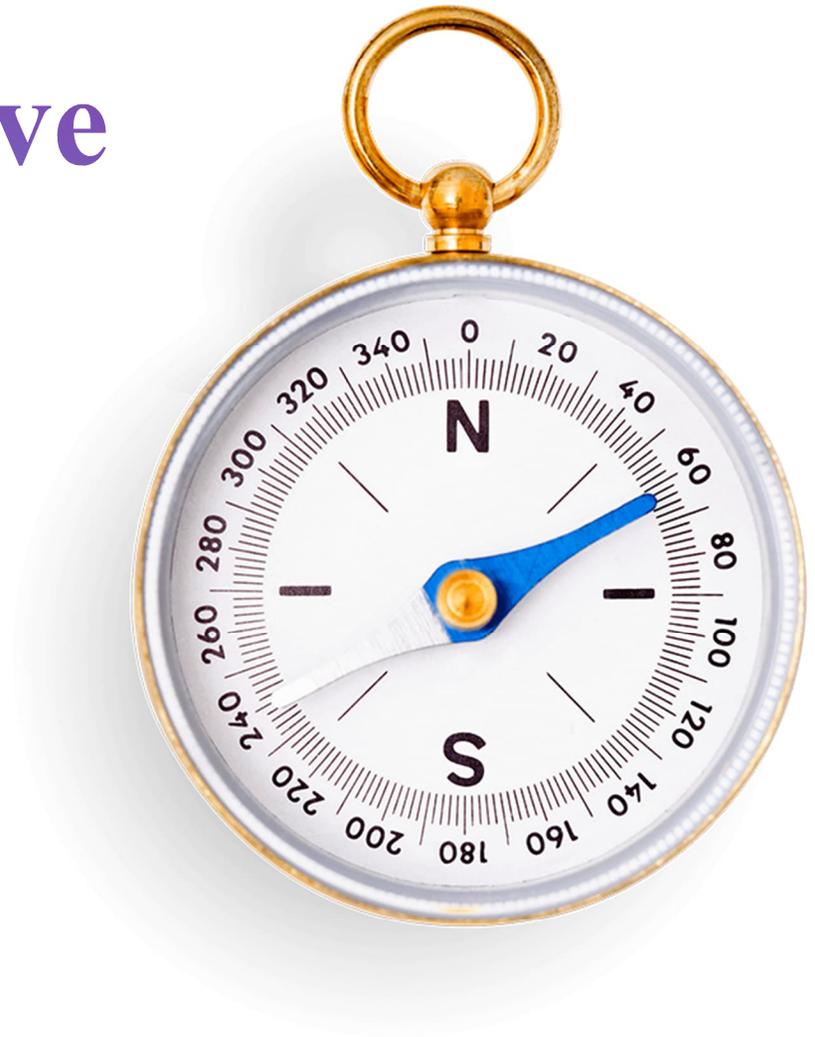


Law and Policy Group

Global Legislative Update

By Stephanie Rosseau and Fiona Webster
January 2023



In this document

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



Employer action required



Potential implications for employers



Developments to monitor

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

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Section 1

Highlights

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Ecuador	Minimum wage increased
Mexico	Minimum wage increased Employers required to provide more vacation days

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Americas (continued)

US

[Mental health parity act enacted in Georgia](#)
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[Enrollment rights for pregnant women enhanced in Rhode Island](#)
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[Pharmacy benefit management law takes effect in Tennessee](#)

Americas (continued)	
US	Voluntary family medical leave program announced in Vermont Consumer privacy law takes effect in Virginia Pay disclosure requirements expanded in Washington Insulin cost-sharing bill enacted in Washington Minimum wage significantly increases in Washington Minimum wage significantly increases in Seattle, Washington Pharmacy benefit management law takes effect in West Virginia
Asia Pacific	
Australia	Equality and anti-harassment legislation strengthened Reduction in downsizer contribution age reduced APRA releases updated standard SPS 310 Supplementary performance test for faith-based super products delayed Federal employment reforms enacted Climate-related financial disclosures proposed Planning for successor fund transfers and other transfers proposed Revised remuneration standard takes effect Revisions to investment governance standard takes effect ASIC finalizes IDR data reporting requirements FSC bans occupational exclusions in default insurance in superannuation Mental health levy to apply to payroll in Queensland
China	Law designed to eliminate workplace gender discrimination, sexual harassment
Indonesia	Minimum wage increased
Malaysia	Minimum wage order postponed for small employers Employment Amendment Act 2022 takes effect
Singapore	Foreign workers' work permits increased Work pass framework to fill skills gaps expanded Central Provident Fund contributions increased

Asia Pacific (continued)	
South Korea	Retirement tax deductions increased Minimum wage increased Meal allowance tax-free amount changes National health insurance rate increased
Taiwan	Minimum wages increase
Europe, Middle East and Africa (EMEA)	
European Union (EU)	Financial system regulator consults on fund-naming guidelines using ESG, sustainability Enhanced corporate sustainability disclosures required Proposals to enhance powers, role of national equality organizations EIOPA assesses environmental risks facing occupational pensions
Belgium	Taxable benefit-in-kind for private use of company cars increased Employers must comply with right to disconnect and training obligations
Croatia	Minimum wage increased for 2023
Cyprus	Minimum wage increased for 2023
Denmark	Tax rates for travel expenses announced
Finland	Measures to boost reemployment of dismissed older workers take effect
France	Social security ceiling increased New social protections for metallurgy sector take effect
Germany	Employers must record working time, court rules Larger companies face human rights mandates
Hungary	Minimum wage and the guaranteed minimum wage increased
Ireland	National minimum wage, living wage rates increased Statutory paid sick leave begins
Israel	Private medical insurance coverage reforms enacted
Italy	Benefit coverage for executives in commercial sector expanded
Latvia	Minimum wage increased
Netherlands	Minimum wage increased
Poland	Minimum wage increased

EMEA (continued)	
Portugal	Minimum wage increased Retirement pension age to decrease
Romania	Minimum wage increased Employee payroll recordkeeping requirements changed
Russia	Minimum wage increased
Serbia	2023 minimum hourly wage takes effect
Slovakia	Pension reforms take effect Minimum wage increased
Slovenia	Minimum wage increase for 2023
Spain	Budget 2023 includes pension and social security contribution changes
Sweden	Defined benefits to increase, employer premiums to decrease Housing benefit for 2023 tax deductions updated ITP occupational pension rules adjusted Earliest retirement age increased
Turkey	Minimum wage, social security contributions announced
United Arab Emirates	Unemployment scheme takes effect
United Kingdom (UK)	Removal of 'bonus cap' proposed The Pensions Regulator consults on regulatory approach to defined benefit funding regime Proposal to allow flexible working requests from start of employment

Section 2

Global

Reproductive rights	
Status	 Ongoing initiatives
Development	Health Global employer resources on reproductive rights post Dobbs ruling In June 2022, the US Supreme Court, in <i>Dobbs v. Jackson Women’s Health Organization</i> , overturned <i>Roe v. Wade</i> , finding no federal constitutional right to abortion and allowing states to regulate and ban abortions at all stages of pregnancy. To provide multinational employers with some information on countries’ positions on reproductive rights and the varying employee health benefit plan issues involved, the roundup cited below provides links to organizations, government websites, third-party analysis, news articles and viewpoints.
Resources	Roundup: Employer resources on reproductive rights post Dobbs ruling , regularly updated

Coronavirus (COVID-19) pandemic	
Status	 Ongoing initiatives
Development	Career — Health — Wealth Countries address workplace issues resulting from the COVID-19 pandemic Since the World Health Organization declared COVID-19 a pandemic on 12 March 2020, employers continue to address the severe impact on work practices and adjust employment and benefit policies accordingly. Countries have enacted legislation and provided regulatory guidance related to workforce protections, leave and layoff procedures, employment subsidies, and changes to existing enforcement procedures. To help multinational employers address worksite, economic and associated travel issues, Mercer is providing analysis on workforce and investment implications and compiling information from organizations, government websites, news articles, and other resources.
Resources	Roundup: COVID-19 resources for employers , regularly updated; Navigating coronavirus , regularly updated
Minimum wage rates	
Status	 Ongoing initiatives
Development	Career Global employer resources on minimum wage increases To help multinational employers address the different minimum wage rates around the world, the roundup cited below provides some information and links to resources from organizations, government websites, third-party resources and news articles
Resources	Roundup: Global employer resources on minimum wage increases , regularly updated

Remote working

Status



Ongoing initiatives

Development

Career — Health — Wealth

Countries address remote-working issues

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

Resources

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

Section 3

Americas

Argentina (new)	
Status	 Further increases are occurring on 1 February and March 2023.
Development	<p>Career</p> <p>Minimum wage increased</p> <p>The monthly minimum wage increased to AR\$65,427 on 1 January 2023, and will increase to AR\$67,743 on 1 February, and to AR\$69,500 on 1 March.</p>
Resources	Announcement (Spanish) (Ministry of Labor, 22 November 2022)
Aruba (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased</p> <p>Effective 1 January 2023, the minimum wage increased to AWG 441.60 per week and AWG 1,893 per month for employees aged 18 or older. The new income limit is AWG 4,733.50 per month, or AWG 56,802 per year.</p>
Resources	Press release (Government, 20 December 2022)
Argentina (previously covered, with upcoming effective date)	
Development	<p>Career — Health</p> <ul style="list-style-type: none"> • Employers required to provide workplace child care facilities — key date: 23 March 2023
Belize (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased</p> <p>Belize's hourly minimum wage increased to BZD\$5 on 1 January 2023.</p>
Resources	Minimum wage increases for all categories of workers (Government, 22 December 2022)

Bermuda (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> Minimum wage rate to be implemented — key date: 1 June 2023
Brazil (new)	
Status	<p> Currently effective</p>
Development	<p>Career</p> <p>Minimum wage increased</p> <p>Brazil's monthly minimum wage increased to BRL 1,320 on 1 January 2023 and is applicable to the private and public sectors, and to pensions.</p>
Resources	<p>Budget (Portuguese) (Government)</p>
Canada (new)	
Status	<p> Currently effective</p>
Development	<p>Career — Health</p> <p>Federal government improves employment insurance benefits</p> <p>The federal government announced changes to the Employment Insurance (EI) program in Budget 2022 that expanded EI sickness benefits to 26 weeks, up from 15. The amount of benefit payment is unchanged at 55% of an individual's average weekly insurable earnings, up to a maximum entitlement of CA\$638 for 2022. The change took effect on 18 December 2022, and all EI sickness claims starting on or after this date are eligible for up to 26 weeks of EI benefits. Prior claims remain subject to the 15-week maximum.</p>
Resources	<p>Government of Canada improves sickness benefits under the Employment Insurance system (Government of Canada, 25 November 2022)</p>

Canada — British Columbia (previously covered, updated)

Status  **Currently effective**

Development

Wealth

Guidance on pension benefit regulation issued

The BC Financial Services Authority (BCFSA) issued a Regulatory Guideline — PfAD for Pension Plans with a Target Benefit Provision — to assist in developing and documenting the provision for adverse deviation for pension plans with target benefit provisions. The amendments related to the PfAD reform will apply to each TBP on the plan's first review date after 31 December 2022.

Resources

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[Advisory 22-049](#) (BCFSA, 21 December 2022); [Guideline — PfAD for Pension Plans with a Target Benefit Provision](#) (BCFSA, 21 December 2022) and [Advisory for adverse deviation for target benefit plans reform and other amendments](#) (BC Financial Services Authority, 3 October 2022)

Canada — Prince Edward Island (previously covered, newly effective)

Status  **Currently effective**

Development

Career

Minimum wage increases

The minimum wage increased to C\$14.50/hour as of 1 January 2023 (up from C \$13.70/hour) and will increase to C\$15/hour on 1 October 2023.

Resources

[Minimum wage to increase twice in 2023](#) (Government, 20 September 2022)

Canada (previously covered, with upcoming effective date)

Development

Wealth

- [Regulator sets basic rate for pension plan assessments](#) — key date: 1 April 2023

Colombia (new)	
Status	 1 January 2023
Development	<p>Career</p> <p>Minimum wage increased</p> <p>Colombia's monthly minimum wage increased to COP\$1,160,000 on 1 January 2023 — a 16% increase from the 2022 rate — and the transportation subsidy increased by 20% to COP\$140,000. An estimated half of Colombia's workforce is employed in the informal sector and is not expected to benefit from the increases.</p>
Resources	Announcement (Spanish) (President, 15 December 2022)
Colombia (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Phase-in of reduced maximum weekly working time begins</p> <p>Colombia's maximum weekly working time will decrease to 42 hours — down from 48 — without loss of pay, under measures included in Law 2101 of 15 July 2021. Employees can choose to reduce their workweek effective immediately or wait for the reduction to be phased in as follows: 47 hours in 2023, 46 in 2024, 44 in 2025 and 42 in 2026. Employers will no longer have to grant employees time off for recreational, cultural, sporting or training purposes. Employers and employees can agree to calculate the 42-hour workweek over five or six workdays, but employees must have one rest day per week. All references to weekly working time in the labor code must be interpreted as meaning 42 hours.</p>
Resources	Law 2101 (Spanish) (Government, 15 July 2021)
Ecuador (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased</p> <p>Ecuador's monthly minimum wage increased to US\$450 on 1 January 2023 — a 5.882% increase from the 2022 wage.</p>
Resources	Ministerial Announcement (Spanish) (Ministry of Labor, 30 November 2022)
El Salvador (previously covered, with upcoming effective date)	
Development	<p>Career — Health</p> <p>Large employers will be required to provide day care facilities — key date: June 2024</p>

Mexico (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased</p> <p>The general daily minimum wage increased by 20% on 1 January 2023 to MXN\$207.44, and to MXN\$312.41 in municipalities within the Free Economic Zone of the Northern Border.</p>
Resources	Announcement (Spanish) (Government, 1 December 2022)
Mexico (previously covered, updated)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Employers required to provide more vacation days</p> <p>Employees are entitled to more paid vacation days based on length of service starting 1 January 2023. Employees with one full year of service are entitled to 12 vacation days (up from six days), and leave accrual increases by two days for each year of service until the employee has worked for five years, after which leave will increase by two days for each additional five-year period of service. The government recently announced that vacation accrual is now calculated annually from the date when the company made the adjustment.</p> <p>The expanded leave entitlement increases the amount of vacation premium that employers must pay (not less than 25% of the employee's salary), which is also included in severance payment calculations.</p>
Resources	<p>sofia.cruz@mercer.com</p> <p>Decree (Spanish) (Senate Gazette, 3 November 2022) and Decree 27/12/2022 (Spanish) (Official Diary, 27 December 2022)</p>

United States (US) (new)	
Status	 Effective dates will vary.
Development	<p>Wealth</p> <p>SECURE 2.0 retirement reforms are now law</p> <p>A dizzying array of legislation affecting defined contribution (DC) and defined benefit (DB) plans became law on 29 December 2022 as part of a fiscal 2023 government-spending package. The retirement provisions in the SECURE 2.0 Act of 2022 are intended to build on changes made by the Setting Every Community up for Retirement Enhancement (SECURE) Act of 2019 (Div. O of Pub. L. No. 116-94). Many provisions come from several widely supported House and Senate bills (HR 2954, S 4353 and S 4808), but delay a number of proposed 2023 effective dates in those bills to 2024 or later. Enactment of SECURE 2.0 caps several years of congressional effort.</p> <p>Numerous stakeholders, including Mercer, have worked to educate lawmakers about the value of the employer-based retirement system and the need for many policy changes to support it.</p>
Resources	geoff.manville@mercer.com , margaret.berger@mercer.com and matthew.calloway@mercer.com GRIST, 20 December 2022 and Bill Signed: HR 2617 (White House, 29 December 2022)
US (new)	
Status	 Deadline extended until 31 January 2023.
Development	<p>Health</p> <p>Agencies issue prescription drug reporting relief for 2020 and 2021</p> <p>Much-needed guidance on 2020 and 2021 prescription drug data collection (RxDC) reporting gives plan sponsors and issuers a filing grace period until 31 January 2023, along with good-faith compliance relief. The guidance also provides a new simplified filing method, suspends the aggregation rule and adds clarifications on completing submissions.</p> <p>Plan sponsors had been racing to meet the 27 December 2022, deadline for 2020 and 2021 submissions, despite numerous challenges, complexities and open questions. The new guidance only covers submissions for the 2020 and 2021 reference years; the deadline for the 2022 reference year remains 1 June 2023.</p> <p>Mercer has worked with other employer groups to raise open issues about the RxDC submissions and the need for good-faith compliance relief. The latest relief should prove helpful to many Mercer clients that sponsor group health plans subject to these requirements. Mercer hopes that regulators will release revised draft filing instructions early in 2023, so health plan sponsors, issuers and other stakeholders can provide comments and prepare to meet the 1 June 2023, deadline for 2022 submissions.</p>
Resources	cheryl.hughes@mercer.com , steven.schinderle@mercer.com and melissa.travis@mercer.com Agencies issue prescription drug reporting relief for 2020 and 2021 (Mercer, 27 December 2022)

US (new)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Same-sex marriage legislation signed into law</p> <p>President Joe Biden has signed the bipartisan Respect for Marriage Act (HR 8404), which aims to protect same-sex and interracial marriages if the US Supreme Court reverses the cases that established the constitutional right to such marriages. Such reversals became a theoretical possibility when raised in one of the opinions overturning the right to an abortion (<i>Dobbs v. Jackson Women’s Health Organization</i> (US 24 June 2022)). The legislation also revises or repeals certain provisions of the Defense of Marriage Act (DOMA) (Public Law No. 104-199).</p> <p>In <i>Loving v. Virginia</i> (388 US 1 (1967)), the court held that laws preventing interracial marriages violate the US Constitution. In <i>Obergefell v. Hodges</i> (576 US 644 (2015)), the justices similarly opined that all states must issue same-sex marriage licenses and recognize same-sex marriages validly performed elsewhere under the Constitution. That ruling came two years after the high court struck down Section 3 of DOMA, which barred federal recognition of same-sex marriages (<i>US v. Windsor</i> (570 US 744 (2013))).</p> <p>The Respect for Marriage Act does not codify all parts of the <i>Obergefell</i> decision. The legislation:</p> <ul style="list-style-type: none"> • Repeals DOMA provisions that define marriage as only between a man and a woman and allow states to refuse to recognize lawful same-sex marriages entered elsewhere • Prohibits a state from denying full faith and credit, any right or any claim relating to out-of-state marriages between two individuals because of sex, race, ethnicity or national origin, though no state would have to issue same-sex marriage licenses • Allows the Justice Department to bring a civil action to enforce the law and gives individuals a private right to sue for violations • Preserves the religious liberty or conscience protections otherwise available under the Constitution or federal law • Exempts nonprofit religious organizations from having to provide services, accommodations, advantages, facilities, goods, or privileges for the solemnization or celebration of a marriage <p>The Respect for Marriage Act should not have an immediate effect on employers’ benefits and human resource policies. However, the measure serves as a reminder that employers need to stay abreast of the evolving legislative and legal landscape around LGBTQ issues, including the various federal compliance obligations related to workplace sex nondiscrimination and domestic partner benefits. Employers also need to monitor any future litigation related to the legislation’s religious liberty or conscience protections.</p>
Resources	<p>cheryl.hughes@mercer.com</p> <p>HR 8404 — Respect for Marriage Act (Congress); Statement from President Joe Biden on bipartisan Senate passage of the Respect for Marriage Act (The White House, 29 November 2022); Senate passes protections for same-sex marriages (Mercer, 1 December 2022) and GRIST, 26 June 2015</p>

US (new)	
Status	 Currently effective
Development	Career Law prohibiting nondisclosure agreements for sexual harassment claims enacted On 7 December 2022, President Biden signed the SPEAK out Act (S 4524), which invalidates nondisclosure or nondisparagement agreements that are signed before the sexual harassment or sexual assault takes place. The law applies prospectively. In March 2022, a law was enacted that invalidated clauses in employment agreements that require employees to arbitrate claims of sexual assault or harassment.
Resources	S 4524 (Legislature)
US (new)	
Status	 Currently effective
Development	Health Two-year renewal of predeductible telehealth coverage is now law President Biden on 29 December 2022 signed a government spending package containing a two-year extension of COVID-19 telehealth relief that allows HSA-qualifying high-deductible health plans to cover telehealth and other remote care services on a predeductible basis. Congress did not, however, extend the temporary telehealth policy provided by regulators during the ongoing COVID-19 public health emergency that treats telehealth and remote care services like an excepted benefit, eliminating the need for the coverage to comply with many group plan mandates. Mercer and many other organizations will continue to urge Congress to make both types of telehealth relief permanent, as has been proposed in bipartisan legislation.
Resources	geoff.manville@mercer.com GRIST , 21 December 2022 and Bill Signed: HR 2617 (White House, 29 December 2022)

US (new)	
Status	 Currently effective
Development	<p>Career</p> <p>NLRB reaffirms safeguards against employer coercion during unfair labor practice investigation</p> <p>The National Labor relations Board (NLRB), in its Sunbelt Rentals, Inc. decision, has reaffirmed its longstanding approach to protecting employees from coercion when they are interviewed by employers preparing for unfair labor practice proceedings before the NLRB. This decision follows the Board’s Notice and Invitation to File Briefs in 2021 that sought public input regarding whether or not to adhere to the standard first adopted in 1964, which found that such interviews violated the National Labor Relations Act unless the employer gave the employee specific assurances. After considering public comment, the Board majority found that the standard “effectively balances employers’ legitimate need to prepare a defense to an unfair labor practice allegation with employees’ statutory right to engage in protected concerted activity free from employer interference.”</p>
Resources	NLRB protects workers from employer coercion during investigation of unfair labor practice complaints (NLRB, 15 December 2022)
US (new)	
Status	 Currently effective
Development	<p>Career</p> <p>NLRB expands remedy for unfair labor violations</p> <p>The National Labor Relations Board (NLRB), in the Thryv, Inc. decision, has clarified its “make-whole remedy” to expressly ensure that employees who are victims of labor law violations are compensated for all “direct or foreseeable pecuniary harm” suffered as a result of those unfair labor practices. In addition to loss of earnings and benefits, employees are entitled to compensation for other incurred financial costs, such as out-of-pocket medical expenses and credit card debt. This clarification will apply in every case in which the NLRB standard remedy would include “make-whole relief” for employees and will apply retroactively to all cases currently pending.</p>
Resources	Board rules remedies must compensate employees for all direct or foreseeable financial harms (National Labor Relations Board, 13 December 2022)

US (previously covered, now effective)

Status



1 January 2023

Development

Health — Wealth

2023 benefit limits issued

Mercer's Quick Benefit Facts offers a handy single-sheet reference guide that provides key 2021–2023 annual limits for retirement plans on one side, with health, fringe benefit and Affordable Care Act (ACA) figures on the other. Annually adjusted retirement plan figures shown on one side include:

- IRS qualified retirement plan limits
- IRS limits for traditional individual retirement accounts
- PBGC premiums for single-employer defined benefit plans
- Social Security taxable wage base and cost-of-living adjustment

Annually adjusted health and fringe benefit figures shown on the reverse side include:

- Tax-free qualified transportation fringe benefit limits
- Limit on salary-reduction contributions to health flexible spending arrangements (health FSAs)
- Maximum contributions for health savings accounts (HSAs) and out-of-pocket maximums for high-deductible health plans (HDHPs) and minimum HDHP annual deductibles
- ACA out-of-pocket maximums for nongrandfathered group health plans
- ACA play-or-pay assessments under the employer shared-responsibility (ESR) mandate
- ACA affordability limit under the ESR federal-poverty-line safe harbor
- ACA affordability percentage for employer coverage.

Resources

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[2023 quick benefit facts](#) (Mercer, October 2023); [GRIST](#), 19 October 2022 and [GRIST](#), 1 November 2022

US (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Federal contractor minimum wage increased</p> <p>The Department of Labor (DOL) published the minimum wage rates for workers performing work on, or in connection with, federal government contracts. Under Executive Order (EO) 14026, the hourly minimum wage will increase to \$16.20 (up from \$15) for non-tipped workers, and to \$13.75 (up from \$10.50) for tipped workers. This EO generally applies to contracts entered into after January 2022, and to contracts with independent agencies and contracts performed in US territories.</p> <p>Contracts entered into before January are generally subject to lower minimum wage rates under EO 13658. In such cases, the hourly minimum wage will increase to \$12.15, up from \$11.25, for non-tipped workers, and to \$8.50, up from \$7.90, for tipped workers.</p>
Resources	<p>Minimum wage for federal contracts covered by Executive Order 14026, notice of rate change in effect as of January 1, 2023 (Federal Register, 30 September 2022) and Minimum wage for federal contracts covered by Executive Order 13658, notice of rate change in effect as of January 1, 2023 (Federal Register, 30 September 2022)</p>
US (previously covered, now effective)	
Status	 2023 plan year
Development	<p>Health</p> <p>ACA affordability percentage for employer coverage drops to 9.12%</p> <p>The Affordable Care Act (ACA) benchmark for determining the affordability of employer-sponsored health coverage will shrink to 9.12% of an employee's household income for the 2023 plan year, according to IRS Rev. Proc. 2022-34. This marks a significant decrease from the 2022 level of 9.61%. For calendar-year plans using the federal-poverty-line safe harbor to determine affordability, the required employee contribution cannot exceed \$103.28 per month in 2023, slightly up from \$103.15 in 2022.</p> <p>This affordability percentage can affect individuals' eligibility for federally subsidized coverage from a public exchange, as well as employers' potential liability for shared-responsibility (or "play or pay") assessments.</p>
Resources	<p>dorian.smith@mercer.com and cheryl.hughes@mercer.com GRIST, 14 September 2022</p>

US	
Status	 Effective dates vary.
Development	<p>Career — Health</p> <p>Top 10 compliance issues for health and leave benefits in 2023</p> <p>In 2023, employers will continue to focus on complying with transparency requirements designed to provide greater insight into the prices of prescription drugs and other healthcare. Other spotlighted issues include health plan coverage of gender, family planning (including abortion) and behavioral health. With respect to gender and family planning, employer-sponsored health plans must comply with rapidly changing federal and state laws and regulations, assess litigation risks, and offer health coverage that aligns with employees’ needs and the employer’s diversity, equity and inclusion goals. Employers may want to (or have to) expand behavioral health coverage in response to the nation’s mental health crisis and tougher enforcement of the Mental Health Parity and Addiction Equity Act. The GRIST cited below summarizes expected 2023 compliance and policy developments affecting health and leave benefits and suggests action steps for employers.</p>
Resources	<p>rich.glass@mercer.com, cheryl.hughes@mercer.com, katharine.marshall@mercer.com, dorian.smith@mercer.com and jennifer.wiseman@mercer.com</p> <p>GRIST, 28 October 2022</p>
US (new)	
Status	 Effective dates vary.
Development	<p>Career</p> <p>Roundup: Employer resources on states’ recreational marijuana laws</p> <p>Twenty-one states and Washington, DC, have legalized the possession and personal use of marijuana for recreational purposes. To provide employers with some information on states’ actions and the varying employment considerations involved, this roundup provides links to organizations, government websites, third-party analysis, news articles and viewpoints on marijuana usage for recreational purposes. To help employers prepare and address related issues, the roundup cited below provides links to federal and state resources from organizations, government websites, third-party resources and news articles.</p>
Resources	<p>GRIST, regularly updated</p>

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

US — States	
Status	 Effective dates vary.
Development	<h3>Career — Health</h3> <h4>State accrued paid sick leave mandates enacted</h4> <p>To date, 14 states — Arizona, California, Colorado, Connecticut, Maryland, Massachusetts, Michigan, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, Washington, and Washington, DC, have enacted paid sick leave mandates. Maine and Nevada have laws requiring accrued paid time off not limited to sick time. All of these laws have common features, including the following:</p> <ul style="list-style-type: none">• Accruals are based on the employee’s work location and start on the date of hire.• Employers whose existing paid leave programs (e.g., time off, sick leave or personal leave) meet or exceed the maximum accrual and allow the same leave uses without more restrictions or limitations do not have to provide additional leave.• The term “health” includes mental health, preventive care and chronic conditions in addition to physical illness.• Employees exempt from the federal Fair Labor Standards Act’s minimum wage and overtime standards are considered to work 40 hours per week.• Properly classified independent contractors are not eligible for paid sick leave.• Employers may require reasonable notice if the leave is foreseeable.• If the leave is unforeseeable, employees should provide notice as soon as practicable.• Worker protections and anti-retaliation provisions apply.• Leave mandates do not apply to federal government employers, but may apply to state and/or local government employers. <p>The GRIST cited below can help employers track key provisions of different jurisdictions’ accrued paid leave laws.</p>
Resources	<p>katharine.marshall@mercer.com and rich.glass@mercer.com Roundup: State accrued paid sick leave mandates, regularly updated</p>

US — States	
Status	 Effective dates vary.
Development	<p>Health</p> <p>States update group health plan sponsor reporting obligations</p> <p>Group health plan (GHP) sponsors continue to be subject to state reporting, but no state has added a new reporting obligation since 2021. As a reminder, ERISA arguably preempts some, but not all, state reporting requirements for GHP sponsors. The GRIST cited below summarizes key state reporting mandates for GHP sponsors and reflects recent changes.</p>
Resources	rich.glass@mercer.com and dorian.smith@mercer.com GRIST , 21 December 2022
US — States	
Status	 Ongoing initiatives
Development	<p>Wealth</p> <p>Resources for tracking state and city retirement initiatives</p> <p>This article summarizes state and city retirement initiatives for private-sector workers and rounds up relevant Mercer and third-party resources. The listing cited below is updated periodically and may not always reflect the latest developments in every state.</p>
Resources	margaret.berger@mercer.com and brian.kearney@mercer.com Resources for tracking state and city retirement initiatives , regularly updated
US — Arizona (new)	
Status	 1 January 2024
Development	<p>Health</p> <p>Voters approve medical debt ballot initiative</p> <p>Voters in Arizona approved Proposition 209 that addresses medical debt, reducing the interest rate that can be charged (from 10% to 3%), increasing a debtor's home protection value (from \$250,000 to \$400,000) and decreasing disposable income subject to debt collection (from 25% to 10%).</p>
Resources	rich.glass@mercer.com Proposition 209 (Secretary of State)

US — California (new)	
Status	 The rules are now subject to review by the Office of Administrative Law (OAL) for up to 30 working days before taking effect. Once finalized, the rules remain in effect for two years. During OAL review, temporary rules remain in effect.
Development	<p>Health</p> <p>COVID-19 prevention nonemergency rules adopted</p> <p>California’s Occupational Safety and Health Standards Board (OSHSB) approved proposed regulations addressing non-emergency COVID-19 prevention. These rules are now subject to review by the Office of Administrative Law (OAL) for up to 30 working days before taking effect. Once finalized, the rules remain in effect for two years. During OAL review, temporary rules remain in effect. Highlights include:</p> <ul style="list-style-type: none"> • Workplace. Employers must provide a safe and health workplace and have a written COVID-19 injury and illness prevention program. • Testing. Employers must make tests available at no cost during paid time for all employees with close contact to an infected employee. • Close contact. This term means being within six feet of an infected employee for a cumulative total of 15 or more minutes in a 24-hour period in the same indoor space, if it exceeds 400,000 cubic feet per floor. For smaller indoor spaces, these same rules apply, except the six-foot proximity requirement. Areas (including bathrooms and offices) separated by floor-to-ceiling walls are considered distinct indoor spaces.
Resources	<p>rich.glass@mercer.com</p> <p>Occupational Safety and Health Standards Board votes to adopt COVID-19 prevention non-emergency regulations (Department of Industrial Relations, 15 December 2022); COVID-19 prevention — non-emergency regulation (Department of Industrial Relations) and COVID-19 prevention emergency temporary standards — fact sheets, model written program and other resources (Department of Industrial Relations, November 2022)</p>
US — California (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum hourly wage increased</p> <p>The minimum wage for all employers increased to \$15.50/hour as of 1 January 2023. The minimum wage for employers with 25 or more employees had been \$15/hour and \$14/hour for smaller employers. Last year, the Secretary of State announced that an initiative to increase the minimum wage to \$18/hour beginning in 2025 will be on the November 2024 ballot. Numerous counties and cities in California have higher minimum wage rates than the state’s rate.</p>
Resources	<p>Minimum wage increase, Director of Finance determination and certification (Department of Finance, 27 July 2022) and Information on minimum wage (Department of Industrial Relations)</p>

US — California (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Data privacy rights expanded</p> <p>Certain California employers are now subject to new HR data protection requirements starting 1 January 2023, under the California Privacy Rights Act (CPRA). Passed by a ballot initiative (Proposition 24) in November 2020, the CPRA expands and enhances the California Consumer Privacy Act. The CPRA further restricts companies' collection and use of personal information, increases penalties, and creates the California Privacy Protection Agency. New data privacy rights include the rights to limit sharing of personal data, correct personal data and limit use of "sensitive personal information," which is broadly defined. Examples of "sensitive" data include Social Security numbers, driver license numbers, account logins with passwords, health data, precise geolocation, racial or ethnic origin, religious beliefs, union membership, the contents of a consumer's email and text messages (unless the business is an intended recipient), genetic information, and a consumer's sex life and sexual orientation. Implementing regulations are expected.</p>
Resources	California Privacy Rights Act (Office of the Attorney General, 4 November 2019) and Proposition 24 (Legislative Analyst's Office, 3 November 2020)
US — California (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>More salary disclosures imposed</p> <p>A new California law (2022 Ch. 559, SB 1162) expands salary disclosure and pay data reporting requirements. Effective 1 January 2023, employers must disclose pay scales for positions to applicants and employees and include that information in job postings. "California has the strongest equal pay laws in the nation, but we're not letting up on our work to ensure all women in our state are paid their due and treated equally in all spheres of life," said Gov. Gavin Newsom.</p>
Resources	tauseef.rahman@mercer.com GRIST , 3 October 2022 and Roundup: US employer resources on recent equal pay laws (regularly updated)

US — California (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Unpaid family leave expanded</p> <p>Governor Newsom signed AB 1949 and AB 1041 expanding California’s Family Rights Act (CFRA), effective 1 January 2023.</p> <p>AB 1949 allows eligible employees to take up to five days of bereavement leave within three months of the death of a family member. The leave is unpaid unless the employer offers a paid leave bereavement policy or the employee chooses to use accrued paid leave such as sick or vacation time. CFRA applies to employers with five or more employees nationally. Employees must work in California and be employed for at least 30 days to be eligible. Employers may request documentation.</p> <p>AB 1041 expands the definition of “family member” to include any individual related by blood or whose association with the employee is the equivalent of a family relationship. Employers can limit eligible employees to one such “designated person” per year. This expanded definition of family member is also applied to the state’s paid sick leave law. The expanded definition does not apply to the state’s paid family leave law.</p>
Resources	<p>katharine.marshall@mercer.com</p> <p>AB 1949 (Legislature); AB 1041 (Legislature); GRIST, 19 January 2022 and Roundup, 29 April 2022</p>

US — California (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>2023 short-term disability insurance/paid family leave rates take effect</p> <p>California’s State Disability Insurance (SDI) and Paid Family Leave (PFL) rates for 2023 are now effective. The taxable wage base is \$153,164, up from \$145,600 in 2022. The employee contribution rate, which includes both SDI and PFL, will drop from to 1.1% to 0.9% in 2023 — up to the taxable wage base. The 2023 maximum weekly benefit is \$1,620. 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.</p>
Resources	<p>rich.glass@mercer.com</p> <p>2023 contribution rates, withholding schedules, and meals and lodging values (Employment Development Department)</p>

US — California (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>Dental plan disclosures required</p> <p>Under a 2018 law (2018 Ch. 933, SB 1008), fully insured plans and healthcare service plans (including DHMOs) must provide a summary of dental benefits and coverage disclosure matrix (SDBC). The original law requires covered plans or employers sponsoring a covered group plan to provide an SDBC before initial enrollment (as part of application materials), annually before open enrollment (at least 30 days before plan renewal) and on request. Plans or plan sponsors also must communicate any SDBC changes before the revised coverage terms take effect. The SDBC may be delivered via paper, email or posting on a prominent and accessible location of the plan’s website. CDI and DMHC have clarified the effective dates for this disclosure, which vary by plan type:</p> <ul style="list-style-type: none"> • Insured plans. CDI adopted emergency regulations on 28 January 2021, so disclosure requirements for fully insured dental plans first went into effect for policy years on and after 28 January 2022. CDI’s requirements apply for open enrollment periods occurring in 2022 for a plan year starting in 2023. • Healthcare service plans (HMOs). DMHC adopted emergency regulations 1 September and confirmed the effective date is 1 January 2023. Employers may (but are not required to) comply with the notice requirements before this date, even for open enrollment periods occurring in 2022 for a plan year starting in 2023. <p>Copies of the SDBC template are in both sets of regulations and should be available from insurers and HMO vendors, which must make the completed matrix available when issuing the completed policy to plan sponsors.</p>
Resources	<p>rich.glass@mercer.com</p> <p>Chapter 933 (Legislature); Emergency regulations (DMHC) and Final rules (DMHC)</p>
US — California (previously covered, now effective)	
Status	 Policy years beginning in 2023
Development	<p>Health</p> <p>Abortion coverage law takes effect</p> <p>A new law requires fully insured medical plans situated in California to cover abortion and abortion-related services without cost sharing (deductible, copayment and coinsurance), effective for policy years starting in 2023. Utilization management and review are also prohibited for these services. A health savings account (HSA)-eligible high-deductible plan may impose a deductible in accordance with federal law.</p>
Resources	<p>rich.glass@mercer.com</p> <p>SB 245 (Legislature) and Governor Newsom signs legislation to eliminate out-of-pocket costs for abortion services (Office of Governor, 22 March 2022)</p>

US — California — San Francisco (previously covered, now effective)

Status  **1 January 2023**

Development **Health**

Healthcare expenditure rates released for 2023

San Francisco has posted the 2023 Health Care Expenditure (HCE) rates under the 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 the city and county of San Francisco.

Employers with workers in San Francisco will need to prepare for compliance with the 2023 HCE and understand the HCE's application to San Francisco workers. Once premiums are set for insured plans, plan sponsors can review any deficits and determine the best approach to make up any shortfall and make the quarterly payments. Self-funded plans may want to work with their third-party administrators and actuaries to evaluate spending options. Payments for self-funded plans may be measured quarterly or annually, subject to plan design and the availability of claims data.

Due to the public health emergency rules for telecommuters, employers may wish to review census information to see if they have any workers in San Francisco. For an employer that determines an HCE for a worker in San Francisco may be due, the employer can consider making a voluntary correction with the Office of Labor Standards Enforcement. Finally, employers subject to the HCSO should become familiar with notice posting requirements, complaint process and penalties for noncompliance.

Resources rich.glass@mercer.com, patty.cartwright@mercer.com and rebecca.trautman@mercer.com
[GRIST](#), 8 August 2023 and [HCSO poster](#) (Government)

US — Colorado (previously covered, now effective)

Status	 Currently effective
Development	<p>Career — Health</p> <p>Paid family medical leave moves forward</p> <p>Colorado has adopted Family and Medical Leave Insurance (FAMLI) program regulations for private employers and self-employed individuals. The state has also developed a dedicated website with FAQs that address contribution rates, premium remittal, leave eligibility and duration, and other useful topics related to the voter-approved law (CO Rev. Stat. §§ 8-13.3-501 to 8-13.3-524). Beginning in 2024, the program will provide eligible employees partial wage replacement for 12–16 weeks of leave, depending on the circumstances. Employees are able to take paid leave for many of the same reasons permitted under the federal Family and Medical Leave Act (FMLA). The program also will extend paid leave so victims of domestic violence, sexual assault or stalking can handle related issues.</p> <p>All employers (including local government employers that decline coverage) must register via MyFAMLI+ Employer, the portal for reporting wage data, paying premiums, applying for a private plan and completing other actions. Employers with established paid leave programs that do not opt for a private plan will need to determine how to coordinate the state program with their existing plans (see the coordination-of-benefits rules, 7 CCR 1107-4). Multistate employers may need to establish a process for coordinating with other states offering similar programs.</p> <p>Employers should ensure proper setup of payroll systems for withholding post-tax premiums and reporting them for state and federal tax purposes. The FAMLI Division will send a Form 1099-G to employees who receive FAMLI benefits. The form will report FAMLI benefits in Box 1 as unemployment compensation. FAMLI benefits are not subject to state income tax, but IRS has yet to rule on whether they are subject to federal taxation.</p> <p>Posters and notices provided by the FAMLI Division are available in the Employer Toolkit. Employers must display the workplace poster in a prominent location by 1 January 2023, and provide a copy on hiring a new employee and on learning of an employee event that triggers eligibility for leave.</p>

Resources katharine.marshall@mercer.com and rich.glass@mercer.com
[GRIST](#), 14 December 2022

US — Colorado (previously covered, now effective)	
Status	 Plan years starting in 2023
Development	<p>Health</p> <p>Fertility coverage mandate takes effect</p> <p>A new mandated fertility coverage law requires large-group market fully insured plans situated in the state to cover infertility diagnosis and treatment and fertility preservation services for plan years starting in 2023. The mandate applies to small-group market and individual insured plans only if the federal Department of Health and Human Services (HHS) determines that the mandate is not an additional benefit that requires Colorado to assume the costs, under ACA exchange rules. In such event, the mandate will take effect for small-group market and individual insured plans for plan years starting 12 months after the HHS determination. This mandate does not apply to self-funded plans.</p>
Resources	<p>rich.glass@mercer.com</p> <p>HB 1008 (Legislature)</p>
US — Colorado (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>2023 EHB benchmark with gender-affirming care takes effect</p> <p>The federal Centers for Medicare and Medicaid Services approved Colorado’s request to provide gender-affirming care in the individual and small group health insurance markets as part of the state’s Essential Health Benefit (EHB) benchmark beginning in 2023. The new EHB-benchmark plan allows access to a wider range of services for transgender individuals in addition to benefits already covered. The plan also expands certain prescription drugs as alternatives to opioids, as well as acupuncture treatments. In addition, it includes an annual mental health wellness exam — one 45 to 60-minute visit per plan year, with a qualified mental healthcare provider. However, though large group health plans do not have to provide coverage of EHBs, those that use a Colorado benchmark and cover gender-affirming care or other EHBs will not be able to impose dollar limits on that care.</p>
Resources	<p>rich.glass@mercer.com</p>

US — Connecticut (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>Coverage for cancer screenings enhanced</p> <p>Connecticut enacted Pub. Act No. 22-90, which requires fully insured plans situated in the state to cover additional benefits for breast and ovarian cancer screenings as of 1 January 2023. For the first time, screening is mandatory when a physician determines a woman is at increased risk of ovarian cancer. In addition, breast cancer screenings must be covered for women under age 35 if there is an increased risk for breast cancer. The state already requires coverage for women ages 35-39.</p> <p>By contrast, the Affordable Care Act preventive health services provision (as well as a separate provision under the 2022 Consolidated Appropriations Act, through the end of 2023) only requires breast cancer screening in women ages 40 or older, does not address women who are at increased risk for breast cancer, and does not address ovarian cancer screening at all.</p>
Resources	<p>rich.glass@mercer.com</p> <p>Pub. Act No. 22-90 (Legislature)</p>
US — Georgia (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Mental health parity act enacted</p> <p>On 4 April 2022, Governor Brian Kemp signed the Georgia Mental Health Parity Act (HB 1013), a sweeping law that implements recommendations from the Georgia Behavioral Health Reform and Innovation Commission and touches on insurance, as well as courts, education, public employees and social services. The bill had bipartisan support and became effective on 1 July 2022. Insurers had until 1 January 2023, and annually thereafter, to submit their designated comparative analyses for nonquantitative treatment limitations and other information to the insurance commissioner. The insurance commissioner will make an annual “data call” by 15 May to trigger the data collection effort. By 1 January 2024 (and annually thereafter), the insurance commissioner will make these reports publicly available.</p>
Resources	<p>rich.glass@mercer.com</p> <p>Gov. Kemp provides remarks and signs Mental Health Parity Act (Governor’s office, 4 April 2022)</p>

US — Hawaii (new)	
Status	 Currently effective
Development	Career — Health Disability benefits rates increased Hawaii has posted Temporary Disability Insurance rates for 2023: <ul style="list-style-type: none">• Maximum weekly wage base — 2023: \$1,318.48; 2022: \$1,200.30• Maximum weekly employee contributions (0.5% of wages) — 2023: \$6.59; 2022: \$6.00• Maximum weekly benefit — 2023: \$765; 2022: \$697 Hawaii does not currently have a paid family leave mandate.
Resources	rich.glass@mercer.com 2023 Maximum weekly wage base and maximum weekly benefit amount (Disability Compensation Division, 1 December 2022)
US — Illinois (previously covered, now effective)	
Status	 Currently effective
Development	Career Hair nondiscrimination law takes effect As of 1 January 2023, Illinois joined the growing list of states that have banned hair discrimination. The governor signed into law the “CROWN Act” (SB 3616), which amends the Illinois Human Rights Act to expand the definition of “race” to include “traits associated with race, including, but not limited to, hair texture and protective hairstyles such as braids, locks, and twists” for the purposes of combatting unlawful discrimination in Illinois.
Resources	SB 3616 (Legislature)

US — Illinois (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Employees’ meal and rest break rights strengthened</p> <p>A bill (SB 3146) strengthening the One Day Rest in Seven Act (ODRISA) was signed into law by the governor in May 2022 and took effect on 1 January 2023. ODRISA provides employees the right to a day of rest every workweek, and meal or rest breaks during daily work shifts. Highlights include:</p> <ul style="list-style-type: none"> • Clarification of the <i>day of rest</i> requirements for employees whose schedules do not align with a Sunday to Saturday calendar week, and its application to any consecutive seven-day work period. • Requirement to add an additional 20-minute break for employees during a 12-hour shift. • Penalties of \$500 per offense and damages up to \$500 per offense for employers with 25 or more employees. Employers with fewer than 25 employees that violate ODRISA can face a penalty of \$250 per offense and damages up to \$250 per offense. <p>Covered employers must post a notice at the workplace to notify employees of their rights under ODRISA. Illinois Department of Labor will provide this notice on its website for employers to download and post.</p>
Resources	SB 3146 (Legislature)
US — Illinois (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>Health insurance balance billing and prenatal vitamin mandates take effect</p> <p>Illinois enacted new coverage requirements for fully insured plans situated in the state in 2022, and two are now effective:</p> <ul style="list-style-type: none"> • Pub. Act No. 102-0901 — balance billing (substantive provisions are effective 1 January 2023, other provisions took effect 1 July 2022) • Pub. Act No. 102-0930 — prenatal vitamins (effective 1 January 2023).
Resources	<p>rich.glass@mercer.com</p> <p>Pub. Act No. 102-0901 (Legislature) and Pub. Act No. 102-0930 (Legislature)</p>

US — Illinois (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>Mental health parity law takes effect</p> <p>Illinois has updated its mental health and substance use disorder law, citing a recent federal court ruling (Wit v. United Behavioral Health) holding the insurer’s placement criteria were inconsistent with generally accepted standards of care. Under the revised Illinois law (Pub. Act No. 102-579, HB 2595), insured health plans issued or renewed in the state on or after 1 January 2023 must cover medically necessary mental health and substance use disorders without setting a specific limit or duration of benefits.</p> <p>Medical necessity determinations and utilization review criteria for mental health services must follow the most recent version of the treatment criteria developed by an unaffiliated, nonprofit professional association for the relevant clinical specialty. For substance use disorders, the plan must adhere to the most recent edition of the patient placement criteria established by the American Society of Addiction Medicine. Insurers cannot use more restrictive criteria. However, the Illinois law does not apply to self-insured ERISA plans, the federal Mental Health Parity and Addiction Equity Act (MHPAEA) includes similar requirements.</p>
Resources	<p>rich.glass@mercer.com</p> <p>Pub. Act No. 102-579, HB 2595 (Legislature, 25 August 2021)</p>
US — Louisiana (previously covered, now effective)	
Status	 Currently effective for new plans and becomes effective for existing plans on 1 January 2024.
Development	<p>Health</p> <p>Insulin cost sharing capped at \$75 per month</p> <p>Louisiana has joined the list of states to limit insulin cost sharing with the enactment of 2022 Act No. 724, HB 677. The law prohibits plans from requiring enrollees to pay more than \$75 per month for a 30-day supply. This amount will increase every year, based on the prescription drug component of the US Bureau of Labor Statistics Consumer Price Index. In addition, a plan must cover at least one insulin option from each therapeutic class in the plan’s formulary.</p> <p>The Louisiana law applies to fully insured plans located in the state. One major distinction is that the definition of “health coverage plan” subject to the mandate includes “a self-insurance plan.” Self-funded ERISA plans are typically not subject to state oversight because of the well-established preemption doctrine in the ERISA statute. It will be interesting to see how this provision is enforced and/or litigated. The new law does explicitly exempt excepted benefits, limited benefit health insurance plans or short-term limited duration insurance with a term of less than 12 months.</p> <p>The law took effect for new plans issued on or after 1 January 2023 and existing plans on 1 January 2024.</p>
Resources	<p>rich.glass@mercer.com</p> <p>HB 677 (Legislature)</p>

US — Maine (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Vacation law takes effect</p> <p>A Maine law amends the state’s pay on termination law (ME Rev. Stat. tit. 26, § 626) to require that employers (including state and local government employers) with 10 or more employees and a vacation policy must pay out unused vacation time on an employee’s separation. The new requirement does not apply to employees subject to a collective bargaining agreement that addresses payment of vacation on termination. The law took effect on 1 January 2023.</p>
Resources	<p>rich.glass@mercer.com</p> <p>Ch. 561 (Legislature, 7 April 2022) and LD 225 (Legislature, 7 April 2022)</p>
US — Maine (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>Prescription drug cost-sharing law takes effect</p> <p>A Maine prescription drug bill (P.L. 744, LD 1783) became law without the governor’s signature. The law requires insurers and pharmacy benefit managers (PBMs) to credit any third-party waiver or discount toward the deductible and out-of-pocket maximum. This requirement is limited to situations where:</p> <ul style="list-style-type: none"> • No generic equivalent exists, or • The participant received prior authorization, a step therapy override exception or other exception. <p>The law contains an exception where HSA eligibility in an HDHP would be impacted. It is unclear how the mandate will be enforced on self-funded ERISA plans, given that PBMs are within its scope. Existing Maine law defines PBMs broadly to include entities that contract with a “self-insurance plan.”</p> <p>The law takes effect for contracts and policies issued on or after 1 January 2023.</p>
Resources	<p>rich.glass@mercer.com</p> <p>P.L. 744 Legislature, 7 May 2022 and LD 1783 (Legislature)</p>

US — Maine (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>Mental health parity for insured plans takes effect</p> <p>Starting with 2023 plan years, fully insured plans situated in Maine must comply with new requirements related to behavioral health services. The new law requires the first behavioral health and primary care visits to be covered at no cost to participants. (For small group market and individual plans, this requirement applies to the first three visits.) Thereafter, behavioral health visits must be subject to a copayment that is no higher than the copayment for a primary care visit. The law includes an exception for HSA-eligible fully insured high-deductible health plans.</p> <p>In addition, the law provides that insurers' annual reporting to the state's Insurance Bureau must include details on nonquantitative treatment limitation (NQTL) requirements under the Mental Health Parity and Addiction Equity Act, including the NQTL comparative analysis requirements under the 2021 Consolidated Appropriations Act. This is considered public information under state law, unless the Insurance Bureau grants an insurer's request for confidentiality. Maine's NQTL reporting requirement expires on April 30, 2028.</p>
Resources	<p>rich.glass@mercer.com</p> <p>Ch. 638 (Legislature, 20 April 2022) and LD 1822 (Legislature, 11 April 2022)</p>
US — Maryland (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>Law caps insulin, HIV and cost sharing</p> <p>Maryland enacted a new law (Ch. 405, HB 1397) that limits insulin copayments to no more than \$30 per 30-day supply, applicable to fully insured plans, health maintenance organizations and nonprofit health service plans situated in the state. In addition, cost sharing for prescription drugs related to diabetes (other than insulin), HIV or AIDS is capped at \$150 per 30-day supply. The latter limit is subject to a cost-of-living adjustment every 1 July, starting in 2023.</p> <p>The law does not contain an exception for HSA-eligible HDHPs. However, a 2019 IRS Notice includes insulin and other diabetes-related products as HSA-compatible preventive care. In addition, HIV screening and Preexposure Prophylaxis (known as PrEP) are ACA-mandated preventive health services for nongrandfathered plans (and as a result are HSA compatible) but only when the individual is at high risk of acquiring HIV, not when the individual already has HIV (or AIDS). The law takes effect for plans issued, delivered or renewed on or after 1 January 2023.</p>
Resources	<p>rich.glass@mercer.com</p> <p>Ch. 405, HB 1397 (Legislature)</p>

US — Massachusetts (new)	
Status	 1 January 2024
Development	<p>Health</p> <p>Voters approve medical loss ratio requirement for insured dental plans</p> <p>In November 2022, voters approved Question 2 that applies an 83% medical loss ratio requirement for insured dental plans issued in the state with refunds of excess premiums going to covered individuals and group health plans.</p>
Resources	<p>rich.glass@mercer.com</p> <p>Question 2: Law proposed by initiative petition (Secretary of State)</p>
US — Massachusetts (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>2023 paid family medical leave rates posted</p> <p>Massachusetts has posted 2023 PFML contribution rates. The 2023 contribution rates will drop from the current 0.68% to 0.63% of wages up to the Social Security maximum wage base. Employers with 25 or more Massachusetts employees will contribute 0.312% (down from 0.336% in 2022); employees will contribute 0.318% (down from 0.344% in 2022). Employers with fewer than 25 workers in the state do not have to contribute but must collect and remit employee contributions. The 2023 maximum weekly benefit (based on the SAWW) is \$1,129.82.</p> <p>The Department of Family and Medical Leave (DFML) has confirmed that a recent budget law (2022 Ch. 126, HB 5050) does not allow employees to use paid time off (PTO) to top off PFML benefits during an approved leave. However, recent DFML guidance notes that employees may use PTO during the seven-day waiting period before benefits begin and for time off on scheduled workdays during intermittent or reduced-schedule leave.</p>
Resources	<p>rich.glass@mercer.com</p> <p>Information on 2023 rates (Government) and GRIST, 19 January 2022</p>

US — Massachusetts (previously covered, now effective)

Status



Currently effective

Development

Health

2023 individual mandate coverage dollar limits announced

The Massachusetts Health Connector announced 2023 dollar limits on deductibles and other cost sharing for minimum creditable coverage (MCC), as required by regulations (956 Mass. Code Regs. 5). The Massachusetts individual mandate, in place since 2007, requires state residents to maintain MCC or face a potential state tax penalty. Providing MCC is not an employer mandate, but many employees use employment-based health coverage to satisfy the individual mandate. In addition, health plan reporting requirements compel plan sponsors (or their vendors) to determine whether their coverage meets MCC standards. Deductibles and out-of-pocket maximums are adjusted annually. Regulations also clarify MCC criteria for health arrangements provided by religious organizations.

Employers with health plans covering employees residing in Massachusetts should take these steps:

- Determine if the plan covering state residents satisfies MCC requirements.
- Contact the insurer or TPA to find out if it will send Form MA 1099-HC to the Department of Revenue.
- Complete any requested attestation by a vendor's requested due date.
- Complete an MCC application for any plan deviating from MCC standards, if not previously certified.
- Plan for any changes needed to offer MCC in 2023.

Resources

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[GRIST](#), 12 August 2022

US — Michigan (new)	
Status	 31 March 2023
Development	<p>Health</p> <p>Michigan joins Psychology Interjurisdictional Compact</p> <p>Two laws enacted in late December — Pub. Act 254 and Pub. Act 255 — authorize Michigan to join the Psychology Interjurisdictional Compact (PSYPACT), an interstate compact between states, facilitating the practice of mental health services across state boundaries. Licensed healthcare providers can apply to practice telepsychology and/or to conduct temporary in-person, face-to-face sessions in PSYPACT states, depending on the certificate issued. Approximately, two-third of the states (and Washington, DC) are PSYPACT members. These laws take effect 31 March 2023.</p>
Resources	<p>rich.glass@mercer.com</p> <p>Pub. Act 254 and Pub. Act 255 (Legislature)</p>
US — Michigan (previously covered, now effective)	
Status	 Tax years starting on or after 1 January 2023.
Development	<p>Career — Health</p> <p>New law provides paid adoption leave incentives</p> <p>A new Michigan law (2022 Act 207, HB 6070) provides a tax incentive to qualified employers offering paid adoption leave to qualified employees. The tax credit is 50% of wages, capped at \$4,000, and 12 weeks for a single adoption leave period.</p> <p>Qualified employers must have a written policy offering at least two weeks of paid parental and paid adoption leave (paying at least 50% of wages) to full-time employees and a proportional amount to part-time employees. Qualified employees must be employed for at least one year. Their prior year's compensation may not exceed 60% of the highly compensated employee (HCE) threshold under §414(q)(1)(B) of the Internal Revenue Code, which is \$150,000 for 2023.</p>
Resources	<p>rich.glass@mercer.com</p> <p>HB 6070 (Legislature)</p>

US — New Hampshire (previously covered, now effective)

Status



Currently effective

Development

Career — Health

Paid family leave program begins

New Hampshire has selected MetLife as the preferred insurer for voluntary PFML benefits that start in 2023. Under the Granite State Paid Family Leave Act, the program will provide up to 60% wage replacement for up to six weeks of leave to eligible employees needing to care for their own or a family member with a serious medical condition, bond with a new child, manage a qualifying military exigency or care for an injured or ill service member.

Employers do not have to participate but may do so voluntarily by contracting directly with MetLife or a different insurance company or by self-insuring an equivalent plan. Employers that purchase a plan with MetLife are eligible to receive a Business Enterprise Tax (BET) credit for up to 50% of the premium paid by the employer on behalf of employees. Employers can opt for a plan providing 12 weeks of leave, but the tax credit will only be available for the equivalent of six weeks of premiums.

If an employer does not participate in the program, individual employees can elect coverage through MetLife and pay weekly premiums not exceeding \$5. Employers with 50 or more employees (nationwide) will have to collect and remit premiums for employees who enroll in the program. Those employers also will have to provide job protections and continue group health plan coverage for employees on leave.

Employer enrollment began 1 December 2022, and open enrollment for employees of nonparticipating employers runs from 1 January 2023, through 2 March 2023. FAQs provide additional information.

Resources

rich.glass@mercer.com and katharine.marshall@mercer.com
[GRIST](#), 15 July 2021

US — Nebraska (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage to gradually increase to \$15</p> <p>On 8 November 2022, Nebraska voters approved Initiative 433 to incrementally increase the state’s hourly minimum wage from \$9 to \$15. The increases are as follows: \$10.50 on 1 January 2023; \$12 on 1 January 2024; \$13.50 on 1 January 2025 and \$15 on 1 January 2026.</p>
Resources	Nebraska Initiative 433, Minimum Wage Increase Initiative (2022) and Petition: Raise the minimum wage (Government)
US — Nebraska (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>New licensure program for PBMs</p> <p>The newly enacted Pharmacy Benefit Manager (PBM) Licensure and Regulation Act (LB 767) creates a new licensure program affecting PBMs that provide services to health benefit plans in the state. The law regulates these PBM activities within the state:</p> <ul style="list-style-type: none"> • PBMs cannot prevent pharmacy disclosure of certain information (including total costs) to covered persons. • PBMs cannot require a covered person to pay more than the lesser of the cost-sharing amount or the cash price for a drug. • PBMs must comply with specified rules related to pharmacy audits. • PBMs must update and disclose the maximum allowable cost price list provided to pharmacies. • Reimbursement standards for Sec. 340B contract pharmacies will apply. • PBMs must include any Nebraska pharmacy in a specialty network as long as the pharmacy meets a specialty pharmacy accreditation from a nationally recognized independent accrediting organization and accepts the PBM’s contractual terms. <p>The law’s scope focuses on PBMs that contract with health benefit plans, including “a policy, contract, certificate, or agreement entered into, offered, or issued by a health carrier to provide, deliver, arrange for, pay for, or reimburse” healthcare costs. Its impact on self-funded plan sponsors whose PBMs work on both fully insured and self-funded plans is unclear.</p>
Resources	rich.glass@mercer.com LB 767 (Legislature)

US — New Jersey	
Status	 Effective dates vary.
Development	<p>Health</p> <p>Insured abortion coverage to be required</p> <p>The New Jersey Department of Banking and Insurance issued a news release confirming its intention to require fully insured health plans located in the state to cover abortion services without exceptions. Currently, state insurance law is silent on such coverage, and insurers may limit coverage to cases of rape, incest or endangering a woman’s life. This current action is a result of a study authorized by the Freedom of Reproductive Choice Act passed earlier this year. This law allows an exclusion to accommodate a religious employer’s bona fide religious beliefs and practices.</p> <p>Normally, the timing would prevent the new rule from taking effect until plan years starting in 2024. However, the effective date will apply to 2023 plan years for individual and small group market coverage if the respective governing boards adopt the change this month, which is expected. Large group market plans will see the standard rulemaking process, which should end sometime next year, with an undetermined effective date once rules become final.</p> <p>These rules do not apply to self-funded plans.</p>
Resources	<p>rich.glass@mercer.com</p> <p>News release (Department of Banking & Insurance, 30 November 2022) and Bill S49 (Legislature)</p>
US — New Jersey (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>Contraceptive coverage mandate expanded</p> <p>New Jersey revised a 2020 contraceptive mandate law, expanding the law to require up to 12 months (an increase from six months) of prescriptions for contraceptives, all at one time and at no cost to participants. S413 applies to fully insured plans located in the state that are delivered, issued, executed or renewed on or after 1 January 2023. As under the prior law, there remains a first-dollar coverage exception for HSA-eligible high-deductible health plans regarding male sterilization or male contraceptives. Previously, IRS transition relief allowed states to mandate first-dollar coverage for male sterilization or male contraceptives before the deductible is met, but that relief expired in 2020.</p>
Resources	<p>rich.glass@mercer.com</p> <p>S413 (Legislature) and Press Release (Governor’s office, 13 January 2022)</p>

US — New York (new)**Status****Effective 17 September 2023****Development****Career****Salary ranges required in job postings**

On 21 December 2022, the Governor signed S9427A-A.10477 that amends the labor code to require a New York employer, employment agency, employee or agent thereof to include compensation or the compensation range when advertising a job, promotion or transfer opportunity. While the legislation is similar to the New York City salary disclosure law, it explicitly states it would not supersede or preempt any provisions of local law, rules or regulations. Therefore, New York City employers would need to comply with both laws. Highlights include:

- An employer is broadly defined as any person, corporation, limited liability company, association, labor organization or entity employing four or more employees in any occupation, industry, trade, business or service, or any agent thereof; and any person, corporation, limited liability company, association or entity acting as an employment agent or recruiter, or otherwise connecting applicants with employers. Temporary help firms will be exempt.
- Any advertisement for a job, promotion or transfer opportunity that could or would be performed, at least in part, in New York would be covered. Advertisements for jobs, promotions, or transfer opportunities paid solely on commission would need to include a general statement that compensation would be based on commission.
- To advertise a job, promotion or transfer opportunity, employers would need to disclose the compensation or a range of compensation for such job, promotion, or transfer opportunity; and the job description for such job, promotion, or transfer opportunity, if a description exists.
- The range for the listed minimum and maximum annual salary or hourly pay that the employer — in good faith — believes to be accurate at the time of posting would need to be included.
- Employers would be required to keep and maintain necessary records, including the history of compensation ranges for each job, promotion, or transfer opportunity and the job descriptions for such positions, if they exist.
- Employers could not refuse to interview, hire, promote or otherwise retaliate against individuals who exercise their rights under this legislation.
- Any person would be able to file a complaint with the Labor Commissioner for violations of the legislation. Noncompliant employers would face civil penalties under the labor law.
- The Labor Commissioner would enact procedural rules, and the Department of Labor would conduct a public awareness outreach campaign, including making information available on its website and otherwise informing employers of these requirements.

Resources

[Governor Huchul signs legislation establishing statewide pay transparency law](#) (Governor, 21 December 2022); [Senate Bill S9427A](#) (New York Senate) and [GRIST](#), 9 June 2022

US — New York (new)

Status



Effective dates vary, but most are effective.

Development

Health

Several health, insurance laws enacted

In an end-of-year flurry of activity, New York Governor Kathy Hochul signed seven bills into law that affect health insurance benefits. Highlights include:

- Rx 30-day supply (Ch. 793, AB 7469). Fully insured plans offering Rx coverage must cover an immediate additional 30-day supply of a prescription drug during a state disaster emergency. The law applies to policies issued, renewed or amended on or after 28 December 2022.
- Rx cost-sharing assistance (Ch. 736, AB 1741). Fully insured plans offering Rx coverage must apply third-party payments or financial assistance made on behalf of an insured individual for prescription drugs to the deductible, out-of-pocket maximum and any cost-sharing requirement. The law applies to policies issued, renewed or amended on or after 1 January 2023.
- Opioid treatment coverage (Ch. 734, AB 807). Fully insured plans may not impose a copayment for treatment at an opioid treatment program. There does not appear to be an exception for HSA-eligible HDHPs. The law applies to policies issued, renewed or amended on or after 1 January 2023.
- Balance billing prohibition on facility fees (Ch. 764, SB 2521). Hospitals and healthcare providers may not impose a facility unless it is covered by a fully insured plan or the patient received prior notice of the fee.
- Required disclosures (Ch. 826, SB 4620). Fully insured plans must furnish cost, benefit and coverage data to enrollees, their healthcare providers, or a third party of their choosing. The law takes effect on or about 23 June 2023.
- Colorectal cancer coverage (Ch. 739, AB 2085). Fully insured plans must cover colorectal cancer early detection in accordance with American Cancer Society guidelines without any cost sharing and provide an annual notice of such coverage and screening guidelines. (Colorectal cancer screening is a preventive health service under ACA rules for adults ages 45-75.) The law applies to policies issued, renewed or amended on or after 23 December 2022.
- HIV coverage (Ch. 721, AB 807). Fully insured plans offering Rx coverage must cover pre-exposure prophylaxis (PrEP) for HIV prevention and post-exposure prophylaxis to prevent HIV infection. (ACA rules only consider PrEP to be a preventive health service.) The law took effect on 21 December 2022.

The above seven laws apply only to fully insured plans issued in New York. They do not apply on an extraterritorial basis to fully insured plans issued elsewhere and do not apply to self-funded plans. Gov. Hochul vetoed a bill (AB 3276) that would have prohibited fully insured plans from including fail-first or step therapy protocols for mental health conditions.

Resources

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[Ch. 793, AB 7469](#); [Ch. 736, AB 1741](#); [H. 734, AB 807](#); [Ch. 764, SB 2521](#); [Ch. 826, SB 4620](#); [Ch. 739, AB 2085](#); [Ch. 721, AB 807](#) and [AB 3276](#) (Legislature)

US — New York (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>Midyear drug formulary changes barred</p> <p>A new law (Arts. 32, 43, SB 7767) related to prescription drug formularies in fully insured plans was enacted in New York and becomes effective for plan years starting on or after 1 January 2023. Specifically, plans are prohibited from making the following changes during a plan year:</p> <ul style="list-style-type: none"> • Removal of a drug, unless the FDA recommends removal • Moving a drug to a higher cost-sharing tier for a person already taking the drug or who has a condition that existed on or before the plan year started and that would be treated by the drug, unless a generic equivalent or interchangeable biological product is added at the same time • Adding utilization management restrictions <p>The plan must provide participants at least 90 days' notice before the start of a plan year in order to remove a drug from the formulary or change the cost sharing for the drug.</p>
Resources	<p>rich.glass@mercer.com</p> <p>SB 7767 (Legislature)</p>
US — New York	
Status	 19 February 2023
Development	<p>Career — Health</p> <p>Leave retaliation prohibited</p> <p>New York enacted law 2022 Ch. 604, AB 8092/SB 1958 prohibiting employer adverse actions against employees that take legally protected absences under federal, local or state law. This includes protected absences related to New York's paid disability/medical and family leave and paid sick leave, as well as state paid leave for COVID-19 vaccines and New York City's Earned Safe and Sick Time Act.</p> <p>New York employers with no-fault attendance policies should review those policies in light of the new law, given that its stated intent is to prevent employers from "assessing points or deductions from a timebank when an employee has used any legally protected absence."</p>
Resources	<p>rich.glass@mercer.com</p> <p>AB 8092/SB 1958 (Government)</p>

US — New York — New York City	
Status	 Postponed until 15 April 2023
Development	<p>Career</p> <p>Effective date of law on automated employment decision tools postponed</p> <p>The Department of Consumer and Worker Protection (DCWP) is working on rules to clarify Local Law 144 of 2021. Due to the high volume of public comments on the proposed rules, they will hold a second public hearing on 23 January 2023. In the meantime, DCWP will not enforce the law until 15 April 2023 — a delay from 1 January 2023.</p> <p>The law defines automated employment decision tools (AEDT) as “any computational process, derived from machine learning, statistical modelling, data analytics, or artificial intelligence, that simplifies output, including a score, classification, or recommendation, that is used to substantially assist or replace discretionary decision making for making employment decisions that impact natural persons.” Employers will be prohibited from using AEDT (such as, software used to test job candidates or employees about their skills, CV scanners, and employee monitoring software), unless each tool has been subject to a bias audit within one year of its use. Employers will have to provide employees and job candidates with advance notice about the use of AEDT and allow them to “request an alternative selection process or accommodation.” Employers must make the audit information publicly available, and will be subject to a civil penalty for violations of the law.</p>
Resources	New laws & rules (DCWP)
US — Oregon (new)	
Status	 Effective date unknown
Development	<p>Health</p> <p>Voters approve universal health coverage</p> <p>Voters approved Ballot Measure 111 that will ensure affordable healthcare access, balanced against requirements to fund schools and other essential services. Oregon is the first state to establish a state constitutional right to affordable healthcare. The practical impact is unclear at this point.</p>
Resources	<p>rich.glass@mercer.com</p> <p>Measure 111 (Secretary of State)</p>

US — Oregon (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Paid family medical leave contributions begin</p> <p>Starting on 1 January 2023, contributions for Oregon’s PFML insurance (PFMLI) is 1% of wages, as posted by the Oregon Employment Department (OED). Contributions are capped at a maximum wage base of \$132,900, indexed annually using the Consumer Price Index for All Urban Consumers, West Region. Employees must contribute 60%, and employers with 25 or more employees contribute 40%.</p> <p>Small employers are eligible for an assistance grant if they contribute. Otherwise, the state funds the remaining 40% for small-employer PFMLI. PFMLI benefits will start on 3 September 2023. OED has launched a portal (Frances Online) for equivalent plan applications. Equivalent plans require OED approval and must provide benefits equal to or greater than state-mandated benefits. Employers seeking approval must have filed a declaration of intent by 30 November 2022, begin withholding contributions on 1 January 2023, and complete the application by 31 May 2023. The state will refund premiums remitted once the equivalent plan is approved.</p> <p>The Oregon Employment Department published a model notice for the PFML program. Employers must post the one-page notice poster at each worksite and send it electronically or by mail to remote workers by 1 January 2023. The posting must be in a clearly visible place where employees regularly see it in the same language(s) the employer uses to communicate with employees. The notice is available in 11 languages besides English in the resources section of the Paid Leave Oregon website.</p>
Resources	<p>rich.glass@mercer.com</p> <p>GRIST, 5 August 2021</p>

US — Rhode Island (previously covered, now effective)

Status	 Currently effective
Development	Career Extensive pay equity law takes effect Comprehensive pay equity legislation (SB 270A, HB 5261A) took effect on 1 January 2023. The law prohibits employers from paying lower wages for “comparable work by employees of another race, color, religion, sex, sexual orientation, gender identity or expression, disability, age or country of origin. The measure evens the playing field for job applicants and employees who are negotiating wages and salaries with an employer; requires employers to be more transparent in communicating wage ranges to applicants and current employees; and protects applicants and employees from potentially damaging wage history information. If an employer violates the law, employees may be eligible to collect back pay, unpaid wages and damages. Applicants, employees or former employees may seek relief from an employer’s unlawful pay practices at the Department of Labor and Training or in court. The law offers some protection to employers from civil penalties if they proactively conduct a wage audit in order to fix any unlawful pay practices.
Resources	Press release (General Assembly, 8 July 2021)

US — Rhode Island (previously covered, now effective)

Status	 Currently effective
Development	Health Enrollment rights for pregnant women enhanced A Rhode Island law (Chs. 27 & 42, SB 2548) requires fully insured plans located in the state to allow women to enroll in health coverage at any time during pregnancy. Effective date of coverage is first day of the month after the date application for coverage occurs. This special enrollment right does not preempt state or federal law. SB 2548 does not provide enrollment rights to other family members. The law applies to individual, small group and large group market plans, as well as plans offered under the state exchange, HealthSource RI. The law takes effect for 2023 plan and policy years.
Resources	rich.glass@mercer.com S 2548 (Legislature)

US — South Dakota (new)

Status  **1 July 2023**

Development

Health

Voters approve ballot initiative that expands Medicaid eligibility

In South Dakota, voters approved Constitutional Amendment D that expands Medicaid eligibility to adults ages 18 to 65 earning up to 138% of the federal poverty level, a state option made available under the Affordable Care Act. The measure takes effect 1 July 2023.

Resources

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[Constitutional Amendment D](#) (Secretary of State)

US — Tennessee (previously covered, now effective)

Status  **Currently effective**

Development

Health

Pharmacy Benefit Management bill takes effect

Pharmacy Benefit Management (PBM) legislation (HB 2661) that imposes several restrictions on fully insured plans and self-funded ERISA plans became took effect on 1 January 2023. It confirms multiple times that self-funded ERISA plans are within its scope. Among other things, the legislation:

- Requires PBMs to pay pharmacies a dispensing fee based on the current TennCare schedule (which is typically higher than normal).
- Prohibits PBMs from having preferred cost sharing for affiliated pharmacies.
- Requires inclusion of any licensed pharmacy in a PBM's network as long as the pharmacy is willing to accept the same terms and conditions applicable to other in-network pharmacies.

The application to ERISA self-funded plans is consistent with a 2021 bulletin issued by state's Department of Commerce and Insurance.

Resources

rich.glass@mercer.com
[HB 2661](#) (Legislature)

US — Vermont (new)

Status



1 July 2023

Development

Career — Health

Voluntary family medical leave program announced

Vermont selected The Hartford to design and administer its voluntary paid family and medical leave insurance (VT-FMLI) program, which the state will launch in stages starting 1 July 2023. This program is a result of a request for proposal process that ended in August.

VT-FMLI will provide covered employees 60% wage replacement for six weeks in a 12-month period, capped at the Social Security maximum taxable wage base. Qualifying events are:

- Birth/adoption/foster care placement of a child and care for a child within one year of birth
- Caring for a family member, including a spouse, civil union partner (under applicable state law), parent, foster child, ward living with an employee
- Employee's serious health condition
- Qualifying exigency related to active military duty

The program's effective date will occur in three phases:

- 1 July 2023: state employees only
- 1 January 2024: private and other governmental employers with two or more employees
- 1 January 2025: eligible individual employees whose employers do not opt in and self-employed individuals.

Projected cost for state employees is about \$4.50 per week. Vermont joins New Hampshire and Virginia as states offering voluntary PFML programs.

Resources

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[Governor Phil Scott launches voluntary paid family and medical leave program](#) (Governor, 6 December 2022) and [Request for Proposal for Vermont Voluntary paid family and medical leave insurance](#) (Vermont Business Registry, 1 July 2022)

US — Virginia (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>Consumer privacy law takes effect</p> <p>A new Virginia law (HB 2307, Ch. 52) grants certain privacy rights to consumers in the state. Under the law, businesses are required to limit personal data collection to what is adequate, relevant, and reasonably necessary in relation to the purposes for which it is processed and to establish, implement and maintain reasonable administrative, technical, and physical data security practices to protect its confidentiality, integrity and accessibility.</p> <p>The law allows consumers to confirm whether their personal data is being processed, access the data, correct inaccuracies, delete data, obtain a copy of the data, and opt out of having the data used for purposes of targeted advertising, sales, or similar uses.</p> <p>Companies that conduct business in Virginia, or whose products or services target Virginia residents, must comply with the law if the company controls or processes personal data of at least 100,000 consumers or data of at least 25,000 consumers if it derives over 50% of its gross revenue from the sale of personal data. The law does not apply to certain state and federal entities, HIPAA-protected information, and identifiable private information for purposes of certain federal policies and laws. It also exempts certain employment and benefits-related data.</p> <p>Covered businesses must provide consumers with a “reasonably accessible, clear, and meaningful” privacy notice that includes categories of processed personal data and its purpose, consumer rights, and information about data shared with third parties.</p>
Resources	HB 2307, Ch. 52

US — Washington (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Pay disclosure requirements expanded</p> <p>Under a new law (Ch. 242, SB 5761), Washington employers with 15 or more employees as of 1 January 2023 have to disclose in each job posting the wage scale or salary range and give a general description of all benefits and other compensation offered for the position. "Posting" means any solicitation, including recruitment done directly by an employer or indirectly through a third party, intended to recruit job applicants for a specific available position, as well as any printed or electronic posting that sets out qualifications for desired applicants. Washington's Department of Labor has issued guidance.</p>
Resources	Ch. 242, SB 5761 (Legislature, 30 March 2022) and GRIST , 19 December 2022
US — Washington (new)	
Status	 Currently effective
Development	<p>Health</p> <p>Insulin cost-sharing bill enacted</p> <p>Legislation (Ch. 48.43, SB 5546) that reduces the cost sharing that fully insured plans within the state can impose on participants for insulin is effective for policy years starting on or after 1 January 2023. The decrease is from \$100 to \$35 for a 30-day supply.</p>
Resources	rich.glass@mercer.com SB 5546 (Legislature)
US — Washington (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage significantly increases</p> <p>The hourly minimum wage rate increased on 1 January 2023 to \$15.74 for employees aged 16 or older — an 8.66% increase from the \$14.49 per hour rate in 2022. Employees aged 14 to 15 years must be paid at least \$13.38 per hour. Large employers with 51 or more employees must pay exempt employees at least twice the minimum wage to be exempt from overtime requirements, or \$1,101.80 per week/\$65,478.40 per year for 2023. Small employers with up to 50 employees must pay exempt employees 1.75 times the minimum wage — or \$1,101 per week/\$57,293.60 per year — to meet the minimum salary requirement for exemption from overtime requirements. Exempt computer professionals paid hourly must be paid at least 3.5 times the minimum wage, which is \$55.09 per hour.</p>
Resources	Minimum wage (Department of Labor & Industries)

US — Washington (Seattle) (previously covered, now effective)

Status  **Currently effective**

Development **Career**
Minimum wage rates to significantly increase
The minimum wage for 2023 will increase to \$18.69/hour for employers with 501 or more employees (up from \$17.27 in 2022). Smaller employers can pay \$16.50/hour (up from \$15.75) if they pay \$2.19 or more per hour toward employees' medical benefits, or if the employees earn \$2.19 or more per hour in tips. Otherwise, they must pay \$18.69/hour.

Resources [Minimum wage](#) (Office of Labor Standards)

US — West Virginia (previously covered, now effective)

Status  **Currently effective**

Development **Health**
Pharmacy benefit management law takes effect
West Virginia passed HB 4112, which amends the Pharmacy Audit Integrity Act to include pharmacy benefit managers (PBM) activities on behalf of self-funded plans operating in the state. Last year, HB 2263 provided freedom of consumer choice for pharmacy. At the time, it was unclear whether the law applied to self-funded plans. HB 2263 requires health plans to accept any willing pharmacy, and participants are not required to purchase prescription drugs exclusively through a mail-order pharmacy or pay greater cost sharing than for mail-order drugs. By including self-funded plan payors within those provisions, HB 4112 extends those protections to self-funded plans with West Virginia participants. In addition, HB 4112 adds new provisions to existing law:

- Prohibition against certain restrictions related to specialty drugs
- Prohibition against requiring additional pharmacy credentialing for network participation beyond what is already required by the state
- Requirement to disclose specialty drug sub networks to the state insurance commission

The new law applies to plan years starting in 2023.

Resources rich.glass@mercer.com
[HB 4112](#) (Legislature)

US (previously covered, with upcoming effective dates)

Development

Career

- [More pay data reporting imposed in California](#) — key date: 10 May 2023
- [Insurance law requires third-party payments to apply toward cost sharing in Delaware](#) — key date: 1 January 2024
- [Final SEC clawback rule requires significant changes to policies](#) — key date: Early in 2024
- [Two-tier minimum wage system to be eliminated](#) — key date: 1 January 2024 — key date: 1 July 2024
- [Hourly minimum wage to increase to \\$18 in Hawaii](#) — key date: 1 January 2026

Career — Health

- [Employment discrimination based on nonworkplace cannabis use barred in California](#) — key date: 1 January 2024
- [Paid family medical leave program legislation enacted in Delaware](#) — key date: 2025

Health

- [Long-term care law changes enacted in Washington](#) — key date: 1 July 2023
- [Paid family and medical leave law enacted in Maryland](#) — key date: 1 October 2023
- [New law requires annual behavioral health well check for insured plans in Delaware](#) — key date: 1 January 2024
- [More health insurance mandates enacted in Illinois](#) — key date: 1 January 2024
- [Pharmacy benefit management legislation enacted in Michigan](#) — key date: 1 January 2024
- [Hearing aid coverage mandated in Vermont](#) — key date: 1 January 2024

Wealth

- [Amendment deadlines for SECURE, Miners and CARES acts extended](#) — 31 December 2023

Section 4

Asia Pacific

Australia (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Equality and anti-harassment legislation strengthened</p> <p>Employers now have a positive duty to prevent sexual harassment and discrimination on grounds of gender under measures included in the Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Bill 2022. The bill implements seven of the 55 recommendations included in the Respect@Work report, and amends the Sex Discrimination Act 1984 and the Australian Human Rights Commission Act 1986. Most of the measures took effect on 13 December 2022 — one day after the bill received Royal Assent. The Australian Human Rights Commission (AHRC) has published guidance materials on the positive duty and its new compliance functions. Highlights include:</p> <ul style="list-style-type: none"> • Employers have a positive duty to take “reasonable and proportionate measures” to eliminate unlawful sex discrimination — including sexual harassment and hostile work environments — and victimization relating to complaints and allegations on these grounds. The duty is also imposed on persons conducting a business or undertaking,” such as suppliers, public and contractors. • Factors that employers should take into account when determining “reasonable and proportionate measures” include the size, nature and circumstances of the organization; the duty holder’s resources; and the practicability of measures and costs associated with the steps. • Expanded powers for the AHRC powers allow it to inquire, monitor and assess employers’ compliance with the positive duty — these powers will take effect in 12 months. It could initiate an inquiry if noncompliance is suspected, and inquire into systemic unlawful discrimination (such as, across multiple businesses within a broader industry sector). • The time limit for making a complaint to the AHRC is increased to 24 months (up from six) from the date of the alleged unlawful conduct. • Representative bodies (for example, unions) could make applications in federal courts on behalf of individuals who have experienced unlawful discrimination. <p>A review of legal costs associated with raising complaints is expected in May 2023, and the government has said that it will implement the recommended cost model. The bill had originally proposed that each party would bear their own costs, but some stakeholders said that individuals would be deterred from bringing complaints.</p>
Resources	<p>Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Bill 2022 (Legislature) and New workplace sexual harassment resources (Australian Human Rights Commission)</p>

Australia (new)	
Status	 Currently effective
Development	<p>Wealth</p> <p>Reduction in downsizer contribution age reduced</p> <p>The minimum age for downsizer contributions has been reduced to 55, down from 60 under measures included in the Treasury Laws Amendment (2022 Measures No. 2) Bill 2022 that passed parliament in November 2022. The bill received Royal Assent on 12 December 2022 and the changes will take effect on 1 January 2023. The downsizer scheme rules allow eligible Australians to sell their home and contribute up to \$300,000 (\$600,000 for a couple) into their super, outside the contribution caps.</p>
Resources	<p>paul.shallue@mercer.com</p> <p>Treasury Laws Amendment (2022 Measures No. 2) Bill 2022 (Government)</p>
Australia (new)	
Status	 Audits ending 30 June 2023 onwards
Development	<p>Wealth</p> <p>APRA releases updated standard SPS 310</p> <p>The Australian Prudential Regulation Authority (APRA) has released amended Prudential Standard SPS 310 Audit and Related Matters (SPS 310), which will apply to audits for the financial year ending 30 June 2023 onwards. The main change is to require assurance over fund reporting under two new APRA reporting standards (rather than six as originally proposed).</p> <p>In an accompanying letter to trustees and auditors, APRA explained that the reduced scope of SPS 310 aims to address industry feedback as trustees continue to develop new reporting systems and processes to support more granular data reporting. The two reporting standards to the audit scope are SRS 550.0 on asset allocation, and SRS 706.0 on fees and costs disclosed.</p>
Resources	<p>paul.shallue@mercer.com</p> <p>Prudential Standard SPS 310 Audit and Related Matters (APRA, 7 December 2022)</p>

Australia (new)

Status



Proposal

Development

Wealth

Supplementary performance test for faith-based super products delayed

Measures to introduce supplementary annual performance tests for faith-based superannuation products will be considered as part of the Treasury review of the Your Future, Your Super laws. The measures were originally introduced in the Treasury Laws Amendment (2022 Measures No. 3) Bill 2022 but were removed before the bill passed parliament in November 2022.

Resources

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[Treasury Laws Amendment \(2022 Measures No. 3\) Bill 2022](#)

Australia (new)	
Status	 Effective dates vary.
Development	<p>Career — Health</p> <p>Federal employment reforms enacted</p> <p>Changes to Australia’s workplace laws received Royal Assent on 6 December 2022 and amend the Fair Work Act 2009. Some of the measures took effect on 7 December, and others will be phased in during 2023. Highlights include:</p> <ul style="list-style-type: none"> • Pay secrecy is prohibited from 7 December 2022 although some transitional arrangements apply. Pay secrecy clauses are no longer enforceable and from 7 June 2023, employment contracts or other written agreements must not include any pay secrecy terms. • From 7 December 2022, nondiscrimination protections include breastfeeding, gender identity, and intersex status. • From 6 March 2023, workplace sexual harassment is prohibited. • From 6 June 2023, employees can request flexible work arrangements if they are pregnant, or a member of their immediate family or household, experience family or domestic violence. An employee can appeal their employer’s decision to refuse a flexible work request if the employer does not follow certain procedures. • From 7 January 2023, job advertisements — regardless of their posting date — cannot include pay rates below what is required under the Fair Work Act or a modern award. • From 6 June 2023, new procedures for considering employee requests to extend unpaid parental leave will apply, and will require employers to provide reasons for refusing employees’ requests. The Fair Work Commission (FWC) can arbitrate disputes about refusals if they cannot be resolved at the workplace level. • From 6 December 2023, fixed term contracts cannot exceed two years and can only be extended once. • From 7 December 2022, the setting of terms and conditions in awards must factor in job security and gender equality. Annual wage reviews from the 2022-2023 financial year must consider gender equality. • From 7 December 2022, a new equal remuneration principle requires the FWC to consider if work in low-paid, female dominated industries has been historically undervalued. The FWC can now make an Equal Remuneration Order on its own initiative, and not just on application. • From 7 December 2022, it is easier for employees and unions to initiate bargaining in certain cases, and it is harder for employers to unilaterally terminate enterprise agreements that have passed their nominal expiration date. From 6 June 2023, the FWC will have greater powers to resolve bargaining disputes. Employers with “clearly identifiable common interests” will be able to bargain together, or could be ordered to do so upon a union application.
Resources	Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022 (Legislature)

Australia (new)

Status



Consultation is open until 17 February 2023.

Development

Wealth

Climate-related financial disclosures proposed

A government consultation seeks input on the design and implementation of standardized and internationally aligned requirements for the disclosure of climate-related financial risks and opportunities. Comments are invited through 17 February 2023.

Under the proposals, large businesses and financial institutions would have to provide more information and greater transparency in their responses to climate change and transition to “net zero,” to help businesses and investors manage climate risks and invest in new opportunities. The reporting requirements are expected to be mandatory for large entities, and will be phased in.

The Treasury and the financial regulators plan to develop a comprehensive sustainable finance strategy (with transparency measures) for government consideration in early 2023.

Another consultation is expected later in 2023 on a specific design proposal with comments invited on detailed proposals for reporting.

Resources

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[Climate-related financial disclosure](#) (Treasury, 12 December 2022)

Australia	
Status	 Consultation is open until 10 March 2023.
Development	<p>Wealth</p> <p>Planning for successor fund transfers and other transfers proposed</p> <p>A discussion paper on ensuring smooth and efficient successor fund transfers (SFTs) and other superannuation transfers by superannuation trustees was recently issued by The Australian Prudential Regulation Authority (APRA), with comments invited through 10 March 2023. The proposals respond to continued superannuation industry consolidation, addressing specific situations that have resulted in poor outcomes for members. APRA says trustees must meet minimum standards for planning, pre-positioning and executing transfers of members. Highlights include:</p> <ul style="list-style-type: none"> • Enhanced requirements in Prudential Standard SPS 515, Strategic Planning and Member Outcomes, to ensure that trustees properly prepare to transfer, or receive, members. Currently, this is only guidance. • New requirements for transferring MySuper product assets in the event of a cancellation of an authority to offer a MySuper product (this is scheduled to start on 1 July 2023). • Updated transfer planning guidance to replace existing Prudential Practice Guide SPG 227, Successor Fund Transfers and Wind-ups. <p>APRA will consult on revisions to SPS 515 (including other changes proposed in APRA's August 2022 discussion paper and updated transfer planning in the first half of 2023).</p>
Resources	<p>paul.shallue@mercer.com</p> <p>APRA moves to strengthen transfer planning in superannuation (APRA, 10 November 2022)</p>
Australia (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Revised remuneration standard takes effect</p> <p>The Australian Prudential Regulation Authority's (APRA) revised Prudential Standard CPS 511 Remuneration (CP 511) took effect 1 January 2023, with a phased-in implementation starting with large authorized deposit-taking institutions. The standard applies a more principles-based approach designed to be risk-based and proportionate, with comprehensive requirements for larger, more complex regulated entities known as Significant Financial Institutions (SFIs). The revised standard also aligns with international better practice, incorporating standards and guidance produced by the Financial Stability Board.</p>
Resources	<p>GRIST, 3 Sep 2021 and APRA finalises guidance for new prudential standard on remuneration (APRA, 18 October 2021)</p>

Australia (previously covered, now effective)	
Status	 Currently effective
Development	<p>Wealth</p> <p>Revisions to investment governance standard takes effect</p> <p>The Australian Prudential Regulation Authority (APRA) final revisions to Prudential Standard SPS 530 Investment Governance that focus on enhanced stress testing, valuation and liquidity management practices took effect on 1 January 2023.</p> <p>The revisions include the consistent use of terminology, clarification that stress-testing programs and valuation governance are part of the overall investment governance framework, clarification that regular reporting to the board for each investment option and MySuper product does not have to include detailed reporting on individual investments, and clarification that the valuation governance framework requirements do not require the establishment of a standalone board valuation subcommittee. The response also highlights the expected focus areas in the planned guidance, responding to industry requests for enhancements to existing guidance. APRA will publish for consultation in Q4 2022 draft Prudential Practice Guide SPG 530 Investment Governance and draft Prudential Practice Guide SPG 531 Valuations.</p>
Resources	<p>paul.shallue@mercer.com</p> <p>Prudential Standard SPS 530 Investment Governance in Superannuation (APRA, 19 July 2022)</p>

Australia (previously covered, now effective)

Status  **Beginning 2023**

Development

Wealth

ASIC finalizes IDR data reporting requirements

Final requirements from the Australian Securities and Investments Commission (ASIC) address the internal dispute resolution data (IDR) reporting framework to be implemented starting in 2023. Eleven large financial firms will have to report IDR data for a six-month period ending on 31 December 2022, with reports submitted to ASIC by 28 February 2023. All relevant financial firms will have to join the framework and report IDR data for the six months ending on 30 June 2023 to ASIC by 31 August 2023. Thereafter, firms must report IDR data on an ongoing basis for every six-month period ending 30 June and 31 December. An IDR data-reporting handbook outlines the final requirements, including the firms required to report to ASIC, and reporting instructions.

ASIC will publish IDR data reports when all financial firms start reporting after 31 August 2023. The first report will cover all complaints received by financial firms from 1 January to 30 June 2023. ASIC will consult on its approach to publishing data.

Resources

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[Internal dispute resolution data reporting \(ASIC\)](#)

Australia (previously covered, now effective)

Status  **Currently effective**

Development

Wealth

FSC bans occupational exclusions in default insurance in superannuation

Effective 1 January 2023, an enforceable Financial Services Council (FSC) Standard prohibits 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 technically it is 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 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 — Queensland (previously covered, now effective)

Status  **Currently effective**

Development

Health

Mental health levy to apply to payroll

From 1 January 2023, the state of Queensland is adding a levy to the payroll of larger employers to fund mental health and associated services. The contribution rate is 0.25% for employers with payrolls between AUD\$10 million and AUD\$100 million in any financial year, and increases to 0.75% for employers with higher payrolls. The levy is calculated only on taxable wages in Queensland.

Resources

[Payroll tax rates and thresholds \(Government\)](#) and [Revenue Legislation Amendment Act 2022 \(Government\)](#)

Australia (previously covered, with upcoming effective dates)

Development

Career — Health

- [Paid family and domestic violence leave to be introduced](#) — key date: 1 February 2023

China

Status



Currently effective

Development

Career — Health

Law designed to eliminate workplace gender discrimination, sexual harassment

As of 1 January 2023, employers must protect female employees from workplace sexual harassment and take steps to eliminate gender discrimination in the Law on Protection Rights and Interests of Women issued on 30 October 2022.

Highlights include:

- Employers must adopt appropriate workplace policies to prohibit workplace sexual harassment, implement training programs to prevent sexual harassment, establish hotlines to report complaints and investigation procedures, identify the responsible body or person in the organization, and provide counselling support to victims, as required.
- Employers must include protective clauses for female employees in employment contracts.
- Employers must not impose any restrictions on an employee's marriage or childbirth; lay off employees; or reduce their salaries or benefits during pregnancy, maternity or nursing periods.
- The role of the labor authorities is expanded to include gender equality, and employees can file complaints to the government departments and authorities. Employers could face fines of between RMB 10,000 and RMB 50,000 for breaches of the law.

Resources

[Law on Protection Rights and Interests of Women](#) (Chinese) (National Working Committee on Children and Women under State Council, 31 October 2022) and [PRC Law on the Protection of the Rights and Interests of Women](#) (China Law Translate, 30 October 2022)

China (previously covered, with upcoming effective date)

Development

Wealth

- [Private 'third pillar' pension plan for individuals](#) — key date: Implementation date unknown.

Hong Kong (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • Gender board diversity, corporate governance required — key date: 31 December 2024 <p>Wealth</p> <ul style="list-style-type: none"> • Mandatory pension fund offsetting to be abolished — key date: Earliest 2025
India (previously covered, with upcoming effective date)	
Development	<p>Career — Health — Wealth</p> <ul style="list-style-type: none"> • Labor and employment laws reformed — key date: Effective date delayed
Indonesia (new)	
Status	<p> Currently effective</p>
Development	<p>Career</p> <p>Minimum wage increased</p> <p>Minimum wages increased by a maximum of 10% in January 2023 under Ministry of Manpower Regulation 18/2022 issued on 17 November 2022. Provinces and cities have since determined their increases based on the new calculation formula, which takes into account inflation, economic growth and employee contributions to economic growth. The formula includes adjustments to calculate the wage levels in those provinces and cities without a minimum wage. The Indonesian Employers Association (APINDO) has launched a legal challenge to the minimum wage increase.</p>
Resources	<p>Regulation 18/2022 (Indonesian) (Government)</p>

Japan (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> Gender pay disclosures will be required for most companies — key date: 8 July 2023 <p>Wealth</p> <ul style="list-style-type: none"> Defined contribution reforms enacted — key date: 1 December 2024
Malaysia (new)	
Status	 Postponed until 1 July 2023.
Development	<p>Career</p> <p>Minimum wage order postponed for small employers</p> <p>Employers with fewer than five employees will not have to pay the minimum wage rate of RM 1,500 per month until 1 July 2023, postponed from 1 January 2023. The Minimum Wage Order Act 2022 that took effect on 1 May 2022 introduced a minimum wage rate of RM1, 500 per month, payable by all industry sectors. The act exempted employers with fewer than five employees until 1 January 2023.</p>
Resources	<p>Announcement (Malay) (Ministry of Human Resources, 27 December 2022) yong-teck.siew@mercer.com</p>
Malaysia (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Employment Amendment Act 2022 takes effect</p> <p>The Employment (Amendment) Act 2022 became effective 1 January 2023. The measures include setting the minimum and maximum periods for apprenticeships (respectively, six and 24 months); introduction of flexible working arrangements; payment of employees working for an incomplete month; expanded maternity leave (to 98 days up from 60, and available to all employees); paid paternity leave (seven consecutive days for married men with 12 months or more of continuous service, capped at five births); prohibition on the dismissal of pregnant employees, with limited exceptions; prevention of forced labor; repeal of measures preventing women from working underground or at night; reduction of the maximum weekly working time to 45 hours, down from 48; separate treatment of sick leave entitlement (up to 60-days of hospitalized sick leave in addition to 12-days of paid sick leave); requirement for prior approval of foreign workers; posting of workplace notification to raise awareness of sexual harassment; and increased penalties for breaches of the act.</p>
Resources	<p>yong-teck.siew@mercer.com Employment (Amendment) Act 2022 (Government)</p>

Singapore (new)

Status  **Currently effective**

Development

Career

Foreign workers' work permits increased

Singapore's Ministry of Manpower announced that employers who have used all their Dependency Ratio Ceiling (DRC) and S-Pass sub-DRC quota for hiring foreign employees could be eligible to apply for additional S-Pass and Work Permits.

The measures are included in the two-year Manpower Strategic Economic Priorities Scheme (M-SEP) with the goal of helping certain employers address backlogs arising due to the Coronavirus pandemic; the qualifying industry sectors include construction, processing, services, manufacturing and marine shipyards. Under the scheme, eligible employers can apply for additional passes and permits equivalent to 5% of the organization's base workforce (local workforce, S-Pass and Work Permit holders), capped at 50 employees. Highlights include:

- Organizations must fulfil certain eligibility conditions. They must promote investments that support either Singapore's hub strategy, or promote innovation or research and development, or support internationalization. Organizations will maintain their M-SEP eligibility only if they continue to meet the criteria.
- Employers that hire local employees earning SG \$1,400 per month or more are entitled to 1 M-SEP quota per local hire, and must maintain their local workforce employment level.
- Employers must train local employees and take steps to enhance local hires' jobs or be an industry leader that provides quality training.

Resources [Manpower Strategic Economic Priorities Scheme](#) (Ministry of Manpower)

Singapore (previously covered, now effective)

Status  **Effective dates vary.**

Development

Career

Work pass framework to fill skills gaps expanded

Singapore's government recently announced changes to the Work Pass framework to attract foreign expertise and technology professionals with the goal of addressing current skills shortages, and to support companies' workforce planning. Applications for a new overseas networks and expertise five-year pass can be submitted from 1 January 2023. The pass is open to all experts, and will allow them to start, manage and/or work for multiple companies in Singapore. Applicants must earn SG\$30,000 or more per month — although certain lower-earning experts could be eligible. Passholders will be exempt from the Fair Consideration Framework (FCF) job-advertising requirement and the upcoming COMPASS Shortage Occupation List. Spouses of passholders will be allowed to work on a "Letter of Consent."

Resources [GRIST](#), 6 September 2022

Singapore (previously covered, now effective)	
Status	 Currently effective
Development	<p>Wealth</p> <p>Central Provident Fund contributions increased</p> <p>Employer and employee contribution rates to the Central Provident Fund (CPF) progressively increased on 1 January 2023 for members aged 55 to 70 (an increase was also implemented in 2022). For members aged 55 to 60, the new employers' contribution rate is 14.5%, and 15% for employees (up from 14% paid by both employers and employees). For ages 60 to 65, the rate is 11% and 9.5% respectively (up from 10% and 8.5%). For ages 65 to 70, the rate is 8.5% and 7% respectively (up from 8% and 6%). The targeted rate for combined CPF contributions (to be achieved by 2030), is 37% for members aged 55 to 60; 26% for members aged 60 to 65; and 16.5% for members aged 65 to 70. The government will continue to support employers with an offset similar to the CPF Transition Offset provided in 2022.</p>
Resources	<p>dimitris.efthyvoulou@mercermarshbenefits.com</p> <p>GRIST, 23 March 2022</p>
Singapore (previously covered with upcoming effective dates)	

Development	<p>Career</p> <ul style="list-style-type: none"> • Work pass framework to fill skills gaps expanded — key date: September 2023 <p>Career — Health</p> <ul style="list-style-type: none"> • Medical coverage of permit applicants enhanced — key date: Postponed from end of 2022
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South Korea (new)	
Status	 Currently effective
Development	<p>Wealth</p> <p>Retirement tax deductions increased</p> <p>The National Assembly recently approved the 2022 tax law amendments that include adjusted retirement tax deductions, effective on 1 January 2023. The deduction is calculated on an employee's length of service and increased by KRW 0.7 million (for fewer than five years' service); KRW 5 million (six to 10 years); KRW 17.2 million (11 to 20 years); and KRW 29.8 million (more than 20 years). As a result of these increases, employees will receive increased net retirement benefits.</p>
Resources	<p>sungjae.you@mercer.com</p> <p>Announcement (Korean) (Government, 24 December 2022) and announcement (Korean) (Government, 21 July 2022)</p>
South Korea	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased</p> <p>The minimum hourly wage for 2023 increased to KRW 9,620 — a 5% increase from 2022. The new minimum monthly wage is KRW 2,010,580. The minimum wage must be paid by all organizations with more than one employee, including part-time, contract, and foreign workers. Sanctions for failure to comply include criminal and financial penalties.</p>
Resources	<p>Announcement (Korean) (Minimum Wage Commission, 24 November 2022)</p>
South Korea (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>Meal allowance tax-free amount changes</p> <p>The meal allowance amount exempt from tax increased to KRW 200,000 per month, up from KRW 100,000 per month, effective 1 January 2023. The tax-exempt amount had remained unchanged since 2004, and the increase responds to criticisms that it did not reflect the inflation rate.</p>
Resources	<p>sungjae.you@mercer.com</p> <p>Press release (Korean) (Government, 3 August 2022)</p>

South Korea (previously covered, now effective)

Status  **Currently effective**

Development

Health

National health insurance rate increased

The National Health Insurance premium rate for 2023 increased by 0.1%. The total premium rate is 7.09%, to which employers and employees contribute equally (3.545% each). The average premium increase amount for each employee is KRW 2,069 per month. In 2022, the monthly average was KRW 144,643, and is KRW 146,712 in 2023. This is the smallest increase since 2018.

Resources

sungjae.you@mercer.com

[Press release](#) (Korean) (Government, 30 August 2022)

Taiwan (previously covered, now effective)

Status  **Currently effective**

Development

Career

Minimum wages increase

The monthly minimum wage increased to NT\$26,400 (up from NT\$25,250), and the hourly wage increased to NT\$176 (up from NT\$168), effective 1 January 2023. This 4.6% increase is expected to benefit an estimated 2.32 million workers.

Resources

[Announcement](#) (Government, 1 September 2022)

Section 5

Europe, Middle East and Africa (EMEA)

European Union (EU) (new)	
Status	 Consultation is open until 20 February 2023.
Development	<p>Career — Wealth</p> <p>Financial system regulator consults on guidelines for fund names using ESG, sustainability</p> <p>Proposals to establish common standards for funds that use environmental, social and governance (ESG) or sustainability-related items in their names were published in November 2022 by the European Securities and Markets Authority (ESMA), and are open for comment until 20 February 2023. The measures would ensure that funds' names would be fair, clear and not misleading; introduce quantitative thresholds for funds; and complement ESMA's earlier guidance to national authorities. The finalized guidelines — expected in Q2/Q3 2023 — would apply three months after their publication on the ESMA website, and funds that launched prior to the publication date would be given a three-month transition period.</p>
Resources	Consultation on guidelines on funds' names using ESQ or sustainability-related terms (ESMA)
EU (new)	
Status	 Currently effective with phased-in reporting dates
Development	<p>Career</p> <p>Enhanced corporate sustainability disclosures required</p> <p>Companies will be required to provide qualitative and quantitative sustainability disclosures as part of mandatory common reporting measures under the European Union's (EU) corporate sustainability reporting directive (CSRD) agreed to in November 2022. The directive entered into force on 5 January 2023, and amends the EU's current nonfinancial reporting directive (NFRD). Member states will have until 16 June 2024 to transpose the directive into national laws, and the first set of standards that companies must use will be published before 30 June 2023. The largest companies will have to submit their first report in 2025 for the financial year starting on or after 1 January 2024, and reporting by other companies, including non-EU organizations with substantial EU turnover, will be phased in. Approximately 50,000 companies are in the scope of the CSRD compared to about 11,700 companies under the NFRD.</p>
Resources	Press release (Council of Ministers, 28 November 2022) and Directive 2022/2464 (Official Journal, 16 December 2022)

EU (new)

Status



Proposal

Development

Career

Proposals to enhance powers, role of national equality organizations

The European Commission issued two proposed directives meant to strengthen the role and independence of equality bodies in European Union (EU) member states. Currently, these organizations differ significantly in terms of their powers, independence, accessibility and effectiveness. Highlights of the directives include:

- Expanded oversight to cover two additional directives: (1) the directive on nondiscrimination on grounds of religion or belief, disability, age or sexual orientation in the workplace and (2) the directive on equality between women and men in social security. Currently, equality bodies cover the racial equality directive and directives on equality between women and men in goods and services, in employment and in self-employment.
- Independence from external influence and sufficient resources to function effectively.
- Accessibility to individuals, and the ability to provide complainants with a preliminary assessment of their case.
- Powers to investigate discrimination cases, the right to provide written opinions and binding decisions, and a role in increasing awareness and sharing expertise.
- A right to be consulted when governments are formulating measures that impact equality and discrimination.

Resources

[Equality Bodies' Proposals](#) (European Commission)

Europe (new)	
Status	 Study
Development	<p>Wealth</p> <p>EIOPA assesses environmental risks facing occupational pensions</p> <p>The European Insurance and Occupational Pensions Authority (EIOPA) conducted its first stress test that focuses on the climate change impact in European Economic Area (EEA) countries with material Institutions for Occupational Retirement Provisions (IORPs) sector. EEA member states with material IORP sectors were determined as those with assets of IORPs exceeding EUR 500 million, including Austria, Belgium, Cyprus, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Lithuania, Luxembourg, Netherlands, Norway, Portugal, Slovakia, Slovenia and Sweden. Developed with the European Systemic Risk Board and the European Central Bank, the stress test seeks to assess the risks and vulnerabilities of IORPs against a climate change scenario. It's designed to simulate the scenario of a sudden, disorderly climate policy transition to a green economy that results in sharp carbon price increases — triggering risks for the entire economy.</p> <p>The report aggregates results by member state, and focuses mainly on IORPs' assets. It found that defined benefit schemes lose, on average, 12.9% of their assets and IORPs managing defined contribution schemes around 10.1%. The study also found that more IORPs incorporate environmental, social and governance factors now than three years ago.</p>
Resources	2022 IORP Climate Stress Test (EIOPA, 13 December 2022)
EU (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • Directive on promoting statutory minimum wages finalized — key date: 15 November 2024 • Law to improve gender balance on company boards approved — key date: 30 June 2026

Belgium (new)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Taxable benefit-in-kind for private use of company cars increased</p> <p>For income year 2023, Belgium has agreed to significantly reduce the referenced CO2 emissions used to calculate the taxable amount of benefit-in-kind (BIK) for the private use of company cars by employees and directors. The new CO2 references will increase the taxable BIK CO2 emission cars. The new CO2 references are:</p> <ul style="list-style-type: none"> • 82g CP2/km for petrol, LPG or natural gas cars, down from 91g CO2/km for income year 2021. • 67g CO2/km for diesel cars, down from 75g CO2/km.
Resources	Decision (Dutch) (Finance Ministry, 11 December 2022)
Belgium (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Employers must comply with right to disconnect and training obligations</p> <p>As part of Belgian’s “labor deal,” employers with 20 or more employees must respect their employees’ right to disconnect after working hours, and revise their collective bargaining agreements (CBAs) or work policies by 1 January 2023. However, employers subject to a national or industry sectoral CBA are not required to conclude a company-level CBA or adjust their work rules. In addition, employers with more than 20 employees must grant four training days in 2023, and five days in 2024. Employers with 10 to 20 employees must grant each employee one training day per year. Training leave can be prorated for part-time employees. Employers must draw up a training plan before 31 March every year — for 2023, the deadline was 30 November 2022.</p>
Resources	dieter.valgaerts@mercer.com GRIST , 20 October 2022
Belgium (previously covered, with upcoming effective date)	
Development	<p>Wealth</p> <ul style="list-style-type: none"> • Blue- and white-collar pension harmonization postponed — key date: 1 January 2027

Croatia (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased for 2023</p> <p>The monthly minimum wage in Croatia increased to €700 on 1 January 2023 — up from €623.7 per month.</p>
Resources	Regulation (Croatian) (Government, 20 September 2022)
Cyprus (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased for 2023</p> <p>The monthly minimum wage increased to €940 on 1 January 2023.</p>
Resources	Announcement (Greek) (Government, 31 August 2022)
Denmark (new)	
Status	 Currently effective
Development	<p>Health</p> <p>Tax rates for travel expenses announced</p> <p>Denmark announced changes to the eligibility criteria, daily rates and maximum deductions for travel expenses during 2023. Highlights include:</p> <ul style="list-style-type: none"> • Daily subsistence rate of DKK 555 for general wage earners traveling for work either in Denmark or abroad • Reduction in the meal allowance for free meals provided to employees while they are traveling • Tax-free allowance for small necessities up to the value of 25% of the subsistence rate • Twelve-month time limit for deductions for food and small necessities at the standard rate • DKK 30,500 maximum amount for travel deductions in the 2023 tax year
Resources	Guidance (Danish) (Government, 20 December 2022)

Finland	
Status	 Currently effective
Development	<p>Career</p> <p>Measures to boost reemployment of dismissed older workers take effect</p> <p>Measures to boost the reemployment of individuals aged 55 years or older who have been dismissed by their employer due to economic or production reasons took effect on 1 January 2023. Highlights include:</p> <ul style="list-style-type: none"> • Employees born in 1964 are the last cohort entitled to receive additional days of unemployment allowance security. Employers no longer have to pay the liability component for employees born in 1965 or later. • Redundant workers aged 55 years or older are entitled to a new restructuring protection allowance, training and expanded job search leave paid for by the Employment Fund. Employees who have worked for the same employer for at least five years are entitled to training leave of five, 15 or 25 days, depending on the duration of their notice period. • Employers will pay a restructuring protection fee to finance the Employment Fund. The fee will comprise two parts of equal size: a common part and a portion collected from the employer dismissing employees (subject to the employer meeting a specified payroll threshold in the year prior to the dismissals). All employers must pay for the common part through an increased unemployment insurance contribution.
Resources	The new act on restructuring protection will enter into force in January 2023 (Employment Fund, 29 June 2022)
France (new)	
Status	 Currently effective
Development	<p>Health — Wealth</p> <p>Social security ceiling increased</p> <p>The social security monthly ceiling used to calculate taxable wages in France increased on 1 January 2023 to €3,666, up from €3,428; the daily ceiling is €202. The ceiling is the maximum taxable wage for calculating pension contributions and other social taxes.</p>
Resources	Announcement (French) (Government, 9 December 2022)

France (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>New social protections for metallurgy sector takes effect</p> <p>A new single national collective bargaining agreement (CBA) for the metallurgy sector was signed on 7 February 2022 by four labor unions and the Union of Industries and Trades in Metallurgy (UIMM) on the employers' behalf. The CBA follows negotiations that started in 2016 with the goal of modernizing the sector. The social protections include:</p> <ul style="list-style-type: none"> • Guaranteed minimum medical insurance will cover different categories (such as medicine, ophthalmology, dental and hospitalization). • The CBA provides minimum coverage for life insurance, paid sick leave, long-term disability and other benefits, with differences for cadres and noncadres. • Employers must pay a minimum contribution for coverage — 50% for medical and 43% for life and disability, with no differentiation between cadres and noncadres. • A minimum schedule of benefits will apply to the indemnity paid on an employee's retirement, with no distinction between cadres and noncadres.
Resources	<p>charlesantoine.roger@mercer.com</p> <p>GRIST, 18 March 2022</p>

France (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • New gender quotas for senior execs, management teams imposed — key date: 1 March 2026 <p>Career — Health</p> <ul style="list-style-type: none"> • Metallurgy sector agrees on national CBA — key date: 1 January 2024

Germany (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Employers must record working time, court rules</p> <p>Employers in Germany must ensure that employees' working time is generally recorded following a decision issued on 13 September 2022 by the Federal Labour Court (BAG) to correct Germany's implementation of the EU's directive on working time. Currently, German law requires employers to record working time only if the daily standard working hours exceeds eight hours, or work is carried out on Sundays and public holidays. German law will have to be revised in the light of the BAG's decision.</p>
Resources	Decision (German) (Federal Labor Court, 13 September 2022)
Germany (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Larger companies face human rights mandates</p> <p>From 2023, companies in Germany with 3,000 or more employees must ensure human rights are respected in their supply chains, establish due diligence procedures to analyze human rights risks and complaint mechanisms, and prepare reports on due diligence steps taken. The measures feature in a law on corporate due diligence in supply chains that passed parliament on 11 June 2021. It also applies to Germany-based subsidiaries of foreign companies. Organizations with 1,000 or more employees must comply by 1 January 2024. Companies with €400 million annual turnover could face fines of up to 2% of their average annual turnover for noncompliance, and could be excluded from public procurement for up to three years.</p>
Resources	Information on legislation (German) (Legislature) and GRIST , 4 May 2021

Gibraltar (previously covered, with upcoming effective date)	
Development	Health — Wealth <ul style="list-style-type: none">• Social security contribution rates change — key date: 1 July 2023
Hungary (new)	
Status	 Currently effective
Development	Career Minimum wage and the guaranteed minimum wage increased <p>The monthly minimum wage and the guaranteed minimum wage increased on 1 January 2023. The minimum wage increased by 16% to HUF 232,000, and the guaranteed minimum wage increased by 14% to HUF 296,400. The guaranteed minimum wage is paid for jobs requiring at least secondary school qualification or secondary vocational qualification.</p>
Resources	Announcement (Hungarian) (Government, 21 December 2022)

Ireland (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>National minimum wage, living wage rates increased</p> <p>The National Minimum Wage increased on 1 January 2023 to €11.30 per hour (up from €10.30) for individuals aged 20 and older. The applicable minimum hourly wage rates for younger individuals is €10.17 (19 years), €9.04 (18 years), and €7.91 (17 and younger). Different minimum pay rates apply to employees in certain sectors, such as the security and cleaning sectors. The suggested National Living Wage for 2023 is €13.10 per hour and will be revised annually with the intent to become mandatory in 2026.</p>
Resources	Tánaiste announces increase in the National Minimum Wage and sets the 2023 Living Wage (Government, 14 September 2022)

Ireland (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Statutory paid sick leave begins</p> <p>Ireland's Sick Leave Act 2022 took effect on 1 January 2023. The government already announced that paid sick leave will increase to five days in 2024, to seven days in 2025, and to 10 days in 2025. Highlights include:</p> <ul style="list-style-type: none"> • Employees with 13 weeks or more of continuous employment are eligible for three days of paid statutory sick leave per year, subject to providing their employer with a medical certificate signed by a medical practitioner. • Statutory sick leave pay will be paid at 70% of normal wages (taking into account relevant allowances), capped at €110 per day, and will be paid from the first day of an employee's illness or absence until illness benefit is payable. • Employers must maintain records of statutory sick leave taken by employees for up to four years. • Employers can provide more favorable paid sick leave provisions than the act — in such cases, the statutory scheme will not apply. • The Labour Court could exempt organizations experiencing severe financial difficulties from paying sick leave.
Resources	Sick Leave Act 2022 (Legislature) and New entitlement to paid sick leave from the New Year (Department of Enterprise, Trade and Employment, 29 November 2022)

Ireland (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • Gender pay gap regulations issued — key date: December 2023
Israel (new)	
Status	<p> 1 May 2023</p>
Development	<p>Health</p> <p>Private medical insurance coverage reforms enacted</p> <p>Reform of Israel's health insurance will apply to all individual and group PMI policies signed or renewed on or after 1 May 2023 (the reform was originally planned to take effect on 1 December 2022, and later on 1 February 2023). Existing plans are unaffected until their renewal date. The reform strives to establish a comprehensive private medical insurance (PMI) framework and create a hierarchy between different parts of the product, force a more uniform policy structure, and increase the transparency and comparison of prices for similar products. Many individuals use PMI to supplement the standard medical services provided under the National Health Insurance (NHI). Highlights include:</p> <ul style="list-style-type: none"> • A new five-tiered of coverage PMI structure. The first tier is the basic PMI package for medical catastrophes, which will include three uniform policies covering transplants and special treatments abroad, medicine not included under the NHI, and surgical procedures abroad. The additional three tiers will offer additional healthcare options (surgery, ambulatory services, and various extensions to these coverages), and will only be available to are insured either with the same company they are insured with for tier one, with a different insurer. Tier 4 (ambulatory services) must include, at a minimum, some combination of the coverages listed by the regulator. Tier 5 includes Critical Illness insurance. • Individuals will have access to an online PMI health coverage tool that outlines their coverage, premiums paid, and enable the comparison of available health coverage and premiums. • The PMI reform applies to all individual and group PMI policies commencing on or after 1 May 2023. • Discounts can be provided only if they are for a period of at least ten years with the same level of discount. • If new policies are sold with overlapping coverages in older products, the older products must be cancelled. • Cancelling the basic policy will automatically cancel all other tiers.
Resources	<p>Press release (Hebrew) (Government, 28 March 2022)</p>

Italy (previously covered, now effective)	
Status	 Currently effective
Development	<p>Health</p> <p>Benefit coverage for executives in commercial sector expanded</p> <p>From 1 January 2023, the life and pension fund (Antonio Pastore) mandated under the collective bargaining agreement (CBA) for executives (dirigenti) in the commercial sector expanded to include insurance coverage for professional and nonprofessional accidents, including death and disability. The measures are included in the CBA renegotiated by social partners in December 2021, and covers approximately 8,000 companies and 24,000 employees.</p> <p>Employers' annual contributions to the fund increased to €5,048.26, up from €4,761.26, and employers should have enrolled executives by 1 January 2023 at the latest.</p> <p>The benefit payments will be calculated on the employee's annual gross salary, capped at €150,000. The accidental death benefit amount will be five times the employee's annual salary (capped at €750,000), and up to six times the annual salary for permanent total disability (capped at €900,000). In cases of permanent partial disability, the benefit amount will be in proportion to the degree of disability. For higher paid executives earning more than €150,000, the coverage amount provided by the fund might not fulfill the CBA's provisions and in such cases, employers should consider providing supplementary insurance coverage for employees.</p>
Resources	<p>enrico.denegri@mercermarshbenefits.com and giovanna.pezzela@mercer.com</p> <p>Antonio Pastore (Italian) and Collective bargaining agreement for executives (Italian)</p>
Latvia (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased</p> <p>The monthly minimum wage in Latvia increased to €620 on 1 January 2023 (up from €500). A further increase is slated for 2024 when the monthly minimum wage will increase to €700.</p>
Resources	Announcement (Latvian) (Parliament, 27 October 2022)

Netherlands (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased</p> <p>The minimum wage in the Netherlands increased on 1 January 2023 to €1,934.40 for employees aged 21 years and older. The minimum wage for younger employees is €1,547.50 (20 years); €1,160.65 (19 years); €967.20 (18 years); €764.10 (17 years); €667.35 (16 years) and €580.30 (15 years).</p>
Resources	Decree of 3 October 2022 (Dutch) (Official Gazette, 7 October 2022)
Netherlands (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • 30% tax rule for expat employees to change — key date: 1 January 2024 <p>Wealth</p> <ul style="list-style-type: none"> • Pension plan reforms delayed — key date: Enactment expected in 2023.
Nigeria (previously covered, with upcoming effective date)	
Development	<p>Health</p> <ul style="list-style-type: none"> • Health insurance coverage to significantly expand — key date: Implementation date unknown.
Poland (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased</p> <p>On 1 January 2023, the monthly minimum wage increased to PLN 3,490, or PLN 22.80 per hour — up from PLN 3,010 or PLN 19.70 per hour. In July, the monthly minimum wage will again increase to PLN 3,600, or PLN 23.50 per hour.</p>
Resources	Announcement (Polish) (Government, 13 September 2022)
Poland (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • Minimum wage to increase — key date: 1 July 2023

Portugal (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased</p> <p>Portugal's monthly minimum wage increased to €760 on 1 January 2023, up from €705. The government also announced an extraordinary payment of €240 to certain families in December 2022 to help with cost-of-living increases.</p>
Resources	Announcement (Portuguese) (Government, 15 December 2022)
Portugal (previously covered, now effective)	
Status	 Currently effective
Development	<p>Wealth</p> <p>Retirement pension age decreased</p> <p>From 1 January 2023, employees are allowed to retire three months earlier due to reduced life expectancy. The age to access the old age pension is 66 years and four months — the retirement age was formerly 66 and seven months. The measure is included in Ordinance No. 307/2021 of 17 Dec 2021.</p>
Resources	<p>cristina.duarte@mercer.com</p> <p>Ordinance No. 307/2021 (Portuguese) (Official Gazette, 17 Dec 2021)</p>
Portugal (previously covered, with upcoming effective date)	
Development	<p>Career — Health</p> <ul style="list-style-type: none"> Job quota deadline for people with disabilities approaches — key date: 1 February 2023

Romania (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased</p> <p>On 1 January 2023, the gross monthly minimum wage increased to RON 3,000 (up from RON 2,550), of which RON 200 is exempt from taxes and social security contributions. The monthly minimum wage in the construction sector increased to RON 4,000.</p> <p>From 1 June 2022, employers were asked to voluntarily increase the monthly minimum wage by RON 200 per month (to RON 2,750) as part of measures designed to alleviate the effects of inflation and increased costs for workers. Announced by the Ministry of Finance on 4 May 2022, the voluntary increase is exempt from social contributions and tax.</p>
Resources	Announcement (Romanian) (Government, 24 November 2022)
Romania (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Employee payroll recordkeeping requirements changed</p> <p>Employers must retain employee payroll information for five years under Law No. 195/2022 published in the Official Gazette on 4 July 2022. Beginning 1 January 2023, employers must retain for five years any employee payroll records for which the employer has an informative declaration regarding the withholding tax on income beneficiaries, or has the legal obligation to submit the declaration regarding the obligations to pay social contributions, income tax, and the nominal record of insured persons to the National Agency for Fiscal Administration.</p>
Resources	Law No. 195/2022 (Romanian) (Government)
Russia (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased</p> <p>The monthly minimum wage increased on 1 January 2023 to RUB 16,242, up from RUB 15,279 — a 6.3% increase.</p>
Resources	Law (Russian) (Official Gazette, 19 December 2022)

Saudi Arabia (previously covered, with upcoming effective date)

Development

Career

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

Serbia (previously covered, now effective)

Status



Currently effective

Development

Career

2023 minimum hourly wage takes effect

The government published the 2023 hourly minimum wage — RSD 230 — in its Official Gazette on 14 September 2022, and it took effect on 1 January 2023.

Resources

[Announcement](#) (Serbian) (Government, 14 September 2022)

Slovakia (previously covered, now effective)	
Status	 Currently effective
Development	<p>Wealth</p> <p>Pension reforms take effect</p> <p>Reforms to all three pillars of Slovakia’s pension system were approved in October 2022 and mostly took effect on 1 January 2023. The reforms seek to improve the sustainability of pensions, and correct certain reforms introduced in 2013.</p> <p>The first pillar is a pay-as-you go mandatory pensions insurance, funded by social contributions.</p> <ul style="list-style-type: none"> • The current retirement age cap of age 64 is removed and is linked to life expectancy, increasing by one to two months per year. This change does not impact individuals born before 1967. • Individuals with 40 or more years of social insurance payments may retire early. • A parental bonus pension was introduced for retired individuals, paid for by their children. The payment is financed by the children’s social contributions, calculated on their taxable earnings during the previous two-year period. Parents without children, who have children with a disability, or who live abroad, will not be paid a bonus. <p>The second pillar covers pension contributions that are managed by a private pension fund.</p> <ul style="list-style-type: none"> • Automatic enrollment was introduced for individuals under the age of 40 with the option to opt out after two years. Enrollment remains voluntary for individuals aged 40 or older. • Contributions from new entrants are put into non-guaranteed (index) funds until age 54 when they will be transferred to guaranteed (bond) funds. • Withdrawn savings are subject to income tax. • Pension fund fees are reduced with the goal of boosting individuals’ pension savings. <p>The third pillar covers voluntary supplement pension savings managed by supplementary pension companies, and the changes reduce the imposed fees.</p>
Resources	Reforms (Slovak) (Government, 24 March 2022)
Slovakia (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career</p> <p>Minimum wage increased</p> <p>The monthly minimum wage in 2023 increased to €700, and the hourly minimum wage to €4.023. Different minimum wage rate increases apply to employees depending on their job grade.</p>
Resources	301/2022 (Slovakian) (Government, 27 August 2022)

Slovenia (new)

Status



Currently effective

Development

Career

Minimum wage increased for 2023

Slovenia has increased the minimum wage to €1074.43 gross, effective 1 January 2023.

Resources

[Press release](#) (Slovenian) (Ministry of Labor, Social Affairs and Equal Opportunities, 22 December 2022)

Spain (new)	
Status	 Currently effective
Development	<p>Wealth</p> <p>2023 General State Budget includes pension and social security contribution changes</p> <p>Several employment-related tax measures are included in the General State Budget Law for 2023, effective 1 January 2023.</p> <p>New annual maximum contribution limits to Qualified Pension Plans (these include individual or company qualified plans, such as ‘planes de pensiones’, ‘mutualidades de previsión social’, ‘planes de previsión social empresarial and planes de previsión asegurados’). The joint maximum annual contribution limit is now EUR 1,500 per year, but it could be increased by:</p> <ul style="list-style-type: none"> • €8,500 per year provided that the increase comes from employer contributions, or from employee contributions to the same scheme for an amount equal to, or less than, the amounts specified in a chart, and which are contingent on the employer’s annual contribution. The increases included in the chart apply only to employees earning up to €60,000 per year. • €4,250 per year provided that the increase is from contributions made by self-employed workers to sectoral or simplified pension plans, or from contributions to employment pension plans by individual entrepreneurs or professionals where they are both promoters and participants. • Similarly, the maximum tax base reduction arising from contributions to those pension systems is the lower of the following amounts: (a) 30% of the sum of the individual’s net income from employment and economic activities during the year or (b) contributions paid to those pension systems up to the permitted annual contribution limits as stated above. <p>Social Security</p> <ul style="list-style-type: none"> • Pension contributions increased by 8.5%, and non-contributory pensions by 15%. • The revaluation of the public pension payment is capped at €42,829.2 per year in 2023. • The 2023 Social Security Contribution Ceiling (general regime) is €4,495.5 (per month) and €53,946 (per year). • A new intergenerational fairness mechanism adds 0.6% (0.5% paid by the employer and 0.1% paid by the employee) to the social security system where there is an obligation to contribute to retirement pension coverage.
Resources	<p>JuanLuis.alonso@mercer.com and bruno.olivella@mercer.com</p> <p>Law 12/2022 (Spanish) (Legislature) and Mercer Client Briefing (Spanish) (January 2023)</p>

Sweden (previously covered, now effective)

Status  **Currently effective**

Development

Wealth

Defined benefits to increase, employer premiums to decrease

Earned pensions rights in defined benefit (DB) (ITP2) pensions increased by 10.84% in 2023, and employers' ITP 2 premiums will be reduced by an estimated 28%, assuming employees' salaries increase by 3%. The revised benefits and contributions correspond to inflation changes during the previous year.

The changes to the ITP 2 benefits and premiums were announced by Alecta, the pension company that manages most ITP 2 schemes in Sweden. Swedish pension provision comprises two components — a DB ITP 2 retirement pension, and a defined contribution IPTK plan.

DB pension and family pension premiums are expected to decrease by 40% for the average company, subject to meeting three criteria:

- Increased income base amount
- Increased deferred vested pension
- Premium reduction

The estimated reduction in premiums for employees who are enrolled in an Alternative ITP Plan with a cost-neutral premium model is 40%. Alecta estimates that the oldest employees will benefit most from the premium reduction.

Resources

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[Announcement \(Swedish\)](#) (Alecta, November 2022)

Sweden (previously covered, now effective)

Status  **Currently effective**

Development

Career — Health

Housing benefit for 2023 tax deductions updated

The housing benefit values for calculating tax deductions and employer contributions are outlined in a regulation issued by the Swedish Tax Agency. The monthly housing benefit values per square meter of living space is SEK 85 to SEK 124, depending on the region, as of 1 January 2023.

Resources

[Regulation](#) (Swedish) (Tax Agency, 28 October 2022)

Sweden (previously covered, now effective)

Status  **Currently effective**

Development

Wealth

ITP occupational pension rules adjusted

A salary cap now applies to Sweden’s collectively agreed upon occupational defined contribution pension (ITP1) from 1 January 2023, applicable to all employees born after 1978. Highlights include:

- Introduction of a salary cap for individuals born after 1978 who are accruing an ITP1 pension. Individuals will not receive pension contributions on earnings that exceed 30 income base amounts (equivalent to SEK 177,500 per month in 2022). The ITP1 cap is the same amount applicable to defined benefit (ITP2) for individuals born before 1979.
- Increase to the age for accruing an ITP1 defined contribution pension to 66 — the age applicable to ITP2 defined benefit pensions is unchanged.
- Increase to the eligible age for an ITP disability pension to age 66 for both ITP1 and ITP2 pensions.
- ITP1 pensionable salaries are reported on a monthly basis, which means that employees paid a yearly bonus could exceed the salary cap for that particular month, and will not be entitled to pension contributions on bonus payments exceeding the salary cap.
- As the ITP1 is part of a collective agreement, and employers are not legally required to compensate employees for “lost” company contributions, unless a separate contractual agreement is in place.
- Employees eligible for the ITP2 defined benefit who earn a salary exceeding 10 income base amounts can currently elect to switch to ITP1 if their employer allows it. Some higher paid employees may have switched to benefit from the absence of an ITP1 salary cap.

As background, ITP1 is a defined contribution pension that covers salaried employees who were born in 1979 and after beginning at age 25. Currently, ITP1 employer contributions equal 4.5% of salary up to SEK 44,375, and 30% of the amount exceeding SEK 44,375. ITP2 is a defined benefit pension that covers salaried employees born in 1978 or before. The ITP occupational pension scheme was agreed to by the Council for Negotiation and Cooperation for Salaried Employees (PTK) comprising 27 trade unions representing 860,000 private sector salaried employees, and the Confederation of Swedish Enterprise representing 49 member organizations and 60,000 member companies.

Resources

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[GRIST](#), 5 October 2022

Sweden (previously covered, now effective)	
Status	 Currently effective
Development	<p>Career — Wealth</p> <p>Earliest retirement age increased</p> <p>Parliament approved a proposal to increase the earliest retirement pension age of income-based old age pension to 63 — up from 62 — in 2023. The earliest age for accessing the guaranteed pension also increased to 66 years — up from 65. The increased age thresholds are linked to the “benchmark pension age” that will start in 2026, and replace the current norm of 65 years to take account for the increased life expectancy.</p>
Resources	<p>richard.bjaernehall@mercer.com and robert.bergendahl@mercer.com</p> <p>Information on legislation (Swedish) (Parliament)</p>
Turkey (new)	
Status	 Currently effective
Development	<p>Career — Health — Wealth</p> <p>Minimum wage, social security contributions announced</p> <p>The 2023 monthly gross minimum wage increased to TRY 10,008, and the net amount increased to TRY 8,506.80 — a 55% increase on the July 2022 rate. The maximum social security premium is TRY 75,060. The maximum contribution amount on which the state contribution is calculated is TRY 120,096, and the maximum state contribution is TRY 36,029. The minimum auto-enrollment payment is TRY 300 (calculated on TRY 10,080), and the maximum payment is TRY 2,252 (calculated on TRY 75,060).</p>
Resources	<p>evsen.olmez@mercer.com</p> <p>Law (Turkish) (Official Gazette, 22 December 2022)</p>

Switzerland (previously covered, with upcoming effective date)	
Development	<p>Wealth</p> <ul style="list-style-type: none"> • First pillar pension scheme reforms approved — key date: Unknown.
United Arab Emirates (UAE) (previously covered, now effective)	
Status	<p> Currently effective</p>
Development	<p>Career</p> <p>Unemployment scheme takes effect</p> <p>Effective January 2023, Emirati and foreign nationals working in the private and public sectors in the United Arab Emirates are entitled to receive benefits from a new Unemployment Insurance Scheme. Announced on 9 May 2022, the scheme intends to encourage more Emiratis to work in the private sector. Highlights include:</p> <ul style="list-style-type: none"> • Individuals employed in private sector organizations, or by the state or federal governments are eligible to join the scheme. However, certain categories of workers are ineligible, including investors, domestic workers, contract workers or individuals hired on a temporary basis, workers younger than age 18, and individuals in receipt of an old-age pension but who join a new employer. • Employees who become unemployed will be entitled to benefits of 60% of their basic salary, up to a maximum of AED 20,000 per month for periods of up to three months. Individuals can claim benefits for any period of unemployment, but the total coverage period cannot exceed 12 months during the individual’s entire period of employment in the UAE. Payment of the benefit ceases if another employer hires the individual. • Retirees in receipt of a pension and individuals aged younger than 18 are not entitled to receive unemployment benefits. Temporary contractors, investors and domestic workers also are ineligible. • Individuals will contribute to the scheme and must do so for at least 12 months before claiming unemployment benefits. Employee contributions are AED 40 to AED 100 per year, depending on the insurance plan, and likely will be deducted via the payroll system. • Individuals are ineligible for the unemployment benefits if they are dismissed for disciplinary reasons, or for fraud or deceit. <p>Recently, the government announced that the deadline for registering in the unemployment insurance program is 30 June 2023. Federal government and private sector workers must enroll by this date, or face possible financial penalties.</p>
Resources	<p>Information portal (UAE) and Decree-Law No. 13 of 2022 (Presidential Palace)</p>

United Kingdom (UK) (new)	
Status	 Consultation is open until 31 March 2023
Development	<p>Career</p> <p>Removal of 'bonus cap' proposed</p> <p>The Financial Conduct Authority and the Prudential Regulation Authority have issued a consultation on proposals that would remove the current limits on the ratio between fixed and variable components of total remuneration — the 'bonus cap' — to give firms greater flexibility to design their remuneration structures.</p> <p>The bonus cap was introduced into the UK under European Union (EU) legislation in two stages — the first in 2014 and the second in 2020 when it was extended to cover smaller firms previously allowed permitted to disapply the bonus cap on proportionality grounds. The UK regulators opposed the bonus cap during EU negotiations on the grounds that it does not limit total remuneration, and can result in increased base salaries and allowances not necessarily linked to longer-term performance.</p> <p>The UK regulators are still concerned that the bonus cap has increased firms' fixed costs, reducing the amount of "at risk compensation" that cannot be clawed back in case of failure or misconduct. The removal of the bonus cap is expected to make it easier for firms to adjust their variable remuneration through time to reflect their financial health. The following rules will remain in place, and aim to better align remuneration with prudent risk taking:</p> <ul style="list-style-type: none"> • A minimum of 40% (60% for individuals who receive variable remuneration of £500,000 or more) would be deferred for a minimum period of four years. • A minimum 50% of variable remuneration would consist of shares or other non-case instruments reflecting the firm's performance. • All variable remuneration would be subject to risk adjustment — including in-year adjustment, malus and clawback. <p>The consultation is open until 31 March 2023. The proposed measures would impact banks, building societies, and PRA-designated investment firms, and would take effect on the first performance year starting after the publication of the final policy (this is expected in Q2 of 2023) — for most firms, this would be 2024/2025 performance year.</p>
Resources	<p>richard.symons@mercer.com</p> <p>CP22/28: Remuneration: Ratio between fixed and variable components of total remuneration ('bonus cap') (Financial Conduct Authority)</p>

UK (new)

Status  **Consultation is open until 24 March 2023.**

Development

Wealth

The Pensions Regulator consults on regulatory approach to DB funding regime

The Pensions Regulator (TPR) issued two consultations on the regulatory aspects of the new funding regime for defined benefit pension schemes. The first concerns TPR's draft funding code of practice that defines the legislative requirements, practical guidance, and TPR's expectations for trustees and corporate sponsors agreeing actuarial valuations.

The second concerns TPR's proposed "fast track" approach to valuations. Pension schemes would be able to use "fast track" if a pension scheme meets three prescribed tests set by TPR. "Fast track" would give trustees and sponsors the confidence that their scheme funding valuation meets TPR's approval, and would generally allow them to avoid further TPR scrutiny when the valuation is submitted. TPR expects about half of all pension schemes will be in this category.

Both consultations will close on 24 March 2023. TPR plans to have the new funding regime in force for valuations with effective dates from 1 October 2023.

Resources

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[Draft defined benefit \(DB\) funding code of practice and regulatory approach consultation](#) (The Pensions Regulator, 16 December 2022)

UK (new)	
Status	 Proposal
Development	<p>Health — Wealth</p> <p>Proposal to allow flexible working requests from start of employment</p> <p>Employees in the UK will be entitled to request flexible working from the first day of their employment under measures announced by the government in its response to an earlier consultation, “Making flexible working the default.” Highlights include:</p> <ul style="list-style-type: none"> • A request to work flexibly will be a <i>day one</i> right — currently, employees must have worked at least 26 weeks before requesting flexible work. • Employees could request to work flexibly up to two times in any 12-month period. Currently, employees can only submit one request. • Employees will no longer have to explain how their employer might deal with the effects of their flexible working request. • Employers will have to consult with an employee to explore different options before refusing a request to work flexibly. • Employers will have to respond to an employee’s request within two months, down from three. <p>All the measures are included in a private member’s bill — the Employment Relations (Flexible Working) Bill — that the government confirmed it will support. The bill passed its second reading on 28 October 2022, but secondary legislation will be required to introduce the <i>day one</i> right. The timing of the bill is uncertain, but the measures could possibly take effect in April 2023.</p>
Resources	Millions of Britons to be able to request flexible working on day one of employment (Government, 5 December 2022)
UK (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • National living wage and national minimum wage rates announced — key date: 1 April 2023 <p>Wealth</p> <ul style="list-style-type: none"> • New rules on defined contribution pension illustrations published — key date: 1 October 2023



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