amounts that can be offset for employer-provided staff accommodation and meals remain unchanged.
Resources	Minimum wage information (Government)

Kuwait (upcoming effective date)	
Development	**Health** • Insurance companies, brokers required to register — Key date: 11 Mar 2022

Netherlands (new)	
Status	**Currently effective**
Development	**Career** **Gender balance duty for companies introduced** New appointments to the supervisory boards of listed companies in the Netherlands are subject to gender quotas, and large public limited companies ("NVs") and private limited companies ("BVs") have to set ambitious gender balance targets for their boards of directors and second-tier management roles. The Act on Gender Balance on Management and Supervisory Boards passed the parliament's senate on 28 Sep 2021 and took effect on 1 Jan 2022. However, a sunset clause will cause the law to lapse in eight years after an evaluation of its impact. The act replaces gender balance rules based on a comply-or-explain principle that applied from 1 Jan 2013 to 1 Jan 2020. Highlights include: • Supervisory boards of listed companies generally have to comprise at least one-third male and one-third female members, and any new board appointment that does not achieve gender balance are null and void. (However, the validity of any board decisions are unaffected.) • Large NVs and BVs have to set appropriate and ambitious gender balance targets for their supervisory boards, boards of directors, and certain senior management roles. • Gender targets should aim to improve the gender balance and must take into account the board's size, the supervisory board, senior manager numbers, and the current male/female ratio. • Companies must draw up a plan to achieve their self-determined gender target. If targets are met, companies must set a new strategy and appropriate targets. • Companies must report progress toward achieving their gender targets in their annual report within 10 months of the end of the financial year. The first report must be submitted for the 2022 financial year and the information must follow a specified format. • The Dutch Social and Economic Council will monitor and publish findings on companies' progress and compliance with the act.
Resources	charlotte.oudshoorn@mercer.com GRIST, 28 Oct 2021

Netherlands (upcoming effective date)	
Development	**Career — Health** • Paid parental leave enacted— Key date: August 2022 **Wealth** • Pension plan reforms delayed — Key date: Expected to be enacted in 2023

Oman (upcoming effective date)	
Development	**Health** • Oman issues implementation rules for new health insurance scheme — Key date: Effective date not yet known

Poland (new)	
Status	**Currently effective**
Development	**Career — Health — Wealth** **Tax reforms will impact health insurance contributions, highly paid employees** Major tax reform legislation (the "New Deal") recently signed by the President and effective 1 Jan 2022, ends the 9% tax deduction for health insurance contributions for all employees and has a negative impact on highly paid employees earning PLN 150,000 or more. However, other tax changes have a positive impact on some employees. For example, the tax-free allowance increased to PLN 30,000 — up from PLN 3,091, and the first tax-threshold amount will increased to PLN 120,000 — up from PLN 85,000. The personal income tax rates remain unchanged (17% and 32%). Additional positive tax changes for some employees include the extension of personal income tax exemptions (for example, to taxpayers with at least four children and pensioners' income if they remain employed), special tax relief for employees with annual compensation between PLN 68,412 and 133,692, aimed at offsetting the loss of the health insurance tax deduction, and tax relief for single parents. Mercer Poland has published the results of its survey, *2021 the Polish Deal and Salary Increases*.
Resources	Information on the New Deal (Polish) (Government)

Portugal (new)	
Status	**Currently effective**
Development	**Career** **Minimum wage and exceptional compensation payment increased** The monthly minimum wage increased on 1 Jan 2022 to €705. Certain employers could be entitled to receive an exceptional compensation payment for each full-time employee paid equal to or higher than €655, but less than €705 per month, as of December 2021. The measure aims to compensate employers for the minimum wage increase, and employers must register to receive it by 1 Mar 2022.
Resources	Decree Law No. 109-B/2021 (Spanish) (Government)

Portugal (previously covered, now effective)	
Status	Currently effective
Development	**Career — Health** **Employers prohibited from contacting employees after hours** Employers with more than 10 employees face new penalties for contacting employees outside of work hours and must generally allow remote work, under measures in a decree-law that passed 3 Nov 2021. Highlights include: • Employers may not contact employees by email, text or telephone outside of work hours, and except in emergencies, employers that continue to make contact will face fines for labor law violations. • Employers and employees must agree to remote work and include the terms and conditions in employment contracts. Remote-work agreements can be for fixed terms of up to six months or open-ended arrangements that can be terminated with 60 days' notice. • Employees can refuse an employer's request to work remotely but must justify their decision. Employer consent to remote work is not required for parents with children under age 8, as long as their role is compatible with remote work. • Employers must pay for remote workers' additional energy usage, internet and IT costs, but the law does not specify how to calculate these costs. • Employers must meet face-to-face with remote workers at least once every 60 days. • Employers must respect remote workers' privacy and treat them the same as other workers, for example, with regard to working time, employee representation, vacation entitlement, insurance benefits, training and occupational health and safety.
Resources	paolo.fradinho@mercermarshbenefits.com GRIST, 29 Nov 2021; Law No. 83/2021 (Portuguese) (Official Gazette, 6 Dec 2021)

Qatar (upcoming effective date)	
Development	**Career — Health** • Employers must provide healthcare coverage to expatriate employees — Key date: April 2022

Russia (previously covered, updated)	
Status	**Currently effective**
Development	**Career — Health** **Requirements for foreigners' medical examination, fingerprint registration clarified** The Ministry of Internal Affairs clarified on 30 Dec 2021 the implementation details for new medical examination requirements and biometric registration for foreigners under Order No. 1079n — effective 29 Dec 2021. From 1 Mar 2022, all foreigners who enter the country for work (including highly qualified specialists, other migrant workers), and individuals aged seven years or over who enter for periods exceeding 90 days, will be subject to the medical examination requirements, including chemical and toxicological studies. The order specifies that the examination must be repeated within 30 days of the expiration of medical certificate, but further clarification is expected from the Ministry as to the certificate's validity period and if medical examinations conducted prior to 1 Mar 2022 will be accepted. The one-time mandatory fingerprint registration took effect on 29 Dec 2021, and all foreigners must submit fingerprints and photos for biometric identification within 30 days of their arrival in Russia. Foreign nationals who already were in the Russian Federation before 29 Dec 2021 can undergo fingerprinting the next time they enter the federation, or any time prior to re-entry. Sanctions for failing to meet the requirements include cancellation of, or refusal to, issue relevant documents.
Resources	Release (Ministry of Internal Affairs, 30 Dec 2021)

Saudi Arabia (upcoming effective date)	
Development	**Career** • Contracting with companies with regional headquarters outside of the kingdom to cease — Key date: 1 Jan 2024

Spain (new)	
Status	**Currently effective**
Development	**Health — Wealth** **2022 budget changes impact pension contributions** Spain's General State Budget Law for 2022 (Law 22/2021, 28 Dec 2021), includes several employment-related tax measures, effective 1 Jan 2022. They include new annual maximum contribution limits to qualified pension plans (such as individual or company qualified plans, "planes de pensiones," "mutualidades de previsión social," "planes de previsión social empresarial," and "planes de previsión asegurados.") The joint maximum annual contribution limit is €1,500 per year (down from €2,000), but it could be increased by up to €8,500 for contributions paid for by the employer, or if the employee's contributions to the same plan are equal to, or less than, the employer's contributions. The joint maximum personal income tax reduction is €1,500 per year (down from €2,000). However, this amount can be increased by up to €8,500 if the employer pays the pension contributions, or if the employee's contributions to the same plan are equal to, or less than, the employer's contributions and do not exceed 30% of the individual's net income. Employer contributions that derive from certain employee decisions (such as flexible remuneration and salary sacrifice) will be included in calculating the employee's contributions. For employees using salary sacrifice to contribute to a qualified pension plans, the employer's contributions corresponding to the salary sacrifice will be included in the employee's contribution cap, not the employer's contributions. Finally, social security pension contributions increased by 2.5%, and noncontributory pensions by 3%. For 2022, the revaluation of the public pension payment is capped at €39,474, and the social security contribution (general regime) at €4,139.40 per month, and €49,672.8 per year.
Resources	juan.luis.alonso@mercer.com and bruno.olivella@mercer.com Law 22/2021 (Spanish) (Government, 28 Dec 2021)

Spain (new)	
Status	Currently effective
Development	**Wealth** **Public pension system reforms enacted** Law 21/2021 — effective 1 Jan 2022 — aims to reinforce the financial and social sustainability of the public pension system. It includes a new framework for pension revaluation. Pensions will increase on 1 January annually, in line with the average annual inflation calculated over the 12-month period prior to December of the previous year. If the consumer price index is negative, the pension amount will remain unchanged. For 2022, contributory pensions will increase by 2.5%. In addition, the law includes certain measures to voluntarily bring the effective retirement age closer to the legal ordinary retirement age — review of early retirement (voluntary, involuntary and based on the activity), delayed retirement, active retirement and forced retirement. The law also introduces the Intergenerational Equity Mechanism (MEI) to replace the Sustainability Factor. The MEI establishes an additional company and employee contribution to the Social Security for the period 2023 to 2032 with the aim of reactivating the Social Security Reserve Fund. The contribution amount will be 0.6% of the common contingency contribution, paid by the company and employee, as per normal social contributions. If the planned spending path remains unchanged, no further measures will be applied and the Social Security Reserve Fund could be used to reduce social contributions or improve the pension amount.
Resources	Juan.Luis.Alonso@mercer.com and Bruno.olivella@mercer.com Law 21/2021 (Spanish) (Government)

Sweden (new)	
Status	Currently effective
Development	**Health** **Income cap for sickness benefit increased** The salary cap for calculating sickness benefit qualifying income (SGI) increased on 1 Jan 2022 to 10 price base amounts (BPA), up from 8 BPA. The change means insurers must recalculate insurance amounts: the benefit amount must compensate for the difference between the disability's selected compensation level and the general health insurance benefit paid by the Social Insurance Agency (Försäkringskassan).
Resources	Press release (Swedish) (Social Insurance Agency, 20 Dec 2021)

Turkey (new)	
Status	Currently effective
Development	**Wealth** **Re-enrollment process for auto-enrollment pension system abolished** From 28 Dec 2021, employees in Turkey no longer are automatically re-enrolled in the pension system under a decision published in the official journal. Employers do not need to take any action.
Resources	evsen.olmez@mercer.com Decision (Turkish) (Official Gazette, 28 Dec 2021)

UAE (new)	
Status	**Currently effective**
Development	**Career** **Weekend changed and shorter working week introduced for federal sector** From 1 Jan 2022, the national weekend for the United Arab Emirates (UAE) federal sector changed to Friday afternoon, Saturday and Sunday — from Friday and Saturday. The new four-and-a-half day working week is Monday to Thursday, 7:30 am to 3:30 pm, and Friday from 7:30 am to 12 noon. The government says the change will align the UAE with other markets and boost economic performance. The private education sector in Dubai and Abu Dhabi also adopted the new working week, but the wider implications for private sector business are as yet unknown.
Resources	soukeine.saleh@mercermarshbenefits.com Release (Arabic) (Government, 7 Dec 2021)

UAE (new)	
Status	⚠ **Currently effective**
Development	**Career** **Emirati employment rate boosted** On 13 Sep 2021, UAE launched a program (the 'Nafis') to boost private sector employment among Emirati nationals aged 18 to 60 years. The program aims to create 75,000 new jobs by 2025 and to achieve 10% Emiratisation employment in skilled and knowledge-based roles — the old Emiratisation target was 2%. The Nafis will be overseen by the Emirati Talent Competitiveness Council, and it comprises salary incentives and pension subsidies, and measures to support employees (for example, child allowance payments and unemployment benefits). The program includes flanking measures to support employees' career development (such as career counselling, apprenticeship and healthcare programs, and a recruitment portal to connect employers with job seekers), salary subsidies (including top-up payments for current employees of up to AED 5,000 per month, and AED 8,000 for recent graduates employed on training programs, payable for the first year). Employers hiring employees earning less than AED 20,000 per month will be entitled to state pension contribution rebates for the first five years of their employment. Other measures include initiatives to encourage public sector employees to transfer to private sector employment.
Resources	NunoFilipe.dosSantosGomes@mercer.com Information on the Nafis program (Government)

UAE — Abu Dhabi (previously covered, now effective)	
Status	**Currently effective**
Development	**Health** **Fines imposed on individuals without health insurance delayed** Effective 2 Jan 2022, individuals have to pay fines of AED 300 per month if they fail to subscribe to or renew their individually sponsored medical insurance scheme. Circular No. 2021/121 reversed the individual fine exemption from 23 Oct 2021, but Circular 2021/169 extended the exemption until 2 Jan 2022. Insurance companies must collect and transfer the fines to the Health Department.
Resources	soukeine.saleh@mercermarshbenefits.com Circulars (Department of Health); Department of Health — Abu Dhabi exempts health insurance customers from fines until October 2021 (Department of Health, 19 Aug 2021)

UAE (upcoming effective date)	
Development	**Career — Health** • Extensive private-sector labor reforms enacted — Key date: 2 Feb 2022

UK (new)	
Status	**Consultation open until 25 Mar 2022**
Development	**Career — Health** **Consultation on large employers' disability reporting invites input** A government consultation invites input on the benefits and barriers of mandatory or voluntary disability reporting by employers with 250 or more employees — comments can be submitted through 25 Mar 2022, and the government's response will be published by 17 Jun 2022. Employers that already collect data on employees with disabilities are asked to provide information about the data type, method and cost, and if collection has resulted in more inclusive employment practices. The consultation also invites views on the value of introducing a standardized disability reporting framework, the types of information that should be collected, and the publication and/or reporting of workforce data to the government or regulatory body.
Resources	Consultation on disability workforce reporting (Government)
UK (previously covered with upcoming effective date)	
Development	**Career** • Revised living and minimum wage rates announced — Key date: 1 Apr 2022 **Career — Health — Wealth** • 1.25% health and social care levy to be imposed — Key date: 6 Apr 2022

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