

Law and Policy Group

Global Legislative Update

By Stephanie Rosseau and Fiona Webster
March 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.

| | |
|---|----|
| 1. Highlights..... | 1 |
| 2. Global..... | 4 |
| 3. Americas..... | 6 |
| 4. Asia Pacific..... | 30 |
| 5. Europe, Middle East and Africa (EMEA)..... | 39 |

Section 1

Highlights

| Global | |
|----------------------------|--|
| Reproductive rights | Global employer resources post <i>Dobbs</i> ruling |
| Minimum wage rates | Global employer resources |
| Remote working | Global employer resources |
| Americas | |
| Argentina | Minimum wage increased Employers' contribution to occupational disease fund increases Statutory life insurance benefit contributions have increased Cost of private prepaid healthcare has increased Employers will be required to provide workplace child care facilities |
| Brazil | President proposes new minimum wage |
| Canada | Alberta — Budget includes benefit changes British Colombia — Budget includes benefit changes |
| Colombia | Minimum wage has increased Supreme Court rules on transitional pension scheme benefits |
| Dominican Republic | Per capita fee increased, basic health plan expanded |
| Nicaragua | Minimum wage rate increased |
| United States (US) | National Labor Relations Board rules that severance agreements may not require waiver of labor rights Guidance on telework issued under labor and leave laws Regulator rescinds rule that expanded religious exemption for federal contractors Permanent physical presence relief for spousal consent proposed High compensation not enough to deny overtime, rules Supreme Court Regulators announce new efforts to combat child labor |

Americas (continued)

United States

- [Input requested on proposals to revise the race and ethnicity standards](#)
- [Transportation plans offer valued benefits/pose compliance issues](#)
- [Roundup: Employer resources on states' recreational marijuana laws](#)
- [Roundup: Employer resources on minimum wage increases](#)
- [Roundup: Employer resources on hairstyle nondiscrimination laws](#)
- [State accrued paid sick leave mandates enacted](#)
- [States, cities tackle COVID-19 paid leave](#)
- [States update group health plan sponsor reporting obligations](#)
- [Resources for tracking state and city retirement initiatives](#)
- [Hourly minimum wage increased in Los Angeles, CA](#)
- [Disclosure of salary ranges in all job postings proposed in Connecticut](#)
- [Minimum wage rate to increase in District of Columbia](#)
- [Supreme Court clarifies broad scope of its Biometric Privacy Act in Illinois](#)
- [Reproductive Health Act amended to add insurance coverage mandates in Illinois](#)
- [Health coverage requirements during paid family medical leave clarified in Illinois](#)
- [Michigan joins Psychology Interjurisdictional Compact](#)
- [Hair nondiscrimination legislation enacted in Minnesota](#)
- [Equal pay, benefit and employment rights granted to temporary employees in New Jersey](#)
- [Expansion of salary disclosure law moves forward in New York](#)
- [Worker Protection unit to address wage theft, worker exploitation in New York](#)
- [Expansions to salary disclosure law proposed in New York City](#)
- [Seattle, Washington is first US city to ban caste bias](#)
- [Wyoming joins PSYPACT](#)

Asia Pacific

Australia

- [Private health insurance premium increases](#)
- [Tax regulator confirms transfer balance cap increase](#)
- [Annual members' meeting disclosure requirements changed](#)
- [Stronger gender pay rules proposed](#)
- [Access to superannuation for child sex abuse victims proposed](#)
- [Changes to non-arm's length income tax provisions for super funds proposed](#)

China

- [2023 minimum wage rages announced](#)

| Asia Pacific (continued) | |
|--|---|
| Malaysia | Guidance clarifies that Employment (Amendment) Act 2022 excludes certain employees |
| Singapore | Paid paternity leave and unpaid infant care leave expanded 2023 budget highlights upcoming pension changes Antidiscrimination law plans advance |
| Europe, Middle East and Africa (EMEA) | |
| European Union (EU) | Measures to reduce gender pay gap, ban salary history advance |
| Belgium | Collective agreement increases bicycle allowance |
| Finland | A1 social security certificates now required for all trips |
| Hungary | Leave laws expanded, labor law modified |
| Kenya | Court reinstates 2013 National Social Security Fund Act |
| Ireland | Plans for auto-enrollment pension system advance |
| Netherlands | Whistleblowing law revised |
| Poland | Employers allowed to test employees for alcohol and similar substances New remote working measures enacted |
| South Africa | Minimum wage rate increased for 2023 |
| United Kingdom (UK) | Financial regulator consults on governance of sustainability Pensions Regulator consults on regulatory approach to defined benefit funding regime Code of practice on workforce dismissal and reengagement proposed |
| Zambia | National Pension Scheme Authority has increased the earnings cap |

Section 2

Global

| Reproductive rights | |
|---------------------|---|
| Status |  Ongoing initiatives |
| Development | Health Global employer resources on reproductive rights post <i>Dobbs</i> 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 <i>Dobbs</i> ruling , 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 (updated) | |
|---------------------|---|
| Status |  Currently effective |
| Development | <p>Career</p> <p>Minimum wage increased</p> <p>The monthly minimum wage increased to AR\$69,500 on 1 March.</p> |
| Resources | Announcement (Spanish) (Ministry of Labor, 22 November 2022) |
| Argentina (new) | |
| Status |  Currently effective |
| Development | <p>Career — Health</p> <p>Employers' contribution to occupational disease fund increases</p> <p>The employers' fixed sum contributions to the occupational disease fund (FEED) for each employee increased on 1 February 2023 to AR\$183, up from AR\$155.</p> |
| Resources | Disposition 1/2023 (Spanish) (Official Bulletin, 18 January 2023) |
| Argentina (new) | |
| Status |  Currently effective |
| Development | <p>Health</p> <p>Statutory life insurance benefit contributions have increased</p> <p>The statutory life insurance benefit, calculated on the minimum salary, increased on 1 March 2023 to AR\$382,250, and the employer's monthly premium increased to AR\$78.36, per employee. The statutory life insurance applicable to workers in the rural sector increased on 1 March 2023 to AR\$382,250.</p> |
| Resources | Announcement (Spanish) (Government, 17 January 2023) |

| Argentina (new) | |
|--|--|
| Status |  Currently effective |
| Development | <p>Career — Health</p> <p>Cost of private prepaid healthcare has increased</p> <p>The cost of the private prepaid medicine system increased by 7.66% on 1 March 2023 under Resolution 2577/2022 issued by the Ministry of Health.</p> |
| Resources | Resolution 2577 (Spanish) (Ministry of Health, 30 June 2022) |
| Argentina (previously covered, soon to be effective) | |
| Status |  Effective 23 March 2023 |
| Development | <p>Career — Health</p> <p>Employers will be required to provide workplace childcare facilities</p> <p>From 23 March 2023, Argentinian employers with workplaces of 100 or more employees must provide workplace day care facilities for employees who have parental responsibility during the day for children aged 45 days to three years. The workforce threshold calculation must also include dependent workers who provide services at the employer's worksite. Collective bargaining agreements could include measures that allow for the nontaxable reimbursement for all or a share of the costs of day care services (the amount must not be less than 40% of the monthly salary of day care employees, or the actual cost of day care if less). Reimbursement will be prorated for part-time employees, and remote workers must be paid a benefit in lieu of using the facilities. Employers could subcontract another organization to provide day care facilities, and employers could join together within a two-kilometer radius of the employers' worksites. Sanctions for employers' noncompliance would be classified as a "very serious" infringement, and could include fines of 50% to 2,000% of the minimum wage per affected worker. The measures are included in Decree 144/2022 published on 22 March 2022.</p> |
| Resources | <p>dolores.liendo@mercer.com</p> <p>Decree 144/2022 (Spanish) (Government, 23 March 2022)</p> |
| Bermuda (previously covered, with upcoming effective date) | |
| Development | <p>Career</p> <p>Minimum wage rate to be implemented — key date: 1 June 2023</p> |

| Brazil (new) | |
|------------------------|---|
| Status |  Proposal |
| Development | <p>Career</p> <p>President proposes new minimum wage</p> <p>Brazil's president proposed an increase to the monthly minimum wage to BRL 1,320, effective 1 May 2023. However, no accompanying legislation has been published, and the minimum wage amount is under discussion. Also, monthly income of up to BRL 2,640 would be exempt from individual taxation.</p> |
| Resources | Announcement (Portuguese) (President's office, 16 February 2023) |
| Canada — Alberta (new) | |
| Status |  Effective dates vary. |
| Development | <p>Career — Health</p> <p>Budget includes benefit changes</p> <p>Alberta's 2023 budget was published on 28 February 2023. Highlights include:</p> <ul style="list-style-type: none"> • Increased funding to support healthcare infrastructure and staffing, with particular objectives in the areas of decreasing emergency and surgical wait times, increasing physician and nursing positions through increased training spots and international recruitment, and continuing focus on mental health and addiction recovery. • Reduction in loan repayment criteria for post-secondary students • Increased financial support for middle and low-income families directly through financial benefit programs and indirectly through increased tax credits. • The indexation of personal tax brackets introduced for the 2022 tax year — the measure has already impacted employee payroll deductions, resulting in increased take-home pay. • Increased funding to support the adoption of children in government care (CA\$12 million over a three-year period). The funding will provide supplementary healthcare benefits to children adopted from government care, or through licensed adoption agencies, and it will pay CA\$6,000 to prospective adoptive parents who earn less than CA\$180,000 per year. In addition, the provincial adoption tax credit will increase to CA\$18,120 to match the federal 2023 threshold. |
| Resources | <p>kristin.smith@mercer.com</p> <p>Budget 2023 (Government)</p> |

| Canada — British Columbia (new) | |
|---|---|
| Status |  Effective dates vary. |
| Development | <p>Career Health</p> <p>Budget includes benefit changes</p> <p>British Columbia’s (BC) budget for 2023 was released on 28 February 2023. Highlights include:</p> <ul style="list-style-type: none"> • Increased funding for healthcare infrastructure and staffing that will aim to reduce waiting times for emergency care and surgery, increase the hiring of physicians and nurses (including international recruitment), and support continued focus on mental health and addiction recovery. • Reduction in loan repayment criteria for post-secondary students • Increased tax credits and financial benefit programs to support middle- and low-income families. • BC residents will benefit from free prescription contraception from 1 April 2023. This will include most oral hormone pills, contraceptive injections, copper and hormonal intrauterine devices, subdermal implants and Plan B (commonly known as the morning-after pill). Employers that include prescription contraception options in their drug plans will no longer have to reimburse their cost. |
| Resources | <p>kristin.smith@mercer.com</p> <p>Budget 2023 (Government)</p> |
| Canada (previously covered, with upcoming effective date) | |
| Development | <p>Wealth</p> <p>Regulator sets basic rate for pension plan assessments — key date: 1 April 2023</p> |
| Colombia (new) | |
| Status |  Currently effective |
| Development | <p>Career — Health</p> <p>Minimum wage increased, transportation subsidy corrected</p> <p>Colombia’s monthly minimum wage increased to COP\$1,160,000 on 1 January 2023 — a 16% increase on the 2022 rate — and the transportation subsidy will increase by 20% to COP\$140,606 (the government recently corrected the amount). The transportation subsidy is paid to employees who earn less than twice the minimum wage. An estimated half of Colombia’s workforce is employed in the informal sector and are not expected to benefit from the increases.</p> |
| Resources | Announcement (Spanish) (President’s Office, 15 December 2023) |

Colombia (new)

Status



Currently effective

Development

Wealth

Supreme Court rules on transitional pension scheme benefits

In July 2022, the Labor Chamber of the Supreme Court of Justice ruled that contributions made to the private sector pensions of individuals who had retired under the transitional scheme set out in Law 33 of 1985 can be taken into account when determining their public pension entitlements under Law 100 of 1993. The same ingreso base de liquidación (IBL) used to calculate an individual's pension benefits applies to both public and private pensions, without distinction.

Resources

[Court ruling \(Spanish\) \(Supreme Court\)](#)

| Dominican Republic (new) | |
|--|---|
| Status |  Currently effective |
| Development | <p>Health</p> <p>Per capita fee increased, basic health plan expanded</p> <p>Changes to the Dominican Republic's basic health plan took effect on 1 August 2022, and the National Social Security Council's recently issued resolution No.563-01 makes additional health coverage changes under the Contributory Scheme, effective 23 March 2023. Highlights of all changes include:</p> <ul style="list-style-type: none"> • An increased monthly per capita fee payable by members with additional dependents took effect on 1 October 2022, and expanded benefits took effect on 1 November 2022. The fee will increase again on 1 March 2023 to DOP\$1577.45 — up from DOP\$65 pesos. • Medical procedures included on the list issued by the Superintendencia de Salud y Riesgos Laborales (SISALRIL) will increase by 20%; examinations and diagnostic test fees by 7%; equipment and hospital rooms by 15%, with the daily room charge capped at DOP\$2,415; and a hospitalization consultation fee of DOP\$1,500 payable by health insurance companies — Administradoras de Riesgos de Salud (ARS) — to doctors. The ARS will pay 100% of medical costs up to DOP\$1,725, and 90% for amounts between DOP\$1,726 and DOP\$2,415. The ARS will provide the applicable codes to medical staff within 30 days following completion of the necessary documentation. • A reduced copayment (50%) applies to hospitalization services, caesarean sections, surgery, kidney transplants and other expensive interventions. • An increased ceiling (DOP\$2,090,000) applies to expensive medications used to treat cancer, and coverage is expanded to include neoadjuvant chemotherapy, adjuvant therapy and palliative care. The DOP\$1,000,000 cap is maintained for other high-cost treatments, such as rheumatoid arthritis, lupus, kidney disease, immunodeficiency, Kawasaki disease and growth disorders. • Devices, materials and equipment used to avoid certain post-operative injuries and prolonged periods of hospitalization are covered. • Individuals are entitled to three sessions of hemodialysis (72 hours) for the treatment of acute renal failure as part of the dialysis coverage. |
| Resources | <p>gianna.santiago@mercermarshbeneficios.com</p> <p>Resolution No. 553 (Spanish) (CNSS, 22 September 2022) and Resolution No. 563-01 (Spanish) (CNSS, 26 January 2023)</p> |
| El Salvador (previously covered, with upcoming effective date) | |
| Development | <p>Career — Health</p> <ul style="list-style-type: none"> • Large employers will be required to provide day care facilities — key date: June 2024 |

| Nicaragua (new) | |
|-----------------|---|
| Status |  Currently effective |
| Development | <p>Career</p> <p>Minimum wage rate increased</p> <p>Minimum wages increased by 10% in 2023 from 1 March 2023, effective through 29 February 2024. However, the minimum wage in the free trade zone regime companies, established in 2022, increased by 8% on 1 January.</p> |
| Resources | Minimum wage agreement (Spanish) (Government, 23 February 2023) |
| US (new) | |
| Status |  Currently effective |
| Development | <p>Career</p> <p>National Labor Relations Board rules that severance agreements may not require waiver of labor rights</p> <p>The National Labor Relations Board (NLRB) has returned to its longstanding precedent that employers may not offer employees severance agreements that require employees to broadly waive their rights under the National Labor Relations Act. The NLRB’s decision concerns severance agreements offered to furloughed employees that prohibited them from making statements that could disparage the employer and from disclosing the terms of the agreement. The NLRB observed that the employer’s offer is itself an attempt to deter employees from exercising their statutory rights, at a time when employees may feel they must give up their rights in order to get the benefits provided in the agreement. This decision reverses Trump-era decisions that found that an employer including non-disparagement clauses in a severance agreement to employees was not by itself unlawful.</p> |
| Resources | Board rules that employers may not offer severance agreements requiring employees to broadly waive labor rights (NLRB, 21 February 2023) |

| | |
|--------------------|---|
| US (new) | |
| Status |  Currently effective |
| Development | <p>Career — Health</p> <p>Guidance on telework issued under labor and leave laws</p> <p>The Wage and Hour Division of the Department of Labor recently issued a Field Assistance Bulletin on telework under the Fair Labor Standards Act (FLSA) and Family Medical Leave Act (FMLA). Highlights include:</p> <ul style="list-style-type: none"> • Employees that work from home, telework, or work away from premises managed or controlled by the employer remain covered by the FLSA and FMLA protections. • Under the FLSA, employees who telework are entitled to compensation for all hours worked, for short rest breaks and, in qualifying circumstances, to take breaks to express breast milk free from intrusion and shielded from view. Protections under the FLSA apply equally to employees who telework as well as to employees working at an office, factory, construction site, retail outlet, or any other worksite location. • Under the FMLA, all hours worked are counted for purposes of determining an employee’s FMLA eligibility when an employee teleworks from home consistently or in combination with working at another or various worksites. For FMLA eligibility, the determination of the worksite for an employee who teleworks is fact specific, such as where the employee reports to work or the location where the employee’s assignments are made. |
| Resources | Field Assistance Bulletin No. 2023-1 (Wage and Hour Division, 9 February 2023) |
| US (new) | |
| Status |  Currently effective |
| Development | <p>Career</p> <p>Regulator rescinds rule that expanded religious exemption for federal contractors</p> <p>The Department of Labor’s Office of Federal Contract Compliance Programs (OFCCP) announced a rescission of a Trump-era final rule, effective since 8 January 2021, which expanded the ability of federal contractors to claim religious exemptions from federal nondiscrimination and equal employment opportunity laws and regulations.</p> <p>As background, OFCCP enforces Executive Order 11246 (EO), which prohibits federal contractors and subcontractors from discriminating in employment decisions based on race, color, religion, sex, sexual orientation, gender identity or national origin. The EO contains a religious exemption for religious corporations, associations, educational institutions, and societies with respect to the employment of individuals of a particular religion. The EO exemption is expressly modeled on the religious exemption in Title VII of the Civil Rights Act of 1964.</p> <p>OFCCP says the “rescission ensures a return to the Department’s prior policy and practice, operative during the presidencies of George W. Bush and Barack Obama.”</p> |
| Resources | Safeguarding equality and religious freedom (OFCCP, 28 February 2023) |

| | |
|--------------------|--|
| US (new) | |
| Status |  Currently effective |
| Development | <p>Career High compensation not enough to deny overtime, rules Supreme Court</p> <p>On 22 February 2023, the Supreme Court clarified employers' obligations to pay overtime under the Fair Labor Standards Act (FLSA) and held that overtime must be paid to very high paid employees unless one or more specific exemptions applied. In this case, the employee typically worked 84 hours per week on an offshore oil rig, earning more than \$200,000 per year, but he was paid a daily rate with no overtime pay. The company said he was a bona fide executive employee and was exempt from the FLSA's overtime requirements. The court disagreed and held that, despite his high salary, he did not meet the tests to be considered a bona fide executive because his daily pay rate did not satisfy the FLSA's salary basis test.</p> |
| Resources | Court ruling (Supreme Court, 22 February 2023) |
| US (new) | |
| Status |  Effective dates will vary |
| Development | <p>Career Regulators announce new efforts to combat child labor</p> <p>The Departments of Labor (DOL) and Health and Human Services (HHS) announced actions to increase their efforts to vet sponsors of migrant children, investigate child labor violations and hold companies accountable. Highlights include:</p> <ul style="list-style-type: none"> • A DOL-led interagency taskforce to combat child labor exploitation • A national strategic enforcement initiative on child labor • Efforts to hold all employers accountable to ensure child labor is removed from supply chains, including applying further scrutiny to companies doing business with employers using illegal child labor. • Mandated follow-up calls for unaccompanied children who report safety concerns • Increased funding for the DOL's enforcement agencies • A call on Congress to increase civil monetary penalties for companies that use child labor • An HHS Audit of the sponsor vetting process of the Office of Refugee Resettlement <p>In the last fiscal year, the DOL investigated 835 companies that employed more than 3,800 children in violation of labor laws.</p> |
| Resources | Departments of Labor, Health and Human Services announce new efforts to combat exploitative child labor (DOL, 27 February 2023) |

| | |
|--------------------|---|
| US (new) | |
| Status |  Consultation is open until 12 April 2023 |
| Development | <p>Career</p> <p>Input requested on proposals to revise the race and ethnicity standards</p> <p>The Office of Management and Budget (OMB) recently asked for input by 12 April 2023 on the initial proposals from the Federal Interagency Technical Working Group on Race and Ethnicity Standards for revising OMB’s 1997 Statistical Policy Directive No. 15: Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity (SPD 15). The proposals seek to improve the quality and usefulness of federal race and ethnicity data to better reflect a diverse America. The three proposals for comment are to:</p> <ul style="list-style-type: none"> • Collect race and ethnicity information using one combined question • Add “Middle Eastern or North African (MENA)” as a new minimum category • Require the collection of detailed race and ethnicity categories by default |
| Resources | Initial proposals for revising the federal race and ethnicity standards (The White House, 26 January 2023) and US Office of Management and Budget interagency technical working group on race and ethnicity standards (Government) |
| US (new) | |
| Status |  Currently effective |
| Development | <p>Health</p> <p>Transportation plans offer valued benefits/pose compliance issues</p> <p>Since 1998, employees have been able to pay for qualified transportation fringes through pretax salary reductions under Internal Revenue Code (IRC) §132(f), and these benefits have become quite popular. (Employers could provide this benefit on a tax-advantaged basis as early as 1992.) The tax exemption extends to commuting expenses for transit passes, qualified parking, vanpools, and in certain years, bicycles.</p> <p>While these benefits are not subject to cafeteria plan or ERISA rules, compliance difficulties exist, and a 2018 tax law added complexities. Some state and local jurisdictions have imposed employer mandates — including one that started in Philadelphia on 31 December 2022 — leveraging the tax advantage of commuter benefits; others provide tax-related incentives.</p> <p>The GRIST cited below summarizes major issues concerning qualified transportation plans under federal, state and certain local laws.</p> |
| Resources | rich.glass@mercer.com and cheryl.hughes@mercer.com GRIST , 25 January 2023 |

| | |
|--------------------|--|
| US | |
| Status |  Consultation is open until 30 March 2023. |
| Development | <p>Wealth</p> <p>Permanent physical presence relief for spousal consent proposed</p> <p>An IRS proposal issued at the end of 2022 would permanently allow live audiovisual conferencing for witnessing spousal consents in retirement plans. The proposal updates the agency’s regulation governing electronic participant elections, which currently require the physical presence of a notary public or other plan representative for spousal consents. IRS has granted immediate reliance on the proposal, which has a few substantive changes — including an apparent narrowing of the scope — from the 2020 temporary relief that expired 31 December 2022. Comments are due by 30 March.</p> <p>The scope of the proposal appears narrower than IRS’s earlier temporary relief, which applied to any participant election (including a spousal consent) requiring an individual’s signature to be witnessed in the physical presence of a plan representative or notary. In contrast, the proposal’s remote witnessing provisions expressly apply to written spousal consents meeting the requirements of Internal Revenue Code Section 417(a)(2)(A) for waiving spousal death benefits. The proposal does not explain whether plans requiring other participant elections (or spousal consents) to be notarized or witnessed by a plan representative may use these rules as a safe harbor. IRS clarification would be helpful.</p> |
| Resources | margaret.berger@mercer.com and matthew.calloway@mercer.com GRIST, 10 January 2023 |
| US | |
| 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 | GRIST , regularly updated |

| | |
|--------------------|---|
| 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 (such as 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>Career — Health</p> <p>States, cities tackle COVID-19 paid leave</p> <p>To alleviate some of the economic strain on employees unable to work due to COVID-19, some state and local authorities have implemented new paid leave requirements. Other jurisdictions have modified existing leave laws or benefit programs to accommodate employees' needs during the pandemic. The GRIST cited below provides brief summaries of the new COVID-19-related state and local paid leave benefits, as well as new guidance on how current paid leave benefits apply during the pandemic. The GRIST does not address broader state and local accrued paid sick leave laws that permit using accrued leave for reasons related to a public health emergency (e.g., Michigan, New Jersey, Oregon, Rhode Island, Vermont and Washington). For more information on those programs, see Paid sick leave mandates continue to expand at state level (April 29, 2022). In addition, the GRIST does not address unpaid job-protected leave laws that apply to or specifically address COVID-19-related absences.</p> |
| Resources | <p>katharine.marshall@mercer.com and rich.glass@mercer.com</p> <p>Roundup: States, cities tackle COVID-19 paid leave, 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 | <p>rich.glass@mercer.com and dorian.smith@mercer.com</p> <p>GRIST, 21 December 2022</p> |

| US — States | |
|-------------------------------------|--|
| Status |  Ongoing initiatives |
| Development | Wealth Resources for tracking state and city retirement initiatives This article summarizes state and city retirement initiatives for private-sector workers and rounds up relevant Mercer and third-party resources. The GRIST cited below is updated periodically and may not always reflect the latest developments in every state. |
| Resources | margaret.berger@mercer.com and brian.kearney@mercer.com Resources for tracking state and city retirement initiatives , regularly updated |
| US — California (Los Angeles) (new) | |
| Status |  Effective 1 July 2023 |
| Development | Career Hourly minimum wage increased Los Angeles' minimum wage will increase to \$16.78/hour as of 1 July 2023 — up from \$16.04/hour — the Office of Wage Standards recently announced. |
| Resources | Raise the Wage LA (Office of Wage and Statistics) |
| US — Connecticut (new) | |
| Status |  Proposal |
| Development | Career Disclosure of salary ranges in all job postings proposed Legislation (HB 6273) introduced in Connecticut would require employers to disclose salary ranges in all job postings. Connecticut already requires employers to disclose wage ranges for positions to applicants and employees. |
| Resources | HB 6380 (Legislature) |
| US — District of Columbia (new) | |
| Status |  1 July 2023 |
| Development | Career Minimum wage rate to increase The hourly minimum wage rate in Washington, DC, will increase to \$17/hour (up from \$16.10/hour) as of 1 July 2023, the Wage and Hour Office recently announced. |
| Resources | Office of wage-hour compliance (Department of Employment Services) |

US — Illinois (new)

Status



Currently effective

Development

Career

Supreme Court clarifies broad scope of its Biometric Privacy Act

Two recent decisions from the Illinois Supreme Court have clarified the scope of its Biometric Privacy Act (BIPA). The decisions hold:

- BIPA claims accrue each time biometric data is collected and transmitted — not just the first time.
- A five-year statute of limitations applies to all BIPA claims. The Illinois Chamber of Commerce had pushed for a shorter time period, warning that a five-year window would increase companies' exposure to "potentially catastrophic damages."

The BIPA was adopted in 2008 and requires that companies collecting biometric information, such as fingerprints and retinal scans, obtain permission beforehand, and notify their workers of how the information will be used. Individuals have a private right of action to sue over the mishandling of biometric information, and the penalties are steep.

Resources

[Court ruling](#) (Supreme Court, 2 February 2023) and [Court ruling](#) (Supreme Court, 17 February 2023)

| US — Illinois (new) | |
|---------------------|--|
| Status |  Effective dates vary. |
| Development | <p>Health</p> <p>Reproductive Health Act amended to add insurance coverage mandates</p> <p>The state's Reproductive Health Act (RHA) was amended to address abortion, gender affirmation and other issues. New requirements for insured plans issued in the state include:</p> <ul style="list-style-type: none">• Coverage of abortion medications, HIV prevention and treatment medication (PrEP and PEP) and gender-affirming medications, each without cost sharing — effective for plan years starting on or after 1 January 2024.• Coverage of abortion medications regardless of whether the policy provides prescription drug benefits and without requiring proof of pregnancy — effective on 13 January 2023.• Coverage of out-of-network (OON) services as in-network (INN) when the INN provider raises moral objections to providing the service under the state's Health Care Right of Conscience Act — effective 13 January 2023. <p>The law also expands access to reproductive healthcare:</p> <ul style="list-style-type: none">• Authorizing advanced practice registered nurses and physician assistants to perform abortions• Creating expedited, temporary licensure of out-of-state healthcare professionals to provide care in Illinois, including through telehealth• Authorizing pharmacists to dispense hormonal contraceptives pursuant to a standing order by a local health department or the state Department of Health• Permitting licensed birth centers to offer reproductive healthcare beyond the childbirth-related needs of pregnant persons. <p>Finally, the law protects healthcare providers and patients in a number of ways:</p> <ul style="list-style-type: none">• Shielding individuals from out-of-state subpoenas, summons, or extraditions related to reproductive or gender-affirming care that is lawful in Illinois• Exempting healthcare providers, related facilities and pregnant persons from wrongful death claims related to lawful abortions• Prohibiting professional discipline of healthcare providers and pharmacists based solely on participation in a healthcare service that is legal in Illinois or based solely on discipline by another state for the same conduct• Adding “assisted reproduction” to the RHA definition of reproductive healthcare• Amending the state's Parentage Act to allow intended parents to dispose of any cryopreserved fertilized ovum |
| Resources | <p>rich.glass@mercer.com</p> <p>Gov. Pritzker signs sweeping reproductive rights protections into law (Government, 13 January 2023) and Pub. Act 102-1117 (Government)</p> |

US — Massachusetts (new)

Status  **Currently effective**

Development **Career — Health**
Health coverage requirements during PFML clarified
 Massachusetts law requires employers to “otherwise maintain the employee's employment-related health insurance benefits” during paid family and medical leave (PFML). The Department of Family and Medical Leave issued regulations detailing what this obligation entails. Largely, the guidance is not groundbreaking. Examples of maintenance of group health benefits include:

- An employer continues to pay its portion of contributions.
- If coverage is through COBRA or state continuation law, an employer reimburses amounts above the active employee rate.
- If coverage is through a multiemployer (union) plan with eligibility based on hours worked or contributions made during an earlier qualifying period, an employer allows eligible employees to continue coverage as long as they remain eligible.

Employers need not maintain coverage if an employee was ineligible for benefits when PFML leave began or if an employee resigns during PFML leave.
 The regulations took effect 6 January.

Resources [Section 2 leave requirements](#) (General Laws)

US — Michigan

Status  **Effective 31 March 2023**

Development **Health**
Michigan joins Psychology Interjurisdictional Compact
 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.

Resources rich.glass@mercer.com
[Pub. Act 254](#) and [Pub. Act 255](#) (Legislature)

US — Minnesota (new)

Status  **Effective 1 August 2023**

Development

Career

Hair nondiscrimination legislation enacted

Minnesota’s governor recently signed legislation that expands the definition of race under the Human Rights Act to cover race-related traits — “including, but not limited to hair texture and hair styles such as braids, locs and twists.” Minnesota is the nineteenth state to ban hair discrimination.

Resources

[HF 37](#) (Legislature)

US — New Jersey (new)

Status



The notice and antiretaliation provisions will take effect 7 May 2023. Other provisions will take effect 5 August 2023.

Development

Career — Health

Equal pay, benefit and employment rights granted to temporary employees

A recently enacted law (2023 Ch. 10, AB 1474) requires employers to pay temporary employees in certain labor classifications at least the “average rates of pay and average cost of benefits” provided to comparable employees in job requiring “equal skill, effort, and responsibility.” Alternatively, covered employers may pay a cash equivalent of benefits. Known as the “Temporary Workers' Bill of Rights,” this law is limited to temporary employees who are placed by a staffing agency into any of nine occupational categories designated by DOL’s Bureau of Labor Statistics (BLS). Any successor BLS categories will be added automatically. An employer’s direct hire of a temporary employee is not subject to AB 1474.

Some employment related protections that were included are:

- Greater oversight of temporary help service firms and third-party clients by the Department of Labor and Workforce Development (NJDOL) and the Division of Consumer Affairs (DCA) within the Department of Law and Public Safety. DCA will oversee enhanced certification requirements for temporary help service firms. Contracting with uncertified firms will be prohibited for third-party clients. Enforcement actions will fall under NJDOL’s purview.
- At the request of a temporary worker, temporary help service firms will have to hold daily wages and provide biweekly pay checks to avoid unnecessary check cashing fees.
- Pay deductions for meals and equipment that would reduce temporary workers’ pay below minimum wage will be prohibited.
- Firms and third-party clients will be prohibited from charging fees to transport temporary workers to their work sites.
- Temporary help services must provide temporary workers with common-sense information detailing key terms of employment in the workers’ primary languages, such as hours worked and rate of pay. They also have to keep certain records.
- Temporary service firms will be prohibited from restricting an employee from accepting another position with a permanent employer or a third-party client.
- Temporary help service firms or third-party clients will be prohibited from retaliating against any temporary worker by firing them or treating them unfairly in any other way for exercising their legal rights.

Covered workers include those employed in food preparation, construction, maintenance, repair, production, transportation and others. Professional and clerical employees are excluded from the law.

Resources

rich.glass@mercer.com

[P.L. 2023 Ch. 10, AB 1474 \(Legislature\)](#)

| US — New York (new) | |
|---------------------|--|
| Status |  Proposal |
| Development | <p>Career</p> <p>Expansion of salary disclosure law moves forward</p> <p>On 13 February 2023, New York’s Assembly passed legislation that would expand the recently enacted salary disclosure law prior to it becoming effective in September 2023. The law requires a New York state employer, employment agency, employee or agent to include compensation or the compensation range when advertising a job, promotion or transfer opportunity that will physically be performed, at least in part, in New York. The changes would:</p> <ul style="list-style-type: none"> • Make clear that the law includes a job, promotion, or transfer opportunity that will physically be performed outside of New York but reports to a supervisor, office or other work site in New York. • Define “advertise” to mean to make available to a pool of potential applicants for internal or public viewing, including electronically, and a written description of an employment opportunity. <p>New York City already requires salary information to be included in job postings as of January 2022 and is considering legislation to expand its requirements.</p> |
| Resources | S1326 (Legislature); GRIST , 4 May 2022 and Int. No. 907 (The New York City Council) |
| US — New York (new) | |
| Status |  |
| Development | <p>Career</p> <p>Worker Protection unit to address wage theft, worker exploitation</p> <p>A newly established Worker Protection Unit in New York state will pursue criminal charges against companies and individual executives who exploit their workers by stealing wages from them. A “Stolen Wages Fund” will compensate the victims of wage theft if they cannot be compensated through civil or criminal actions against the employer. The initiative was announced by Manhattan’s District Attorney (DA) and the New York State Department of Labor, and is expected to support some of the most vulnerable low income and undocumented workers in the state. The DA has not defined what acts would be classified as wage theft, and it is also unclear if out-of-state employers with employees in the state will be covered. The DA said that the unit will expand its focus to include other industries with high rates of worker exploitation and wage theft (such as home healthcare agencies, fast food and other restaurants, and hotels). It also will enforce workplace safety labor laws, and pursue charges — from reckless endangerment to manslaughter — when an employer creates dangerous or deadly work environments.</p> <p>Bill S2832 would add wage theft to the state’s Grand Larceny laws and is currently with the Senate Committee for approval. It would have immediate effect, if passed.</p> |
| Resources | D.A. Bragg announces creation of Office’s first ‘Worker Protection Unit’ to combat wage theft, protect New Yorkers from unsafe work conditions (Government, 16 February 2023) |

US — New York City (new)

Status  **Proposal**

Development

Career

Expansions to salary disclosure law proposed

The New York City Council is considering expansions to its salary disclosure law under a Bill Int. No. 907 introduced on 2 February 2023. Highlights include:

- Job listings would be required to include a description of the available position, promotion or transfer opportunity along with the non-salary or wage compensation for the position.
- Required compensation information would include bonuses, benefits, stocks, bonds, options and equity or ownership, if any.
- Compensation information would also be provided to current employees for the employee’s job title, annually and upon request.

If enacted, the changes would be effective 120 days later.

Under the current law, an employment agency, employer, employee or agent commits an unlawful discriminatory practice by advertising a job, promotion, or transfer opportunity in New York City without including the minimum and maximum salary for the position.

New York State has also enacted a similar salary disclosure law, and is considering changes before the law becomes effective in September 2023.

Resources [Int. No. 0907](#) (New York City Council); [GRIST](#), 4 May 2022; [Governor signs legislation establishing pay transparency law](#) (New York State, 21 December 2022) and [S1326](#) (Legislature)

US — Washington — Seattle (new)

Status  **Currently effective**

Development

Career

Seattle is first US city to ban caste bias

Seattle is the first city in the US to ban caste bias under an ordinance that passed the city council on 21 February 2023 and which awaits signature by the city’s mayor. The ordinance adds caste to protected characteristics (such as religion, disability and sexual orientation) included in Seattle’s antidiscrimination law. If signed, it will prohibit discrimination in employment, public accommodation, housing and other settings. The ordinance defines caste as a “system of rigid social stratification characterized by hereditary status, endogamy, and social barriers sanctioned by custom, law or religion.” Around 250 million people in the world — primarily living in, or originating from, South Asia — are potentially impacted by the caste system. It is estimated that more than 150,000 of these individuals live in Washington state, with many based in Seattle.

Resources [Ordinance No. 126767](#) (Office of the City Clerk, 21 February 2023)

| US — Wyoming (new) | |
|--------------------|--|
| Status |  Currently effective |
| Development | Health Wyoming joins PSYPACT With the passage of the 2022 Act. No. 6, SB 26, Wyoming becomes the latest state 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. About 70% of the states (and Washington, DC) are PSYPACT members, and seven more states have pending bills. SB 26 took effect 15 February 2023. In addition, a new law (2023 Act. No. 39, SB 10) authorizes Wyoming to join an interstate compact of licensed professional counselors — a move intended to enhance telehealth capabilities in the state. The law takes immediate effect. |
| Resources | rich.glass@mercer.com 2022 Act. No. 6, SB 26 (Legislature) and Psychology Interjurisdictional Compact |

US (previously covered, with upcoming effective dates)

Development

Career

- [New mass layoff measures to take effect in New Jersey](#) — key date: 10 April 2023
- [Effective date of automated employment decision tools law postponed in New York City](#) — key date: 15 April 2023
- [More pay data reporting imposed in California](#) — key date: 10 May 2023
- [Salary ranges required in job postings in New York](#) — key date: 17 September 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

- [Rights of nursing employees to express breast milk expanded in New York](#) — key date: 7 June 2023
- [Pregnancy and nursing protections for working mothers enacted](#) — key date: 27 June 2023
- [Voluntary family medical leave program announced in Vermont](#) — key date: 1 July 2023
- [Employment discrimination based on nonworkplace cannabis use barred in California](#) — key date: 1 January 2024
- [Paid leaving coming to Illinois](#) — key date: 1 January 2024
- [Paid family medical leave program legislation enacted in Delaware](#) — key date: 2025

Health

- [Voters approve ballot initiative that expands Medicaid eligibility in South Dakota](#) — key date: 1 July 2023
- [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
- [Voters approve medical debt ballot initiative in Arizona](#) — key date: 1 January 2024
- [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
- [Voters approve medical loss ratio requirement for Massachusetts' insured dental plans](#) — 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](#) — key date: 31 December 2023
- [SECURE 2.0 retirement reforms are now law](#) — key date: 1 January 2024

Section 4

Asia Pacific

Australia (new)

Status  **1 April 2023**

Development

Health

Private health insurance premium increases

The annual industry average private health insurance premium in Australia will increase by 2.9% from 1 April 2023. However, some private health insurance providers have announced they will delay the increase until later in the year. The 2023 increase is below the 10-year average of 4.4%.

Resources

darren.downie@mercermarshbenefits.com

[Average annual price changes in private health insurance premiums](#) (Department of Health and Aged Care, 6 February 2023)

Australia (new)

Status  **Effective 1 July 2023**

Development

Wealth

Tax regulator confirms transfer balance cap increase

The Australian Taxation Office (ATO) confirmed that unless the government intervenes, the recent consumer price index (CPI) increase will result in the general pension transfer balance cap increasing to AU\$1.9 million — up from AU\$1.7 million, effective 1 July 2023. The transfer balance cap is the maximum superannuation amount that can be transferred into a retirement phase pension, and is indexed to the CPI in increments of AU\$100,000. Individuals who already have started a retirement phase pension are subject to a complex partial indexation system.

Resources

paul.shallue@mercer.com

[Transfer balance cap indexation](#) (ATO, 8 February 2023)

| | |
|------------------------|--|
| Australia (new) | |
| Status |  Currently effective |
| Development | <p>Wealth</p> <p>Annual members' meeting disclosure requirements changed</p> <p>The Senate has voted to disallow recent regulations that amended the requirements for superannuation funds to disclose details of certain fund expenditure with notices of Annual Members' Meetings (AMMs). This means that AMM notices must now include the information set out in the previously applicable requirements.</p> <p>The Superannuation Industry (Supervision) Amendment (Annual Members' Meetings Notices) Regulations 2022 were issued by the newly elected government in September 2022, but were controversial as some parliamentarians thought they reduced transparency.</p> |
| Resources | <p>paul.shallue@mercer.com</p> <p>Superannuation Industry (Supervision) Amendment (Annual Members' Meetings Notices) Regulations 2022 (Federal Register of Legislation)</p> |
| Australia (new) | |
| Status |  Proposal |
| Development | <p>Career</p> <p>Stronger gender pay rules proposed</p> <p>Measures that aim to close Australia's gender pay and increase pay gap transparency were included in the Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill presented to parliament on 8 February 2023. The bill aims to respond to the 2021 review of the Workplace Gender Equality Act 2012 and would strengthen the current gender equality benchmark. If agreed to, the measures could take effect in 2024. Australia's current gender pay gap is 22.8%. Highlights include:</p> <ul style="list-style-type: none"> • The Workplace Gender Equality Agency (WGEA) would be required to publish gender pay gap reports for each employer with 100 more employees, providing "aggregate information" for each employer to show their progress to reduce the gender pay gap. Employers would have to provide a copy of the WGEA's report to each member of its board. • The reference to "minimum standard" would be repealed, and the minister would issue higher gender equality standards in relation to specified gender equality indicators. The bill expands the gender equality indicators, including discrimination against employees in the workplace, harassment on grounds of sex and sexual harassment. |
| Resources | <p>Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill (Legislature) and WGEA review report (Department of the Prime Minister and Cabinet, December 2021)</p> |

| | |
|------------------------|---|
| Australia (new) | |
| Status |  Proposal |
| Development | Wealth Access to superannuation funds for child sex abuse victims proposed A consultation paper setting out two complementary proposals would allow victims and survivors of child sexual abuse to access the superannuation funds of the offender for unpaid compensation orders. The proposals aim to address situations where offenders try to shield their assets in superannuation funds to avoid compensation claims by victims and survivors. The consultation closed on 16 February 2023. The proposals would allow certain additional super contributions made by the offender in the six or 12 months leading up to criminal proceedings to be made available to the victim for the purposes of paying court-awarded compensation. Courts could also access Australian Taxation Office data about superannuation accounts of offenders and their spouses to increase the transparency of the offenders' assets, and reduce the cost and complexity of pursuing compensation. The consultation paper addresses the scope of eligible abuse offenses, the nature of additional super contributions, the treatment of defined benefit schemes (an exclusion is proposed), the visibility of super assets belonging to an offender or their spouse, and the interaction with existing bankruptcy and family law proceedings. |
| Resources | paul.shallue@mercer.com Access to offenders' superannuation for victims of survivors of child sexual abuse (Treasury) |

| Australia (new) | |
|---|--|
| Status |  Proposal |
| Development | <p>Wealth</p> <p>Changes to non-arm's length income tax provisions for super funds proposed</p> <p>A consultation paper on options to amend the non-arm's length income (NALI) tax provisions applicable to superannuation funds was open for comment until 21 February 2023. The NALI provisions, and associated non-arm's length expense (NALE) provisions, aim to prevent superannuation funds from circumventing contribution caps, and artificially inflating fund earnings through non-commercial dealings. The paper does not include a proposed effective date. Highlights of the proposed policy changes include:</p> <ul style="list-style-type: none"> • Large funds regulated by the Australian Prudential Regulation Authority (APRA) would be exempt from the NALI provisions for general expenses. • Self-managed superannuation funds and small APRA funds would be subject to an upper limit on the amount of fund income taxable as NALI due to a general expenses breach would apply. The maximum amount of fund income taxable at the highest marginal rate would be five times the level of the general expenditure breach, calculated on the difference between the amount that would have been charged as an arm's length expense and the amount that was actually charged to the fund. All fund income would be taxable at the highest marginal rate where the sum that is five times the breach is greater than all fund income. <p>No changes are proposed to the current rules where a NALI is related to a specific asset.</p> |
| Resources | <p>paul.shallue@mercer.com</p> <p>Non-arm's length expense rules for superannuation funds (Treasury)</p> |
| Australia (previously covered, with upcoming effective dates) | |
| Development | <p>Career — Health</p> <ul style="list-style-type: none"> • Federal employment reforms enacted — key date: June 2023 • Parental leave pay scheme expanded — key date: 1 July 2023 <p>Health</p> <ul style="list-style-type: none"> • APRA releases updated standard SPS 310 — key date: 30 June 2023 |

| | |
|---|---|
| China (new) | |
| Status |  Currently effective |
| Development | <p>Career 2023 minimum wage rages announced</p> <p>The Ministry of Human Resources and Social Security announced on 2 January 2023 the minimum wage standards for all regions in China. The minimum hourly wage in Beijing is highest at CNY 25.3 per hour, followed by Shanghai and Tianjin (CNY 23, and CNY 22.6, respectively). Minimum monthly wages are highest in Shanghai and lowest in Anhui province.</p> |
| Resources | Announcement (Chinese) (Ministry of Human Resources and Social Security, 2 January 2023) |
| China (previously covered, with upcoming effective date) | |
| Development | <p>Wealth</p> <ul style="list-style-type: none"> • 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"> • Statutory minimum wage to increase — key date: 1 May 2023 • 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 |
| 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 |  Currently effective |
| Development | <p>Career Guidance clarifies that Employment (Amendment) Act 2022 excludes certain employees</p> <p>A recently issued government FAQ clarifies that employees earning more than MYR 4,000 per month are excluded from certain aspects of the Employment (Amendment) Act 2022, including overtime for work on rest days, work outside of normal working hours, shift work allowances, overtime and allowances for working on public holidays, vacation and half-day working, and termination, redundancy and retirement benefits.</p> <p>The Act took effect on 1 January 2023, and the Ministry of Human Resources had announced that the Employment (Amendment) Act 1955 was extended to all employees in Peninsular Malaysia and the federal territory of Laboun (previously, the act excluded employees earning less than MYR 2,000, and those in certain blue collar jobs).</p> |
| Resources | <p>yong-teck.siew@mercer.com FAQ (Ministry of Human Resources)</p> |
| Malaysia (previously covered with upcoming effective dates) | |
| Development | <p>Career</p> <ul style="list-style-type: none"> Minimum wage order postponed for small employers — key date: 1 July 2023 |
| Singapore (new) | |
| Status |  Effective 1 January 2024 |
| Development | <p>Career — Health Paid paternity leave and unpaid infant care leave expanded</p> <p>Singapore's 2023 budget includes measures that increase government-paid paternity leave to four weeks, and unpaid infant care leave to 12 days per year. Taken together, a working couple's parental leave will increase to up to 26 weeks during their child's first year, up from 22 weeks.</p> <p>The additional paternity leave will be available to eligible working fathers with children born on or after 1 January 2024. However, to give employers sufficient time to adjust, the leave will be voluntary until the government issues a mandate — but employers will be reimbursed if they grant the additional two weeks.</p> <p>The expanded unpaid infant care leave will be available from 1 January 2024 to each parent from birth to two years of age.</p> |
| Resources | FY 2023 Budget (Ministry of Finance) |

Singapore (new)

Status



Effective dates vary.

Development

Wealth

2023 budget highlights upcoming pension changes

Singapore's 2023 budget includes measures concerning the Central Provident Fund (CPF). Highlights include:

- Platform workers, such as food delivery workers, ages 30 years or less will have to contribute to the CPF, along with their employers. The government will provide platform workers earning SG\$2,500 or less with transition payments for the first four-year period. Platform workers' contributions will eventually be the same amount as other employees and their employers, phased-in over five years.
- CPF contributions for older workers will increase in 2024, and a CPF transition offset will be paid to employers.
- The CPF monthly salary ceiling on which CPF contributions are calculated will increase progressively to SG\$8,000 by 2026, up from the current amount of SG\$6,000 (the last increase was in 2016). The annual CPF ceiling remains unchanged at SG\$102,000.

Resources

[2023 Budget](#) (Ministry of Finance)

| Singapore (new) | |
|-----------------|--|
| Status |  Plans |
| Development | <p>Career</p> <p>Antidiscrimination law plans advance</p> <p>Singapore announced plans to publish antidiscrimination legislation later in 2023 that would strengthen the protection of, and redress for, workers who experience discrimination. The plans are based on the 20 recommendations included in the interim report by the Tripartite Committee on Workplace Fairness (TCWF). The Ministry of Manpower has opened a consultation, inviting comment through mid-March 2023. Highlights of the TWCF recommendations include:</p> <ul style="list-style-type: none"> • The Tripartite Guidelines on Fair Employment Practices should be upheld in conjunction with the introduction of legislation to prohibit discrimination. • Workplace discrimination should be prohibited with respect to the following characteristics — age, nationality, sex, marital status, pregnancy status, caregiving responsibilities, race, religion, language, disability and mental health conditions. • The law should cover all stages of employment — such as recruitment, promotion, performance appraisal and dismissal. • Employers should consider a protected characteristic in employment decisions if it is a genuine and reasonable job requirement. • Employers should be allowed to favor persons with disabilities and seniors (55 years and older) over other groups in their hiring decisions, even if another candidate may be equally or more qualified. • Employers should establish processes for resolving grievances and disputes. • Compulsory mediation should be required for workplace discrimination claims at the Tripartite Alliance for Dispute Management (TADM), with adjudication at the Employment Claims Tribunals (ECT) as a last resort. • Victims of workplace discrimination should be entitled to fair outcomes, including redress for workplace discrimination, and employers should be penalized for breaches of the law, including the curtailment of work passes for foreign workers. |
| Resources | <p>Tripartite committee releases interim report on recommendations for workplace fairness legislation (Ministry of Manpower, 13 February 2023); Tripartite Committee on workplace fairness (Ministry of Manpower, February 2023) and Feedback to TCWF interim report on encouraging workplace fairness (Ministry of Manpower)</p> |

Singapore (previously covered with upcoming effective dates)

Development

Career

- [Work pass framework to fill skills gaps expanded](#) — key date: September 2023

Career — Health

- [Medical coverage of permit applicants enhanced](#) — key date: Postponed from end of 2022

South Korea (previously covered with upcoming effective dates)

Development

Wealth

- [Deadline for implementation of defined contribution default investment option approaches](#) — key date: 12 July 2023

Section 5

Europe, Middle East and Africa (EMEA)

| European Union (EU) | |
|---------------------|---|
| Status |  European Parliament must approve the directive. |
| Development | <p>Career</p> <p>Measures to reduce gender pay gap, ban salary history advance</p> <p>Certain employers in the European Union (EU) will have to report annually on their gender pay gap, and all employers will be prohibited from asking job applicants for their salary history under measures included in an EU directive aimed at strengthening the principle of equal pay for equal work through pay transparency and enforcement mechanisms. The Council of Ministers reached political agreement on the directive in December 2022, and the European Parliament must now approve it (expected in early 2023). Member states will then have three years to transpose the directive into national laws. The gender pay gap across the EU was 13% in 2020, with significant variations by member state.</p> <p>The requirement for employers to publish gender pay gap reports will be phased-in. Employers with 250 or more workers will have to submit their first annual gender pay gap report one year after the directive's transposition date (likely 2027). Employers with 150 to 249 workers must publish their first report one year after transposition, and employers with 100 to 149 workers will have to publish their first report five years after transposition (likely 2031) — both must publish reports every three years thereafter. Employers with fewer than 100 workers are not required to report their gender pay gap, but member states could require them to provide information on pay.</p> <p>The directive specifies the information that must be included in the gender pay reports; the circumstances that will trigger a joint pay assessment conducted with employee representatives; the ban on asking an individual's salary history; and the compensation and sanctions that will apply to organizations that breach the law.</p> |
| Resources | Political Agreement (Council of the European Union, 20 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 <p>Career — Wealth</p> <ul style="list-style-type: none"> • Enhanced corporate sustainability disclosures required — key date: 16 June 2024 |
| Belgium (new) | |
| Status | <p> Beginning 1 May 2023</p> |
| Development | <p>Career</p> <p>Collective agreement increases bicycle allowance</p> <p>From 1 May 2023, employers in Belgium must pay an increased bicycle allowance of €0.27 per kilometer (KM) to employees who regularly commute to work by bicycle, or who use an electrically powered motorized bicycle (e-bike) or speed pedelec. The bicycle allowance is included in a National Labor Council’s supplementary collective (CCT 164) bargaining agreement (CBA) (French), signed in January 2023. The social partners will evaluate the measure’s impact during 2024. Highlights include:</p> <ul style="list-style-type: none"> • Employees must declare to their employer how many KMs they cycle, and the frequency. • The allowance is capped at 20 KM per one-way journey, and it is exempt from social security and tax. The allowance will be tax deductible for employers. • Eligible employees must commute to work one or more times per week, or during the summer, and they cannot have a full-time annual rail season ticket. Employees can also combine bicycling with another means of transport. • Employers must pay a bicycle allowance before 1 May 2023 if it is included in a CBA — such measures can continue after 1 May, even if the allowance amount is less than €0.27 per KM. However, from 1 May, the CBA will supersede bicycle allowances of less than €0.27 that are included in a company or individual agreement. • No allowance is paid between 1 May and 31 December 2023 to employees subject to a joint committee established on or after 1 January 2020. |
| Resources | <p>National Labor Council’s supplementary collective (CCT 164) bargaining agreement (French) (Conseil National du Travail, 24 January 2023)</p> |
| 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 |

| Finland (new) | |
|--|--|
| Status |  Currently effective |
| Development | <p>Health — Wealth</p> <p>A1 social security certificates now required for all trips</p> <p>Employees in Finland must now have an A1 social security certificate from the first day of any period of work conducted outside of Finland in countries that are part of the European Union, the European Economic Area, or in the UK or Switzerland. Previously, the A1 certificate was only required for periods of work of one week or more.</p> <p>Employers should apply for the A1 certificate up to six months before the start of the employee’s business assignment, but they can also do so retrospectively; a single certificate valid for two years can be issued for employees who travel frequently. The A1 certificate is issued electronically, and free of charge, upon application to the Finnish Center for Pensions.</p> <p>The A1 certificate is a mandatory document that proves the employee is covered by the social security of the sending country and that all social insurance contributions are paid in that country.</p> |
| Resources | <p>sirkka.linden@mercer.com</p> <p>Remote work and work abroad (Finnish Centre for Pensions)</p> |
| France (previously covered, with upcoming effective date) | |
| Development | <p>Career</p> <ul style="list-style-type: none"> • New gender quotas imposed for senior execs/management teams — 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 |
| Gibraltar (previously covered, with upcoming effective date) | |
| Development | <p>Health — Wealth</p> <ul style="list-style-type: none"> • Social security contribution rates change — key date: 1 July 2023 |
| Greece (previously covered, with upcoming effective date) | |
| Development | <p>Career</p> <ul style="list-style-type: none"> • Minimum wage increase announced — 1 April 2023 |

Hungary (new)

Status



Currently effective

Development

Career — Health

Leave laws expanded, labor law modified

Changes to Hungary's labor code took effect on 1 January 2023 and include expanded paternity leave and the introduction of parental and caregiving leave. The measures aim to implement European Union directive 2019/1158 that should have been incorporated into national laws by August 2022. Highlights include:

Paternity leave. Fathers are entitled to 10 working days of paid paternity leave (up from five days). The leave must be taken by the end of the second month following the baby's birth, or the finalization of the child's adoption. The leave can be taken as a single period, or in two installments.

Parental leave. Employees with one or more years of service can take up to 44 working days of paid parental leave up until their child is three years of age — payment is 10% of the employee's salary, and could be offset by certain social security payments. Leave notification procedures apply, and employers must generally grant the leave on the employee's request, although employers could require the postponement or interruption of parental leave in certain circumstances.

Caregiving leave. Employees who care for relatives or another person living in their household can take up to five days of unpaid leave annually to provide care for medical reasons. The leave can be taken in up to two installments.

Other changes to the labor code include the requirement for employers to provide employees with more information about the terms and conditions of their employment (this aims to implement European Union directive 2019/1152), revised termination rules and the conditions for modifying employment contracts.

Resources

barbara.batori@marsh.com

[Labor law code](#) (Hungarian)

| Ireland (new) | |
|--|--|
| Status |  Proposal |
| Development | <p>Wealth</p> <p>Plans for auto-enrollment pension system advance</p> <p>The social protection minister recently reaffirmed her commitment to implementing the new auto-enrollment (AE) pension system by 2024 (although the date was not specified). The Joint Oireachtas Committee is currently reviewing the government's new legislative proposals following submissions from industry experts. However, it is uncertain if this timetable can be met — officials from the Department of Finance recently expressed their doubts, given the scale of work to be accomplished.</p> <p>A draft bill anticipated later in 2023 will include more information about the new system's structure, its interaction with existing occupational pension plans and the implementation timetable.</p> <p>The central state-operated AE system will exist alongside — not replace — existing plans. However, employers will have to choose either to automatically enroll in-scope employees (those aged between 23 and 60 and earning €20,000 or more) in the central AE system, or use an existing or new occupational pension plan or Master Trust that meets minimum AE standards.</p> |
| Resources | <p>james.p.campbell@mercer.com</p> <p>Historic progress on automatic enrollment — Minister Humphreys (Government, 15 October 2022)</p> |
| 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 (previously covered, with upcoming effective date) | |
| Development | <p>Career</p> <ul style="list-style-type: none"> Private medical insurance coverage reforms enacted — key date: 1 May 2023 |

Kenya (new)

Status



Currently effective

Development

Wealth

Court reinstates 2013 National Social Security Fund Act

Employers and employees in Kenya should plan for the implementation of the National Social Security Fund (NSSF) Act of 2013 that was reinstated following the Court of Appeal's recent ruling. The ruling set aside a September 2014 court decision that declared the act unconstitutional on various grounds, and barred the NSSF from collecting contributions from employers and employees, unless members had voluntarily opted into the fund. The Federation of Kenya Employers have called on the government to facilitate a smooth transition, given the far-reaching nature of the act. Highlights include:

- The act replaces the original NSSF act from 1965, and establishes a new pension fund for all employed persons aged 18 years or older and self-employed persons who wanted to make voluntary contributions.
- The statutory contributions rates are 12% of pensionable salary (the lower of monthly wages and the upper earnings limit), split equally between employers and employees.
- Contributions are divided between tier 1 (payment remitted mandatorily to the NSSF), and tier 2 (payments into an approved occupational scheme).

Employers should now review the act's requirements, plan to establish the necessary mechanisms and procedures, and ensure that employees understand the NSSF's implications on their pay.

Resources

mehdi.snoussi@mercermarshbenefits.com

[Statement on the NSSF Act 45 2013 ruling \(NSSF, 7 February 2023\)](#)

| Netherlands (new) | |
|-------------------|--|
| Status |  Mostly effective for private sector organizations with 250 or more employees |
| Development | <p>Career</p> <p>Whistleblowing law revised</p> <p>Changes to the whistleblowing protection law in the Netherlands mostly took effect on 18 February 2023 under measures included in the Wet bescherming klokkenluiders (Wbk), which aims to implement the European Union Directive on the protection of persons who report breaches of Union law. However, certain measures will take effect later, and will require the issuance of more regulations. Private sector organizations with 250 or more employees must now comply, and organizations with 50 to 249 employees have until 17 December 2023 to do so. The Wbk will strengthen whistleblowers' protections, expand the definition of wrongdoing, and require certain organizations to establish and adjust their whistleblowing reporting procedures. Highlights include:</p> <ul style="list-style-type: none"> • Individuals can report a suspicion of wrongdoing based on reasonable grounds, or a violation of Union law. • Employers with 50 or more employees must establish an internal reporting procedure to enable employees — including self-employed individuals, trainees and volunteers — to report suspected wrongdoings. Some smaller organizations — such as those in the finance sector — must have an internal reporting procedure even if they have fewer than 50 employees. Public sector organizations have been required to comply since 17 December 2021. • Individuals who are not employees can also report using an organization's internal reporting procedures. The employer must inform employees and third parties about procedures for external reporting of suspected wrongdoing. • Employers that do not establish internal reporting procedures could be ordered to do so within a reasonable timeframe. • Works councils must consent to change an organization's whistleblowing policy (including its introduction or withdrawal). If the employer is not legally obliged to have a works council, it must gain the approval of 50% or more of the workforce. • Employees can report suspected wrongdoings externally to certain authorized organizations, without the need to first report internally. Authorized organizations include the Financial Markets Authority and the Consumer and Markets Authority — the list could be expanded later. External reporting authorities must fulfill certain criteria regarding their reporting and investigation procedures. • Whistleblowers that make reports in compliance with the Wbk are protected from any detrimental action taken by their employer. |
| Resources | <p>charlotte.oudshoorn@mercer.com</p> <p>Whistleblower Protection Act (Dutch) (Government); Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (Eur-Lex)</p> |

Netherlands (previously covered, with upcoming effective date)

Development

Career

- [30% tax rule for expat employees to change](#) — key date: 1 January 2024

Wealth

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

Nigeria (previously covered, with upcoming effective date)

Development

Health

- [Health insurance coverage to significantly expand](#) — key date: Implementation date unknown.

Poland (updated)

Status



Currently effective

Development

Career — Health

Employers allowed to test employees for alcohol and similar substances

The president signed legislation that allows employers and police to test employees for alcohol and similar substances if necessary to ensure the protection of life and health of employees or other persons, or the protection of property. The introduction of the sobriety test will be governed by collective labor agreements or work regulations if applicable — if not, the employer must give two weeks' advance notice before beginning testing. Employees who test positive will not be allowed to work. The law became effective on 21 February 2023 — 14 days after publication in the Journal of Laws.

Resources

[Announcement](#) (Polish) (Journal of Laws, 6 February 2023) and [Law](#) (Polish) (President's Office, 30 January 2023)

| | |
|--|--|
| Poland (updated) | |
| Status |  Effective 7 April 2023. |
| Development | <p>Career — Health</p> <p>New remote working measures enacted</p> <p>New remote working provisions, signed by the president, replace the current teleworking measures included in the Labor Code. The law will take effect 7 April 2023 — two months after publication in the Journal of Laws. Employers should adjust their internal policies, and update their risk assessment and data protection policies. Highlights include:</p> <ul style="list-style-type: none"> • Employers and employees should agree on remote working arrangements (either full-time or part-time), including the place of work. Either party could request reinstatement of the former working arrangements if remote working was agreed to during the course of the employment relationship (rather than on completion of the employment contract). • Pregnant employees, employees with children younger than age four, and individuals caring for a person with a disability, have the right to remote working arrangements — employers can only refuse remote working because of the nature of the work, or its organization — such as police or firefighters. • Employers can impose remote working arrangements in exceptional circumstances, such as a pandemic. • Employers must pay for the costs incurred, including electricity and telecommunication expenses. • Employees can request occasional remote working — up to 24 days per year — although the employer would not be liable for the reimbursement of incurred expenses. • Remote employees will have to confirm with their employer that their workplace is health and safety compliant. |
| Resources | Announcement (Polish) (Journal of Laws, 6 February 2023) and Law (Polish) (President’s Office, 30 January 2023) |
| 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 |

| | |
|--|---|
| Saudi Arabia (previously covered, with upcoming effective date) | |
| Development | Career <ul style="list-style-type: none">• Contracting with companies with regional headquarters outside of the kingdom to cease — key date: 1 January 2024 |
| South Africa (new) | |
| Status |  Currently effective |
| Development | Career <p>Minimum wage increased for 2023</p> <p>The minimum hourly wage for regular employees, farm workers and domestic workers increased on 1 March 2023 to R 25.42 per hour (up from R 23.19). There is no longer any difference between the minimum wages for general workers, farm workers or domestic workers.</p> |
| Resources | Notice (Government, 21 February 2023) |
| Switzerland (previously covered, with upcoming effective date) | |
| Development | Wealth <ul style="list-style-type: none">• First pillar pension scheme reforms approved — key date: Unknown |

United Kingdom (UK) (new)

Status  **Consultation is open through 10 May 2023**

Development

Career

Financial regulator consults on the governance of sustainability

The Financial Conduct Authority (FCA) recently published a discussion paper and consultation “DP23/1 Finance for positive sustainable change: governance, incentives and competence in regulated firms.” The paper asks if regulated firms — including banks, insurers and asset managers — should incorporate sustainability into their business in addition to the current regulatory expectations of senior management; comments are invited through 10 May 2023. The FCA clarifies that sustainability should be defined broadly to include climate matters and related issues, “such as human rights, diversity and inclusion, nature and biodiversity.”

The FCA aims for the discussion paper to “encourage industry-wide dialogue on firms’ sustainability-related governance, incentives, and competencies” and includes 10 articles from industry experts and thought leaders to encourage the debate.

In addition, the FCA previously informed asset managers that it will test their claims about ESG and sustainable investing, requiring appropriate governance structures to oversee their product development, and other ESG and sustainability claims (the FCA’s consultation on investment firms’ sustainability claims closed on 25 January 2023). The establishment of an ESG Advisory Committee to advise the FCA’s board was announced in December 2022, and the formation of an independent group to develop a voluntary code of conduct on ESG data and providers of ESG ratings in November 2022.

Resources

andrew.marshall@mercer.com

[Discussion Paper 23/1](#) (FCA, February 2023); [DP 23/1: Finance for positive sustainable change](#) (FCA, 10 February 2023); [FCA announces ESG advisory committee to its board](#) (FCA, 13 December 2022); [Sustainability disclosure requirements \(SDR\) and investment labels](#) (FCA, October 2022) and [Code of conduct for ESG data and ratings providers](#) (FCA, 22 November 2022)

| UK | |
|--------------------|---|
| 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 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>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-cash 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 (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

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

Development**Wealth****Pensions Regulator consults on regulatory approach to defined benefit funding regime**

The Pensions Regulator (TPR) issued two consultations on the regulatory aspects of the new funding regime for defined benefit pension (DB) 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

robbie.smith@mercer.com

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

UK

Status  **Consultation is open until 18 April 2023.**

Development**Career****Code of practice on workforce dismissal and reengagement proposed**

Proposals on the dismissal and reengagement of employees feature in a consultation document and a draft statutory Code of Practice published by the UK government, with input invited through 18 April 2023. The code outlines the steps employers should consider when dismissing and reengaging employees, including communication and consultation with employees and their representatives, the introduction of unilateral changes to employment terms and conditions, compliance with layoff obligations, and the reengagement of employees.

The code would not impose any legal obligations, but it would be admissible in court or tribunal proceedings. Tribunals could increase an employee's compensation by up to 25% if an employer fails to comply with the code. The government has not provided a timeframe for implementation and said that it will be when parliamentary time allows.

Resources

[Draft code of practice on dismissal and re-engagement](#) (Government, January 2023)

UK (previously covered, with upcoming effective date)

Development

Career

- [National living wage and national minimum wage rates announced](#) — key date: 1 April 2023

Wealth

- [New rules on defined contribution pension illustrations published](#) — key date: 1 October 2023

Zambia (new)

Status



Currently effective

Development

Wealth

National Pension Scheme Authority has increased the earnings cap

The maximum earnings used for the calculation of pension contributions increased on 1 January 2023 to ZMW 26,840, up from ZMW 24,436. The total maximum monthly pension contribution has increased to ZMW 2,684.00, with the maximum contribution amounts remaining unchanged at 5% each for employers and employees.



Mercer (US) Inc.
1166 Avenue of the Americas
New York, NY 10036
www.mercer.com

A business of Marsh McLennan