

Global Legislative Update

Law & Policy Group

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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.....

2. Global.....

3. Americas

4. Asia Pacific.....

5. Europe, Middle East and Africa (EMEA)

2

5

7

35

44

Section 1

Highlights

Global	
Artificial Intelligence	Global employer resources
Minimum wage rates	Global employer resources
Remote working	Global employer resources
Reproductive rights	Global employer resources post <i>Dobbs</i> ruling
Americas	
Canada	Changes to the Canada Pension Plan take effect 2025 automobile fringe benefit rates announced Minimum wage to increase in Nova Scotia Minimum wage increase proposed in Quebec
Mexico	Employment rights of digital platform workers to be regulated Updated Metric Unit values for 2025 announced Program to boost women's pension benefits launched
United States (US)	Trump administration takes firm stand against diversity, equity and inclusion programs Trump administration issues executive order on gender affirming care for minors Acting Chair of the Equal Employment Opportunity Commission takes action against gender identity initiatives Supreme Court clarifies burden-of-proof standard for employers to establish overtime exemption Trump administration rescinds right of first refusal requirements for certain employees of federal contractors Preparing for 2025: Ten tips for compensation committees and HR teams Effective date for portion of upcoming required minimum distribution regulations delayed Summary of 2025 benefit-related cost-of-living adjustments PBGC premium acceleration set to take effect for 2025 Securities Exchange Commission approves Nasdaq removal of board diversity rule New report to Congress and lawsuit on the Mental Health Parity and Addiction Equity Act (MHPAEA) released Guidance on federal tax treatment of paid family medical leave contributions and benefits issued Department of Labor addresses FMLA substitution rule for employees receiving state paid family medical leave benefits

Americas (continued)

United States

[2025 state paid family and medical leave contributions and benefits](#)
[Beyond COBRA: State laws add complexity to continuation coverage](#)
[Domestic partner benefits remain popular but present challenges](#)
[Group fixed-indemnity plans pose legal, tax issues](#)
[Roundup: Employer resources on DOL's final independent contractor rule](#)
[User's guide to SECURE 2.0](#)
[Transportation plans offer valued benefits, but pose compliance issues](#)
[Roundup: Employer resources on noncompete restrictions](#)
[Roundup: Employer resources on the changing landscape of DEI](#)
[Roundup: Employer resources on DOL's expansion of overtime protections](#)
[Some states require group health plan reporting](#)
[Resources for tracking state and local retirement initiatives](#)
[Roundup: Employer resources on states' recent equal pay laws](#)
[Roundup: Employer resources on states' recreational marijuana laws](#)
[Roundup: Employer resources on minimum wage increases](#)
[Roundup: Employer resources on hairstyle nondiscrimination laws](#)
[Pharmacy benefit manager rule clarified in Arkansas](#)
[Reminder on use of artificial intelligence \(AI\) in healthcare, insurance issued in California](#)
[Healthcare security ordinance self-funded plan top-off deadline reminder in San Francisco, California](#)
[Final paid family medical leave regulations updated in Delaware](#)
[Pharmacy benefit manager, prescription law enacted in Massachusetts](#)
[Pay transparency law requires certain employers to report workforce data by Feb. 3, 2025, in Massachusetts](#)
[2025 HCRA covered-lives assessment rates in New York posted](#)
[Benefit and leave laws sometimes differ from others in Puerto Rico](#)
[Pharmacy benefit manager guidance finalized in Washington](#)

Asia Pacific	
Australia	Regulator issues findings of unlisted asset valuations and liquidity risk governance review Tax office issues guidance on meaning of 'employee' for superannuation guarantee Consultation on reform of anti-money laundering/counter-terrorism financing rules issued
China	Implementing rules for progressive increase to statutory retirement age issued Minimum wage chart published
Hong Kong	Corporate governance code and listing rules revised, diversity enhanced
Japan	Expansion of pension coverage to part-time employees completed
Philippines	Social security and employment measures finalized
Singapore	First workplace fairness bill passes parliament
South Korea	Parental leave entitlement expanded
EMEA	
European Union (EU)	Law approved to improve gender balance on company boards Annulment of minimum wage directive recommended
Andorra	Minimum wage increased
Denmark	Gender-balanced boards required in large companies
Finland	2025 social insurance contribution rates changed
Germany	Two-phase minimum wage increase for cleaners issued
Greece	Social security healthcare contributions reduced for employers and employees Corrections for employees' 2024 leave information allowed on a temporary basis
Hungary	Private healthcare providers involved in social care system Eligibility criteria for child care allowance changed
Isle of Man	Minimum wage increase proposed
Lithuania	Labor code revised
Luxembourg	Social security contribution rates issued for 2025
Morocco	Tax on workers' compensation premiums hiked
Oman	Wage Protection System updated
Saudi Arabia	Immunization requirements issued for all travelers Labor law expanded
Slovenia	Minimum wage increased
South Africa	Minimum wage to increase
United Arab Emirates	Revised employment terms to apply in Abu Dhabi Global Market
United Kingdom	Consultation on changes to banking remuneration regime issued Consultation on gender, ethnicity and disability pay gap information in Northern Ireland to close on Feb. 14

Section 2


Global




Artificial Intelligence	
Status	 Ongoing initiatives
Development	Career Roundup: Global employer resources on artificial intelligence Artificial Intelligence (AI) has become more of a permanent feature of the workplace for many employees and employers around the world and poses numerous challenges and considerations as it reshapes work. To help employers consider the issues associated with AI, the roundup cited below provides links to general information about ongoing legislative and governance initiatives and trends. Sources include Marsh McLennan, organizations, government websites, third-party analysis, news articles and viewpoints.
Resources	Roundup , regularly updated
Minimum wage	
Status	 Ongoing initiatives
Development	Career Roundup: 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 links to resources from organizations, government websites, third-party resources, and news articles.
Resources	Roundup , regularly updated
Remote working	
Status	 Ongoing initiatives
Development	Career — Health — Wealth Roundup: Countries address remote-working issues Remote working has become a more of permanent feature for many employees and employers after various countries introduced COVID-19 measures. Remote working poses challenges and considerations for employers 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, the impact of employees relocating to a different country or state, and the post-pandemic return to the workplace. Several jurisdictions have introduced remote-working legislation that clarifies post-pandemic employer and employee requirements, and others are expected to follow suit. To help employers consider the issues associated with remote working, the roundup cited below provides links to resources from Marsh McLennan, organizations, government websites, third-party analysis, news articles and viewpoints.
Resources	Roundup , regularly updated

Reproductive rights	
Status	 Ongoing initiatives
Development	Health Roundup: Global employer resources on reproductive rights post <i>Dobbs</i> ruling In June 2022, the US Supreme Court's <i>Dobbs v. Jackson Women's Health Organization</i> decision 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 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	<u>Roundup</u> , regularly updated

Section 3

Americas

Brazil (previously covered, with upcoming effective date)	
Development	<div>Career</div> <ul style="list-style-type: none">Measures gradually reintroduce the payroll tax — key date: Jan. 1, 2026
Canada (new)	
Status	<div> Currently effective</div>
Development	<div>Wealth</div> <p>Changes to the Canada Pension Plan take effect</p> <p>Recent changes to the Canada Pension Plan (CPP) provide a top-up to the death benefit for certain individuals, establish a new children's benefit for part-time students and improve other children's benefits, and end entitlement to a survivor's benefit following a credit split. The changes were included in the recommendations resulting from the 2022-2024 Triennial Review by federal, provincial and territorial ministers of finance; the legislative amendments were made through the Budget Implementation Act, 2024, No. 1, that received royal assent on June 20, 2024. The changes took effect on Jan. 1, 2025, by Order in Council. The new measures have no impact on the minimum CPP contribution rates. Highlights include:</p> <ul style="list-style-type: none">Top-up to the death benefit. The CPP death benefit has increased to C\$5,000 if the deceased contributor was not paid a retirement pension or disability benefit, and no survivor's pension is paid in respect of their contributions.Creation of a new child's benefit. The CPP children's benefits provide a monthly flat rate amount to help support the dependent children (aged between 18 and 25) of contributors who ceased work due to disability or death. Eligible children must be in school part-time, and the benefit is paid at 50% of the amount available to full-time students. In addition, related regulatory amendments will define "full time" and "part time" attendance to determine eligibility.Extension of eligibility for the disabled contributor's child's benefit. The amendment allows for continuation of the disabled contributor's child benefit when the disabled parent reaches age 65 — previously, both the child benefit and the disability pension ceased at age 65.Ineligibility for the survivor's pension in cases of credit splitting. Individuals who are separated and who request a credit split will no longer be eligible to receive a survivor's pension for their ex-partner, treating them in the same way as divorced or former common-law partners.
Resources	<p>Backgrounder: Changes to the Canada Pension Plan (Government, Jan. 8, 2025) and Order fixing the day on which Division 14 of Part 4 of the Budget Implementation Act, 2024, No. 1 comes into force (Official Gazette, Jan. 1, 2025)</p>

Canada (new)	
Status	 Currently effective
Development	Health 2025 automobile fringe benefit rates announced <p>The 2025 fringe benefit rates applicable to employees using their automobiles for business purposes were announced on Dec. 30, 2024. The revised rates took effect on Jan. 1, 2025, and include:</p> <ul style="list-style-type: none"> • The capital cost allowance ceilings for Class 10.1 new and used passenger vehicles (C\$38,000, up from C\$37,000 before tax, if acquired on or after Jan. 1, 2025) • Deductible leasing costs (C\$1,100, up from C\$1,050 per month before tax for new leases entered into on or after Jan. 1, 2025) • Deduction limits of employer-paid tax-exempt allowances for employees who use their personal vehicle for business in the provinces (C\$0.72 per kilometer for the first 5,000 kilometers, up from C\$0.70, and C\$0.66 for each additional kilometer) • The general prescribed rate for determining taxable employee benefits related to the employer-paid personal portion of automobile expenses (C\$0.34, up from C\$0.33).
Resources	Government announces the 2025 automobile deduction limits and expense benefit rates for business (Government, Dec. 30, 2024)
Canada — Nova Scotia (new)	
Status	 Effective April 1, 2025
Development	Career Minimum wage to increase <p>Nova Scotia will introduce a two-phase increase to the minimum wage rate. Effective April 1, 2025, the rate will increase to C\$15.70/hour (up from C\$15.20/hour), and then to C\$16.50/hour on Oct. 1, 2025.</p>
Resources	Minimum wage (Government)
Canada — Quebec (new)	
Status	 Proposal
Development	Career Minimum wage increase proposed <p>Quebec's Minister of Labor has proposed a minimum wage increase to C\$16.10/hour, up from C\$15.75/hour effective May 1, 2025.</p>
Resources	Announcement (French) (Government, Jan. 31, 2025)

Canada (previously covered, with upcoming effective date)

Development

Career

- [Employers face required disclosures regarding pay in Ontario](#) — key date: Jan. 1, 2026
- [Rights of digital platform workers enhanced in Ontario](#) — key date: July 1, 2025

Career — Health

- [New leave entitlements in Ontario](#) — key date: unknown
- [‘Right-to-disconnect’ established for employees](#) — key date: Slated to take effect in 2025

Wealth

- [Pension super priority federal legislation enacted](#) — key date: April 27, 2027

Colombia (previously covered, with upcoming effective date)

Development

Wealth

- [Pension reforms issued](#) — key date: July 1, 2025

Mexico (new)**Status****Effective June 22, 2025****Development****Career — Health****Employment rights of digital platform workers to be regulated**

The employment rights of platform workers will be regulated under measures that amend the Federal Labour Law, effective June 22, 2025 — 180 days following their publication in the Official Journal on Dec. 24, 2024. A digital platform employee is an individual who provides personal, remunerated and subordinated services through a digital platform, and who earns a net monthly income from their work equivalent to at least the minimum wage applicable in Mexico City (MXN\$8,364/month for 2025). Individuals earning less than the minimum monthly wage will be classified as independent employees, and platform operators must register them with the Mexican Social Security Institute.



Highlights of the measures include:

- Working hours are defined as the time effectively worked (from when the employee accepts a task until its completion).
- Platform operators must have procedures for training platform workers on the effective use of the platform and for tracking workers' standby and working time. They must set out the safety and health policies to be followed; explain how tasks are paid; establish a complaints procedure to be used by employees; register workers with the Mexican Social Security Institute; and pay contributions to the National Workers' Housing Fund.
- Platform workers must be paid weekly, and employers must issue payment receipts. Payments must include prorated amounts for mandatory benefits, such as rest days, vacations, vacation premium, Christmas bonus and overtime. Tips cannot be included in the calculation of social security contributions.
- Individual employment contracts that differ from the terms and conditions commonly defined by digital platforms must be registered and authorized by the Federal Center for Labor Conciliation and Registration. Contracts must include details about remuneration, work equipment, safety conditions and supervision arrangements.
- Platform workers whose platform work exceeds 288 hours in any tax year will have the right to participate in the companies' profits.
- Digital platform operators must implement an algorithmic work management policy that explains the operation of the algorithms used to assign tasks and activities, communicate it to employees from the start of the employment relationship and ensure that employees sign and accept the policy. The operator must ensure that any changes to the policy, are communicated in a timely manner.
- An indemnity payment must be paid on the termination of a platform worker. Termination without employer liability will be permitted if the platform worker's conduct compromises the safety or privacy of digital platform users, and if they had not complied with assigned tasks or work-related instructions. The employment relationships will be automatically terminated if a platform worker ceases their activity for 30 consecutive calendar days.
- Platform operators must issue the procedure that will be followed when addressing or reviewing decisions that affect or interrupt the connection, linkage or access to the digital platform.

The Mexican Social Security Institute (IMSS) must publish proposals to reform the Social Security Law by around June 22, 2025 — 180 days from date of publication — and the National Workers' Housing Fund must publish rules concerning digital platform operators.

Resources

[Decree](#) (Spanish) (Official Diary, Dec. 24, 2024)

Mexico (new)	
Status	 Currently effective
Development	<p>Career — Health — Wealth</p> <p>Updated Metric Unit values for 2025 announced</p> <p>Mexico announced the updated values for the Updated Metric Unit (“Unidad de Medida y Actualización” or “UMA”) that took effect on Feb. 1, 2025. Updated annually, the UMA is an economic reference introduced in 2016 that is used to calculate payments, obligations or fines owed to the government, as required by federal or local law.</p> <p>The 2025 UMA rate increased by 4.2%, and the new rates are: \$MXN113.14 per day; \$MXN3,439.46 per month; and \$MXN41,273.52 per year. Employers should review and adjust their payroll practices to comply with UMA-related requirements.</p>
Resources	Announcement (Spanish) (INEGI, Jan. 9, 2025)
Mexico (new)	
Status	 Currently effective
Development	<p>Career — Wealth</p> <p>Program to boost women’s pension benefits launched</p> <p>In January 2025, the Mexican government rolled out the "Pensión Mujeres Bienestar" program that provides financial support to women aged 60 to 64 and aims to reduce the gender pensions gap. Beneficiaries aged 63 and 64 now receive MXN\$3,000 bimonthly, and the benefit is also paid to women aged between 60 and 64 who live in the indigenous and Afro-Mexican communities. The government plans to expand the program to all Mexican women aged 60 to 64 by 2026. The program is paid for by the government and is managed by the Ministry of Welfare. Although there are no direct cost implications for private sector employers, the financial support provided by the program could influence individuals’ retirement decisions, and potentially impact workforce planning and turnover rates.</p>
Resources	kaitlin.oneill@mercer.com Information on the Pensión Mujeres Bienestar" program (Spanish) (Government, November 2024)
Peru (previously covered, with upcoming effective date)	
Development	<p>Career — Wealth</p> <ul style="list-style-type: none"> Pension system modernization law issued — key date: unknown

US (new)

Status



Currently effective

Development

Career — Health


Trump administration takes firm stand against diversity, equity and inclusion programs

President Trump's administration has adopted a firm stance against diversity, equity and inclusion (DEI) programs in both the federal government and private sector by issuing several executive orders (EOs) designed to limit these efforts. For example, one EO directs all federal agencies to "combat illegal private-sector DEI preferences, mandates, policies, programs, and activities." Additionally, the EO directs the Office of Federal Contract Compliance Programs to immediately cease (i) promoting "diversity;" (ii) holding federal contractors and subcontractors responsible for taking "affirmative action;" and (iii) allowing or encouraging federal contractors and subcontractors to engage in workforce balancing based on race, color, sex, sexual preference, religion, or national origin.

For more information on these EOs and to provide employers with some information about the varying aspects and issues to consider with respect to employers' DEI programs, the Roundup: Employer resources on the changing landscape of DEI provides links to government information, third-party analyses, news articles and viewpoints.

Resources

[Ending illegal discrimination and restoring merit-based opportunity](#) (Jan. 21, 2025); [Keeping Americans safe in aviation](#) (Jan. 21, 2025); [Reforming the federal hiring process and restoring merit to government service](#) (Jan. 20, 2025); [Ending radical and wasteful government DEI programs and preferencing](#) (Jan. 20, 2025); [Initial rescissions of harmful executive orders and actions](#) (Jan. 20, 2025); [Defending women from gender ideology extremism and restoring biological truth to the federal government](#) (Jan. 20, 2025) and [Roundup: Employer resources on the changing landscape of DEI](#), regularly updated

US (new)	
Status	 Currently effective
Development	<p data-bbox="485 240 737 272">Career — Health</p> <p data-bbox="485 285 1509 318">Trump administration issues executive order on gender affirming care for minors</p> <p data-bbox="485 324 1866 383">President Trump has issued an executive order, <i>Protecting children from chemical and surgical mutilations</i>. Highlights include:</p> <ul data-bbox="485 393 1927 1019" style="list-style-type: none"> • Redefining "gender affirming care" as "chemical and surgical mutilation" and defines "child" as an individual under 19 years of age • Characterizing the World Professional Association for Transgender Health (WPATH) guidance as "junk science" and rescinds all federal agency policy that relies upon WPATH's guidance • Conditioning federal funding for research and education to medical institutions (including medical schools and hospitals) on the termination of gender affirming care for minors • Seeking to terminate coverage of gender affirming care for minors in Medicare, Medicaid (including state Medicaid programs), TRICARE, federal employee benefit programs • Directing HHS to "take all appropriate actions" to end gender affirming care for minors, including through regulations and sub-regulatory guidance (including the ACA's section 1557, essential health benefits, and mandatory drug use reviews), and review/revision of the International Classification of Diseases (ICD) and Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM) • Directing the DOJ to prioritize "enforcement of protections against female genital mutilation ... across all American States and Territories" and investigation of consumer fraud regarding gender affirming care; to work with Congress to create legislation to provide a private right of action for minors and parents against medical professionals for gender affirming care; and to target "sanctuary states" with the application of the "Parental Kidnapping Prevention Act" and constitutional rights • Requiring a report from federal agencies within 60 days (i.e., end of March) detailing progress implementing the EO and timeline for future action
Resources	<p data-bbox="485 1029 873 1055">katharine.marshall@mercer.com</p> <p data-bbox="485 1057 1570 1083">Protecting children from chemical and surgical mutilations (The White House, Jan. 28, 2025)</p>

US (new)

Status



Currently effective

Development

Career — Health

Acting Chair of the Equal Employment Opportunity Commission takes action against gender identity initiatives

Pursuant to Trump's Executive Order 14168 (EO), *Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government*, the Acting Chair of the Equal Employment Opportunity Commission is "rolling back the Biden administration's gender identity agenda." Actions taken are:

- Announced that a priority — for compliance, investigations, and litigation — is to defend the biological and binary reality of sex and related rights, including women's rights to single-sex spaces at work.
- Removed the agency's "pronoun app," a feature in employees' Microsoft 365 profiles, which allowed an employee to opt to identify pronouns, content which then appeared alongside the employee's display name across all Microsoft 365 platforms, including Outlook and Teams.
- Ended the use of the "X" gender marker during the intake process for filing a charge of discrimination.
- Directed the modification of the charge of discrimination and related forms to remove "Mx." from the list of prefix options.
- Commenced review of the content of EEOC's "Know Your Rights" poster, which all covered employers are required by law to post in their workplaces.
- Removed materials promoting gender ideology on the Commission's internal and external websites and documents, including webpages, statements, social media platforms, forms, trainings, and others. The agency's review and removal of such materials remains ongoing. Where a publicly accessible item cannot be immediately removed or revised, a banner has been added to explain why the item has not yet been brought into compliance.

Based on existing authority, the Acting Chair cannot unilaterally remove or modify certain gender identity-related documents subject to the EO's directives. Those documents include the Commission's *Enforcement Guidance on Harassment in the Workplace*; the EEOC Strategic Plan 2022-2026; and the EEOC *Strategic Enforcement Plan Fiscal Years 2024-2028*.

For more information and analysis on the impact of the EO and the Acting Chair's actions, see the Roundup: Employer resources on the changing landscape of DEI.

Resources

[Removing gender ideology and restoring the EEOC's role of protecting women in the workplace](#) (EEOC, Jan. 28, 2025); [Executive Order 14168, Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government](#) (Federal Register, Jan. 20, 2025); and [Roundup: Employer resources on the changing landscape of DEI](#) (Mercer, regularly updated)

US (new)**Status**  **Currently effective****Development****Career****Supreme Court clarifies burden-of-proof standard for employers to establish overtime exemption**

On Jan. 15, 2025, a unanimous Supreme Court held that the “preponderance of the evidence” standard applies when an employer seeks to demonstrate that an employee is exempt from the minimum wage and overtime provisions of the Fair Labor Standards Act — instead of the stricter “clear and convincing evidence” standard.

Resources

[Ruling](#) (Supreme Court, Nov. 5, 2024)

US (new)**Status**  **Currently effective****Development****Career****Trump administration rescinds right of first refusal requirements for certain employees of federal contractors**

President Trump has issued an executive order (EO) that has rescinded EO 14055, *Nondisplacement of qualified workers under service contracts*, which required certain federal contractors to offer jobs to their predecessor’s employees before hiring new workers.

Resources

[Initial rescissions of harmful executive orders and actions](#) (The White House, Jan. 20, 2025)

US (new)**Status**  **Ongoing considerations****Development****Career****Preparing for 2025: Ten tips for compensation committees and HR teams**

Public company compensation committees and human resource (HR) departments will face new challenges and uncertainty under the Trump administration. Companies can expect fewer new regulations, a rolling back of existing rules and the shelving of pending rules. The administration is also likely to reduce federal agency budgets and staffing, which together with recent Supreme Court decisions eroding agency power, will impact the ability of agencies to adopt, interpret and enforce rules. These changes could open the door to more lawsuits and a greater patchwork of state laws. And companies will continue to be bombarded with litigation and shareholder proposals on diversity, equity and inclusion (DEI) and other environmental and social (E&S) initiatives from both those who seek further progress and others who believe the initiatives negatively impact shareholder value. Although the full impact on executive compensation and governance likely won’t be felt until after the 2025 proxy season, compensation committees and HR departments need to prepare for the new regime, continue to balance commitments to DEI and E&S with the risk of litigation and other challenges, and navigate successful say-on-pay (SOP) and shareholder proposal outcomes. This article provides ten key action items to guide compensation committees and HR departments in effectively fulfilling their roles and responsibilities in 2025.

Resources

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[Preparing for 2025: Ten tips for compensation committees and HR teams](#) (Mercer, Jan. 6, 2025)

US (new)	
Status	 Delayed until Jan. 1, 2026.
Development	Wealth Effective date for portion of upcoming required minimum distribution regulations delayed <p>The Internal Revenue Service has delayed the anticipated effective date for a portion of upcoming final regulations on SECURE 2.0 Act of 2022 (Div. T. of Pub. L. No. 117-328) changes to the required minimum distribution (RMD) rules for employer-sponsored retirement plans and IRAs. Last year's proposal included an anticipated effective date of Jan. 1, 2025, but commenters raised concerns about being able to timely implement parts of the new rules. In response, IRS is delaying until Jan. 1, 2026, the effective date for some — but not all — of the proposal's provisions. Before the final regulations take effect, taxpayers must comply with a reasonable, good-faith interpretation of SECURE 2.0.</p>
Resources	margaret.berger@mercerc.com and brian.kearney@mercerc.com GRIST, Jan. 15, 2025
US (new)	
Status	 Currently effective
Development	Health — Wealth Summary of 2025 benefit-related cost-of-living adjustments <p>This GRIST details the 2025 cost-of-living adjustments for retirement, health and fringe benefit plans, as well as Medicare and Social Security. Updates to this article reflect several recently published items, including the 2025 limits for retirement plans qualified in Puerto Rico, the Internal Revenue Service final covered compensation tables (matching Mercer's projections) and the Affordable Care Act's 2025 employer shared-responsibility play-or-pay monthly contribution limit for noncalendar-year health plans using an affordability safe harbor based on the federal poverty line.</p>
Resources	margaret.berger@mercerc.com ; dorian.smith@mercerc.com and james.chaken@mercerc.com GRIST, Jan 24, 2025
US (new)	
Status	 For calendar-year plans, premiums are due on Sept. 15, 2025, instead of Oct. 15, 2025.
Development	Wealth PBGC premium acceleration set to take effect for 2025 <p>Some single-employer defined benefit (DB) plan sponsors may need to do a little scrambling this year to meet an accelerated deadline for Pension Benefit Guaranty Corporation (PBGC) premiums. PBGC's Technical Update 25-1 reminds sponsors that for 2025 plan years only, premiums are due 8½ months after the start of the plan year. This is one month earlier than the usual deadline and the same date the final 2024 plan year contribution is due. For calendar-year plans, this means premiums are due on September 15 instead of October 15. All plans will have to ensure they don't miss the unusually early deadline, but plans subject to uncapped PBGC variable-rate premiums (VRPs) may find meeting the deadline particularly challenging due to the way the premiums are calculated. Congress could repeal the provision this year, which would restore the October 15 due date, but that outcome is far from certain.</p>
Resources	margaret.berger@mercerc.com ; brian.kearney@mercerc.com and bruce.cadenhead@mercerc.com GRIST, Jan. 27, 2025

US (new)**Status****Currently effective****Development****Career****Securities Exchange Commission approves Nasdaq removal of board diversity rule**

The Securities Exchange Commission (SEC) approved a Nasdaq proposal to remove its board diversity provisions from its rules, effective immediately. The decision was in part in response to a Fifth Circuit ruling that the SEC exceeded its authority when it approved the Nasdaq rule. The listing rules adopted a “comply or explain” mandate for board diversity for most listed companies and required companies listed on Nasdaq’s U.S. exchange to publicly disclose “consistent, transparent diversity statistics” regarding the composition of their boards.

Resources

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[Announcement](#) (SEC, Jan. 24, 2025)

US (new)**Status****Report****Development****Health****New report to Congress and lawsuit on the Mental Health Parity and Addiction Equity Act (MHPAEA) released**

Regulators recently released their third report to Congress and a fact sheet describing MHPAEA enforcement. The report details Department of Labor (DOL) and Centers for Medicare and Medicaid (CMS) investigations, identifies the types of nonquantitative treatment limits (NQTLs) that are their top enforcement priorities, and provides many specific examples of noncompliance and plan corrections. On the same day, the ERISA Industry Committee (ERIC) sued challenging the final mental health parity rule. Following is a summary of these items.

Report to Congress: The report is quite lengthy and focuses on DOL's investigations into NQTLs relating to network composition, including participation standards for providers (e.g., credentials, reimbursement rates) and network assessment standards (e.g., provider to member ratios, time and distance standards, and maximum wait times). According to the report, the DOL's enforcement focus also includes exclusions of residential treatment, partial hospitalization, speech therapy and autism spectrum disorder treatment based on age. CMS placed emphasis on provider reimbursement treatment limitations and pharmacy benefit formulary design (including step therapy and quantity limits).

Lawsuit challenges 2024 MHPAEA rule: ERIC's complaint alleges that the 2024 MHPAEA final rule is unlawful in numerous respects and asks the court to invalidate the 2024 MHPAEA final rule, or in the alternative, to invalidate provisions identified as particularly problematic. Note that the lawsuit doesn't challenge the requirement for plan sponsors to have a comparative analysis, which Congress made law as part of the CAA.

How the Trump administration will respond to this lawsuit or enforce MHPAEA is unknown. While it seems unlikely, we believe the rule also could be challenged under the Congressional Review Act. Unless or until the rule is changed, clients should continue their compliance efforts under the final rule.

Resources

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[2024 MHPAEA report to Congress](#) (DOL, January 2025); [FY 2023 MHPAEA Enforcement Fact Sheet and Complaint](#) (ERIC, Jan. 17, 2025)

US (new)**Status****Currently effective****Development****Career — Health****Guidance on federal tax treatment of paid family medical leave contributions and benefits issued**

The Internal Revenue Service issued Revenue Ruling 2025-4, long-awaited guidance on how state paid family and medical leave (PFML) contributions benefits are treated for federal tax purposes under the Internal Revenue Code. The ruling includes six examples and two tables.

For contributions and benefit payments made on or after Jan. 1, 2025:

- **Required employer contributions.** Employers may deduct required PFML contribution amounts as state excise tax payments under § 164(a); the amounts are not included as gross income on an employee's Form W-2.
- **Required employee contributions.** Employee contributions are included as gross income on Form W-2 and considered wages subject to federal employment taxes. If an employee itemizes deductions, the amount is deductible as state income tax under § 164(a)(3), subject to the state and local tax (known as SALT) deduction limitation, currently set at \$10,000.
- **Voluntary employer contributions.** Amounts employers voluntarily contribute — covering some or all of an employee's otherwise mandatory contribution — are treated as taxable compensation and must be included as gross income on Form W-2. Similar to the employee's required contribution amount, this amount is deductible as state income tax under § 164(a)(3), subject to the SALT deduction limitation. For the employer, this amount is not considered a state excise tax but can be deducted as an ordinary and necessary business expense under § 162.
- **Family leave benefits.** Total family leave benefit payments are included as gross income but are not considered wages for federal employment tax purposes. The state administering the PFML program (or Washington, DC) must report family leave benefit payments of \$600 or more on Form 1099 and give a copy to the employee.
- **Medical leave benefits.** Medical leave benefit payments attributable to the required employer contribution are included as gross income to the employee (and must be reported on Form 1099) and are considered wages for federal employment tax purposes. The state administering the PMFL program, however, is not required to withhold income tax from this portion of the benefit; employees may request withholding on a voluntary basis. All other medical leave benefit payments (those not attributable to required employer contributions) are excluded from gross income (and thus not reported on Form 1099) and are not considered wages for federal employment tax purposes.

IRS provided transitional relief for the 2025 calendar year with respect to:

- Withholding and reporting obligations related to medical leave benefit payment amounts attributable to required employer contributions; and
- Wage reporting and federal tax obligations related to required employee contribution amounts voluntarily paid by employers.

The ruling doesn't address the federal tax treatment of contributions to — or benefits from — an approved private (equivalent) plan. IRS gave no indication as to if or when it would issue guidance for private (equivalent) plans.

Resources

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[Revenue Ruling 2025-4](#) (IRS)

US (previously covered, now effective)**Status****Currently effective****Development****Career — Health****Department of Labor addresses FMLA substitution rule for employees receiving state paid family medical leave benefits**

The DOL's Wage and Hour Division (WHD) issued an opinion letter confirming the principles of the federal Family and Medical Leave Act (FMLA) rules regarding substitution of accrued paid leave under a state or local PFML program that is also FMLA-qualifying.

An employer may require — or an employee may choose — to use accrued employer-provided paid leave (vacation, sick, etc.) during unpaid FMLA leave. The substitution rule doesn't apply if the employee is receiving short-term disability (STD) or workers' compensation benefits. The employer and employee may, however, mutually agree (where state law permits) to supplement such benefits with employer-provided accrued paid leave.

The WHD likened PFML benefits to STD and workers' compensation. The FMLA substitution rules doesn't apply to leave compensated by a state or local PFML program. The employer and employee can, however, agree (where state law permits) to use accrued paid leave to supplement PFML benefits that are less than full wage. Note that some PFML programs explicitly allow an eligible employee to supplement PFML benefits with accrued paid leave, without employer consent.

Resources

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[FMLA 2025-01-A](#) (WHD)

US (updated)**Status****Effective dates vary.****Development****Career — Health****2025 state paid family and medical leave contributions and benefits**

Mandates requiring paid leave for an employee's own health condition exist in many states — California, Colorado, Connecticut, Hawaii, Massachusetts, New Jersey, New York, Oregon, Rhode Island and Washington — along with Puerto Rico and Washington, DC. Delaware, Maine, Maryland and Minnesota will start similar programs in the next few years. Except for Hawaii and Puerto Rico, these jurisdictions also require paid family leave. Voluntary group family leave insurance is now available in Alabama, Arkansas, Florida, Kentucky, Michigan, South Carolina, Tennessee, Texas and Virginia. Private employers may opt-in to the state program for governmental employees in New Hampshire and Vermont.

Resources

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[GRIST](#), updated Jan. 29, 2025 [Paid family and medical leave: Snapshots across the US](#) (Mercer, January 2025)

US (new)**Status****Comments can be submitted until March 14, 2025.****Development****Wealth****Proposed regulations confirm that SECURE 2.0 age 60-63 ‘super catch-ups’ are optional**

Just-proposed IRS regulations provide urgently needed guidance on the increased catch-up contribution limit under the SECURE 2.0 Act of 2022 (Div. T of Pub. L. No. 117-328) for defined contribution plan participants ages 60-63. Many employers offering catch-up contributions will be relieved to know they are not required to offer the higher “super catch-up” limit but can continue to offer the regular limit to all catch-up eligible participants.

The catch-up contribution rules allow participants ages 50 and older to make contributions above the applicable annual dollar limit on elective deferrals. Without reflecting the SECURE 2.0 changes, the catch-up contribution limit for 2025 is \$7,500 for participants in 401(k), 403(b) and governmental 457(b) plans. Starting this year, SECURE 2.0 increases the catch-up limit for participants ages 60-63 to \$11,250 (both limits are indexed for inflation). The law makes a similar change to the catch-up contribution limits under savings incentive match plans for employees (SIMPLE plans).

Since the law’s enactment, many employers and administrators have been unsure about the impact of a separate nondiscrimination rule in the Internal Revenue Code and regulations — known as the “universal availability requirement” — on the higher catch-up limit. This rule generally says that a plan that offers catch-up contributions will not satisfy the nondiscrimination requirements unless all catch-up eligible participants are provided with an effective opportunity to make the same dollar amount of catch-up contributions. The proposed regulations provide the following clarifications on how the universal availability requirement applies to the higher catch-up limit:

- Plans that offer catch-up contributions do not have to offer the higher catch-up limit. Plans can limit catch-up contributions for participants ages 60-63 to the same limit that applies to all other catch-up eligible participants.
- Plans that offer the higher catch-up limit to participants ages 60-63 will not violate the universal availability requirement, even though all other catch-up eligible participants are unable to make catch-up contributions in the same dollar amount.

While the regulations are proposed to be effective for tax years beginning six months after publication of a final rule, sponsors can rely on the proposal for 2025 and future tax years. IRS is accepting comments on the proposed regulations until March 14.

Resources

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GRIST, Jan. 10, 2025

US**Status****Currently effective****Development****Health****Beyond COBRA: State laws add complexity to continuation coverage**

Though COBRA has endured for decades, state continuation laws are its less familiar sidekick. These laws (often referred to as “mini-COBRA” laws), fill in COBRA’s gaps, particularly for small employers offering fully insured group health plans as well as fully insured large-employer group health plans (often referred to as “post-COBRA” laws), where coverage is required beyond COBRA’s normal time frames. The GRIST cited below summarizes the major aspects of state continuation requirements.

Resources

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[GRIST](#), Nov. 12, 2024

US**Status****Currently effective****Development****Career — Health****Domestic partner benefits remain popular but present challenges**

Domestic partner benefits continue to be common among many employers. However, compliance complexities present challenges for employers. The GRIST cited below (with minor updates and clarifications) reviews the major issues, particularly related to taxation and documentation, and provides useful tools, including a tax dependent flow chart, an employer domestic partner checklist and two tables summarizing applicable state laws.

Resources



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[GRIST](#), regularly updated

US**Status****Currently effective****Development****Health****Group fixed-indemnity plans pose legal, tax issues**

Concerns that fixed-indemnity plans may too easily be mistaken for comprehensive medical coverage or may improperly treat some benefit payments as tax free has led to a final rule from the departments of Labor, Treasury, and Health and Human Services. The rule requires fixed-indemnity plans to supply a new consumer notice beginning in 2025 but omits more sweeping proposals that would have required many employers to redesign their fixed-indemnity coverage. Treasury proposals to clarify the tax treatment of employer-provided accident and health plans — particularly the tax treatment of fixed-indemnity plans — also were left out of the final rule. The GRIST cited below provides background information about group fixed-indemnity plans, details about the new consumer notice, an overview of proposals left out of the final rule, and a summary of IRS guidance identifying a variety of fixed-indemnity designs (often paired with a wellness program) as improper “double dipping” schemes. This article also summarizes provisions in the rule addressing individual fixed-indemnity plans and short-term limited duration insurance.

Resources

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[GRIST](#), Aug. 27, 2024

US	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Roundup: Employer resources on DOL's final independent contractor rule</p> <p>On Jan. 9, 2024, the DOL announced a final rule that revises how to determine if an individual is an independent contractor or an employee entitled to minimum wage, overtime and other protections under the federal Fair Labor Standards Act. The controversial rule took effect on March 11, 2024.</p> <p>To provide employers with some information about the rule and the varying aspects and issues to consider, this roundup provides links to government information, third-party analyses, news articles and viewpoints. The aggregated content in each section is organized in reverse chronological order and is by no means comprehensive. The content also does not necessarily reflect Mercer's or the authors' point of view on the subject.</p>
Resources	Roundup: Employer resources on DOL's final independent contractor rule (Mercer, regularly updated)
US	
Status	 Effective dates vary.
Development	<p>Wealth</p> <p>User's guide to SECURE 2.0</p> <p>A dizzying array of legislation affecting defined contribution (DC) and defined benefit (DB) plans became law on Dec. 29, 2022, as part of a fiscal 2023 government spending package. Capping several years of congressional efforts, the SECURE 2.0 Act of 2022 (Div. T of Pub. L. No. 117-328) is intended to build on changes made by the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 (Div. O of Pub. L. No. 116-94).</p> <p>Navigating SECURE 2.0 is a formidable challenge. The statute consists of 120 pages of text and 90 individual sections — with no table of contents. To help employers and plan sponsors understand the legislation's implications, this guide provides a high-level summary of SECURE 2.0 provisions grouped topically, including separate treatment of provisions specific to DC and DB plans.</p> <p>The six tables in this guide describe statutory changes and their effective dates, identify whether the changes are mandatory or optional for employers, and provide initial observations, including implementation challenges for which agency guidance would be helpful. The act also includes several apparent drafting errors for which Congress intends to introduce technical corrections legislation. Those errors are noted in the relevant sections of the guide.</p> <p>This guide doesn't address SECURE 2.0's employee stock ownership plan (ESOP) provisions and a handful of other nonbenefit-related provisions. When referring to the original SECURE Act, this guide uses the term "SECURE 1.0" to avoid any confusion between the laws.</p> <p>This guide will be updated periodically to reflect additional information and guidance.</p>
Resources	margaret.berger@mercer.com , matthew.calloway@mercer.com and brian.kearney@mercer.com User's guide to SECURE 2.0 , periodically updated

US**Status****Effective dates vary.****Development****Career — Health****Transportation plans offer valued benefits, but pose compliance issues**

Since 1998, employees have been able to pay for qualified transportation fringe benefits 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, van pools, and in certain years, bicycles.

While these benefits are not subject to cafeteria plan or ERISA rules, compliance difficulties exist, and a 2018 tax law that will expire at the end of 2025 added complexities. The federal monthly limits are adjusted every year, most recently for 2024. Some state and local jurisdictions have imposed employer mandates — including one that applies to Chicago-area employers starting in 2024 — leveraging the tax advantage of commuter benefits; other jurisdictions provide tax-related incentives.

Resources

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[GRIST](#), regularly updated

US**Status****Effective dates vary.****Development****Career****Roundup: Employer resources on noncompete restrictions**

Noncompete agreements prevent former employees from working for a competing employer or starting a competing business for a certain time after their employment ends. At the federal level, former President Biden, the Federal Trade Commission (FTC), the National Labor Relations Board (NLRB) and Congress have attempted to ban or limit the use of noncompete agreements. The FTC's final rule banning noncompetes was scheduled to be effective Sept. 4, 2024, but on Aug. 20, 2024, a federal judge in Texas blocked the rule from taking effect nationwide. While the FTC has appealed the ruling, the rule will remain on hold until a future judicial decision either permanently blocks it or upholds it as lawful. The rule has been challenged in other lawsuits, with conflicting results. These divergent rulings and the impact of the recent Supreme Court Loper decision that overturned the "Chevron doctrine" of deference to federal agencies have led to employer uncertainty as to how to proceed. The Trump administration may also affect the fate of noncompetition provisions.

At the state level, several states have generally banned noncompete agreements. Numerous other states have enacted restrictions, such as only allowing noncompete agreements for employees above a certain salary threshold. This roundup focuses on recent federal and state actions to restrict noncompete provisions and provides links to federal and state resources from organizations, government websites, third-party resources and news articles.

Resources

[Roundup](#), regularly updated

US**Status****Currently effective****Development****Career****Roundup: Employer resources on the changing landscape of DEI**

The US Supreme Court, in *Students for Fair Admissions, Inc. v. President and Fellows of Harvard College* (June 29, 2023), ruled colleges' use of race as a factor in student admissions is unconstitutional under the Fourteenth Amendment's Equal Protection Clause.

Since the decision, there have been various viewpoints on the effect of this ruling on companies' diversity, equity and inclusion (DEI) programs. While the prior Biden administration actively supported affirmative action and various DEI initiatives, President Trump's administration has adopted a firm stance against DEI programs in both the federal government and private sectors, issuing several executive orders (EOs) designed to limit these efforts. For example, one EO directs all federal agencies to "combat illegal private-sector DEI preferences, mandates, policies, programs, and activities." Additionally, the EO directs the Office of Federal Contract Compliance Programs to immediately cease (i) promoting "diversity;" (ii) holding federal contractors and subcontractors responsible for taking "affirmative action;" and (iii) allowing or encouraging federal contractors and subcontractors to engage in workforce balancing based on race, color, sex, sexual preference, religion, or national origin.

To provide employers with some information about the varying aspects and issues to consider with respect to employers' DEI programs, this roundup provides links to government information, third-party analyses, news articles and viewpoints.

Resources

[Roundup](#), regularly updated

US**Status****Currently effective****Development****Career****Roundup: Employer resources on DOL's expansion of overtime protections**

This roundup provides some information on the US Department of Labor's (DOL) final rule that would have significantly expanded overtime protections. This rule has been challenged in multiple lawsuits, and on Nov. 15, 2024, a Texas federal district court judge vacated and set aside the final rule on a nationwide basis — holding that it exceeded the DOL's statutory authority under the Fair Labor Standards Act (FLSA). As a result, the 2025 increases will not go into effect, and the July 2024 increases were revoked. The DOL has appealed this decision, but the incoming Trump administration will likely forgo pursuing the appeal and instead let the decision stand. This roundup provides links to government information, third-party analyses, news articles and viewpoints. The aggregated content in each section is organized in reverse chronological order and is by no means comprehensive. The content also does not necessarily reflect Mercer's or the authors' point of view on the subject.

Resources

[Roundup](#), regularly updated

US — States**Status****Compliance dates vary.****Development****Health****Some states require group health plan sponsor reporting**

Several states and localities have group health plan reporting requirements. This GRIST summarizes key reporting mandates in three categories: individual health coverage mandates, health plan assessments and surcharges and other types of reporting. This year, a new table has been added to describe individual tax liability for failure to maintain minimum essential coverage (MEC) in the five states (plus Washington, DC) that impose MEC mandates.

Resources

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[GRIST](#), regularly updated

US — States**Status****Effective dates vary.****Development****Wealth****Resources for tracking state and local retirement initiatives**

This article summarizes state and local retirement initiatives for private-sector workers and rounds up relevant Mercer and third-party resources. This listing is updated periodically and may not always reflect the latest development in every locality.

Resources

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[GRIST](#), regularly updated

US — States**Status****Effective dates vary.****Development****Career****Roundup: Employer resources on states' recent equal pay laws**

The federal Equal Pay Act of 1963 requires that men and women in the same workplace receive equal pay for equal work. In recent years, many states have taken further efforts to address equal pay, such as enacting laws that prohibit employers from asking job applicants about salary history, requiring disclosure of salary ranges and pay data, protecting employees who disclose their pay, expanding equal pay protections for characteristics other than sex, and broadening comparisons of work and pay. In 2023, New Jersey and Illinois expanded equal pay protections to temporary workers. Stronger federal legislation — the Paycheck Fairness Act — was first introduced in 1997 but has not passed after numerous attempts — most recently in June 2021.

This roundup primarily focuses on recent state legislative initiatives pertaining to salary history bans and salary range disclosure requirements that affect private sector employers, and provides links to state resources from organizations, government websites, third-party resources and news articles. Certain cities have also acted, but they are generally beyond the scope of this roundup.

Resources

[Roundup](#), regularly updated

US — States**Status****Effective dates vary.****Development****Career****Roundup: Employer resources on states' recreational marijuana laws**

Twenty-four states, plus Guam 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. Thirty-eight states, plus Guam, Puerto Rico, the US Virgin Islands and Washington, DC, have legalized marijuana use for medical purposes, but this roundup focuses on legal recreational marijuana use and its implications for employers. The aggregated content in each section is organized in reverse chronological order and is by no means comprehensive. It also does not necessarily reflect Mercer's or the authors' point of view on the subject.

Resources[Roundup](#), regularly updated**US — States****Status****Effective dates vary.****Development****Career****Roundup: Employer resources on minimum wage increases**

On Jan. 1, 2024, the minimum wage rate for federal contracts increased to \$17.20/hour — up from \$16.20/hour in 2023. This minimum wage rate applies to nontipped and tipped employees alike, as this executive order eliminated the lower cash wage that contractors may pay tipped employees. Several states have also acted to gradually increase the minimum wage to at least \$15/hour for most employees. To help employers prepare and address related issues, this roundup provides links to federal and state resources from organizations, government websites, third-party analysis, news articles and viewpoints.

Resources[Roundup](#), regularly updated**US — States****Status****Effective dates vary.****Development****Career****Roundup: Employer resources on hairstyle nondiscrimination laws**

The Creating a Respectful and Open World for Natural Hair (CROWN) Act movement in the United States aims to prohibit discrimination based on natural hair texture or hairstyles normally associated with race, such as braids, locks, 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 during the last session of Congress — but was not enacted. Many 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 comply with federal, state, and local laws, the roundup cited below provides links to federal and state resources from organizations, government websites, third-party analysis, news articles and viewpoints.

Resources[Roundup](#), regularly updated

US — Arkansas (new)**Status****Currently effective****Development****Health****Pharmacy benefit manager (PBM) rule clarified**

The Insurance Department issued Final Rule 128 and Bulletin 18-2024, which require annual reporting of PBM data on pharmacy reimbursements for the prior calendar year. The first report is due no later than Feb. 17, 2025. The final rule provides the overall requirement. The bulletin provides details on data requirements. Insurers are responsible for reporting on fully insured plans. The bulletin provides special instructions for self-funded health plans, including an exemption for plans with fewer than 5,000 Arkansas residents. Significantly, Sec. III of the Rule contains this statement on applicability: The requirements of this Rule shall not apply to federally regulated health benefit plans restricted from state regulation under federal law. Per a spokesperson with the Department's Consumer Services Division, the intent of the Sec. III statement is that the rule and bulletin do not apply to self-funded ERISA plans. As a result, the Rule and bulletin would appear to apply to only those self-funded plans that are not subject to ERISA (e.g., nonfederal governmental plans and church plans).

Resourcesrich.glass@mercer.com[Pharmacy benefits manager regulation](#) (Arkansas Insurance Department)**US — California (new)****Status****Currently effective****Development****Health****Reminder on use of AI in healthcare, insurance issued**

California's attorney general released a legal advisory on how existing laws affect the use of artificial intelligence (AI) in the healthcare and insurance sectors. A second California legal advisory describes a broader scope of existing laws in the areas of consumer protection, civil rights and competition.


The healthcare/insurance legal advisory points out that while AI shows potential to improve health, it also holds significant risks of harm. Currently, the following actions violate state law:

- Denying health insurance claims using AI in a manner that overrides doctors' views about necessary treatment
- Using generative AI to draft patient notes, communications or medical orders that include erroneous or misleading information
- Determining patient access to healthcare using AI to make predictions based on past claims data
- Conducting a cost/benefit analysis of medical treatments for patients with disabilities using AI based on stereotypes.

The legal advisory points to SB 1120, enacted in 2024 to prohibit use of AI in utilization review. It also addresses other laws prohibiting discrimination by healthcare entities and protecting patient privacy and autonomy.

In the past year, over 20 states adopted a model insurance bulletin on AI, developed by the National Association of Insurance Commissioners. Several states are considering AI legislation this year.

Resourcesrich.glass@mercer.com[California Attorney General's legal advisory on the application of existing California law to artificial intelligence in healthcare](#) (California Department of Justice, January 2025)

US — California — San Francisco (new)	
Status	 Deadline is Feb. 28, 2025
Development	<p>Health</p> <p>Healthcare security ordinance self-funded plan top-off deadline reminder</p> <p>To comply with San Francisco’s Health Care Security Ordinance (HCSO), employers with self-funded health plans must calculate if additional top-off payments for 2024 are needed by the end of February each year. The 2024 expenditure rates are based on nationwide headcount:</p> <ul style="list-style-type: none">• Large employers (100 or more workers): \$3.51 per hour• Medium employers (20-99; 50-99 for nonprofit organizations): \$2.34 per hour• Small employers (0-19; 0-49 for nonprofit organizations): exempt <p>The Office of Labor Standards Enforcement has made available instructions, an updated slide deck and a sample employee letter.</p>
Resources	<p>rich.glass@mercero.com</p> <p>2024 self-funded insurance plans: Calculation & top off instructions (Office of Labor Standards Enforcement, Jan. 13, 2025)</p>

US — Delaware (new)

Status



Regulations will take effect on or about Feb. 11, 2025.

Development

Career — Health

Final paid family medical leave regulations updated


The Delaware Department of Labor (DDOL) modified its existing paid family and medical leave (PFML) regulations in advance of its Jan. 1, 2026, benefits start date. Contributions started on Jan. 1, 2025. Here is a summary of the changes:

- Covered individuals are those with wages earned in Delaware only.
- Covered employees include those covered by a collective bargaining agreement, employees, teachers and other school employees.
- Clients of a professional employer organization clients are an employer for PFML purposes.
- Employers will now report quarterly, instead of weekly, wages.
- An employee may waive PFML contributions if hired on a temporary basis or expected to work less than 25 hours per week. If the employer and employee both contribute to PFML coverage, both must sign the waiver. If only the employer contributes, the employer need only sign the waiver. Employers with the public plan option must submit waivers through the online administrative system. Employers with a private plan need not file with DOL but must keep a copy. The same holds true for removals of waivers.
- Employers switching from a private plan to a public plan will owe back contributions plus 1.5% per month interest.
- Employers can apply for a private plan outside of the annual application period if they are a new employer with 10 or more employees or their employee count crosses the 10- or 25-employee thresholds. As a reminder, employers with fewer than 10 Delaware employees are exempt.
- The employee contribution percentage cannot exceed 50% nor can the employee's share of the private plan cost exceed what the employee would contribute under the public plan.

These regulations will take effect on or about Feb. 11, 2025. Previous versions of these final regulations were issued on July 1, 2023, March 1, 2024 and Aug. 1, 2024.

Resources

rich.glass@mercer.com
[Order](#), Feb. 1, 2025)

US — Massachusetts (new)	
Status	 Effective dates vary.
Development	<p>Health</p> <p>Pharmacy benefit manager (PBM), prescription law enacted</p> <p>Massachusetts enacted 2024 Ch. 342 (SB 3012), requiring licensure of PBMs and imposing requirements on health insurers and Medicaid. Here is a summary:</p> <ul style="list-style-type: none">• PBM licensure takes effect on Jan. 1, 2026. PBMs may not make payments to brokers or consultants that constitute a conflict of interest. This includes offering shared rebates, per prescription or per member fees, referrals fees and bonuses.• Fully insured plans and Medicaid must cover one generic drug and one brand-name drug to treat diabetes, asthma and the two most prevalent heart conditions among members. This coverage is not subject to cost sharing (generic) and cannot have more than a \$25 copayment per 30-day supply (brand name). These requirements will take effect for contracts entered into, renewed or amended on or after July 1.• The law also requires pharmacies — at the point of sale — to charge participants the lesser of a drug's cost-sharing amount, or the pharmacy's retail price. This provision appears to take effect on or about April 9. <p>It is not clear whether Massachusetts applies its insurance laws on an extraterritorial basis to fully insured plans issued in another state. The law does not affect self-funded ERISA plans.</p>
Resources	<p>rich.glass@mercerc.com</p> <p>2024 Ch. 342 (SB 3012) (Legislature, Jan. 9, 2025)</p>

US — Massachusetts (previously covered, now effective)**Status**  **Currently effective****Development****Career****Pay transparency law requires certain employers to report workforce data by Feb. 3, 2025**

Under Massachusetts new pay transparency law, employers with 100 or more employees must annually submit workforce data reports to the state secretary. The first report is due Feb. 3, 2025. The Office of Labor and Workforce Development has issued FAQs about the new reporting requirements.

Resources

[Workforce data reporting FAQs](#) (Executive Office of Labor and Workforce Development); [EEO Wage and Workforce Data Reports](#) (Secretary of State) and [GRIST](#), Aug. 12, 2024

US — New York (new)**Status**  **Currently effective****Development****Health****2025 HCRA covered-lives assessment rates**

New York's Department of Health (DOH) has posted the 2025 regional covered-lives assessment (CLA) rates and percentage surcharges for graduate medical education (GME) under the state's Health Care Reform Act (HCRA). The HCRA imposes an annual CLA — based on the number of covered individuals (and families) who live in New York — on “electing” health claim payors, including self-funded plans. The state lets payors “elect” to pay the CLA per covered individual directly to the state's Professional Educational Pool. Nonelecting payors are not subject to the annual CLA but may incur significantly higher GME percentage surcharges on certain in-state hospital expenses. The annual GME CLA/percentage surcharge, along with an indigent care surcharge, are two distinct payments imposed by the HCRA.

Resources

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[GRIST](#), Jan. 10, 2025

US — Puerto Rico**Status**  **Currently effective****Development****Career — Health****Benefit and leave laws sometimes differ from others**

Puerto Rico is an unincorporated territory within the US with a separate tax code and constitution and its own tax, benefit and insurance laws. Nonetheless, many (but not all) US laws apply to this territory of a little more than three million residents. The GRIST cited below summarizes major requirements and special issues, including an overview of complicated tax-related health and fringe benefit rules, leave laws, the ACA and more.

Resources

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[GRIST](#), Aug. 12, 2024

US — Washington (new)

Status



Effective Feb. 16, 2025

Development

Health

Pharmacy benefit manager (PBM) guidance finalized

Washington's Employment Security Department (ESD) amended existing paid family and medical leave (PFML) rules. The ESD issued Rule WSR 25-03-089, effective Feb. 16. Here is a summary:

- A "healthcare provider" now includes licensed naturopathic physicians.
- ESD has authority to allow designation of an authorized representative without written documentation.
- Backdating of timelines for good cause now aligns with timelines for all other backdating reasons.
- Employees must report hours worked in self-employment on a weekly claim for benefits.
- The prevailing interest rate (1% per month) for late payments associated with damages now aligns with the interest rate for late premium payments.

Resources

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[WSR 25-23-089](#) (Washington State Register, Jan. 16, 2025)

US (previously covered, with upcoming effective dates)

Development

Career

- [Salary disclosures, wage data reporting to be required in Massachusetts](#) — key date: July 31, 2025
- [Salary disclosures to be required in job advertisements in Vermont](#) — key date: July 31, 2025
- [Hourly minimum wage to increase to \\$18 in Hawaii](#) — key date: Jan. 1, 2026
- [Artificial Intelligence law focused on employment laws enacted in Illinois](#) — key date: Jan. 1, 2026
- [Artificial intelligence law enacted; will significantly affect employers in Colorado](#) — key date: Feb. 1, 2026

Career — Health

- [Paid sick and safe leave initiative approved in Missouri](#) — key date: May 1, 2025
- [Law will require promotion opportunity disclosures, pay transparency in job postings in New Jersey](#) — June 2025
- [Paid family medical leave effective dates delayed in Maryland](#) — key date: July 1, 2025
- [Pharmacy benefit manager regulations finalized in New York](#) — key date: July 1, 2025
- [Paid sick leave initiative approved in Nebraska](#) — key date: Oct. 1, 2025
- [Paid family and medical leave mandated in Minnesota](#) — key date: Jan. 1, 2026

Development

Health

- [Paid sick and safe leave initiative approved in Missouri](#) — key date: May 1, 2025
- [Doula coverage mandated in Delaware](#) — key date: plan years beginning in 2026
- [Insulin cost-sharing law enacted in Illinois](#) — key date: July 1, 2025
- [Data protection law enacted in Tennessee](#) — key date: July 1, 2025
- [Dependent coverage law enacted in Illinois](#) — key date: Plan years starting in 2026
- [Cybersecurity insurance rules adopted in Puerto Rico](#) — key date: March 10, 2025
- [Multiemployer welfare arrangements laws enacted in California](#) — June 1, 2025

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

Development

Health (continued)

- [Prescription drug law enacted in Virginia](#) — key date: July 1, 2025
- [Law applies balance billing restrictions to ground ambulance providers in Texas](#) — key date: expires Sept. 1, 2025
- [Telehealth law to expire in Hawaii](#) — key date: Dec. 31, 2025
- [Mental health parity changes](#) — key date: Jan. 1, 2026
- [Telehealth law enacted in Colorado](#) — key date: Jan. 1, 2026
- [New law focuses on prior authorization practices for fully insured plans in Colorado](#) — key date: Jan. 1, 2026
- [Abortion coverage required in Delaware](#) — key date: Plan years starting on or after Jan. 1, 2026
- [Colonoscopy coverage mandate enacted in Illinois](#) — key date: Plan years starting in 2026
- [Fertility-related insurance laws enacted in Illinois](#) — key date: Plan years starting in 2026
- [Pregnancy-related services coverage mandate enacted in Illinois](#) — key date: Jan. 1, 2026
- [Paid family and medical leave law enacted in Minnesota](#) — key date: Jan. 1, 2026
- [Pharmacy benefit manager law enacted in Pennsylvania](#) — key date: Jan. 1, 2026
- [Telehealth laws enacted in Washington](#) — key date: Jan. 1, 2026
- [Pharmacy benefit manager law enacted in Washington](#) — key date: Jan. 1, 2026
- [Telehealth parity extended in New Jersey](#) — key date: July 1, 2026
- [Prior authorization insurance law enacted in Wyoming](#) — key date: July 1, 2026
- [State-based exchange delivery to change in Oregon](#) — key date: Nov. 1, 2026

Wealth

- [Tax withholding rule for pension payments outside of the US finalized](#) — key date: Jan. 1, 2026
- [IRS delays SECURE 2.0's Roth catch-up mandate](#) — key date: 2026

Section 4

Asia Pacific

Australia (new)

Status



Currently effective

Development

Wealth

Regulator issues findings of unlisted asset valuations and liquidity risk governance review

Findings issued by the Australian Prudential Regulation Authority (APRA) following its review of superfunds' implementation of enhanced valuation governance and liquidity risk management requirements show that trustees must make further improvements to comply with the updated Prudential Standard SPS 530 Investment Governance that commenced on Jan. 1, 2023. APRA said the findings will help trustees align their practices with SPS 530, including the use of independent external asset valuations and the effective management of potential conflicts of interest in valuation processes. APRA's last unlisted asset review was conducted in 2021.

The latest review found that trustees still display material gaps in key areas, with 12 out of the 23 in-scope trustees requiring material improvements in either or both their valuation governance and liquidity risk management frameworks to meet SPS 530 requirements.


The review highlighted weaknesses including:

- Asset valuation governance: board oversight and conflict of interest management, revaluation frequency and triggers, valuation control and fair value reporting.
- Liquidity risk management: liquidity stress trigger frameworks, unlisted asset liquidity risks and liquidity action plans.

Resources

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[APRA review highlights the need for improved valuation and liquidity risk governance in superannuation](#) (APRA, Dec. 17, 2024)

Australia (new)	
Status	 Currently effective
Development	<p>Wealth</p> <p>Tax office issues guidance on meaning of ‘employee’ for superannuation guarantee</p> <p>The Australia Taxation Office (ATO) has published the final version of updated Tax Ruling (TR) 2023/4, which defines an “employee” for superannuation guarantee. Previously, TR 2023/4 had only defined an “employee” for Pay As You Go withholding tax purposes, with guidance on the meaning for superannuation guarantee provided under SGR 2005/1. The updated TR applies both before and after its date of issue, but it will not apply to taxpayers if it conflicts with the terms of a settlement of a dispute agreed to before the TR’s date of issue.</p> <p>Highlights of the TR include:</p> <ul style="list-style-type: none"> • Factors that mean a person is considered an employee under section 12 of the Superannuation Guarantee (Administration) Act 1992 (SGAA), replacing outdated guidance in SGR 2005/1. • Confirmation of case law developments. • Consolidation of the common law definition of ‘employee’ and the extended meaning as contained in the SGAA.
Resources	<p>paul.shallue@mercer.com</p> <p>TR 2023/4 (ATO, Dec. 11, 2025)</p>

Australia**Status**  **Consultation open through Feb. 14, 2025.****Development****Wealth****Consultation on reform of anti-money laundering/counter-terrorism financing rules issued**

The Australian Transaction Reports and Analysis Centre (AUSTRAC) has released a consultation on draft new anti-money laundering and counter-terrorism financing (AML/CTF) rules, inviting comments through Feb. 14, 2025. They would support reforms included in the AML/CTF Amendment Bill, that will apply to new entities subject to the ALM/CTF regime from March 31, 2026.

The rules aim to provide current and future reporting entities with more detail on their upcoming AML/CTF obligations, allowing them greater flexibility as to how they meet their obligations, reducing regulatory impacts and providing more support to better detect and prevent financial crime. Highlights include:

- New requirements for AML/CTF programs and customer due diligence
- A new “reporting group” framework to manage ML/TF at the group level
- Updated travel rule obligations
- “Keep open notices” to replace Chapter 75 notices.

AUSTRAC plans to issue a consultation on a second exposure draft of the rules in early 2025, which will include updates made in feedback response to the first exposure draft, along with additional topics. AUSTRAC also intends to release further guidance and educational materials in mid-2025 to help regulated entities understand and meet their changed obligations.

Resources

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[Public consultation open on new draft AML/CTF rules](#) (AUSTRAC, Dec. 12, 2024) and [Anti-money laundering and counter-terrorism financing amendment bill 2024](#) (Legislature, Dec. 10, 2024)

Australia (previously covered, with upcoming effective dates)**Development****Career — Health — Wealth**

- [Superannuation contributions on paid parental leave legislation enacted](#) — key date: July 1, 2025

Wealth

- [Final rules and guidance for Financial Accountability Regime issued](#) — key date: March 15, 2025
- [Changes to Operational Risk Financial Requirement finalized](#) — key date: July 1, 2025
- [Updated guidance on strategic planning and member outcomes issued](#) — key date: July 1, 2025
- [New operational risk management standard to apply](#) — key date: July 1, 2025
- [Operational resilience guidance finalized](#) — key date: July 1, 2025
- [APRA Super Data Transformation, Phase 2 enhancements finalized](#) — key date: December 2025
- [Extension of superannuation disclosure relief confirmed](#) — key date: Jan. 1, 2026
- [Anti-money laundering, counter-terrorism legislation effective](#) — key date: March 31, 2026

China (new)**Status****Currently effective****Development****Wealth --- Career****Implementing rules for progressive increase to statutory retirement age issued**

The Ministry of Human Resources and Social Security and two other government departments have issued the “Interim Methods for the Implementation of Flexible Retirement System.” These documents set out how employees’ retirement arrangements should be handled following the previously announced progressive increase to the statutory retirement age (SRA) that started on Jan. 1, 2025 — the SRA will increase over a 15-year period to age 63 for men, 58 for women executives and to 55 for female blue collar workers. The new SRA can be calculated using an online calculator. Highlights of the Interim Methods include:

- Employees’ employment will terminate automatically when they reach their new SRA, although they can opt to continue working, subject to meeting certain criteria. Employers must handle the retirement procedure within one month of the employee’s retirement, and the employee will start to receive their pension benefits from the month following their retirement.
- Employees can continue to work for up to three years after their new SRA, subject to their employer’s consent. The agreement to continue working must be concluded one month before the employee reaches their new SRA, and it cannot be further extended. Such employees will remain covered by social insurance, but they are allowed to request retirement during this extended period with their employer’s agreement.
- Employees can still opt for early retirement up to three years before their new SRA, subject to meeting certain eligibility criteria (such as having the minimum number of contribution years). They must notify their employer at least three months before their chosen retirement date but do not have to obtain their employer’s consent.

Resources

[Rule](#) (Chinese) (Government, Dec. 31, 2024) and [Rule](#) (Chinese) (Government, Jan. 1, 2025)

China (new)**Status****Currently effective****Development****Career****Minimum wage chart published**

The government published a chart with current minimum wage rates, effective on Jan 1, 2025.

Resources

[Chart](#) (Chinese) (Government, Jan. 14, 2025)

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

- [Preferential taxation policy for expatriates expanded](#) — key date: Dec. 31, 2027
- [Preferential taxation policy for annual one-time bonus extended](#) — key date: Dec. 31, 2027

Hong Kong (new)**Status**  **Generally will take effect from July 1, 2025.****Development****Career****Corporate governance code and listing rules revised, diversity enhanced**

Measures that aim to improve the corporate governance of companies listed on the Stock Exchange of Hong Kong Ltd (HKEX) — including enhanced diversity requirements — were published on Dec. 19, 2024, and generally will take effect from July 1, 2025. Companies that have a Dec. 31 financial year-end must apply the new requirements to their annual report issued in 2027 for the financial year ending Dec. 31, 2026. The HKEX will issue guidance on the revised Corporate Governance Code and listing rules “in the first half of 2025.” Highlights of the diversity measures include:

- Nomination committees must appoint at least one director of a different gender. Companies that do not achieve the board gender target must set out the details and reasons for the omission and comply within three months.
- Companies must have a board diversity policy and review its implementation annually. The policy and the results of the review (including the organization’s progress to achieving its diversity objectives and how it reached its conclusions) must be disclosed in the corresponding Corporate Governance Report.
- Companies will have a new requirement to issue a workplace diversity policy, and to assess annually the gender ratio of the organization’s senior management and workforce (this excludes senior managers). The policy and assessment must be disclosed in the Corporate Governance Report.
- Other changes include mandatory director training; requirement for some companies to appoint a lead independent nonexecutive director; requirements for long-serving independent nonexecutive directors; shareholder engagement; board performance review; matrix of board members’ skills; risk management and internal controls review; dividend policy; and provision of monthly management reports to the board.

Resources [Exchange publishes conclusions on corporate governance code enhancements \(HKEX, Dec. 19, 2024\)](#)**Hong Kong (previously covered, with upcoming effective date)****Development****Career**

- [Statutory minimum wage to be reviewed annually](#) — key date: January 2025
- [Number of statutory holidays increased](#) — key date: 2026

Wealth



- [Mandatory pension fund offsetting to end](#) — key date: May 2025

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

- [Labor and employment laws reformed](#) — key date: effective date delayed

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

- [Details of public housing savings program, contributions and registration issued](#) — key date: May 20, 2027

Japan (new)	
Status	 Currently effective
Development	<p>Wealth</p> <p>Expansion of pension coverage to part-time employees completed</p> <p>Effective Oct. 1, 2024, employers in Japan with more than 50 employees must enroll their part-time employees into the Employees' Pension Insurance (EPI) program. This program is the earnings-related component of the public two-tiered pension system and, since 2020, it has gradually expanded in three phases to include part-time employees. Other eligible employees must work 20 or more scheduled hours per week; have work contracts lasting two months or longer; and earn (including salary and allowances) 88,000 JPY or more. Previously, mandatory EPI coverage was limited to part-time employees who worked at least 75% of the standard hours in their workplaces (usually 40 hours a week) and full-time employees.</p> <p>The government introduced in October 2023 a subsidy of up to 500,000 JPY for each newly covered part-time employee to help employers pay the additional EPI contributions. Japan's Ministry of Labor estimates that the expanded coverage requirement will add 1.3 million workers to the 46.1 million workers who had EPI coverage in 2024. Pension reforms were also introduced, including an increased maximum National Pension deferral age.</p>
Resources	Announcement (Japanese) (Japan Pension Service, Dec. 20, 2024)
Japan (previously covered with upcoming effective dates)	
Development	<p>Career</p> <ul style="list-style-type: none"> • Employers will have to offer flexible working arrangements — key date: April 2025
Malaysia (previously covered with upcoming effective dates)	
Development	<p>Career</p> <ul style="list-style-type: none"> • Minimum wage to increase — key date: Feb. 1, 2025 • Progressive wage policy to be implemented — key date: expected in 2025
Philippines (new)	
Status	 Currently effective
Development	<p>Health — Wealth</p> <p>Social security and employment measures finalized</p> <p>The combined employer and employee Social Security System contribution rate increased to 15%, up from 14%, as of Jan. 1, 2025. The employees' contribution rate increased to 5%, up from 4.5%, and the employers' contribution rate increased to 10%, up from 9.5%. The minimum Monthly Salary Credit (MSC) increased to 5,000 PHP (up from 4,000 PHP) and the maximum MSC increased to 35,000 PHP (up from 30,000.00 PHP).</p>
Resources	Announcement (Government)

Singapore (new)	
Status	 Expected to take effect in 2026 or 2027.
Development	<p>Career</p> <p>First workplace fairness bill passes parliament</p> <p>The first Workplace Fairness Bill (WFB) passed parliament on Jan. 8, 2025, but it will not take effect until a second bill (that will address claims procedures) passes parliament. The second bill is slated for publication later in 2025, and both bills are expected to take effect in 2026 or 2027. The WFB aims to protect employees and job seekers on grounds of the following protected characteristics: age, nationality, sex, marital status, pregnancy, caregiving responsibilities, race, religion, language ability, disability and mental health condition.</p>
Resources	Passing Of Workplace Fairness Bill Marks Next Step In Building Fair and Harmonious Workplaces (Ministry of Manpower, Jan. 8, 2025)
Singapore (previously covered with upcoming effective dates)	
Development	<p>Career — Health</p> <ul style="list-style-type: none"> • Shared parental leave entitlement, mandatory paternity leave introduced — key date: April 1, 2025 <p>Career — Wealth</p> <ul style="list-style-type: none"> • Retirement and reemployment ages to increase — key date: July 1, 2026

South Korea (previously covered, soon to be effective)

Status  **Generally will take effect on Feb. 23, 2025.**

Development

Career — Health

Parental leave entitlement expanded

Measures that expand parental leave and aim to increase parents' flexibility will take effect on Feb. 23, 2025. The measures are included in amendments to the Gender Equal Employment and Work-Family Balance Act, and the Labor Standards Act. Highlights include:

- Parents who each take parental leave for periods longer than three months will be allowed to extend their leave period to one year and six months, up from one year. Parents can divide their leave into four installments.
- Paternity leave will be extended to 20 days. The government's wage support will be expanded from five to 20 days, for employees in companies eligible for priority support. The leave can be used up to 120 days after the birth (up from 90), and it can be taken in four installments. Employers eligible for priority support are small and medium enterprises with 100 or fewer employees as set out in Schedule 1 of the Enforcement Decree of the Employment Insurance Act).
- Employees will be allowed to reduce their working hours to enable them to care for their children up to age 12 years (increased from eight). Unused parental leave periods will be doubled and could be used to reduce working hours for child care purposes. If parental leave is not taken, reduced working hours could be used for up to three years. The minimum period for taking reduced hours will be one month (down from three) — the change aims to help accommodate short-term child care needs, such as during school breaks.
- The period for taking reduced working hours during pregnancy will be during the first 12 weeks of pregnancy, or after 32 weeks (currently, reduced hours can only be taken during the first 12 weeks of pregnancy or after 36 weeks). Pregnant women at high risk — such as those with early contractions or who expect multiple births — can reduce their working hours for the entire period of pregnancy, upon receipt of a doctor's diagnosis.
- Maternity leave will be expanded to 100 days (up from 90) for premature babies requiring admission to a neonatal intensive care unit.
- Infertility treatment leave will be expanded to six days, up from three. The paid leave will be two days (up from one), and wage support will be paid for employees in companies that are eligible for priority support.
- Child care leave is increased from one year to 18 months for single parents, parents of a child with a severe disability, or if each parent takes more than three months of child care leave. Child care leave can also be split into four separate periods, up from three.
- Employees who have used one year of combined child care leave and reduced hours for child care prior to Oct. 1, 2019, will be allowed to use the enhanced reduced working hours for child care.
- Reduced working hours during child care and pregnancy must now be included when calculating of years of service (previously, such periods of service were prorated). This measure took effect on Oct. 22, 2024.

Resources

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[Announcement](#) (Korean) (Ministry of Labor, Nov. 4, 2024) and [Announcement](#) (Korean) (Ministry of Labor, Dec. 31, 2024)

South Korea (previously covered, with upcoming effective date)

Development

Career

- [Sanctions against employers habitually in wage arrears introduced](#) — key date: Oct. 23, 2025

Taiwan (previously covered, with upcoming effective date)

Development

Career — Wealth

- [Employees and employers can negotiate post-retirement age employment](#) — key date: Effective date unknown

Vietnam (previously covered, with upcoming effective date)

Development

Career — Wealth

- [Social insurance law revised](#) — key date: Effective July 1, 2025

Section 5

Europe, Middle East and Africa (EMEA)

European Union (EU) (updated)

Status  **Effective June 30, 2026**

Development

Career

Law approved to improve gender balance on company boards

An EU directive that will require companies listed in one or more EU member states to have gender-balanced boards was finally agreed to by the Council of Ministers and awaits formal adoption by the European Parliament. Under the directive, a minimum of 40% of nonexecutive director positions in listed companies must be held by individuals of the underrepresented sex by June 30, 2026. In member states that choose to apply the directive to both executive and nonexecutive directors, the target will be lower — 33% of all director positions by June 30, 2026. Member states had until Dec. 28, 2024, to introduce implementing measures into national law after the directive is enacted (20 days after publication in the Official Journal). Highlights include:

- Companies will have to provide information annually about their board's gender representation and the measures taken to achieve the gender targets.
- Member states will publish annually a list of companies that have achieved the directive's objectives.
- Organizations that do not achieve the targets will have to adjust their selection process and use fair and transparent selection and appointment procedures based on comparative assessments of the different candidates. Preference must be given to equally qualified candidates of the under-represented sex, unless an objective assessment tilts the balance in favor of a candidate of the other sex.
- Member states that nearly achieve the targets, or that have equally effective laws in place before the directive enters into force, can suspend the directive's requirements relating to the appointment or selection process.
- The member state that will regulate a listed company is the country in which the company has its registered office, rather than the one on whose regulated market the company trades its shares.

Currently, women comprise 31.5% of board members of the EU's largest publicly listed companies, and 8% of board chairs.

Resources

[GRIST](#), Jan. 15, 2025

EU (new)**Status****Recommendation****Development****Career****Annulment of minimum wage directive recommended**

The Advocate General of the European Court of Justice (ECJ) issued an opinion on Jan. 14, 2025, recommending that the European Directive 2022/2041 on adequate minimum wages should be annulled on grounds that the directive regulates wages directly and, as such, is outside the scope of the EU's treaty.

Resources

[Opinion of Advocate General Case C-19/23](#) (Europa, Jan. 14, 2025) and [European Directive 2022/2041](#) (Europa, Oct. 19, 2022)

EU (previously covered, with upcoming effective dates)**Development****Career**

- [Law to improve gender balance on company boards approved](#) — key date: June 7, 2026
- [Pay transparency law must be transposed into national law](#) — key date: June 7, 2026
- [Corporate sustainability, human rights due diligence directive finalized](#) — key date: July 26, 2026
- [Ban on forced or child labor finalized](#) — key date: Dec. 14, 2027

Career — Health

- [Platform Worker's Directive moves forward](#) — key date: Dec. 2, 2026

Career — Health — Wealth

- [Sustainability reporting standards issued](#) — key date: 2025

Andorra (new)**Status****Development****Career****Minimum wage increased**

The minimum wage increased by 5.2% to €8.35/hour, and the minimum monthly salary is €1,447.33. The decree took effect on Jan. 17, 2025 and is retroactively applied to Jan. 1, 2025.

Resources


[Decree 4/2025](#) (Catalan) (Official Bulletin, Jan. 15, 2025)

Belgium (previously covered, with upcoming effective date)**Development****Wealth**

- [Blue- and white-collar pension harmonization postponed](#) — key date: Jan. 1, 2027
- [Federal government agrees on pension reforms](#) — key date: Jan. 1, 2028

Channel Islands — Jersey (previously covered, with upcoming effective date)**Development****Career**

- [Minimum wage to increase](#) — April 1, 2025

Denmark (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Gender-balanced boards required in large companies</p> <p>The largest listed companies in Denmark are now subject to new and stricter requirements regarding gender distribution of their senior management and shareholder-elected and staff-elected board members (previously, gender targets only applied to shareholder-elected board members). The measures are included in the Gender Balance Act (Law No. 1602) (Act) that passed parliament on Dec. 12, 2024, and are effective for the financial year beginning on or after Jan. 1, 2025. The law aims to give effect the European Union (EU) Directive on improving the gender balance among directors of listed companies and related measures and sets targets for the gender balance among directors of certain large, listed companies). The deadline for EU and European Economic Area member states to introduce implementing laws was Dec. 28, 2024. The targets and policies for the underrepresented gender that were already included in the Danish Companies Act remain in effect for companies not covered by the Act. The Act is expected to impact 50 to 60 listed companies in Denmark. Highlights of the law:</p> <ul style="list-style-type: none"> • The Act applies to public limited companies with more than 250 employees and that have an annual turnover exceeding €50 million, or an annual total balance sheet exceeding €43 million. • The under-represented sex in management roles in companies must achieve at least 40% representation, but not exceed 49%. Management roles are defined as two levels below the board. • The deadline for achieving gender balance on the board of directors is June 30, 2026; companies that do so will only need to reassess gender distribution after the next board election, even if an imbalance arises between elections. Companies that do not meet the deadline will have to establish or adjust their board selection procedures. • The board of directors must also set gender balance targets for other levels of management, unless the company has achieved equal gender distribution. • If candidates are equally qualified, preference must generally be given to the candidate of the under-represented sex. • Notification of board meetings must set out the selection process for board candidates, and the employee election committee must disclose the process for electing the staff-elected members of the board of directors. Rejected candidates can request companies to disclose information about their board selection procedures. • Fines will apply to breaches of the law. Compensation to candidates in case of judicial review will generally be capped at 25,000 DKK.
Resources	Law No. 1602 (Danish) (Government, Dec. 17, 2024) and GRIST , Jan. 15, 2025)

Finland (new)**Status****Currently effective****Development****Health — Wealth****2025 social insurance contribution rates change**

Changes to Finland's social insurance contribution rates for 2025 include increased health insurance contributions. The revised rates are:

- The employers' contribution increased to 1.87%, up from 1.16% percent.
- The employees' contribution increased to 1.06%, up from 0.51%, calculated on employees' wage income and annual earnings. The revised daily allowance contribution amount is reduced to 0.84%, down from 1.01% .
- The medical care contribution rate calculated on pension and social benefit income decreased to 1.45%, down from 1.48%.

Resources

[Social insurance contributions](#) (Government)

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

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

Germany (new)**Status****Partially effective****Development****Career****Two-phase minimum wage increase for cleaners issued**

An ordinance issued on Jan. 28, 2025, introduced a two-phase increase for the minimum wage in the cleaning sector. The minimum wage for interior cleaners and maintenance workers is €14.25/hour in 2025 (retroactive to Jan. 1, 2025), and it will then increase to €15/hour in 2026. The minimum wage for exterior and glass cleaners increased to €17.65/hour for 2025, and to €18.40/hour in 2026. The previous wage rates were €13.50 and €16.70 respectively.

Resources

[Ordinance](#) (German) (Government, Jan. 28. 2025)




Greece (new)**Status****Currently effective****Development****Health — Wealth****Social security healthcare contributions reduced for employers and employees**


As of Jan. 1, 2025, the social security healthcare contributions for employers and employees were reduced by 1% to 6.10% on all types of earnings. The reduction will be shared equally by employers and employees. The breakdown is 5.45% for benefits in kind (3.8% paid by employer, and 1.65% by the employee) and .65% for cash benefits (.25% paid by the employer and .40% by the employee).

Resources

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[Release](#) (Greek) (Ministry of Digital Governance, Dec. 12, 2024)

Greece (new)	
Status	 Corrections are allowed until Feb. 21, 2025.
Development	Career — Health Corrections for employees' 2024 leave information allowed on a temporary basis From Jan. 16 to Feb. 21, 2025, employers can submit corrections on employees' leave/absence data with reference dates during the year 2024 to the Ministry of Labor's system (Ergani).
Resources	maria.markopoulou@marsh.com Announcement (Greek) (Government, Jan. 16, 2025)
Hungary (new)	
Status	 Currently effective
Development	Health Private healthcare providers involved in social care system Effective Jan. 1 2025, privately-owned healthcare providers that meet certain eligibility criteria can provide publicly funded care that was previously delivered by the state. Eligible healthcare providers must cover a wide range of insured persons, and they cannot be owned or maintained by the state, a municipality, a church or clinical centers that are part of the unified public health administration. Financing contracts can be concluded to perform diagnostic imaging procedures that fall within the scope of the health insurance scheme (such as computed tomography and magnetic resonance imaging).
Resources	tamas.fekete@mercermarshbenefits.com Law (Hungarian) (Government)
Hungary (new)	
Status	 Currently effective
Development	Health Eligibility criteria for child care allowance changed Women are now entitled to receive a child care allowance on a passive basis if they pause their insurance and meet certain criteria. Previously, women could only receive the allowance if they had terminated their insurance. To be eligible, women must have been insured for 365 days during the two years preceding the birth of their child and give birth within 42 days of the start of the interruption, or within 42 days after the start of the interruption during an accidental sickness benefit payment period, or within 28 days of the end of the benefit payment period.
Resources	tamas.fekete@mercermarshbenefits.com Law (Hungarian) (Government, Dec. 20, 2024)

Ireland (previously covered, with upcoming effective date)	
Development	<p>Career — Health — Wealth</p> <ul style="list-style-type: none">• Wage threshold for PRSI contributions to increase — key date: Oct. 1, 2025 <p>Career — Health</p> <ul style="list-style-type: none">• Maternity leave postponement allowed for serious health conditions — key date: unknown <p>Career</p> <ul style="list-style-type: none">• Use of some nondisclosure agreements restricted — key date: unknown <p>Wealth</p> <ul style="list-style-type: none">• Pension-related issues included in Finance Bill — key date: Jan. 1, 2026• More details on Auto Enrolment scheme published — key date: Sept. 20, 2025
Isle of Man (new)	
Status	 Proposal
Development	<p>Career</p> <p>Minimum wage increase proposed</p> <p>The government has proposed a two-phase increase to the hourly minimum wage. The first increase would take effect on April 1, 2025, and the minimum wage would increase to £12.25/hour (up from £11.45/hour), and then to £13.05/hour on Oct. 1, 2025. The youth hourly minimum wage that is paid to individuals who have left school but are not yet age 18 would increase to £9.55/hour (up from £8.75/hour), and then to £10.35/hour.</p>
Resources	<p>Proposed minimum wage rates to deliver parity with Island's living wage (Government, Jan. 15, 2025)</p>

Lithuania (new)**Status****Currently effective****Development****Career — Health****Labor code revised**

Changes to Lithuania's Labor Code (code) generally took effect on Jan. 1, 2025, although some of the measures took effect earlier. Highlights include:

- The duration of the nontransferable portion of the two-month child care leave is increased to 62 calendar days, up from 60. Parents, adoptive parents, grandparents or guardians with responsibility for raising the child can use these days all at once or divide their leave entitlement into different periods; parents can also take their two-month leave at the same time.
- Employers must now notify the Social Insurance Fund Board ('Sodra') no later than one hour before a newly hired executive starts work.
- Employers must take measures to combat the risk of workplace violence and harassment and provide regular training. The code now expressly prohibits violence and harassment against employees and supervisors. Furthermore, inappropriate behavior by the employer or company executive is considered to be violence or harassment, and subject to financial penalties.
- Agreements on additional work after Jan. 1, 2025, must include the time, scope and compensation for the additional work, and the procedure for adding any rights or duties.
- Overtime work undertaken at night on a public holiday must be compensated at least 2.5 times the regular wage. Overtime work can only be assigned if the employee provides their written agreement.
- Employers must pay overtime if they cannot reduce an employee's working time by one hour on the day before a public holiday.

Resources



[Law](#) (Lithuanian) (Government)


Luxembourg (new)**Status****Currently effective****Development****Health — Wealth****Social security contribution rates issued for 2025**

Revised monthly minimum and maximum social security contribution basis amounts and rates took effect on Jan. 1, 2025. The standard monthly minimum contribution basis is €2,638, and the standard monthly maximum contribution basis is €13,189. The announcement includes the contribution rates for different benefits, such as healthcare, pension, accident insurance and mutual insurance.

Resources

[Information on social security contributions](#) (French) (CCSS, Dec. 31, 2024)

Morocco (new)	
Status	 Currently effective
Development	Career Tax on workers' compensation premiums hiked Effective Jan. 1, 2025, Morocco increased the taxation applied to premiums paid for workers' compensation insurance to 15%, up from 10%.
Resources	yassine.benazouz@marsh.com Law (Arabic) (Government)
Oman (new)	
Status	 Currently effective
Development	Career Wage Protection system updated Oman's Ministerial Decision No. 729/2024 took effect on Dec. 16, 2024 and updates the Wage Protection System (WPS) for private sector employees that was previously introduced by Royal Decree No. 53/2023. Employers that breach the WPS measures are subject to sanctions, including the possible suspension of the issuance of preliminary work permits and financial penalties. Highlights of the Ministerial Decision include: <ul style="list-style-type: none"> • The Ministry of Labor (MOL) will establish a division to oversee the WPS' implementation. • Employers' payment of wages are monitored electronically to verify that salaries are paid on time. Employers must transfer workers' wages within three days of the end of the wage entitlement period via the WPS to a bank or other financial institution that is regulated by the Central Bank of Oman. • Employers must update employment contracts in the event of any change to an employee's wage. • Employers are exempt from using the WPS in certain situations, such as in the event of labor disputes, newly hired employees, etc. The MOL could consider other circumstances that could allow for employers to be exempt from the WPS.
Resources	Announcement (MOL, Dec. 16, 2024)
Oman (previously covered, with upcoming effective date)	
Development	Career — Health <ul style="list-style-type: none"> • Social protection for foreign employees expanded — key date: July 2025
Qatar (previously covered, with upcoming effective date)	
Development	Career <ul style="list-style-type: none"> • Nationalization program launched to boost employment rate — key date: unknown

Saudi Arabia (new)	
Status	 Currently effective
Development	<p>Career – Health</p> <p>Immunization requirements issued for all travelers</p> <p>Saudi Arabia has issued circulars with updated vaccination requirements for travelers to the kingdom, effective Feb. 1, 2025. The guidelines specify the immunization protocols (polio vaccine, meningococcal vaccine and yellow fever vaccine) that must be followed by various groups of travellers. Travelers must be vaccinated in time and must carry the required vaccination documentation. According to the circular, the meningococcal vaccine is for Umrah pilgrims but, in fact, all travelers to Makkah, Madinah, Jeddah, and Taif must be vaccinated.</p>
Resources	<p>simona.musat@mercermarshbenefits.com</p> <p>Health requirements and recommendations for travelers to Saudi Arabia for Umrah and Visit — 1446H (2025) (Ministry of Health)</p>

Saudi Arabia (previously covered, soon to be effective)**Status****Effective Feb. 19, 2025****Development****Career — Health****Labor law expanded**

Several changes to Saudi Arabia's labor law were agreed to in August 2024 and will take effect on Feb. 19, 2025 — 180 days after its publication in the Legal Gazette. The measures support implementation of Saudi Vision 2030 and aim to modernize the labor market and diversify the economy. They include changes to leave entitlements, probation periods, compensation and allowances, resignation and notification procedures, termination, nondiscrimination, training of Saudi nationals and increased penalties for labor law breaches. Executive Regulations will be published and are expected to clarify some of the measures. Highlights include:

- Paid maternity leave will be expanded to 12 weeks, up from 10. Six weeks must be taken immediately following the birth, and leave may start from four weeks before the expected due date.
- A woman will be entitled to up to one month of paid leave starting from the end of her maternity leave if she gives birth to a child who is sick or disabled and requires constant care.
- Men will be entitled to five days of paid leave on marriage, and fathers can take three days of paternity leave within seven days of their child's birth. Employers can request supporting documentation from employees.
- Employees will be allowed three days of paid bereavement leave on the death of a sibling. Currently, leave is provided only on the death of an ascendent or descendent relative.
- The maximum probation period will be increased to 180 days, up from 90 days. The probation period duration must be included in the employment contract. Implementing regulations will clarify the holidays that can be taken during the probation period.
- Employers will be allowed to provide paid leave to compensate for employees' overtime hours, subject to agreement. Currently, overtime is paid, calculated on the employee's hourly wage plus 50% of the basic salary.
- Employers must either provide housing and transportation to and from the employee's residence and workplace or pay cash allowances instead.
- Employees will have to give 30 days' notice when resigning from an indefinite term contract. The regulations will address resignation procedures, including time periods.
- Employers must ensure that employees and job applicants are equally treated, and are not discriminated against on grounds of race, color, gender, age, disability, social status or any other form of discrimination.
- Employers will have to have a policy for training a percentage of their Saudi employees. A ministerial decision will provide further information about the training requirements, including the provision of training contracts and work placements.
- The employment contract for a non-Saudi employee must be in writing and for a fixed-term. If no duration is specified, the contract will be assumed to be for one year.
- A new penalty will apply to employers who do not obtain proper work authorizations, and the renewal of work permits could be refused for violations of the new measures.

Resources

[Information on the law](#) (Arabic) (Government, Aug. 28, 2024)

Slovenia (new)**Status**  **Currently effective****Development****Career****Minimum wage increased**

The government has increased the gross monthly minimum wage to €1,277.72, up from € 1,253.90, effective Jan. 1, 2025.

Resources

[News release](#) (Slovenian) (Government, Jan. 24, 2025)

South Africa (new)**Status**  **Effective March 1, 2025****Development****Career****Minimum wage to increase**

Effective March 1, 2025, the minimum wage will increase to 28.79 ZAR/hour, up from 27.58 ZAR/hour. The minimum wage is also payable to farm workers and domestic workers.

Resources

[Law](#) (Official Gazette, Feb. 4, 2025)

South Africa (previously covered, with upcoming effective date)**Development****Career**

- [Expanded remuneration and pay gap disclosures required](#) — key date: Upon proclamation



Spain (new)**Status**  **Currently effective****Development****Career — Health****Paid leave provided for disasters that prevent getting to workplace**

Employees in Spain are now entitled to up to four days of paid leave if they are unable to reach their workplace due to recommendations, restrictions or prohibitions on movement by public authorities, or because of serious and imminent risk, including those caused by natural disasters or adverse weather conditions. The measures are included in Royal Decree Law 8/2024 and form part of the Government's response to extreme weather conditions in October 2024. The government will also issue within 12 months a regulation on the protection of workers from the effects of climate change in the workplace. Highlights of the Royal Decree Law include:

- The initial four-day leave period can be extended and could include remote working where feasible, subject to compliance with the Remote Working Act.
- The definition of 'force majeure' now includes different scenarios that are applicable after the end of the paid period of leave.
- Employers must inform their employee representatives about the measures being implemented and planned in the event of disaster and adverse weather conditions, and collective bargaining agreements must incorporate risk prevention protocols on these issues.

Resources

[Royal Decree Law 8/2024](#) (Spanish) (Official Bulletin, No. 29, 2024)

Spain (new)	
Status	 Currently effective
Development	<p>Career — Health</p> <p>Employees entitled to lactation leave</p> <p>Employees in Spain are entitled to one hour per day of paid lactation leave from May 23, 2024. Employees can reduce their daily working time by 30 minutes or accumulate the leave in full days without the requirement for it to be included in a collective bargaining agreement (CBA), company agreement or individual contract. The measures are included in Royal Decree 2/2024 that aims to implement European Directive 2019/1158 and which modified Spain's Workers' Statute. Until this change, many CBAs already allowed for employees to request the accumulation of lactation leave with maternity/paternity leave.</p>
Resources	gloria.villar@mercer.com Royal Decree 2/2024 (Spanish) (Government)
Spain (new)	
Status	 Currently effective
Development	<p>Career — Health — Wealth</p> <p>Social security and employment measures finalized</p> <p>Urgent measures that aim to address economic, transportation and social security issues are included in Royal Decree-Law 1/2025 of Jan. 28, 2025. These measures are effective until they are confirmed by a general state budget law. The measures include:</p> <p>Social security (retroactively applicable to Jan. 1, 2025):</p> <ul style="list-style-type: none"> • Public pension increase. Contributory pensions increased by 2.8% in 2025 as a general measure. • Upper and lower limits of social security contribution bases are €950/month and €4,909.5/month, respectively. • Intergenerational Equity Mechanism (MEI) amount has increased to 0.8% for 2025; employers pay 0.67% and employees pay 0.13%. <p>Additional solidarity contribution. The contribution is payable on remuneration amounts exceeding the maximum contribution base. Three progressive tiers of contribution apply. The first tier is 0.92% payable on remuneration of up to 10% exceeding the maximum contribution base; the second tier is 1% payable on remuneration of between 10% and 50% exceeding the maximum contribution base; and third tier is 1.17% payable on remuneration exceeding 50% over the maximum contribution base.</p> <p>Employment</p> <ul style="list-style-type: none"> • Companies benefiting from direct state aid will not be able to cite increased energy costs as a reason for employee dismissals until Dec. 31, 2025. In case of noncompliance, companies will have to repay any state aid. • Companies that benefit from state support will be prohibited from dismissing employees if the organization reduces working hours or suspends employment contracts due to factors related to the invasion of Ukraine.
Resources	gloria.villar@mercer.com Royal Decree-Law 1/2025 (Spanish) (Government, Jan. 28, 2025)

Spain (updated)**Status****Effective date unknown****Development****Career – Health****Paid family leave entitlement still not effective**

The government has still not moved forward with the paid leave entitlement that was included in Royal Decree 5/2023 but it is expected to introduce payment during 2025. Highlights of the paid leave measures include:

- Five days of leave (up from two days) to care for a relative (up to the second degree of kinship), spouse or unmarried partner and any other person living with the employee in the same household and in need of care. Up to four days of leave per year for unforeseeable or urgent reasons arising from family illness or an accident that requires the employee's immediate presence. This leave can be calculated on an hourly basis.
- Two to four days of leave for the death of a spouse, unmarried partner or relative (up to the second degree of kinship).
- 15 days of leave for a civil partnership registration.

Resources

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[Royal Decree 5/2023](#) (Spanish) (Government, June 29, 2023)

Spain (new)**Status****Proposal****Development****Career****National minimum wage for 2025 nears finalization**

The Minister of Labour announced on Jan. 29, 2025, an agreement with the main trade unions to increase the minimum wage by 4.4% to €1,184/month paid over 14 payments. However, the Spanish parliament has not yet approved the minimum wage rate for 2025.

The 2024 minimum wage expired at the end of 2024, and the new Royal Decree-Law with the 2025 rate has not yet been finalized. Guidance issued by the Ministry of Labor and Social Economy on Jan. 23, 2025, has advised that the 2025 minimum wage rate in the new Royal Decree-Law will be retrospectively applied from Jan. 1, 2025, but in the meantime, salaries should not be reduced, and newly hired employees should not accept wages lower than the 2024 rate.

Resources

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[Royal Decree-Law No. 145/2024](#) (Spanish) (Government, Feb. 7, 2024) and [Guidance](#) (Spanish) (Government, Jan. 23, 2025)

Sweden (previously covered, with upcoming effective date)**Development****Wealth**

- [Flexibility of receiving occupational pension benefit payments increased](#) — key date: Oct. 1, 2025

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

- [Paid parental leave introduced in Geneva](#) — key date: unknown

United Arab Emirates — Abu Dhabi Global Market (new)

Status



Effective April 1, 2025

Development

Career**Revised employment terms to apply**

From April 1, 2025, employees' rights will be strengthened and employers' obligations clarified in the Abu Dhabi Global Market (ADGM) under measures that aim "to foster best employment practices." The measures follow an earlier consultation and are included in the Employment Regulations 2024 ('regulations') that will replace Employment Regulations 2019. Highlights of the regulations include:

- Written employment contracts must be in English and signed by both parties within one month of the start date
- Employees must consent in writing to overtime work
- 25% working time reduction for Muslim employees during Ramadan
- Entitlement to unpaid sick leave for new hires during their six-month probation period
- Leave for parents who adopt a child younger than five
- Anti-victimization measures, that incorporate a definition of victimization, protected acts and legal remedies for employees
- Vicarious liability for employers in the event of certain acts, including discrimination, harassment and victimization
- More detailed provisions about termination and the end of service gratuity payment (for example, the gratuity is payable to all employees with at least one year of service). Employees can still participate in a pension or savings scheme as an alternative.
- Employees must confirm they have received independent legal advice before concluding a settlement agreement.
- Amended definition of "employee" to allow the hiring of remote employees, and more flexible working arrangements
- Clarification of employee entitlements, including those for part-time employees
- Clarification about the obtaining and cancellation of an employee's work permit and visa.

Resources

[ADGM publishes new employment regulations](#) (ADGM, Jan. 9, 2025)

United Kingdom (UK)

Status



Consultation open through March 13, 2025

Development

Career

Consultation on changes to banking remuneration regime issued

Proposals that aim to make the UK's banking remuneration regime more “effective, simple and proportionate,” and which could result in significant changes to remuneration regulations, were published for consultation by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA) on Nov. 26, 2024; comments are invited through March 13, 2025. The policy proposals have been developed by the regulators collaboratively but agreed to by each regulator independently. They intend to publish a final policy statement during the second half of 2025 that would take effect the day after its publication and apply to employers' performance years starting after that date. The proposed measures are applicable to banks, building societies and PRA-designated investment firms (but not credit unions and insurers), and they aim to “complement previous remuneration regime changes enhancing proportionality for small firms, and removing the bonus cap.” The UK removed in October 2023 the “bonus cap” to permit employers to set their own ratio of variable to fixed remuneration. The Chancellor of the Exchequer called in November 2024 for consideration to be given to the UK's regulations in the context of improving competitiveness.

The proposals aim to improve the link between remuneration and individual accountability and include a simplified procedure for identifying “material risk takers” (MRTs); the reduction of the deferral and retention periods; increased accountability for senior managers; and consolidation of the rules that are currently duplicated in the FCA Handbook and the PRA Rulebook. Highlights of the consultation proposals include:

- Reduction in the number of MRTs who would be subject to the remuneration rules. A single quantitative threshold would be introduced, allowing for individuals who are in the 0.3% of highest earners to be identified as MRTs.
- Increased governance expectations for employers when they identify MRTs. However, they would no longer need regulatory approval to exclude individuals who would otherwise qualify as MRTs due to their remuneration.
- Increased proportionality threshold at which certain remuneration rules can be disapplied for MRTs for individuals whose total annual pay does not exceed £660,000 (up from £500,000), and whose variable pay is no more than 33% of total pay.
- Revised rules and expectations on deferral of variable remuneration. For example, vesting periods would start immediately (currently they start three years from when the award is made), and the holding periods for financial instruments would be removed, allowing for faster payment of bonuses and noncash elements.
- Clarification of the role of remuneration committees in setting remuneration.
- Improved links between remuneration and individual accountability in the event of risk management failures. Employers would have to use malus or clawback to adjust MRTs' variable pay where their seniority and role could make them responsible for risk events that involve one or more members of their team.
- Requirement for employers to consider senior managers' performance against PRA supervisory priorities when determining accountability for adverse risk events.

Resources

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[CP16/24 — Remuneration reform](#) (Bank of England, Nov. 26, 2024)

UK — Northern Ireland (new)**Status**  **Consultation open until Feb. 14, 2025****Development****Career****Consultation on gender, ethnicity and disability pay gap information to close on Feb. 14**

A public consultation on proposals that would require Northern Ireland employers to report on their gender pay gap, and provide information on each pay band in relation to ethnicity and disability, will close on Feb. 14, 2025. The Employment Act (Northern Ireland) 2016 provides for gender, ethnicity and disability pay reporting, and for employers to publish an annual gender pay gap report. However, the implementation regulations were never completed, and new legislation is now required. Draft regulations would be published as soon as possible, after necessary technical amendments to the Employment Act (Northern Ireland) 2016 are made. The regulations are not expected to take effect before “early 2027.” According to June 2024 data, approximately 345 employers would be affected. The rest of the United Kingdom introduced gender pay gap reporting in 2017, but employment law is a devolved matter in Northern Ireland. Currently, women working in Northern Ireland’s private sector earn 14.8% less than men.

Highlights of the consultation include:

- The proposed regulations would apply to all employers with 250 or more relevant employees.
- Employers would have to report their mean and median gender pay gap (based on hourly pay); mean and median gender bonus gap and the percentage of male and female staff who receive a bonus; and the number of male and female employees in their pay quartiles.
- Employers would have to issue an annual pay gap report based on a snapshot date of April 5.
- Employers would have to have an action plan that includes their actions to eliminate their organization’s gender pay gap. A copy of the action plan would have to be given to all employees and any trade union recognized by the employer.
- Employers would also have to provide “information including statistics on workers within each pay band in relation to ethnicity and disability.”

Resources [Consultation on the gender pay gap information regulations](#) (Department for Communities)**UK (previously covered, with upcoming effective date)****Development****Career — Health**

- [Paternity leave to be expanded to bereaved partners](#) — key date: Effective date unknown
- [Employees to be allowed neonatal care leave](#) — key date: expected April 2025
- [Benefits-in-kind digitization reporting confirmed](#) — key date: April 2026

Career — Health — Wealth

- [Autumn Budget increases National Insurance, National Minimum Wage Rates and includes pension changes](#) — key date: April 6, 2025

Wealth

- [Pension auto enrollment to expand, reducing eligible age and abolishing earnings threshold](#) — key date: unknown
- [Guidance sets staging date for schemes to connect to Pensions Dashboard](#) — key date: April 30, 2025



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