

# Global Legislative Update

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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.

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# Section 1

## Highlights

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<b>Chile</b>	<a href="#">Female board representation boosted</a>
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<b>United States (US)</b>	<a href="#">Final rule significantly changes H1-B visa selection process</a> <a href="#">Health savings account-compatible telehealth, primary care, bronze plans</a> <a href="#">Preparing for 2026: Ten tips for compensation committees and HR teams</a> <a href="#">Department of Labor issues opinion letters covering wage and family medical leave issues</a> <a href="#">Executive order addresses proxy advisors and their impact on DEI and ESG initiatives</a> <a href="#">Paid family medical leave transitional tax relief extended partially for another year</a> <a href="#">Significant changes to transparency in coverage regulations proposed</a> <a href="#">2026 quick benefit facts</a> <a href="#">2026 mortality tables for defined benefit plans</a> <a href="#">One Big Beautiful Bill includes employer-friendly provisions</a>

## Americas (continued)

### US

[Portion of required minimum distribution regulations take effect](#)  
[Tax withholding rule for pension payments outside of the US finalized](#)  
[2026 retirement plan limits](#)  
[Top 10 health, fringe and leave benefit compliance and policy issues in 2026](#)  
[Roundup: Employer resources on H-1B reforms](#)  
[Roundup: Employer resources on tax deduction for overtime pay](#)  
[Roundup: 2025 state paid family and medical leave contributions and benefits](#)  
[Domestic partner benefits remain popular, but present challenges](#)  
[Roundup: State accrued paid leave mandates](#)  
[Beyond COBRA: State laws add complexity to continuation coverage](#)  
[Group fixed-indemnity plans pose legal and tax issues](#)  
[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](#)  
[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](#)  
[Portable benefit plan for independent contractors created in Alabama](#)  
[Prescription law enacted in Arizona](#)  
[Breastfeeding consultation services coverage required in Arkansas](#)  
[Pharmacy benefit managers prohibited from owning an affiliated pharmacy within Arkansas](#)  
[2026 maximum weekly benefit for paid family and medical leave benefits announced in California](#)  
[Regulations on new provider directory standards issued in California](#)  
['Stay-or-pay' provisions banned in California](#)  
[Pharmacy benefit manager law takes effect in California](#)  
[Paid sick and safe leave laws and unpaid leave laws amended for additional permitted uses in California](#)  
[Insulin mandate takes effect in California](#)  
[State disability and paid family leave rates take effect in California](#)  
[Health Care Expenditure rates hiked in San Francisco, California](#)  
[Paid family and medical leave changes take effect in Colorado](#)  
[Telehealth law takes effect in Colorado](#)  
[New law focuses on prior authorization practices for fully insured plans in Colorado](#)  
[Law eliminates exception for individual and small-group market plans regarding abortion coverage mandate in Colorado](#)

## Americas (continued)

### US

[2026 paid family medical leave rates take effect in Connecticut](#)  
[Abortion coverage required in Delaware](#)  
[Doula coverage mandated in Delaware](#)  
[2026 disability benefits rates take effect in Hawaii](#)  
[Prepaid Health Care Act Form HC-5 for 2026 issued in Hawaii](#)  
[Pharmacy benefit manager law takes effect in Illinois](#)  
[Colonoscopy coverage mandate takes effect in Illinois](#)  
[Fertility-related insurance laws take effect in Illinois](#)  
[Pregnancy-related services coverage mandate takes effect in Illinois](#)  
[Dependent coverage law takes effect in Illinois](#)  
[Tax treatment of paid family medical leave benefits clarified in Maine](#)  
[Pharmacy benefit manager, prescription laws take effect in Massachusetts](#)  
[2026 individual-mandate coverage dollar limits take effect in Massachusetts](#)  
[Paid family and medical leave law takes effect in Minnesota](#)  
[Rest and meal break requirements for employees clarified in Minnesota](#)  
[Pharmacy benefit manager law takes effect in Nebraska](#)  
[Fertility mandate takes effect in Nevada](#)  
[Ground ambulance surprise billing banned in New Hampshire](#)  
[Law prohibits employers' captive-audience meetings on unionization in New Jersey](#)  
[2026 paid family medical leave rates take effect in New Jersey](#)  
[HSA-insurance compatibility now enacted in New York](#)  
[Paid family leave law for unionized construction employees expanded in New York](#)  
[Maximum weekly paid family leave benefit leave rate changes take effect in New York](#)  
[Large private employers required to report pay data by employees' race and gender in New York City](#)  
[Amended Earned Sick and Safe Time Act adds permitted uses in New York City](#)  
[Paid family and medical leave and paid sick and safe leave guidance finalized in Oregon](#)  
[Paid family medical leave rates drop to 9% in Oregon](#)  
[Paid sick and safe leave allowed for voluntary blood donation in Oregon](#)  
[Network adequacy standards increased in Oregon](#)  
[Telehealth law takes effect in Oregon](#)  
[Pharmacy benefit manager law takes effect in Pennsylvania](#)  
[Benefit and leave laws vary in Puerto Rico](#)  
[Paid family and medical leave rates take effect in Rhode Island](#)  
[Paid family medical leave law modified in Rhode Island](#)  
[Law allows donating a living organ or bone marrow to take paid family medical leave in Rhode Island](#)




<b>Americas (continued)</b>	
<b>US</b>	<a href="#">Coverage required for adverse effects of gender transition in Texas</a> <a href="#">Paid family medical leave and long-term care regulations finalized in Washington</a> <a href="#">Paid family and medical leave contribution increases and benefits for 2026 in Washington</a> <a href="#">Paid family medical leave grant program, job protections expanded in Washington</a> <a href="#">Pharmacy benefit manager law takes effect in Washington</a> <a href="#">Hate crimes added as a permitted use of paid or unpaid domestic violence leave in Washington</a> <a href="#">Hotel medical rates released for 2026 in Seattle, Washington</a>
<b>Uruguay</b>	<a href="#">Two-phase minimum wage increase in 2026</a>
<b>Asia Pacific</b>	
<b>Australia</b>	<a href="#">Australian Securities and Investments Commission announces 2026 enforcement priorities</a>
<b>China</b>	<a href="#">Changes to National Drug Catalog to improve coverage level take effect</a>
<b>Hong Kong</b>	<a href="#">Working time threshold for 'continuous contracts' reduced</a> <a href="#">Revised fee schedule for public healthcare services takes effect</a>
<b>India</b>	<a href="#">Pension Fund Regulatory and Development Authority changes to National Pension System announced</a> <a href="#">National Pension System updates applicable charges</a> <a href="#">Multiple Scheme Framework introduced under National Pension System</a> <a href="#">Meaning of wages clarified under new Labour Codes</a>
<b>Indonesia</b>	<a href="#">Minimum wage increase formula for 2026 confirmed</a>
<b>Japan</b>	<a href="#">Pension tax reforms introduced</a>
<b>Philippines</b>	<a href="#">Benefit-in-kind allowances updated</a> <a href="#">Guidance on reimbursement of medical expenses for employees issued</a> <a href="#">New social security system card replaces Unified Multi-Purpose ID</a>
<b>Singapore</b>	<a href="#">Central Provident Fund contribution rates for older workers increased</a> <a href="#">Wage increases for in-house security officers takes effect</a>
<b>South Korea</b>	<a href="#">Upper limit for calculating unemployment benefit contributions increased</a> <a href="#">Standard amount for calculating reduced working hours pay during child care period increased</a> <a href="#">Substitute workforce support fund expanded</a> <a href="#">Plans to increase pension premiums, expand coverage announced</a>
<b>Taiwan</b>	<a href="#">Parental leave flexibility increased</a>
<b>Thailand</b>	<a href="#">Monthly taxable wage ceiling for contributions increased</a>
<b>Vietnam</b>	<a href="#">Minimum wage increased</a> <a href="#">Unemployment insurance participation expanded</a>

<b>Europe, Middle East and Africa (EMEA)</b>	
<b>Albania</b>	<a href="#">Increased minimum wage announced</a>
<b>Austria</b>	<a href="#">Eligibility criteria for early retirement adjusted</a>
<b>Bahrain</b>	<a href="#">Wage protection system expanded</a>
<b>Belgium</b>	<a href="#">Maximum value of meal vouchers increased</a>
<b>Croatia</b>	<a href="#">Pension Act revised</a> <a href="#">Minimum wage increased</a>
<b>Czech Republic</b>	<a href="#">Minimum wage increased</a> <a href="#">Simplified employee reporting introduced</a> <a href="#">Pension contribution rules changed for employees in arduous job roles</a>
<b>Denmark</b>	<a href="#">Employer contribution rate for holiday fund set</a> <a href="#">Bereavement leave for spouses, cohabitating partners expanded</a> <a href="#">Leave for parents of hospitalized newborn or adopted child and bereavement leave benefits expanded</a>
<b>Egypt</b>	<a href="#">Salary thresholds for social insurance calculations increased</a>
<b>Finland</b>	<a href="#">Health insurance contribution rates take effect</a>
<b>France</b>	<a href="#">New measures to boost hiring and employment of older workers introduced</a> <a href="#">Social security changes enacted</a> <a href="#">New paid birth leave to be introduced starting July 1, 2026</a> <a href="#">Reimbursement for wheelchair hire and hair prosthesis expanded</a>
<b>Germany</b>	<a href="#">Employer notification requirements for certain foreign employees take effect</a> <a href="#">Incentives offered for continued employment after retirement age</a>
<b>Greece</b>	<a href="#">Launch of employee digitization platform, Ergani II, planned for February</a>
<b>Hungary</b>	<a href="#">Minimum wage increased</a>
<b>Ireland</b>	<a href="#">New minimum standards allow members of occupational pension schemes to be exempt from membership of MyFutureFund</a> <a href="#">Minimum contributions for pension auto-enrollment introduced</a> <a href="#">2026 budget includes benefit and employment measures</a> <a href="#">Minimum wage increased</a>
<b>Italy</b>	<a href="#">New collective bargaining agreement for executives in the commercial sector takes effect</a> <a href="#">Metalworking sector collective agreement bargaining agreement renewed</a> <a href="#">Leave for employees with disabling or chronic diseases expanded</a>
<b>Kuwait</b>	<a href="#">Health insurance and visa fees increased</a>
<b>Lithuania</b>	<a href="#">Changes to taxation of benefits announced</a> <a href="#">Minimum wage increased</a>

<b>EMEA (continued)</b>	
<b>Moldova</b>	<a href="#">Minimum wage increased</a>
<b>Netherlands</b>	<a href="#">Employer disability and sickness benefit premiums increased</a>
<b>Norway</b>	<a href="#">Company-specific age limits abolished</a>
<b>Oman</b>	<a href="#">Annual salary increment scheme revised</a>
<b>Poland</b>	<a href="#">Employers must disclose pay to job candidates</a> <a href="#">Collective bargaining agreements streamlined and expanded</a> <a href="#">Method for determining length of service expanded</a>
<b>Russia</b>	<a href="#">Wage clause system to simplify wage dispute resolutions introduced</a>
<b>Saudi Arabia</b>	<a href="#">Health insurance disclosure form for smaller employers introduced</a>
<b>Slovakia</b>	<a href="#">Meal allowances for business trips increased</a> <a href="#">Minimum wage increased</a> <a href="#">Public holidays, sick leave payments and health insurance contributions adjusted</a>
<b>Spain</b>	<a href="#">Birth and child care leave expanded</a>
<b>Tanzania</b>	<a href="#">Minimum wage for private sector increased</a>
<b>United Kingdom</b>	<a href="#">Introduction of mandatory payrolling of benefits-in-kind postponed</a> <a href="#">Early conciliation period for potential employment claims and time limit for bringing a claim expanded</a> <a href="#">National insurance contributions charge on certain salary sacrifices for employer pension contributions proposed</a> <a href="#">Consultation on improving trusteeship, governance and administration standards issued</a> <a href="#">Immigration changes take effect</a> <a href="#">Consultation on the use of noncompete clauses in employment contracts published</a> <a href="#">Employment Rights Act receives Royal Assent in Great Britain</a> <a href="#">Paternity leave to bereaved partners in Great Britain expanded</a>

# Section 2

## Global

Artificial Intelligence	
Status	 <b>Ongoing initiatives</b>
Development	<p><b>Career</b></p> <p><b>Roundup: Global employer resources on artificial intelligence</b></p> <p>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.</p>
Resources	<a href="#">Roundup</a> , regularly updated
Minimum wage	
Status	 <b>Ongoing initiatives</b>
Development	<p><b>Career</b></p> <p><b>Roundup: Global employer resources on minimum wage increases</b></p> <p>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.</p>
Resources	<a href="#">Roundup</a> , regularly updated
Remote working	
Status	 <b>Ongoing initiatives</b>
Development	<p><b>Career — Health — Wealth</b></p> <p><b>Roundup: Countries address remote-working issues</b></p> <p>Remote working has become more of a 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.</p>
Resources	<a href="#">Roundup</a> , regularly updated

Reproductive rights	
<b>Status</b>	 <b>Ongoing initiatives</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Roundup: Global employer resources on reproductive rights post-Dobbs ruling</b></p> <p>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.</p>
<b>Resources</b>	<a href="#">Roundup</a> , regularly updated
Right to disconnect	
<b>Status</b>	 <b>Ongoing initiatives</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Roundup: Right to disconnect around the world</b></p> <p>In recent years, several countries have enacted legislation requiring employers to allow employees the “right to disconnect” — or to “switch off” from work-related electronic communications (such as emails) outside of their normal working hours. To help employers consider the issues associated with the right to disconnect, this roundup provides links to general information about countries’ legislative/regulatory governance initiatives and trends. Sources include organizations, government websites, third-party resources and news articles.</p>
<b>Resources</b>	<a href="#">Roundup</a> , regularly updated

## Section 3

# Americas

### Brazil (previously covered, partially effective)

#### Status



Partially effective

#### Development

##### Career

##### Payroll tax to increase

Measures included in Law No. 14,973/2024 retained the reduced payroll tax system applicable to 17 industry sectors until December 2024 and gradually reintroduce the payroll tax from 2025 to 2027. From 2028, the full tax of 20% will be levied. From Jan. 1, 2025, companies must collect contributions calculated on their payroll and gross revenues. The payroll tax was 5% in 2025 and is 10% in 2026 and 15% in 2027. The revenue tax was 0.8% to 3.6% (80% of the rate provided for by the law) in 2025 and is 0.6% to 2.7% (60% of the rate provided for by the law) in 2026 and 0.4% to 1.5% (40% of the rate provided for by the law) in 2028. From 2028, the payroll tax will be 20%, but no tax will be levied on company revenues.

To benefit from the payroll exemption, companies must maintain an average number of employees equal to, or greater than, 75% of their average headcount during the previous calendar year. Further details on this measure are included in an Executive Power Act.

#### Resources

[nathalia.rossi@mmc.com](mailto:nathalia.rossi@mmc.com)


[Law No. 14.973/2024](#) (Portuguese) (Government. Sept. 16, 2024)

### Brazil (previously covered, with an upcoming effective date)

#### Development

##### Career — Health

- [Inclusion of psychosocial risks in risk management process postponed](#) — key date: May 26, 2026

Canada (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Career — Health</b></p> <p><b>New leave entitlements for federally regulated employees available</b></p> <p>Expanded leave entitlements for pregnancy loss, bereavement, and adoption and surrogacy are now available to federally regulated workers in Canada. The measures — which took effect on Dec. 12, 2025 — were included in Bill C-59: Fall Economic Implementation Act, 2023 and amend Canada’s Labour Code. Highlights include:</p> <ul style="list-style-type: none"> <li>• Pregnancy loss leave. Employees are entitled to leave if a pregnancy does not result in a live birth. This applies to the employee, their spouse, a common-law partner, and a legal parent through surrogacy. Employees can take eight weeks of unpaid leave if the pregnancy ends in stillbirth after 20 weeks, or if the fetus weighs at least 500 grams. The first three days of this leave are paid for employees with three or more months of continuous employment.</li> <li>• Bereavement leave enhancements. The Labour Code already entitled employees to take up to 10 days of bereavement leave for the death of an immediate family member or a family member under compassionate or critical illness care. Now, the first three days of this leave are paid if the employee has worked for three or more consecutive months.</li> <li>• Extended bereavement leave for child’s death. Employees can take up to eight weeks of unpaid bereavement leave if their child or their spouse/common-law partner’s child dies. This leave can be taken from the date of death up to 12 weeks after the funeral, burial or memorial service. Employees must provide written notice explaining the reason for leave and any changes to the length of leave. Employers can delay an employee’s return to work if an employee taking more than four weeks of leave does not give at least four weeks’ notice of a shorter leave.</li> <li>• Protections during bereavement leave. Employees have the right to be informed about job opportunities during leave; return to the same or a similar job after leave; continue to accumulate pension, health, disability benefits, and seniority; and are protected from any negative treatment or discrimination related to taking leave.</li> <li>• Adoption and surrogacy leave. Employees can take 16 weeks of unpaid leave to manage responsibilities related to placing a child in their care through adoption or surrogacy.</li> <li>• Employer responsibilities. Employers must update workplace labor standards notices to include pregnancy loss leave. They must keep records of payments made during pregnancy loss leave, changes requested by employees to bereavement leave length, and employee notifications about leave changes. Labour Affairs Officers can inspect these records. Employers can be fined for breaching these leave entitlements.</li> </ul>
Resources	<a href="#">Bill C-59: Fall Economic Implementation Act, 2023</a> (Legislature)

**Canada (previously covered, mostly effective)****Status**  **Effective dates vary.****Development****Wealth****New pension limits for 2026 and 2027 announced**

The Canada Revenue Agency announced the new pension plan limits for 2026 and 2027. These will impact pension plan administration. The limits are:

- 2026 money purchase (MP) — C\$35,390
- 2026 defined benefit (DB) — C\$3,932.22
- 2027 registered retirement savings plan (RRSP) — C\$35,390
- 2026 deferred profit-sharing plan (DPSP) — C\$17,695
- 2026 year's maximum pensionable earnings (YMPE) — C\$74,600
- 2026 year's additional maximum pensionable earnings (YAMPE) — C\$85,000.

**Resources**

[What's new — Savings and pension plan administration](#) (Government, Oct. 30, 2025)

**Canada (previously covered, now effective)****Status**  **Currently effective****Development****Career — Health****Employment Insurance contribution rates adjusted for 2026**

In 2026, the Employment Insurance (EI) contribution rates decreased, and the maximum insurable earnings increased. Highlights include:

- For employees outside Québec, the contribution rate is 1.63%, down from 1.64%, and the employer rate decreased to 2.28%, down from 2.3%.
- In Québec, the employee contribution rate reduced to 1.3% (down from 1.31%), and the employer contribution rate is 1.82%, down from 1.83%.
- The maximum insurable earnings increased to C\$68,900, up from C\$65,700.

Additionally, the one-week waiting period before a worker can start receiving EI benefits is waived for an additional six months until April 11, 2026. During this time, termination pay (including vacation pay, severance pay and pay in lieu of notice) will not be deducted from EI benefits.

**Resources**

[Summary of the 2026 Actuarial Report on the Employment Insurance Premium Rate](#) (Government, Sept. 22, 2025)

## Canada — Alberta (new)

**Status**  **Currently effective**

**Development**

**Career — Health**

### Long-term illness or injury leave expanded

Effective Jan. 1, 2026, Alberta’s amended Employment Standards Regulation allows employees to take to 27 weeks of unpaid job-protected leave for long-term illness or injury per calendar year — up from 16 weeks. The measures align Alberta’s leave provisions with other Canadian provinces.

Unchanged are the requirements for a minimum 90-day employment with the same employer, and the provision of a medical certificate that includes the estimated leave duration. Employees must generally give the employer at least one week’s written notice of their return-to-work date and a minimum of two weeks’ written notice if the employee chooses not to return. Employers do not have to pay wages or benefits during long-term illness and injury leave, unless stated in an employment contract or collective agreement. Employees may be eligible to receive benefits from the federal Employment Insurance program. Employers may adjust any current leaves that started before Jan. 1, 2026.

**Resources**

[kristen.smith@mercer.com](mailto:kristen.smith@mercer.com)  
[Employment standards regulation](#) (Government, Sept. 1, 2025)

## Canada — British Columbia (new)

**Status**  **Currently effective**

**Development**

**Career — Health**

### Leave expanded for long-term illness

Effective Nov. 27, 2025, employees in British Columbia who suffer a serious illness or injury or episodic medical conditions can take up to 27 weeks of unpaid job-protected leave within a 52-week period under measures included in Bill 30. Highlights include:


- Employees are eligible for the leave if they are unable to work for at least seven consecutive days.
- The leave may be taken in blocks of one or more weeks, either consecutively or intermittently.
- Employees must generally provide a certificate from a health practitioner confirming their inability to work and the expected start and end dates. The certificate does not have to be provided before taking leave but must be provided as soon as the employee is able to do so.
- Employees who return to work can take more leave for the same condition if they have not exhausted their 27-week entitlement, are still within the original 52-week period and obtain an updated medical certificate.

Under changes to the Employment Standards Act that took effect on Nov. 12, 2025, employers can no longer request or require an employee to provide proof of illness in respect of the first two health-related leaves of absence of five consecutive days or fewer in a calendar year


**Resources**

[kristen.smith@mercer.com](mailto:kristen.smith@mercer.com)  
[Bill 30](#) (Legislature, Nov. 25, 2025) and [Employment Standards Act](#) (Government, Nov. 26, 2025)

**Canada — Nova Scotia (new)**

<b>Status</b>	 <b>Effective dates vary.</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Minimum wage to increase twice in 2026</b></p> <p>In 2026, the minimum wage will increase in two phases. The first increase — to C\$16.75/hour — will take effect on April 1, 2026. A second increase to C\$17/hour will take effect on Oct. 1, 2026.</p>
<b>Resources</b>	<a href="#">Minimum wage to increase twice in 2026, reaching \$17 in October</a> (Government, Dec. 2, 2025)

**Canada — Ontario (new)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Working for Workers Seven Act receives Royal Assent</b></p> <p>Bill 30, Working for Workers Seven Act, 2025, received Royal Assent on Nov. 27, 2025, with some measures taking immediate effect and others on Jan. 1, 2026. This legislation follows six Working for Workers Acts and introduces several changes to workplace and employment-related statutes, such as the Employment Standards Act, 2000, the Occupational Health and Safety Act and the Workplace Safety and Insurance Act. Highlights include:</p> <ul style="list-style-type: none"> <li>• In group terminations of 50 or more employees, affected employees are entitled to three days of unpaid leave for job searches, interviews and training. If possible, they should give three or more days of advance notice to their employers before taking the leave.</li> <li>• Employers and employees can agree to layoffs for 35 or more weeks calculated over 52 consecutive weeks as long as they do not exceed 52 weeks within a 78-week period. The Director of Employment Standards must approve the agreement. Recall dates must be specified and employees cannot withdraw their agreement.</li> <li>• Online job posting platforms that include publicly advertised postings must introduce procedures for reporting fraudulent postings and have a written policy on how such postings will be handled. This measure took effect on Jan. 1, 2026.</li> </ul> <p>Changes to the Occupational Health and Safety Act include the reimbursement of defibrillator costs and new monetary penalties. Measures in the Workplace Safety and Insurance Act 1997 include stricter penalties for false statements, premium noncompliance and repeat offences.</p>
<b>Resources</b>	<a href="#">Bill 30, Working for Workers Seven Act, 2025</a> (Government)


**Canada — Ontario (previously covered, now effective)****Status****Currently effective****Development****Career****Pay transparency duties take effect**

Effective Jan. 1, 2026, employers with 25 or more employees in Ontario are subject to pay transparency duties for publicly advertised job postings. Employers must also disclose if artificial intelligence is used in the hiring process for any publicly advertised role. The measures feature in the Working for Workers Four Act, 2024 that received Royal Assent in 2024. The effective dates and accompanying regulations were announced on Dec. 2, 2024. Highlights include:

- All publicly advertised roles must include information about the expected or range of compensation for positions paying CAD\$200,000/year or less. The compensation range for any position must not exceed CAD\$50,000. A “publicly advertised job posting” is defined as an “external job posting that an employer or person acting on behalf of an employer advertises to the general public in any manner.”
- Certain types of advertised jobs are excluded. They do not apply to general recruitment campaigns that do not involve a specific role, roles open only to applicants from among the employer’s current workforce, job postings for work that will be performed outside of Ontario, or both inside and outside Ontario subject to the work not being a continuation of work that had been performed inside Ontario.
- “Compensation” is defined as “wages” in the Employment Standards Act 2000. “Wages” means any monetary remuneration paid by an employer to an employee under the terms of an employment contract; any payment that an employer must pay to an employee under this Act, and any allowances for room or board under an employment contract or prescribed allowances.
- Employers must specify if the role is for a current vacancy.
- Employers must disclose if artificial intelligence is used to screen, assess or select applicants for a role.
- Employers cannot impose any Canadian work experience in publicly advertised job postings or associated application forms. The measure aims to reduce the barriers for job seekers in Ontario.
- Employers must notify interviewees for a particular post within 45 days of the interview about their hiring decision. The notification must be communicated in person, in writing, or via technology.
- Employers must retain copies of every publicly advertised job posting and associated application form for three years after removal of public access to the posting. They must also retain for three years records of the information provided to applicants who have been interviewed.

**Resources**

[Working for Workers Four Act, 2024](#) (Legislature) and [O. Reg. 476/24: Rules and exemptions re job postings](#) (Government, Nov. 29, 2024)

Canada — Saskatchewan (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Revision of workplace laws finalized</b></p> <p>Changes to workplace laws took effect on Jan. 1, 2026. Employers should have updated their company handbooks and policies and adjusted time tracking and payroll systems to comply with the measures. Highlights include:</p> <ul style="list-style-type: none"> <li>• Long-term sick leave is aligned with federal employment insurance benefits and was expanded to 27 weeks in any 52-week period (up from 12 weeks).</li> <li>• Individuals who suffer a pregnancy loss up to 20 weeks before their due date (up from 13 weeks) are entitled to 20 weeks of maternity leave.</li> <li>• The eligibility criteria for bereavement leave (five days) was expanded to include chosen family and pregnancy loss. Employees are allowed to take the leave up to six months following a death.</li> <li>• Individuals that experience “interpersonal violence and sexual violence” are entitled to 16 weeks of unpaid leave in any 52-week period — this leave is additional to the current 10-day leave period (of which five days are paid).</li> <li>• Employers are only allowed to request sick notes if the employee is absent for more than five consecutive days, or if the employee is absent twice for two or more days during the preceding 12 months.</li> <li>• Variances in meal break requirements and scheduling changes are permitted, subject to the employer’s approval.</li> <li>• The definition of “day” for the purpose of determining overtime eligibility and working time is either a calendar day or a 24-hour period that does not have to be consecutive — employers need to specify this in the work schedule notice.</li> <li>• Other changes include the calculation of overtime pay arrangements for part-time workers; the possibility for employers to make wage deductions (with consent) for salary advances, voluntary training and housing allowances; prohibition on the withholding or deduction of tips from employees (except where required by law); clarification and changes to employee termination processes (employers will have to give employees, the minister and the union notice of terminating 25 or more employees, up from 10); and the introduction of a one-day weekly rest period for retail sector workers.</li> </ul>
<b>Resources</b>	<p><a href="#">Employment standards amendments pass</a> (Government, May 13, 2025) and <a href="#">The Saskatchewan Employment Amendment Act, 2024</a> (Legislature)</p>

**Canada — Quebec (previously covered, now effective)**

**Status**  **Currently effective**

**Development** **Career — Health — Wealth**  
**Social security contribution reductions take effect**  
 The Update on Québec’s Economic and Financial Situation, issued on Nov. 25, 2025, included reduced social security contributions that became effective Jan. 1, 2026. The reduced contribution rates apply to the Québec Pension Plan (QPP) and the Québec Parental Insurance Plan (QPIP), and employers should have adjusted their payroll systems accordingly.

**Resources** [Update on Québec’s Economic and Financial Situation](#) — Fall 2025 (Government)

**Canada (previously covered, with an upcoming effective date)**

**Development**

**Career**

- [Minimum wage to increase in Nova Scotia](#) — key date: April 1, 2026

**Career — Health**

- [‘Right-to-disconnect’ established for employees](#) — key date: Effective date unknown

**Wealth**

- [Basic rate for pension plans set](#) — key date: April 1, 2026
- [Pension super priority federal legislation enacted](#) — key date: April 27, 2027

Chile (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Female board representation boosted</b></p> <p>On Aug. 19, 2025, Law No. 21757 was published in Chile's Official Gazette. The law aims to increase female representation on the boards of publicly held organizations and special corporations overseen by the Financial Market Commission (CMF). Highlights include:</p> <ul style="list-style-type: none"> <li>Starting Jan. 1, 2026, the maximum percentage of board members of the same gender is 80%. It will decrease to 70% from Jan. 1, 2029, to Dec. 31, 2031; and then to 60% from Jan. 1, 2032. Organizations should have updated their bylaws to ensure their board elections meet these gender balance requirements.</li> <li>The CMF will conduct a preliminary, nonbinding review in July 2028.</li> <li>Starting in 2032, the CMF assess — every four years — if at least 80% of eligible organizations meet the 60% gender balance target and if 5% of organizations comprise only one gender.</li> <li>Organizations are required to report the gender and identity of each board member to the CMF, and if they have not fulfilled the gender balance, they must explain why. This information must also be included in their annual reports.</li> <li>The CMF can impose sanctions on organizations that fail to meet the targets.</li> <li>Companies that successfully achieve the gender balance will be recognized as promoters of gender equality and female leadership.</li> </ul>
<b>Resources</b>	<a href="#">Law No. 21757</a> (Spanish) (Government, Aug. 19, 2025)
Colombia (previously covered, with an upcoming effective date)	
<b>Development</b>	<p><b>Career — Wealth</b></p> <ul style="list-style-type: none"> <li><a href="#">Labor laws revised, worker protections expanded</a> — key date: July 1, 2026</li> <li><a href="#">New regulation on provision of breastfeeding spaces issued</a> — key date: July 1, 2026</li> </ul> <p><b>Wealth</b></p> <ul style="list-style-type: none"> <li><a href="#">Pension reforms issued</a> — key date: Postponed from July 1, 2025, pending judicial decision</li> </ul>
Mexico (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Minimum wage increased</b></p> <p>On Jan. 1, 2026, the minimum wage increased by 13% to MXN\$315.04/day, up from MXN\$278.80/day. In the Northern Border Free Zone, the minimum wage is MXN\$440.87/day, up from MXN\$419.88/day.</p>
<b>Resources</b>	<a href="#">Announcement</a> (Spanish) (Government, Dec. 3, 2025)
Panama (previously covered, with an upcoming effective date)	
<b>Development</b>	<p><b>Wealth</b></p> <ul style="list-style-type: none"> <li><a href="#">Employer social security contributions increased</a> — key date: March 1, 2027</li> </ul>

**Peru (previously covered, with an upcoming effective date)**

**Development**

**Career — Wealth**

- [Pension system modernization law issued](#) — key dates: 2027 and 2028

**Wealth**

- [Regulations to support pension system reform issued](#) — key date: starting in June 2027

**United States (US) (new)**

**Status**



**Effective Feb. 27, 2026**

**Development**

**Career**

**Final rule significantly changes H-1B visa selection process**

On Dec. 29, 2025, US Citizenship and Immigration Services (USCIS) published a final rule, Weighted Selection Process for Registrants and Petitioners seeking to file cap-subject H-1B petitions, that will replace the prior random lottery process for the selection of new H-1B visas with a system that prioritizes the allocation of visas to higher skilled and higher paid foreign workers. This final rule takes effect on Feb. 27, 2026, and will be in place for the FY 2027 H-1B cap registration season. The new system will apply to both the H-1B regular cap of 65,000 visas and the U.S. advanced degree exemption of 20,000 visas.

**Resources**

[Weighted Selection Process for Registrants and Petitioners seeking to file cap-subject H-1B petitions](#) (Federal Register, Dec. 29, 2025) and [Roundup: Employer Resources on H-1B reforms](#), regularly updated

**US (new)**

**Status**



**Comments about the guidance are due March 6, 2026**

**Development**

**Health**

**Health savings account-compatible telehealth, primary care, bronze plans**



In Notice 2026-5, IRS and the Treasury Department provide key details about health savings account (HSA) enhancements passed as part of the One Big Beautiful Bill Act (OBBBA) (Pub. L. No. 119-21), clearing the way for employers to continue offering telehealth and to begin offering direct primary care service arrangements (DPCsAs) to otherwise HSA-eligible employees.


Effective for the 2025 plan year, OBBBA reinstated and made permanent COVID-19-era telehealth relief allowing HSA-compatible high-deductible health plans (HDHPs) to cover telehealth and other remote care services before the statutory minimum deductible is satisfied. Beginning Jan. 1, 2026, OBBBA also allows individuals enrolled in DPCsAs to remain eligible to make or receive HSA contributions and treats certain bronze and catastrophic plans as HDHPs.

This article summarizes the Notice 2026-5 question-and-answer guidance, addressing significant topics such as which services the IRS will treat as “telehealth and other remote care services;” whether a DPCSA can separately bill for primary care services or offer services beyond primary care; and whether a bronze or catastrophic plan can be an HDHP if purchased using an employer-sponsored individual coverage health reimbursement account (ICHRA). Comments about the guidance are due March 6, 2026.

**Resources**

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[GRIST](#), Dec. 22, 2025

US (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Career</b></p> <p><b>Preparing for 2026: Ten tips for compensation committees and HR teams</b></p> <p>Compensation committees and human resources (HR) departments are making executive pay decisions amid a shifting regulatory landscape and economic uncertainty. The SEC is considering adjustments to executive pay disclosure requirements, has been tasked with addressing the influence of proxy advisory firms, and has made it easier for companies to exclude shareholder proposals. The Trump administration is continuing its efforts to limit or eliminate environmental, social and governance (ESG) initiatives and diversity, equity, and inclusion (DEI) programs. The Federal Trade Commission (FTC) is taking a case-by-case approach to assessing the lawfulness of noncompetition agreements. And proxy advisors and institutional investors are changing their business models to provide more customized advice. To secure successful say-on-pay (SOP) and shareholder proposal results, companies need to prepare for these developments by tracking regulatory changes, following updates to proxy advisor and institutional investor voting guidelines, and engaging with shareholders. This article provides ten key action steps to guide compensation committees and HR departments in effectively fulfilling their roles and responsibilities heading into 2026.</p>
Resources	<p><a href="mailto:amy.knieriem@mercer.com">amy.knieriem@mercer.com</a>, <a href="mailto:carol.silverman@mercer.com">carol.silverman@mercer.com</a>, and <a href="mailto:david.thieke@mercer.com">david.thieke@mercer.com</a></p> <p><a href="#">Preparing for 2026: Ten tips for compensation committees and HR teams</a> (Mercer, Dec. 15, 2025)</p>
US (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Career — Health</b></p> <p><b>Permanent, improved tax credit for paid family and medical leave</b></p> <p>With the passage of the One Big Beautiful Bill Act (Pub. L. No. 119-21), the federal tax credit for employers providing paid family and medical leave has been made permanent and improved. In addition to removing the credit expiration date, the law removes policy requirements that previously put the credit out of reach for many employers, particularly multistate employers.</p> <p>Beginning in 2026, more employers providing paid family and medical leave that meets certain requirements can take advantage of a general business tax credit ranging from 12.5% to 25% of wages paid to qualifying employees for up to 12 weeks of family and medical leave per taxable year. First enacted as a two-year pilot program under the Tax Cuts and Jobs Act of 2017 (Pub. L. No. 115-97), the general business tax credit had been extended through 2020 and again through 2025 by earlier appropriations legislation (Pub. L. No. 116-94 and Pub. L. No. 116-260).</p>
Resources	<p><a href="mailto:katharine.marshall@mercer.com">katharine.marshall@mercer.com</a> and <a href="mailto:cheryl.hughes@mercer.com">cheryl.hughes@mercer.com</a></p> <p><a href="#">GRIST</a>, Dec. 11, 2025</p>

US (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Department of Labor issues opinion letters covering wage and family medical leave issues</b></p> <p>On Jan. 5, 2026, the Department of Labor’s Wage and Hour Division issued six new opinion letters. Four letters covered Fair Labor Standards Act issues, such as employee classification, bonuses and overtime exemptions, The other two letters were on Family Medical Leave Act (FMLA) issues. Highlights include:</p> <ul style="list-style-type: none"> <li>• FLSA2026-1: Whether an employee’s role meets the criteria for the learned professional exemption under the FLSA, and, if so, whether an employer is nevertheless permitted to reclassify the employee as nonexempt.</li> <li>• FLSA2026-2: Whether the FLSA permits an employer to exclude certain bonus payments from an employee’s regular rate of pay. The letter also addresses how to include these payments in the calculation of employee overtime premiums if the payments must be included in an employee’s regular rate of pay.</li> <li>• FLSA2026-3: Whether a union and employer can enter into a collective bargaining agreement that mandates a 15-minute “roll call” prior to each scheduled shift but excludes that time when calculating overtime premiums under the FLSA.</li> <li>• FLSA2026-4: Whether, for purposes of the overtime exemption for certain commissioned employees in the FLSA, an employer in a jurisdiction in which the state minimum wage exceeds the federal minimum wage must use the federal minimum wage, or alternatively, the higher state minimum wage, to determine whether it has satisfied the minimum pay standard and whether tips are deemed compensation for purposes of the requirement that more than half the employee’s compensation consist of commissions.</li> <li>• FMLA2026-1: How a school closure of less than a full week impacts the amount of leave a school employee uses under the FMLA.</li> <li>• FMLA2026-2: Whether FMLA leave may be used for time spent traveling to or from medical appointments, including where an employee provided the employer with medical certification from a healthcare provider that confirms the employee’s need for the appointment, but the certification does not address travel to or from the appointment.</li> </ul>
<b>Resources</b>	<a href="#">FLSA2026-1</a> , <a href="#">FLSA2026-2</a> , <a href="#">FLSA2026-3</a> , <a href="#">FLSA2026-4</a> , <a href="#">FMLA2026-1</a> , and <a href="#">FMLA2026-2</a> (Department of Labor, Jan. 5, 2026)

**US (new)****Status****Currently effective****Development****Career****Executive order addresses proxy advisors and their impact on DEI and ESG initiatives**


On Dec. 11, 2025, President Trump signed an Executive Order aimed at ending the “outsized influence of proxy advisors” — claiming proxy advisors “prioritize radical political agendas over investor returns.” The Order is the latest move in a series of related steps by the administration and directs the Securities Exchange Commission (SEC), Federal Trade Commission (FTC) and Department of Labor (DOL) as follows:



- The SEC chair shall review and consider revising or rescinding regulations and guidance related to proxy advisors that implicate diversity, equity and inclusion (DEI) and environmental, social and governance (ESG), and rules related to shareholder proposals that are inconsistent with the order’s policies. In addition, the agency shall: enforce securities law anti-fraud provisions against proxy advisors to the extent there are material misstatements or omissions in their voting recommendations; assess whether to require proxy advisors to register as investment advisers; consider requiring proxy advisors to increase transparency on conflicts of interest and their voting recommendations related to DEI and ESG; analyze whether proxy advisors help investment advisers coordinate their voting decisions; and examine whether registered investment advisers hiring proxy advisors and following their voting recommendations on nonpecuniary factors, such as DEI and ESG, is inconsistent with their fiduciary duties.
- The FTC chair, in consultation with the attorney general, shall investigate whether proxy advisors are in compliance with federal antitrust laws, and whether they are engaged in unfair methods of competition or fail to disclose conflicts of interest.
- The Secretary of Labor will strengthen ERISA fiduciary rules and increase fiduciaries’ transparency regarding their use of proxy advisors, including DEI and ESG investment practices, ensuring proxy advisors and plan managers act solely in the financial interests of retirement plan participants.
- The Order does not specify timing for these actions and the actions it prescribes may be subject to challenge. It’s the latest in a series of steps aimed at proxy advisory industry practices and curbing the influence of its two biggest players — Institutional Shareholder Services (ISS) and Glass Lewis. The courts have dealt some setbacks to earlier SEC attempts to regulate proxy advisors, but ISS and Glass Lewis have publicly announced that they are adjusting their business offerings in recognition of the current political reality and variances in investor priorities.

**Resources**

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[New executive order addresses proxy advisors and their impact on DEI and ESG initiatives](#) (Mercer, Dec. 12, 2025)

US (new)	
Status	 Proposal
Development	<p><b>Health</b></p> <p><b>Significant changes to transparency in coverage regulations</b></p> <p>Regulators released proposed changes that build on the Transparency in Coverage (TiC) regulations, aiming to address limitations related to machine-readable files (MRFs) and the self-service tool. They apparently plan to update technical implementation guidance (e.g., MRF Schema 2.0 due Feb. 2, 2026) as well. While the proposal would require extensive changes to MRFs, it also seeks to simplify certain requirements by: reducing the frequency of updates and postings of MRFs from monthly to quarterly, and requiring payers to use a single file format, likely either JSON or CSV.</p> <p>The regulators' goals include tackling the large size of the MRFs, reducing data ambiguity, and resolving misalignments with the Hospital Price Transparency rule that currently complicate data comparisons. Regarding the self-service tool, the proposal aims to update the TiC rule to better align with changes introduced by the No Surprises Act. Comments are due February 23, 2026, about 60 days after the proposal is published in the Federal Register.</p> <p><b>Machine-readable files (MRFs)</b></p> <p>Under current TiC rules, group health plans must post MRFs monthly, disclosing in-network (IN) rates for all covered items and services, as well as out-of-network (OON) allowed amounts. While plans are not yet required to post prescription drug files disclosing in-network rates and historic net prices, this requirement is expected in the near future. Regulators are considering feedback from the June 2025 Request for Information (RFI) on prescription drug MRFs to guide implementation of the TiC prescription drug requirements through technical guidance or future rulemaking.</p> <p>The proposed amendments to the MRF provisions would take effect 12 months after final regulations are published in the Federal Register. Key proposed changes include reducing the number and size of MRFs, making data more usable and making data easier to find.</p> <p><b>Self-service tool</b></p> <p>The TiC rules require group health plans to provide cost-sharing information to participants through an online self-service tool or paper, upon request. This cost-sharing information must be accompanied by several notices with explanatory information and data limitations. The No Surprises Act further requires plans to make cost-sharing information available over the phone.</p> <p>The Departments propose that amendments to the self-service tool would apply for plan years beginning on or after Jan. 1, 2027. Key proposals include requiring that the same cost-sharing information disclosed under the TiC rules be made available over the phone, upon request and amending notice requirements to reflect federal protections against balance billing in certain situations.</p>
Resources	<p><a href="mailto:cheryl.hughes@mercer.com">cheryl.hughes@mercer.com</a></p> <p><a href="#">Regulations</a> (Federal Register, Dec. 23, 2025)</p>

US (new)	
<b>Status</b>	 <b>Extends transitional tax relief for the 2026 tax year</b>
<b>Development</b>	<p><b>Career — Health</b>  <b>Paid family medical leave transitional tax relief extended partially for another year</b></p> <p>IRS issued Notice 2026-6, which extends the transitional tax relief (provided in Rev. Ruling 2025-4) for certain paid family and medical leave (PFML) benefits to the 2026 tax year.</p> <p>The Revenue Ruling provides a roadmap for federal (but not state) taxation of PFML contributions and benefits, designating the 2025 tax year as a transitional relief period for enforcement and administration. The Notice extends the transitional relief to the 2026 tax year, limited to medical leave for the employee’s health condition attributable to employer contributions. Specifically, the relief applies to tax withholding and reporting requirements for PFML states and employers. The additional year of relief does not apply to so-called “employer pick-up” contributions, where an employer pays some or all of employees’ required PFML contributions.</p> <p>The Notice is the result of a request by several PFML states, which indicated they could not comply with the required changes in time.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">Notice 2026-26</a> (IRS)</p>
US (previously covered, now effective)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health — Wealth</b>  <b>2026 quick benefit facts</b></p> <p>This brief user-friendly summary gives key retirement and healthcare benefit limits for the upcoming year. The summary includes comparative information for the prior two years. Commentary next to each section provides insights into how the amounts are indexed from year to year.</p>
<b>Resources</b>	<a href="#">2026 quick benefit facts</a> (Mercer, November 2026)
US (previously covered, now effective)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Wealth</b>  <b>2026 mortality tables for defined benefit plans</b></p> <p>IRS Notice 2025-40 provides the 2026 mortality tables for lump sums under Internal Revenue Code (IRC) section 417(e) and the static mortality tables for certain defined benefit (DB) plans’ minimum funding calculations under IRC section 430. The tables use the same methodology as for the 2025 tables, in accordance with the 2023 final regulations.</p>
<b>Resources</b>	<p><a href="mailto:margaret.berger@mercer.com">margaret.berger@mercer.com</a> and <a href="mailto:bruce.cadenhead@mercer.com">bruce.cadenhead@mercer.com</a>  <a href="#">GRIST</a>, July 16, 2025</p>

**US (previously covered, mostly effective)****Status**  **Mostly effective starting on Jan. 1, 2026****Development****Career — Health****One Big Beautiful Bill includes employer-friendly provisions**

The Republican budget and tax package has many employer-friendly health and welfare provisions. Highlights include:


- Reinstates retroactively to Jan. 1, 2025, and permanently allow (i) HSA-qualifying HDHPs to cover telehealth/other remote care services on a pre- or no-deductible basis, and (ii) an otherwise HSA-eligible individual to receive pre- or no-deductible coverage for telehealth/other remote care services from a stand-alone vendor outside of the HDHP.
- Allow otherwise HSA-eligible individuals enrolled in DPCAs to make or receive HSA contributions and allow individuals to use HSA funds to pay for certain DPCA services.
- Permanently extend the \$5,250 annual tax exclusion for employer payments of qualified student loans under an educational assistance program (currently set to expire Dec. 31, 2025); indexes the current \$5,250 cap for all IRC Section 127 education assistance programs for inflation.
- Permanently extend the employer tax credit for PFML and makes three enhancements: modifies the credit to allow it to be claimed for an applicable percentage of premiums paid or incurred by an eligible employer for insurance policies that provide PFML for qualifying employees; makes the credit available in all states; and lowers the minimum employee work requirement from one year to six months.
- Increase the annual income exclusion for dependent care assistance programs to \$7,500 (from \$5,000), and to \$3,750 (from \$2,500) in the case of a married individual filing separately.
- Enhance the dependent care tax credit by increasing the maximum credit rate to 50% (from 35%) and creating a more generous phase down schedule.
- Increase the maximum employer-provided child care credit from \$150,000 to \$500,000 (adjusted for inflation), and percentage of qualified child care expenses covered from 25% to 40%.
- Enhance the adoption assistance credit by making it partially refundable up to \$5,000 beginning in 2025.
- Permanently eliminate the \$20/month qualified bicycle commuting reimbursement gross income exclusion and add a year of inflation adjustment for all other IRC Section 132(f) qualified transportation fringe benefits.
- Treat ACA exchange-based bronze and catastrophic plans in individual market as HSA-qualifying HDHPs.
- Establish new tax-advantaged "Trump accounts" for children under 18, allowing annual contributions of up to \$5,000 (adjusted for inflation). These accounts are governed by specific rules regarding contributions, distributions, and investments. Additionally, a pilot program will be implemented where the Treasury will provide \$1,000 to the "Trump accounts" of U.S. citizen children born between 2025 and 2028.

**Resources**


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[One Big Beautiful Bill includes employer-friendly provisions](#) (Mercer, July 8, 2025) and [GRIST](#), Aug. 12, 2025


**US (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Wealth</b></p> <p><b>Portion of required minimum distribution regulations takes effect</b></p> <p>Final regulations on portions of 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 took effect on Jan. 1, 2026. Although final regulations for these changes were generally effective on Jan. 1, 2025, certain provisions had a delayed effective date to address commenters' concerns about being able to timely implement the new rules.</p>
<b>Resources</b>	<p><a href="mailto:margaret.berger@mercer.com">margaret.berger@mercer.com</a> and <a href="mailto:brian.kearney@mercer.com">brian.kearney@mercer.com</a></p> <p><a href="#">GRIST</a>, Jan. 15, 2025</p>


**US (previously covered, now effective)**

<b>Status</b>	 <b>Effective for payments made on or after Jan. 1, 2026.</b>
<b>Development</b>	<p><b>Wealth</b></p> <p><b>Tax withholding rule for pension payments outside of the US finalized</b></p> <p>IRS finalized a regulation clarifying the tax withholding rules for retirement plan payments to recipients located outside of the United States (US). Individuals residing in the US generally may elect no withholding under Internal Revenue Code Section 3405, but payments sent out of the country are subject to stricter rules. The regulation applies to payments made on or after Jan. 1, 2026, but taxpayers may apply it immediately. The final regulation, which is substantively the same as the 2019 proposal, provides the following:</p> <ul style="list-style-type: none"> <li>• Withholding is required if the recipient provides a non-US residence address or fails to provide an address, even if the payment is sent to a financial institution or other individual located in the US.</li> <li>• Withholding is required if the distribution is sent to a financial institution or other individual outside the US, even if the recipient has a US residence address.</li> <li>• Military and diplomatic addresses are treated as within the US, so recipients at these addresses may elect no withholding.</li> </ul> <p>These rules do not apply to certain expatriates or recipients who are not US citizens or resident aliens. These recipients may elect no withholding even if the payments are sent outside of the US. Nonresident aliens are subject to separate withholding rules.</p>
<b>Resources</b>	<p><a href="mailto:margaret.berger@mercer.com">margaret.berger@mercer.com</a> and <a href="mailto:brian.kearney@mercer.com">brian.kearney@mercer.com</a></p> <p><a href="#">GRIST</a>, Oct. 21, 2024</p>


**US (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Wealth</b></p> <p><b>2026 retirement plan limits</b></p> <p>IRS Notice 2025-67 provides official 2026 limits for qualified defined benefit and defined contributions retirement plans and Internal Revenue Code (IRC) Section 403(b) plans. The 2026 limits reflect increases in the Consumer Price Index for All Urban Consumers (CPI-U) from Q3 2024 to Q3 2025.</p>
<b>Resources</b>	<p><a href="mailto:margaret.berger@mercer.com">margaret.berger@mercer.com</a></p> <p><a href="#">GRIST</a>, Nov. 14, 2025</p>

**US**

<b>Status</b>	 <b>Ongoing developments</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Top 10 health, fringe and leave benefit compliance and policy issues in 2026</b></p> <p>This comprehensive report provides a Congressional outlook describing the fate of the looming expiration of Affordable Care Act (ACA) subsidies as well as potential year-end legislation that might include pharmacy benefit manager (PBM) reforms, healthcare pricing transparency, restraints on drug price increases, new provider billing rules and health savings account (HSA) enhancements. Additionally, the report details the 10 top year-end 2025 and 2026 compliance and policy developments expected to affect health and fringe benefit plans and leave programs.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>, <a href="mailto:cheryl.hughes@mercer.com">cheryl.hughes@mercer.com</a>, <a href="mailto:geoff.manville@mercer.com">geoff.manville@mercer.com</a> and <a href="mailto:katharine.marshall@mercer.com">katharine.marshall@mercer.com</a></p> <p><a href="#">Top 10 health, fringe and leave benefit compliance and policy issues in 2026</a> (Mercer, Oct. 30, 2025)</p>

**US**

<b>Status</b>	 <b>Ongoing developments</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Roundup: Employer resources on H-1B reforms</b></p> <p>On Sept. 19, 2025, President Trump signed a proclamation to restrict the entry into the US of H-1B alien workers in specialty occupations, requiring a \$100,000 payment to accompany or supplement H-1B visa petitions for new applications. Other planned H1-B changes were also included in the proclamation. Guidance in response to the proclamation was issued by US Citizenship and Immigration Services, US Customs and Border Protection (USCIS), the Department of State, and the Department of Homeland Security. However, implementation of the proclamation has caused confusion among employers and H-1B holders. On Sept. 20, 2025, the Chamber of Commerce released the following statement: “We’re concerned about the impact on employees, their families, and American employers. We’re working with the Administration and our members to understand the full implications and the best path forward.” On Dec. 29, 2025, USCIS published a final rule that will replace the prior random lottery process for the selection of new H-1B visas with a system that prioritizes the allocation of visas to higher skilled and higher paid foreign workers.</p> <p>To provide employers with some information about the new H-1B visa requirements and the varying aspects and issues to consider, this roundup provides links to government information, third-party analyses, news articles and viewpoints.</p>
<b>Resources</b>	<p><a href="#">Roundup: Employer resources on H-1B reforms</a>, regularly updated</p>

<b>US</b>	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Roundup: Employer resources on tax deduction for overtime pay</b></p> <p>On July 4, 2025, President Trump signed the “One Big Beautiful Bill,” which includes a federal income tax deduction on nonexempt workers’ overtime pay covered by the Fair Labor Standards Act. The overtime tax deduction is currently scheduled to expire after 2028. To provide employers with some information about the deduction and the varying aspects and issues to consider, this roundup provides links to government information, third-party analyses, news articles and viewpoints.</p>
<b>Resources</b>	<a href="#">Roundup: Employer resources on tax deduction for overtime</a> , regularly updated
<b>US</b>	
<b>Status</b>	 <b>Effective dates vary.</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>2025 state paid family and medical leave contributions and benefits</b></p> <p>Mandates requiring paid leave for an employee’s own health condition exist in 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.</p>
<b>Resources</b>	<a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a> and <a href="mailto:katharine.marshall@mercer.com">katharine.marshall@mercer.com</a> <a href="#">GRIST</a> , updated Jan. 29, 2025 and <a href="#">Paid family and medical leave: Snapshots across the US</a> (Mercer, Sept. 23, 2025)
<b>US</b>	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Domestic partner benefits remain popular, but present challenges</b></p> <p>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.</p>
<b>Resources</b>	<a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a> and <a href="mailto:patty.cartwright@mercer.com">patty.cartwright@mercer.com</a> <a href="#">GRIST</a> , regularly updated

**US**

**Status**



**Effective dates vary.**

**Development**

**Career — Health**

**Roundup: State accrued paid leave mandates**

More than one-third of all states have some form of accrued paid leave requirement. All these laws have certain common features, including the following:


- Which employers must comply, and which employees can accrue and take paid leave
- How much paid leave employees may accumulate, use and carry over from one year to the next
- Whether a new hire waiting period is permissible before using accrued paid leave, and whether leave may be accrued and/or taken in increments other than one hour
- Whether employers may front-load or credit total annual paid leave at the start of each year and avoid the need to track hourly accruals or provide year-end carryovers
- What reasons — in addition to an employee’s own illness — justify the use of accrued paid leave
- What notice or documentation employers may require employees to provide, and what information about the paid leave entitlement employers must provide to employees
- What protections — in addition to job — apply to employees who exercise rights to accrued paid leave
- Whether employers must pay out unused accrued leave when employees separate from service, and what rules apply when an individual is rehired


The accrued paid leave laws summarized in the Section 2 tables in the GRIST cited below generally have common features — not featured in the tables — including the following:

- Paid leave requirements are based on the employee’s work location and accruals start on the date of hire.
- Employers whose existing paid leave programs meet or exceed the maximum accrual and allow the same leave uses without more restrictions or limitations don’t have to provide additional paid leave.
- The term “health” includes mental health, preventive care and chronic conditions in addition to physical illness.
- Employees exempt from federal minimum wage and overtime standards are considered to work 40 hours per week.
- Properly classified independent contractors are not eligible for accrued paid leave.
- Employers may require reasonable notice if the leave is foreseeable.
- If leave is unforeseeable, employees should provide notice as soon as practicable.
- Worker protections and antiretaliation provisions apply.
- Leave mandates don’t apply to federal government employers but often apply to other government employers.
- Workers covered under the federal Railroad Unemployment Insurance Act are excluded because of preemption
- Requirements typically don’t apply to employees covered by a collective bargaining agreement (CBA) in effect at the time of a law’s passage. CBAs negotiated after typically would not be subject to these laws if the CBA expressly waives the law’s requirements and provides for equivalent or more generous paid sick leave.


**Resources**

[rich.glass@mercer.com](mailto:rich.glass@mercer.com) and [katharine.marshall@mercer.com](mailto:katharine.marshall@mercer.com)  
[Roundup: State accrued paid leave mandates](#) (Mercer, regularly updated)


US	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Beyond COBRA: State laws add complexity to continuation coverage</b></p> <p>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.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">GRIST</a>, Nov. 12, 2024</p>


US	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Group fixed-indemnity plans pose legal, tax issues</b></p> <p>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.</p>
<b>Resources</b>	<p><a href="mailto:jennifer.wiseman@mercer.com">jennifer.wiseman@mercer.com</a> and <a href="mailto:cheryl.hughes@mercer.com">cheryl.hughes@mercer.com</a>  <a href="#">GRIST</a>, Aug. 27, 2024</p>


**US**



<b>Status</b>	 <b>Effective dates vary.</b>
<b>Development</b>	<p><b>Wealth</b></p> <p><b>User’s Guide to SECURE 2.0</b></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 no benefit-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 is updated periodically to reflect additional information and guidance.</p>
<b>Resources</b>	<p><a href="mailto:margaret.berger@mercer.com">margaret.berger@mercer.com</a>, <a href="mailto:matthew.calloway@mercer.com">matthew.calloway@mercer.com</a> and <a href="mailto:brian.kearney@mercer.com">brian.kearney@mercer.com</a></p> <p><a href="#">User’s guide to SECURE 2.0</a>, periodically updated</p>

**US**

<b>Status</b>	 <b>Effective dates vary.</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Transportation plans offer valued benefits, but pose compliance issues</b></p> <p>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.</p> <p>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 adds 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.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a> and <a href="mailto:cheryl.hughes@mercer.com">cheryl.hughes@mercer.com</a></p> <p><a href="#">GRIST</a>, regularly updated</p>

US	
<b>Status</b>	 <b>Effective dates vary.</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Roundup: Employer resources on noncompete restrictions</b></p> <p>Noncompete agreements prevent former employees from working for a competing employer or starting a competing business for a certain time period after their employment ends. At the federal level, the Federal Trade Commission (FTC), under the Biden administration, finalized a rule banning noncompetes. In August 2024, a federal judge in Texas blocked the rule from taking effect nationwide. While the FTC appealed the decision, the current FTC, under the Trump administration, will not defend this rule. At the moment, it is unclear as to what position the FTC will take on noncompete agreements. On Sept. 4, 2025, the FTC launched a public inquiry to better understand the scope, prevalence and effects of employer noncompete actions, as well as to gather information to inform possible enforcement actions.</p> <p>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.</p>
<b>Resources</b>	<a href="#">Roundup</a> , regularly updated

US	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Roundup: Employer resources on the changing landscape of DEI</b></p> <p>In June 2023, the US Supreme Court in <i>Students for Fair Admissions, Inc. v. President and Fellows of Harvard College</i> ruled colleges' use of race as a factor in student admissions is unconstitutional under the 14th Amendment's equal protection clause. Since the decision, various viewpoints have emerged on the ruling's effect on companies' diversity, equity and inclusion (DEI) programs. While the 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) to limit these efforts. This roundup provides links to government information, third-party analyses, news articles and viewpoints about the varying aspects and issues to consider regarding employers' DEI programs.</p>
<b>Resources</b>	<a href="#">Roundup</a> , regularly updated

US — States	
<b>Status</b>	 <b>Compliance dates vary.</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Some states require group health plan sponsor reporting</b></p> <p>Several states and localities have group health plan reporting requirements. The GRIST cited below 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 was 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.</p>
<b>Resources</b>	<a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a> and <a href="mailto:dorian.smith@mercer.com">dorian.smith@mercer.com</a> <a href="#">GRIST</a> , regularly updated
US — States	
<b>Status</b>	 <b>Effective dates vary.</b>
<b>Development</b>	<p><b>Wealth</b></p> <p><b>Resources for tracking state and local retirement initiatives</b></p> <p>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.</p>
<b>Resources</b>	<a href="mailto:margaret.berger@mercer.com">margaret.berger@mercer.com</a> and <a href="mailto:brian.kearney@mercer.com">brian.kearney@mercer.com</a> <a href="#">GRIST</a> , regularly updated
US — States	
<b>Status</b>	 <b>Effective dates vary.</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Roundup: Employer resources on states' recent equal pay laws</b></p> <p>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.</p>
<b>Resources</b>	<a href="#">Roundup</a> , 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 March 14, 2025, President Trump rescinded former President Biden’s April 2021 executive order requiring federal contractors to pay a \$15 hourly minimum wage to workers for new federal contract solicitations starting Jan. 30, 2022, and increasing to \$17.75/hour in 2025. Federal appeals courts have different positions on the legality of the 2021 order, and the Department of Labor rules implementing the order remain in place. Executive Order 13658 — which was implemented by the Obama administration and currently requires federal contractors to pay \$13.30/hour — also remains. Numerous states have taken action 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 resources and news articles.

**Resources** [Roundup](#), regularly updated


**US — States**

<b>Status</b>	 <b>Effective dates vary.</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Roundup: Employer resources on hairstyle nondiscrimination laws</b></p> <p>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.</p>
<b>Resources</b>	<a href="#">Roundup, regularly updated</a>


**Alabama (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Portable benefit plan for independent contractors created</b></p> <p>The Portable Benefits Act (2025 Ch. 119, SB 86) establishes benefit accounts for independent contractors, providing them with an individual state tax deduction for all contributions, regardless of source. The plan may pay for a self-employed worker’s health, income replacement insurance, life and retirement benefits. The hiring party may contribute directly to the plan or withhold a percentage from the worker’s compensation, as agreed in writing. Hiring party contributions are also deductible as a business expense under state tax law. The individual owns the account. The law took effect on Jan. 1, 2026. Federal taxation of this type of account is unclear. Alabama joins Tennessee in offering this type of plan.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">2025 Ch. 119, SB 86</a></p>


**US — Arkansas (previously covered, now effective)**

<b>Status</b>	 <b>Effective for plan years starting in 2026.</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Breastfeeding consultation services coverage required</b></p> <p>Fully insured and self-funded state governmental and church plans must cover breastfeeding and lactation consultant services without cost sharing. The law has no exception for HSA-qualified high-deductible health plans. The law will take effect for plan years starting 2026. The law does not apply to self-funded ERISA plans.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">HB 1333</a> (Legislature, April 16, 2025)</p>


**US — Arkansas (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b>  <b>Pharmacy benefit managers prohibited from owning an affiliated pharmacy within the state</b>                      Characterizing the pharmacy benefit manager (PBM)-affiliated pharmacy relationship as a “fox guarding the henhouse,” this law bars PBMs from having a direct or indirect ownership interest in a pharmacy operating in the state, effective Jan. 1, 2026. The Board of Pharmacy has authority to issue a limited-use permit for certain rare, orphan, or limited distribution drugs through Aug. 31, 2027. The Board of Pharmacy will conduct an initial audit and notify each noncompliant pharmacy at least 90 days before the effective date.                      The law makes no distinction based on a plan’s fully insured/self-funded status. Significant concerns exist, including reduced access (brick-and-mortar and mail-order pharmacies are in scope), disruption of care, and increased costs. For example, an actuarial statement submitted during the legislative process indicated that HR 1150 would cost the state governmental plan up to \$1 million alone. Compounding the issue, many employers’ PBM contracts extend into 2026 or beyond. The American Benefits Council pointed out these and other concerns to Governor Sarah Sanders in an April 14 letter. Finally, given the major impact on plan networks, ERISA preemption concerns exist.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">HB 1150</a> (Legislature, April 16, 2025)</p>

**US — Arizona (previously covered, now effective)**

<b>Status</b>	 <b>Effective for plan years starting in 2026.</b>
<b>Development</b>	<p><b>Health</b>  <b>Prescription law enacted</b>                      As a result of 2025 Ch. 5 (SB 1102), pharmacy benefit managers (PBMs) that contract with insurers cannot exclude or limit Rx coverage if it was previously approved by the PBM. This requirement applies through the end of the current plan year. PBMs must give affected participants at least 60 days’ notice before any formulary change takes effect. In that event, coverage will continue through the end of the plan year and may continue thereafter if approved through the plan’s exception process, which must meet newly adopted standards.                      Arizona generally does not apply 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>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">2025 Ch. 5</a> (SB 1102), (Legislature, March 25, 2025)</p>


**US — California (new)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b>  <b>2026 maximum weekly benefit for paid family and medical leave benefits announced</b>                      The paid family and medical leave benefit rose 5% to \$1,765, up from \$1681, for 2026.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">Contribution rates and benefit amounts</a> (EDD)</p>

**US — California (new)**

<b>Status</b>	 <b>Effective April 1, 2026</b>
<b>Development</b>	<p><b>Health</b>  <b>Regulations on new provider directory standards issued</b></p> <p>Regulations related to provider directories for healthcare service plans, including HMOs, were issued. The provider directory rules provide needed clarifications to a 2015 law, which has long been in effect. The regulations define key terms (including what it means for a provider to be “accepting new patients”), address telehealth providers and mandate how and when directories are updated. The healthcare service plan is responsible for compliance, which the Department of Managed Health Care can enforce via civil, criminal and administrative penalties.</p>
<b>Resources</b>	<p><a href="mailto:Rich.glass@mercer.com">Rich.glass@mercer.com</a>  <a href="#">28 CCR § 1300.67.27</a> (California Code of Regulations) and <a href="#">SB 137</a> (Legislature, Oct. 8, 2015)</p>

**US — California (previously covered, now effective)**

<b>Status</b>	 <b>Effective for contracts entered into on or after Jan. 1, 2026.</b>
<b>Development</b>	<p><b>Career</b>  <b>‘Stay-or-pay’ provisions banned</b></p> <p>California now prohibits employment contracts entered into on or after Jan. 1, 2026, from including “stay-or-pay” (also known as clawback) repayment provisions under Assembly Bill 692. These provisions currently allow employers to require employees to repay costs such as training or relocation expenses if they leave their job early. Highlights include:</p> <ul style="list-style-type: none"> <li>• Employers cannot require workers to sign contracts that obligate them to repay debts to the employer, training providers or debt collectors if their employment ends.</li> <li>• This prohibition applies regardless of whether the repayment agreement is voluntary.</li> <li>• Employees will have the right to bring civil actions against noncompliant employers, and employers will face financial penalties starting at \$5,000 per affected employee, and could be liable for legal fees, costs and injunctive relief.</li> </ul> <p>Repayment is still allowed for:</p> <ul style="list-style-type: none"> <li>• Discretionary bonuses or relocation payments if the employee leaves voluntarily or is terminated for misconduct. Repayment terms must be in a separate agreement from the employment contract; the employee must be informed of the right to consult an attorney; repayment is pro-rated and does not exceed two years; and the employee can defer repayment until the end of the retention period.</li> <li>• Transferable educational credentials if they meet the following criteria: the agreement is a separate contract, not part of the employment contract; repayment is not a condition of employment; costs are clearly disclosed and capped; repayment follows a pro-rated schedule; and no repayment is required if the employee is terminated without misconduct.</li> <li>• State-approved apprenticeship programs.</li> <li>• Government-sponsored loan forgiveness or tuition programs.</li> </ul>
<b>Resources</b>	<p><a href="#">AB-692 Employment: Contracts in restraint of trade</a> (Legislature, Oct. 13, 2025)</p>

## US — California (previously covered, soon to be effective)

### Status



Generally effective for plan years starting in 2026.

### Development

#### Health

##### Pharmacy benefit manager law takes effect

The governor signed a comprehensive pharmacy benefit manager (PBM) bill (2025 Ch. 605 (SB 41)), that imposes several restrictions on PBMs, but the scope is primarily limited to fully insured plans and healthcare service plans (including HMOs) subject to state law. It fully applied to self-funded ERISA plans before it was amended in the last days of the legislative session. As it stands, the only applicable provision for self-funded plans is a PBM fiduciary duty to “be fair and truthful toward the client, to act in the client’s best interests, to avoid conflicts of interest, and to perform its duties with care, skill, prudence, and diligence.” Here is a summary of other provisions:

- Ban on spread pricing
- 100% rebate pass-through to the payor (i.e., plan sponsor) or program
- Prohibition on calculating a participant’s cost sharing at a greater amount than the actual rate paid by the plan or insurer for a prescription drug
- Prohibition against a PBM requiring use of only an affiliated pharmacy and imposing requirements, conditions or exclusions that discriminate against a nonaffiliated pharmacy
- Mandated PBM compensation de-linking, where PBM income must come solely from a management fee through a pass-through pricing model.
- Quarterly PBM reporting to fully insured plan sponsors.

The law generally took effect for plan years starting in 2026. With a few exceptions (like domestic partner coverage), California generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state, as long as both an employer’s principal place of business and a majority of employees are located outside of California.

### Resources

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[2025 Ch. 605 \(SB 41\)](#) (Legislature, Oct. 13, 2025)

US — California (previously covered, now effective)	
Status	 <b>Currently effective</b>
Development	<p><b>Career — Health</b></p> <p><b>Paid sick and safe leave and unpaid leave laws amended for additional permitted uses</b></p> <p>Under a new law (2025 Ch. 148, AB 406), the paid sick and safe leave (PSSL) and unpaid leave laws were amended for additional permitted uses. Employees may use PSSL or unpaid leave if they or a family member are a victim of specified crimes and are attending any judicial proceeding related to that crime. The key definition is “victim,” a person against whom a violent felony, serious felony or felony theft or embezzlement is committed. Victims also include those who suffer direct or threatened harm because of a lengthy list of crimes or delinquent acts. These provisions will take effect on Jan. 1, 2026. Also, effective Oct. 1, 2025, two additional PSSL reasons already covered under the unpaid leave law apply: appearing in court as a witness to comply with a subpoena or other court order and serving on an inquest jury or trial jury. These provisions expire on Jan. 1, 2035.</p>
Resources	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">2025 Ch. 148</a> (AB 406) (Legislature, Oct. 1, 2025)</p>
US — California (previously covered, now effective)	
Status	 <b>Currently effective</b>
Development	<p><b>Health</b></p> <p><b>Insulin mandate takes effect</b></p> <p>Fully insured plans and healthcare service plans (including Health Maintenance Organizations) in the large group market cannot impose cost sharing on insulin exceeding \$35 for a 30-day supply, effective for 2026 plan years. The same requirement will apply to small group plans, starting in 2027. An exception exists for Health Savings Account-qualifying high-deductible health plans. Step therapy is permissible if a plan covers at least one insulin in each drug type without step therapy. With a few exceptions (like domestic partner coverage), California generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state, as long as both an employer’s principal place of business and a majority of employees are located outside of California. The law does not affect self-funded ERISA plans.</p>
Resources	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">2025 Ch. 737</a>, SB 40 (Legislature, Oct. 13, 2025)</p>
US — California (previously covered, now effective)	
Status	 <b>Currently effective</b>
Development	<p><b>Career — Health</b></p> <p><b>State disability and paid family leave rates take effect</b></p> <p>The Employment Development Department published its State Disability Insurance (SDI) and Paid Family Leave (PFL) rates for 2026. The employee contribution rate, which includes both SDI and PFL, increased from 1.2% (2025) to 1.3% (2026). Employer SDI/PFL contributions are not required. For voluntary plans, the employer voluntary plan assessment rate (equal to 14% of the employee contribution rate) increased from 0.168% (2025) to 0.182% (2026).</p>
Resources	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">Contribution rates</a> (Employment Development Department) and <a href="#">Unemployment insurance code</a> (Government)</p>

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

**Status**  **Currently effective**

**Development**

**Health**

**Health Care Expenditure rates hiked**

San Francisco announced an approximate 7% increase for the 2026 Health Care Expenditure (HCE) rates under the Health Care Security Ordinance (HCSO) rules. The HCSO applies to all employers that must obtain a San Francisco business registration certificate and that have at least 20 employees in any location if at least one works in the city and county of San Francisco.

Covered employers with San Francisco workers should ensure their health benefits comply with the newly updated 2026 HCE amounts and understand the HCE’s application to San Francisco workers. Once premiums are set for insured plans, plan sponsors can review any deficits and determine the best approach to addressing any shortfall and making the quarterly payments. Self-funded plans may want to work with their third-party administrators and actuaries to evaluate spending options. Payments for self-funded plans may be measured quarterly or annually, subject to plan design and the availability of claims data.

An employer that discovers an HCSO failure can consider making a voluntary correction with the OLSE, which would require calculating and paying any missed HCEs for all covered employees over a three-year look-back period.

Finally, employers subject to the HCSO should become familiar with the notice-posting requirements, complaint process and penalties for noncompliance.

**Resources**

[rich.glass@mercer.com](mailto:rich.glass@mercer.com) and [patty.cartwright@mercer.com](mailto:patty.cartwright@mercer.com)  
[GRIST](#), Aug. 12, 2025

**US — Colorado (previously covered, now effective)**

**Status**  **Currently effective**

**Development**

**Health**

**Telehealth law takes effect**

A 2024 law (SB 24-141) that took effect on Jan. 1, 2026, allows licensed out-of-state healthcare providers to offer services through telehealth, as long as they complete a registration process.

**Resources**

[rich.glass@mercer.com](mailto:rich.glass@mercer.com)  
[SB 24-141](#) (Legislature, June 7, 2024)

**US — Colorado (previously covered, now effective)**

**Status**  **Currently effective**

**Development**

**Health**


**Law eliminates the exception for individual and small-group market-plans regarding abortion coverage mandate**

Building on last fall’s voter-approved Amendment 79, the law removes an individual and small group market plan exception to a state mandate to cover abortions without cost sharing. Exceptions continue to exist for grandfathered plans and employers with sincerely held religious beliefs in conflict with the mandate. The law also authorizes state funding of abortion services. The law took effect on Jan. 1, 2026.


**Resources**

[rich.glass@mercer.com](mailto:rich.glass@mercer.com)  
[SB 25-183](#) (Legislature, April 24, 2025)


**US — Colorado (previously covered, takes effect)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Paid family and medical leave changes take effect</b></p> <p>The paid family medical leave law provides an additional 12 weeks of paid leave for claims occurring on or after Jan. 1, 2026, when a child is receiving in-patient neonatal intensive care unit (often called NICU) services. This is in addition to other forms of leave available for pregnancy-related reasons. The law also decreased the overall contribution rate from 0.90% (2025) to 0.88% (2026). The rate has a 1.2% ceiling. The Family and Medical Leave Insurance (FAMLI) Division amended several sets of regulations, primarily to implement SB 25-144, which added neonatal intensive care as a permitted use. Highlights include:</p> <ul style="list-style-type: none"> <li>• “Neonatal intensive care unit” excludes well-baby nurseries, pediatric intensive care units and units not classified by the treating facility as NICU. The rules clarify the parameters for this leave, including documentation. For benefits starting in 2026, the FAMLI Division will withhold and remit federal income taxes from benefits for leave to care for a covered individual’s own serious health condition. Care for a family member encompasses assistance with basic medical, hygienic, nutritional, safety, transportation needs, physical care or psychological comfort.</li> <li>• An employer may require exhaustion of FAMLI leave as a condition to short-term disability or long-term disability or other separate bank of leave benefits. However, an employer cannot require an employee to exhaust available FAMLI leave or begin FAMLI leave as a condition to access leave that it is otherwise required to provide, like the Federal Medical Leave Act or state paid sick leave. Employees are not required to exhaust employer-provided benefits to access FAMLI benefits. Actions by employers suggesting otherwise may constitute unlawful interference.</li> <li>• Annual attestation is no longer required. Private plan benefits are not subject to Colorado income tax.</li> </ul>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">Rules and Guidance</a> (Department of Labor and Employment) and <a href="#">SB 25-144</a> (Legislature, May 30, 2025)</p>


**US — Colorado (previously covered, generally effective)**

<b>Status</b>	 <b>Generally effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>New law focuses on prior authorization practices for fully insured plans</b></p> <p>HB24-1149 applies to insurers, private utilization review organizations and pharmacy benefit managers for healthcare services and prescription drug (Rx) benefits covered by fully insured plans. The law imposes new website disclosure requirements and requires these entities to annually attest that they have reviewed all services and Rx subject to prior authorization and eliminated those that neither promote quality and equity nor substantially reduce costs. By Jan. 1, 2027, an electronic transmission system is required for prior authorizations. Entities will be prohibited from imposing prior authorization requirements more than once every three years for an FDA-approved chronic maintenance drug, except under specified conditions. The duration of an approved prior authorization for a health-care service or other Rx benefit will increase from 180 days to a calendar year.</p> <p>Other than the electronic system, the law took effect on Jan. 1, 2026. Colorado generally does not apply 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>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">HB24-1149</a> (Legislature, June 3, 2024)</p>


**US — Connecticut (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>2026 paid family medical leave rates take effect</b></p> <p>The paid family and medical leave (PFML) contribution rates and benefit maximums for 2026 are effective. The PFML contribution rate remains at 0.5% of wages (up to the Social Security maximum wage base), per a recent CT Paid Leave Authority announcement. The program does not require employer contributions. The maximum weekly benefit equals 60 times the state minimum wage, which increased from \$16.35 to \$16.94/hour in 2026. As a result, the maximum weekly benefit increased from \$981 to \$1,016.40.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">Information on Connecticut Paid Leave</a> (Government)</p>


**US — Delaware (previously covered, now effective)**

<b>Status</b>	 <b>Effective for plan years starting on or after Jan. 1, 2026</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Abortion coverage required</b></p> <p>The new law (2024 Ch. 84 (HS 2 for HB 110)) requires individual, group and blanket health insurance, Health Maintenance Organizations (HMOs) and Medicaid to cover abortion-related services without cost sharing up to a \$750 annual maximum per participant. A similar requirement applies to the state employee health plan, except the \$750 cap does not apply. A plan may not require a referral or require prior authorization. The law has an exclusion for religious employers and Health Savings Account-qualifying high-deductible health plans.</p> <p>The insurance and HMO provisions of the law took effect for plan years starting on or after Jan. 1, 2026. The provisions applicable to Medicaid and the state employee health plan took effect on Jan. 1, 2025. It is unclear if Delaware 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>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">2024 Ch. 84</a> (HS 2 for HB 110) (Legislature, Sept. 9, 2024)</p>


**US — Delaware (previously covered, now effective)**

<b>Status</b>	 <b>Effective for plan years starting in 2026.</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Doula coverage mandated</b></p> <p>A Delaware law requires fully insured plans to cover doula services. The scope of 2024 Ch. 84:420 (HB 362) includes support and assistance during labor and childbirth, prenatal and postpartum support and education and support for a mother after pregnancy loss. The law requires a minimum of six 90-minute visits (three each for prenatal and postpartum) and attendance during labor and birth. Plans may apply deductibles and other standard cost sharing and limit coverage to certified or registered doulas under standards similar to those applicable to the state’s Medicaid program, which already covers doulas.</p> <p>The law took effect for plan years starting in 2026.</p> <p>It is not clear if Delaware applies its insurance laws on an extraterritorial basis to fully insured plans issued in another state. The law does not apply to affect self-funded ERISA plans.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">2024 Ch. 84:420</a> (HB 362) (Legislature, Sept. 24, 2024))</p>

**US — Hawaii (new)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>2026 disability benefits rates take effect</b></p> <p>The Department of Labor and Industrial Relations posted the state's 2026 Temporary Disability Insurance (TDI) rates. Here are the 2026 TDI rates (Hawaii does not have a paid family leave mandate):</p> <ul style="list-style-type: none"> <li>• Maximum weekly wage base: \$1,500.21 (2026); \$1,441.72 (2025)</li> <li>• Maximum weekly employee contributions (0.5% of wages): \$7.50 (2026); \$7.21 (2025)</li> <li>• Maximum weekly benefit: \$871 (2026); \$837 (2025)</li> </ul>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">2026 maximum weekly wage base and maximum weekly benefit amount</a> (Department of Labor and Industrial Relations, Dec. 10, 2025)</p>

**US — Hawaii (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Prepaid Health Care Act Form HC-5 for 2026 issued</b></p> <p>Hawaii's Prepaid Health Care Act (PHCA) requires employers to offer health coverage to all eligible employees in the state. An employee may waive coverage under the employer's health plan if certain conditions apply, such as having other health coverage. To claim an exemption, the employee must complete and provide Form HC-5 (Employee Notification to Employer) to the employer. This notice is binding for only one year, so exempt employees must annually complete a new form by Dec. 31, using the current calendar year's form. The employer must keep this form on file.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">Form HC-5 employee notification to employer for calendar year 2026</a> (Department of Labor and Industrial Relations, October 2025) and <a href="#">Prepaid Health Care links</a> (Disability Compensation Division)</p>

**US — Illinois (previously covered, now effective)**

**Status**  **Currently effective**

**Development**

**Health**  
**Pharmacy benefit manager law takes effect**  
 The Prescription Drug Affordability Act (2025 Pub. Act 104-0027, HB 1697) imposes these limitations:

- Prohibition on requiring participant payment greater than the lesser of cost sharing, retail price, discounted price through a no-cost drug program, a manufacturer voucher or the discounted price through a discounted healthcare services plan
- No spread pricing
- No steerage to an affiliated pharmacy (including mail order and specialty) or different cost sharing or reimbursement
- 100% rebate pass-through to the plan sponsor, covered individual or employer
- No limits on drug access by designating a drug as a specialty drug
- An annual \$15 per-enrollee fee for all health benefit plans (starting Sept 1) to finance a newly created Prescription Drug Affordability Fund.

The law’s application to self-funded ERISA plans is not entirely clear. On the one hand, it defines health benefit plans to include “self-funded employee welfare benefit plans except for self-funded multiemployer plans that are nonfederal government plans [i.e., union plans].” On the other hand, the terms health insurer and insurer explicitly exclude a “plan sponsor of a self-funded, single-employer employee welfare plan or self-funded multiemployer plan subject to 29 U.S.C. 1144 [the preemption portion of ERISA].”

Other than the per-enrollee fee, the law took effect on Jan. 1, 2026. Illinois generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state.

**Resources** [rich.glass@mercer.com](mailto:rich.glass@mercer.com)  
[Prescription Drug Affordability Act](#) (2025 Pub. Act 104-0027, HB 1697) (Legislature, July 1, 2025)

**US — Illinois (previously covered, now effective)**

**Status**  **Effective for plan years starting in 2026.**

**Development**

**Health**  
**Colonoscopy coverage mandate takes effect**  
 Fully insured plans need to cover colonoscopies whenever deemed medically necessary under a new law. (The initial proposal was for ages 39-75.) The Affordable Care Act preventive health services standard (which allows in-network coverage at no cost) is 45 years of age. The law took effect for plan years starting in 2026. Illinois generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state. The law does not affect self-funded ERISA plans.

**Resources** [rich.glass@mercer.com](mailto:rich.glass@mercer.com)  
[2024 Pub. Act 103-0800](#) (HB 2385) (Legislature, Aug. 9, 2024)


**US — Illinois (previously covered, now effective)**

<b>Status</b>	 <b>Effective for plan years starting in 2026.</b>
<b>Development</b>	<p><b>Health</b>  <b>Fertility-related insurance laws takes effect</b></p> <p>A law expands fertility coverage to all insured plans and mandates an annual menopause health visit at no charge to participants. Under 2024 Pub. Act 103-0751 (SB 773), all fully insured plans must provide fertility coverage that includes diagnosis and treatment of infertility, including in vitro fertilization, and preimplantation screening and diagnosis of a fertilized egg in certain circumstances. The law also removed a religious exemption.</p> <p>The law also applies to the state governmental plan (through June 30, 2026), county/municipal governmental plans, school plans, HMOs, limited health service organizations and voluntary health services plans.</p> <p>Illinois generally does not apply 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>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">2024 Pub. Act 103-0751</a> (SB 773) (Legislature, Aug. 2, 2024)</p>

**US — Illinois (previously covered, now effective)**

<b>Status</b>	 <b>Effective for plan years starting in 2026.</b>
<b>Development</b>	<p><b>Health</b>  <b>Dependent coverage law takes effect</b></p> <p>Fully insured plans have to cover parents and stepparents who meet the qualifying relative dependent definition in § 152(d) of the Internal Revenue Code under a new law (2024 Pub. Act 103-0700, HB 5258). Illinois generally does not apply 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>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">2024 Pub. Act 103-0700</a>, HB 5258 (Legislature, July 19, 2024)</p>

**US — Illinois (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b>  <b>Pregnancy-related services coverage mandate takes effect</b></p> <p>A law requires fully insured plans to cover several pregnancy-related services. Under 2024 Pub. Act 103-0720 (HB 5142), fully insured plans in the state must cover pregnancy, postpartum (for at least 12 months after the end of pregnancy) and newborn care provided by perinatal doula or licensed midwives — without cost sharing — including home births, home visits and support during labor, abortion or miscarriage. Coverage includes necessary equipment and medical supplies. Required pregnancy, postpartum and newborn care must also include lactation consulting and the purchase of breast pumps and related supplies. The law provides an HSA-related exception for the above mandate, as well as the state’s existing abortion coverage mandate, also without cost sharing.</p> <p>Illinois generally does not apply 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>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">2024 Pub. Act 103-0720</a> (HB 5142) (Legislature, July 29, 2024)</p>

## US — Maine (previously covered, now effective)

### Status



Currently effective

### Development

#### Career — Health

##### Tax treatment of paid family medical leave benefits clarified

The Maine Department of Labor (MDOL) updated an employee FAQ (Q/A-26) to clarify state and federal taxation of paid family and medical leave (PFML) benefits, starting with the 2026 tax year. Essentially, MDOL follows federal guidance described in Revenue Ruling 2025-4. Here are the highlights:

- Family leave. Leave benefits related to family members are considered taxable non-wages (i.e., not subject to FICA (Social Security and Medicare taxes). At the end of the year, employees receiving this type of leave benefit will receive a Form 1099-G from the state.
- Medical leave. Leave benefits related to the employee's health condition are considered taxable wages to the extent attributable to employer contributions (the state's default position is a 50-50 split). The state will withhold FICA taxes from the benefit amounts. The state can also withhold additional amounts for state and federal taxes at the employee's election. The employer is responsible for reporting the leave benefits on Form W-2.
- Employee contributions. All employee contributions are on a post-tax basis. All employer contributions are nontaxable, unless the employer contributes more than required by law.
- PFML benefits become available in Maine on May 1, 2026. A few other states have provided PFML taxation guidance, including Colorado, Connecticut, Massachusetts and Minnesota.

### Resources

[rich.glass@mercer.com](mailto:rich.glass@mercer.com)

[Employee FAQ](#) (Government, November 2025)

## US — Massachusetts (previously covered, now effective)

### Status



Currently effective

### Development

#### Health

##### Pharmacy benefit manager, prescription law takes effect

2024 Ch. 342 (SB 3012), requires licensure of Pharmacy Benefit Managers (PBMs) and imposes requirements on health insurers and Medicaid. Highlights include:

- PBM licensure took 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 for a 30-day supply (brand name). These requirements took effect for contracts entered into, renewed or amended on or after July 1, 2025
- 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.


It is not clear if 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.

### Resources

[rich.glass@mercer.com](mailto:rich.glass@mercer.com)

[2024 Ch. 342](#) (SB 3012) (Legislature, Jan. 9, 2025)

**US — Massachusetts (previously covered, now effective)**

**Status**  **Currently effective**

**Development** **Health**  
**2026 individual-mandate coverage dollar limits**  
 The Massachusetts Health Connector released the 2026 dollar limits on deductibles and other cost sharing for minimum creditable coverage (MCC) requirements. Here are the 2026 rates:  
**Deductibles:**

- Individual tier: \$3,200 (2026), \$2,950 (2025)
- Individual tier separate prescription: \$400 (2026), \$360 (2025)
- Family tier: \$6,400 (2026), \$5,900 (2025)
- Family tier separate prescription: \$800 (2026), \$720 (2025)

**Out-of-pocket maximums:**

- Individual tier: \$10,150 (2026), \$9,200 (2025)
- Family tier: \$20,300 (2026), \$18,400 (2025)

In addition, the Department of Revenue recently announced the 2025 monthly penalties for uninsured Massachusetts residents (based on individual income as a percentage of the federal poverty level (FPL)):

- 150.1%-200% FPL: \$25
- 200.1%-250% FPL: \$49
- 250.1%-300% FPL: \$73
- 300.1%-400% FPL: \$113
- 400.1%-500% FPL: \$132
- Above 500% FPL: \$187

The state's individual mandate requires state residents to maintain MCC or face a potential state tax penalty. Plan sponsors (or their vendors) must determine whether coverage meets MCC standards.

**Resources** [rich.glass@mercer.com](mailto:rich.glass@mercer.com)  
[Administrative Information Bulletin 01-25](#) (Massachusetts Health Connector, Feb. 24, 2025); [TIR 25-1: Individual mandate penalties for tax year 2025](#) (Government, Feb. 3, 2025) and [HHS poverty guidelines for 2025](#) (ASPE)

**US — Minnesota (previously covered, now effective)****Status****Currently effective****Development****Career — Health****Paid family and medical leave law takes effect**

A 2023 law (2023 Ch. 59, HF 2) provides covered employees paid leave to bond with a new child, care for a family member, attend to a serious health condition, or to manage a qualifying military exigency or for safety leave (i.e., domestic abuse, sexual assault or stalking). The law went took effect on Jan. 1, 2026. The Department of Employment and Economic Development (MN DEED) provided guidance. Highlights include:


- **Applicability.** Employers with one or more employees in the state are covered. Seasonal hospitality employees who work 150 days or less in any 52-week period are the only meaningful exclusion from the definition of covered employee. Covered family members include domestic partners, in-laws, grandparents/grandchildren and any individual whose relationship “creates an expectation and reliance that the applicant care for the individual, whether or not the applicant and the individual reside together.” Self-employed individuals are also eligible for PFML coverage.
- **Funding.** A 2025 law decreased the overall contribution cap from 1.2% to 1.1% of wages. Contributions are set at 0.88% (up to the Social Security maximum). Minnesota splits the contribution rate into two buckets: medical leave and family leave. The new contribution rates are 0.61% for the employee’s medical care (up from 0.3%), and 0.27% (down from 0.4%) to care for family members. A small employer contribution rate is available for employers with fewer than 30 Minnesota employees, if the average employee wage is less than 150% of the statewide average weekly wage. This rate is now 0.22%. The employee contribution rate is unaffected by whether an employer qualifies for the small employer contribution rate.
- **Duration.** Medical leave is for up to 12 weeks in a benefit year or 12 weeks minus the weeks used for family, military and safety leave plus eight weeks. Likewise, duration of family, military and safety leave is for up to 12 weeks or 12 weeks minus the weeks used for medical leave plus eight weeks. Stated another way, the leave maximum is 20 weeks per benefit year.

**Resources**


[rich.glass@mercer.com](mailto:rich.glass@mercer.com)


[MN Stat. Ch. 268B](#); [MN DEED website](#); [FAQs and premium rate and contributions](#) (Government, Feb. 25, 2025); [Permanent regulations](#) (Government, May 29, 2025) and [2025 Ch. 6](#) (SB 17) (Legislature, June 14, 2025)

**US — Minnesota (previously covered, now effective)**


<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b>  <b>Rest and meal break requirements for employees clarified</b></p> <p>SF 17 clarifies rest and meal breaks for employees in Minnesota. Employers must provide “a rest break of at least 15 minutes or enough time to utilize the nearest convenient restroom, whichever is longer.” Meal breaks must be at least 30 minutes for employees working for a minimum of six consecutive hours. Currently, employers only need to provide “adequate time” for rest breaks and “sufficient time to eat” for meal breaks. The law also makes changes to the state’s paid family and medical leave and its paid sick and safe leave programs</p>
<b>Resources</b>	<a href="#">SF 17</a> (Legislature, June 14, 2025)

**US — Nebraska (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b>  <b>Pharmacy benefit manager law takes effect</b></p> <p>LB 198 prohibits these actions by pharmacy benefit managers (PBMs) working on behalf of fully insured plans:</p> <ul style="list-style-type: none"> <li>• Applying stricter terms and conditions to an unaffiliated specialty pharmacy than those for any affiliated specialty pharmacy</li> <li>• Mandatory mail-order programs</li> <li>• Required use of an affiliated pharmacy</li> <li>• Participant auto-enrollment in a mail-order program, except for maintenance drugs</li> <li>• Stopping or limiting participant use of any in-network pharmacy</li> <li>• Transferring a prescription to another pharmacy without participant consent</li> <li>• Penalizing a pharmacy for refusing to fill a prescription below its acquisition cost</li> <li>• Including spread pricing in a contract</li> </ul> <p>The law took effect on Jan. 1, 2026, except contract extensions may still include spread pricing for contracts executed before Jan. 1, 2026. However, this exception will expire on Jan. 1, 2029. Nebraska generally does not apply its insurance laws on an extraterritorial basis to state residents covered by fully insured plans issued in another state. The law does not affect self-funded ERISA plans.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">LB 198</a> (Legislature, May 21, 2025)</p>

US — Nevada (previously covered, now effective)	
Status	 <b>Effective for plan years starting in 2026</b>
Development	<p><b>Health</b></p> <p><b>Fertility mandate law takes effect</b></p> <p>Fully insured plans, Health Maintenance Organizations, managed care organizations and state Medicaid must cover fertility preservation services when a participant has a breast or ovarian cancer diagnosis. The law took effect for plan years starting in 2026.</p> <p>Nevada generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state.</p>
Resources	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">2025 Ch. 428</a> (AB 428) (Legislature, June 5, 2025)</p>
US — New Hampshire (previously covered, now effective)	
Status	 <b>Currently effective</b>
Development	<p><b>Health</b></p> <p><b>Ground ambulance surprise billing banned</b></p> <p>New Hampshire has enacted an insurance law prohibiting surprise billing and establishing reimbursement rates for ground ambulance services — an unaddressed area in the federal No Surprises Act (NSA) enacted in 2020. Starting in 2026, SB 245 stops ground ambulances from balance billing participants. The prohibition does not apply to scheduled inter-facility transfers if a provider satisfies the NSA’s notice and consent requirements. For 2026 and 2027, the law requires insurers to reimburse ground ambulance providers at a rate of 3.25 times the Medicare rate. Thereafter, the insurance commissioner will set the rate.</p> <p>New Hampshire generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state, unless the principal worksite of state residents is in New Hampshire. The law does not affect self-funded ERISA plans.</p>
Resources	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">Governor Ayotte signs new law to protect Granite Staters from surprise ambulance bills and ensure fair EMS reimbursement</a> (Governor’s office, July 31, 2025) and <a href="#">SB 245</a> (Legislature, July 31, 2025)</p>
US — New Jersey (previously covered, now effective)	
Status	 <b>Currently effective</b>
Development	<p><b>Career</b></p> <p><b>Law prohibits employers’ captive-audience meetings on unionization</b></p> <p>New Jersey’s legislation (A 4429) extends the prohibition on required employer-sponsored meetings (captive audience meetings) to include an “employee’s decision to join or support a labor organization or association.” Employers must post a notice of employee rights in a conspicuous place reserved for employment-related notices and in a place commonly frequented by employees. The law took effect on Dec. 2, 2025 — 90 days after enactment. Twelve other states have laws banning captive audience meetings, and the National Labor Relations Board ruled in 2024 that these types of meetings are unlawful. The Trump administration is likely to restore employers’ power to force workers to attend captive audience meetings.</p>
Resources	<a href="#">A 4429</a> (Legislature)


**US — New Jersey (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b>  <b>2026 paid family medical leave rates take effect</b></p> <p>2026 paid family and medical leave (PFML) rate changes are now effective. Temporary disability insurance (TDI) and family leave insurance (FLI) together constitute PFML in the state. Employers must collect and remit contributions up to the \$171,100 taxable wage base for 2026, up from \$165,400 in 2025. The 2026 maximum TDI/FLI weekly benefit rate of \$1,199 reflects an increase from \$1,081 in 2025. Employer FLI contributions are not required.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">Rate information, contributions and due dates</a> (Department of Labor &amp; Workforce Development)</p>


**US — New York (new)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b>  <b>HSA-insurance compatibility law now enacted</b></p> <p>New York passed a law that ensures its insurance mandates do not inadvertently make participants ineligible for contributions to a health savings account (HSA).          Under 2025 Ch. 625 (AB 5367), any insurance cost-sharing mandate in the individual or group market applies only after the minimum deductible has been met, to the extent necessary to maintain the plan’s status as an HSA-qualifying high-deductible health plan. The law aligns with a November 2023 resolution by the National Council of Insurance Legislators. The law took effect on Dec. 12, 2025.          New York generally does not apply 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>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">2025 Ch. 625</a> (AB 5367) (Legislature, Dec. 12, 2025)</p>

**US — New York (new)**

<b>Status</b>	 <b>Effective Jan. 1, 2027</b>
<b>Development</b>	<p><b>Career —Health</b>  <b>Paid family leave law for unionized construction employees expanded</b></p> <p>Eligibility for New York’s paid family leave (PFL) law requires at least 26 consecutive weeks with the current employer for full-time employees, 175 workdays for part-time employees. A new law makes certain construction employees not meeting those standards eligible for PFL benefits.          Under 2025 Ch. 651 (AB 4727), construction employees covered by a collective bargaining agreement (CBA) will become eligible if they worked at least 26 of the last 39 weeks with any employer that is a party to the CBA. Construction employees are those who “who perform construction, demolition, reconstruction, excavation, rehabilitation, repairs, renovations, alterations, or improvements.” The law will take effect on Jan. 1, 2027.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">2025 Ch. 651</a> (AB 4727) (Legislature, Dec. 19, 2025) and <a href="#">PFL construction bill signed</a> (Government, Dec. 19, 2025)</p>


**US — New York (previously covered, now effective)**

**Status**  **Currently effective**

**Development** **Career — Health**  
**Maximum weekly paid family leave rate changes take effect**  
 The Department of Financial Services increased the maximum weekly paid family leave (PFL) benefit for 2026 from \$1,777.32 to \$1,228.53. Employee PFL contributions increased from 0.388% to 0.432% of an employee’s wages. The maximum annual employee contribution is \$411.31, up from \$354.53. Employers do not contribute to the PFL fund. New York also has a disability benefits law, where employee contributions are set by statute at 0.5% of wages up to a maximum of \$0.60 per week.


**Resources** [rich.glass@mercer.com](mailto:rich.glass@mercer.com)  
[New York paid family leave updates for 2026](#) (New York State) and [Decision on premium rate for paid family leave benefits and maximum employee contribution for coverage beginning Jan. 1, 2026](#) (Department of Financial Services, Aug. 29, 2025)

**US — New York — New York City (new)**


**Status**  **Multiyear implementation**

**Development** **Career**  
**Large private employers required to report pay data by employees’ race and gender**  
 On Dec. 4, 2025, the New York City council voted to override the Mayor’s vetoes of two bills that will require annual pay data reporting and pay analysis. There is a multiyear implementation of the laws. California and Illinois already have similar pay data reporting laws.  
**Pay data reporting.** Int. 982-2025-A will require private employers with 200 or more employees to report aggregated pay data by employees’ race and gender to an agency designated by the mayor — the designation must be made within one year. The agency will then have one year to create the reporting system and standardized fillable form, which may be electronic or web-based. One year after the form is published, private employers with 200 or more employees must make their first annual pay data report to the designated agency. The reporting framework will be modeled after former federal pay data reporting requirements (EEO-1 Component 2 for reporting years 2017 and 2018), but the agency has discretion to adopt modifications. Employers can submit the data anonymously but must separately submit a signed statement confirming the accuracy of their submission. The agency will publish annually a list of employers who are not in compliance. Prior to publication, the agency must notify the employer and give 30 days to comply. After this time, employers will be fined \$1,000 for the first offence, and \$5,000 for any subsequent offense.  
**Pay equity study.** Int. 984-2024A complements the reporting requirement and requires the designated agency, in coordination with the Commission on Gender Equity and other relevant agencies, to conduct an annual pay equity study audit based on the submitted data and prepare and publish recommendations for employer action plans for addressing pay disparities.

**Resources** [Int. 982-2025-A](#) (The New York City Council, Dec. 4, 2025)

US — New York — New York City (previously covered, now effective)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Amended Earned Sick and Safe Time Act adds permitted uses</b></p> <p>New York City’s amended the Earned Sick and Safe Time Act has added these permitted uses:</p> <ul style="list-style-type: none"><li>• Providing care for a child or care recipient</li><li>• Attending a legal proceeding for subsistence benefits or housing</li><li>• Responding to a public disaster or to respond to workplace violence.</li></ul> <p>The law also provides an additional 32 hours of unpaid safe/sick time, available upon hire and on the first day of each calendar year. This will replace the two days that were provided by the Temporary Schedule Change Act. Employees will still be able to request temporary changes to their work schedule, subject to employer approval.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">Law 2025/145</a> (Legislature, Oct. 25, 2025); <a href="#">Paid safe and sick leave law</a> (New York City); and <a href="#">Temporary Schedule Change Law</a> (New York City)</p>

**US — Oregon (new)**

**Status**  **Currently effective**

**Development**

**Career — Health**

**Paid family and medical leave and paid sick and safe leave guidance finalized**


Finalized paid family and medical leave (PFML) guidance implement changes from recently enacted legislation under the Paid Leave Oregon (PLO) program as well as job protections. Finalized rules on permissible use of paid sick and safe leave (PSSL) were also issued. Here is a summary of the three sets of regulations:

- **PLO changes.** Changes from three laws — SB 913 (in 2023) and SB 69 and SB 858 (both in 2025) — were incorporated. The Oregon Employment Department clarified who may act on behalf of incapacitated or deceased claimants and described the program’s actions if a claimant started a leave benefit year under an equivalent plan prior to applying for benefits. The term “in loco parentis” was defined to be based on the “totality of the circumstances.” These laws limited leave to care for a child to those under age 18 or with a limiting physical impairment and disqualified employees receiving unemployment benefits during leave.
- **Job protections.** The rules were changed to comply with SB 69, requiring job restoration (including any equivalent position within a 50-mile radius for employers with 25 or more employees) if an employee was employed at least 90 consecutive calendar days before taking PLO leave. An exception exists if an employee would have been terminated or reassigned but for taking the leave. Benefits must also be restored upon return to work.
- **PSSL permissible uses.** Changes from three laws — SB 1515 (2024) and SB 69 and SB 1108 (both in 2025) — were incorporated. Specifically, PSSL may be used for blood donation approved or accredited by the American Association of Blood Banks or the American Red Cross.

These rules took effect on Jan. 1, 2026.

**Resources** [rich.glass@mercer.com](mailto:rich.glass@mercer.com)  
[Division 70 rules: Paid Leave Oregon](#) (Secretary of State, Dec. 29, 2025); [Division 9: Employee leave laws](#) (Secretary of State, Dec. 30, 2025); [Division 7: Oregon sick time](#) (Secretary of State, Dec. 19, 2025); [GRIST](#), regularly updated and [GRIST](#), regularly updated

**US — Oregon (previously covered, now effective)**

**Status**  **Currently effective**

**Development**


**Career — Health**

**Paid family medical leave rates drop to 9%**


The paid family and medical leave (PFML) overall contribution rate decreased from 1% to 0.9% of wages. Under the Paid Leave Oregon program, employees pay 0.6% (0.54% in 2026) and employers with 25 or more employees (including out-of-state workers) pay 0.4% (0.36% in 2026). Employers with fewer than 25 employees are not required to contribute; employees do not make up the difference in that event. The taxable wage base continues to align with the Social Security maximum taxable wage base (\$184,500 in 2026).

**Resources** [rich.glass@mercer.com](mailto:rich.glass@mercer.com)  
[Current tax and contribution rates](#) (Employment Department) and [State paid family and medical leave contributions and benefits](#), regularly updated


**US — Oregon (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Paid sick and safe leave allowed for voluntary blood donation</b></p> <p>Effective Jan. 1, 2026, SB 1108 allows PSSSL for voluntary blood donation, if approved or accredited by the American Association of Blood Banks or the American Red Cross.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">SB 1108</a> (Legislature)</p>


**US — Oregon (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Network adequacy standards increased</b></p> <p>Oregon expanded its provider network law to include reproductive healthcare, among other changes. SB 822 directs the Department of Consumer and Business Services (DCBS) to develop network adequacy regulations consistent with federal rules applicable to ACA qualified health plans. Specifically, networks must provide appropriate and culturally competent care to enrollees, including those with diverse cultural and ethnic backgrounds, varying sexual orientations and gender identities, disabilities, or physical and mental health conditions. Insurers may not use telemedicine providers to meet these standards, except as permitted by DCBS rules. The law took effect on Jan. 1, 2026. Oregon generally does not apply 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>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">SB 822</a> (Legislature)</p>


**US — Oregon (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Telehealth law takes effect</b></p> <p>HB 3727 allows physicians and physician associates to use telehealth services for patients who are temporarily out of state if services are temporary, urgent or emergent, or necessary to ensure continuity of care and there is an existing patient-provider relationship. The law took effect on Jan. 1, 2026.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">HB 3727</a> (Legislature)</p>


**US — Pennsylvania (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b>  <b>Pharmacy benefit manager law takes effect</b></p> <p>The Pharmacy Benefit Reform Act (2024 Pub. Act 77, HB 1993) aims to provide “stronger protections for patients in Pennsylvania and increased regulatory oversight.”</p> <p>Pharmacy benefit managers (PBMs) have to apply reimbursement parity between affiliated and nonaffiliated pharmacies and be unable to steer participants to use a mail order or affiliated pharmacy. PBMs are restricted on how they can define specialty drugs for purposes of designating an exclusive specialty pharmacy network. A 95% rebate pass-through to the plan is required if rebate negotiation is delegated to the PBM in the contract. The law also establishes network adequacy standards and a PBM reporting program.</p> <p>The law explicitly exempts PBMs working on behalf of self-funded ERISA plans. The law applies to insurance policies approved and pharmacy contracts issued, renewed, or amended after Nov. 14, 2025. New reporting requirements took effect in 2026. Pennsylvania generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state, as long as the employer’s principal office is located outside of Pennsylvania.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">2024 Pub. Act 77</a>, HB 1993 (Legislature, July 17, 2024)</p>


**US — Puerto Rico**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b>  <b>Benefit and leave laws vary</b></p> <p>Puerto Rico is an unincorporated territory within the US with a separate tax code, constitution, and benefit and insurance laws. Nonetheless, many (but not all) US laws apply to this territory of approximately 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.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">GRIST</a>, Aug. 12, 2024</p>


**US — Rhode Island (new)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b>  <b>Paid family medical leave rates take effect</b></p> <p>The Department of Labor and Training announced the contribution rate and taxable wage base for 2026 under its Temporary Disability Insurance (TDI) program. TDI is the nonwork-related disability portion of the state’s paid family and medical leave (PFML) program.</p> <p>The 2026 contribution rate is 1.1%, down from 1.3% percent in 2025. As a result, the maximum 2026 TDI contribution is \$1,100.00, down from \$1,159.60 in 2025.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a>  <a href="#">2026 tax rates for unemployment insurance and temporary disability insurance</a> (Government, Dec. 18, 2025)</p>


**US — Rhode Island (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Paid family medical leave law modified</b></p> <p>SB 974 increased the taxable wage base — which sets the maximum employee contribution for Temporary Disability Insurance (TDI) and Temporary Caregiver Insurance (TCI) portions of Paid Family Medical Leave — to \$100,000, effective Jan. 1, 2026. The benefit rate is currently 4.62% of the highest quarterly earnings in the base period (subject to a weekly cap). This rate will increase to 5.38% (starting in 2027) and 5.77% (starting in 2028). The law also expanded TCI to cover an employee’s siblings, retroactive to Jan. 1, 2025.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">SB 974</a> (Legislature)</p>


**US — Rhode Island (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Law allows employees donating a living organ or bone marrow to take paid family medical leave</b></p> <p>Effective Jan. 1, 2026, HB 6065/SB 829A allows employees participating as a living organ or bone marrow transplant donor to take temporary disability insurance benefits under the state’s paid family and medical leave (PFML) program. Paid leave is available to cover time for procedures, medical tests and surgeries related to the donation. The duration limit is no more than 30 business days of recovery from a living organ transplant and five business days of recovery from a bone marrow transplant.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">HB 6065/SB 829A</a> (Legislature)</p>

**US — Texas (new)**

<b>Status</b>	 <b>Effective for plan years starting on or after Jan. 1, 2026.</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Coverage required for adverse effects of gender transition</b></p> <p>SB 1257 applies to fully insured plans, fully insured and self-funded multiple employer welfare arrangements (i.e., MEWAs), self-funded professional employer organizations (i.e., PEOs) and Medicaid that cover gender transition procedures and treatment to cover these additional services:</p> <ul style="list-style-type: none"> <li>• All adverse consequences, including short- and long-term side effects</li> <li>• Necessary baseline and follow-up testing or screening, at least annually</li> <li>• Any procedures, treatments or therapy needed to manage, reverse, reconstruct from or recover from gender transition.</li> </ul> <p>This additional coverage must be available even if the participant was not enrolled in the plan for the original procedure or treatment. The law is effective for plans starting in 2026. Montana recently enacted a similar law. Texas generally applies its insurance laws on an extraterritorial basis to state residents covered by fully insured plans issued in another state. Other than MEWAs and PEOs, the law does not affect self-funded ERISA plans.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">SB 1257</a> (Legislature, May 4, 2025)</p>

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

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Paid family and medical leave contribution increases and benefits for 2026</b></p> <p>Paid family and medical leave (PFML) contributions increased to 1.13% of wages, up from 0.92%, starting in 2026. The employer portion of that rate is 28.57% (0.32284%); the employee portion is 71.43% (0.80716%). Employers with fewer than 50 Washington employees are not required to contribute, but they must still collect and remit employee contributions or pay their portion on their behalf. The maximum wage base for contributions equals the Social Security maximum taxable wage base (\$184,500 in 2026).</p> <p>PFML benefits are calculated at 90% of an employee’s average weekly wage (AWW) up to 50% of the most current state AWW (\$1,813 for 2024, almost a 6% increase from \$1,714 in 2023), and 50% for AWW over 50% of the state’s AWW. The prior year's AWW is used to calculate the next year's PFML maximum weekly benefit amount, which is \$1,647 (2026), up from \$1,542 (2025). The minimum weekly benefit amount stayed at \$100 for 2026.</p>
<b>Resources</b>	<p><a href="mailto:rich.glass@mercer.com">rich.glass@mercer.com</a></p> <p><a href="#">Paid family and medical leave premium rate</a> (Employment Security Department, Oct. 29, 2025); <a href="#">Social security contribution and benefit base</a> (Government) and <a href="#">Washington’s average wage increased to \$95,160 in 2024</a> (Employment Security Department, June 6, 2025)</p>

**US — Washington (new)**

**Status**  **Currently effective**

**Development** **Career — Health**  
**Paid family medical leave and long-term care regulations finalized**  
 The Employment Security Department issued final regulations related to the state's paid family and medical leave (PFML) and long-term care (LTC) programs, consistent with legislation enacted earlier in 2025.  
**PFML.** The rules (see CR-103) implement portions of HB 1213 regarding benefit eligibility requirements, employer sizing, small business grants, employment restoration rights, notices and continuation of health benefits. Highlights include:

- Reduction in the minimum leave taken during the seven-day waiting period, from eight to four consecutive hours; leave taken during the waiting period is non-compensable
- Revised process for determining employer size, based on requiring reporting
- Documentation requirements for small business assistance grants


**LTC.** The rules (also see CR-103) implement parts of SB 5291, which amended the state's LTC coverage mandate (known as WA Cares), requiring residents to contribute to the state program through a 0.58% payroll deduction. Specifically, the rules address:

- Automatic exemptions for holders of a nonimmigrant visa for temporary workers
- Voluntary exemptions off-duty civilian employment for active-duty service members
- The process for rescinding an exemption, from Jan. 1, 2026, through June 30, 2028
- Removal of the requirement that qualified individuals cannot have a break of five or more consecutive years.

Both sets of rules took effect Jan. 1, 2026.

**Resources** [rich.glass@mercer.com](mailto:rich.glass@mercer.com)  
[Rules](#) (Government Paid Leave) and [Long-term services and supports \(LTSS\) rulemaking](#) (Employment Security Department)

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

**Status**  **Currently effective**

**Development** **Career — Health**  
**Hate crimes added as a permitted use of paid or unpaid domestic violence leave**  
 Effective Jan. 1, 2026, SB 5101 adds hate crimes as a permitted use of paid or unpaid domestic violence leave. Any permitted use of domestic violence leave also qualifies as a permitted use under the state's paid sick and safe leave (PSSL) mandate. The criminal statute broadly defines hate crimes to include harmful acts based on a person's race, color, religion, ancestry, national origin, gender, sexual orientation, gender expression or identity, or mental, physical or sensory disability.

**Resources** [rich.glass@mercer.com](mailto:rich.glass@mercer.com)  
[SB 5101](#) (Legislature, May 20, 2025)

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

### Status



Currently effective

### Development

#### Career — Health

##### **Paid family medical leave grant program, job protections expanded**

Effective Jan. 1, 2025, a Washington law extends small business grant assistance to employers with fewer than 50 employees working in the state under its paid family and medical leave (PFML) program. Similarly, the scope of job protections increased in terms of employer applicability and employee eligibility.

Washington's law exempts employers with fewer than 50 employees in the state from the PFML program. It offers employers in the 50-150 range a \$3,000 grant for hiring a temporary replacement worker for at least seven days or a \$1,000 grant if the employer incurs significant additional wage-related costs due to the leave. An annual 10-grant limit applies.

Under 2025 Pub. Law 304 (HB 1213), these grants are available to under-50 employers that voluntarily provide PFML, except that \$3,000 is available for both reasons.

The law also modified job protections. Previously, an employee had to work at least 12 months with at least 1,250 hours of service with the same employer, which had to employ at least 50 Washington employees. Now, employees need only work at least 180 calendar days for the same employer before taking leave to be eligible for job-protected leave. Job protections will now apply to smaller employers, according to this schedule:

- 25 or more employees, starting Jan. 1, 2026
- 15 or more employees, starting Jan. 1, 2027
- Eight or more employees, starting Jan. 1, 2028

Employers must now also maintain health coverage for any PFML period. The minimum duration for a PFML claim decreased from eight to four consecutive hours.

### Resources

[rich.glass@mercer.com](mailto:rich.glass@mercer.com)

[2025 Pub. Law 304](#) (HB 1213) (Legislature, May 17, 2025)

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

**Status**  **Currently effective**

**Development**

**Health**

**Pharmacy benefit manager law takes effect**

SB 5213 is a pharmacy benefit manager (PBM) law amended by the House to allow (instead of require) self-funded ERISA plans to participate in the law’s major provisions. Highlights include:

- Requires PBMs to apply the same fees and conditions to mail-order pharmacies that apply to other in-network pharmacies
- Prohibits PBMs from imposing additional credentialing or other requirements for participation in any network (including specialty)
- Bars PBMs from reimbursing network pharmacies less than the PBM’s contract price with an insurer, third-party payor or other purchaser.

Of course, a self-funded ERISA plan wanting to have the law’s provisions apply could (as an alternative) simply work to negotiate similar terms in its PBM services contract.

The law took effect on Jan. 1, 2026.

**Resources**

[rich.glass@mercer.com](mailto:rich.glass@mercer.com)  
[SB 5213](#) (Legislature, March 25, 2024)

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

**Status**  **Currently effective**

**Development**

**Health**

**Hotel medical rates released for 2026**

The 2026 monthly rates that covered hotel industry employers must make to or on behalf of each covered employee for medical care will increase based on family status:

- Employee only (no children, spouse/domestic partner) — \$561 (2025), \$612 (2026)
- Employee + dependent(s) — \$955 (\$1,043)
- Employee + spouse/domestic partner — \$1,124 (\$1,225)
- Employee + spouse/domestic partner + dependent(s) — \$1,686 (\$1,837).

The ordinance (Mun. Code Ch. 14.28) applies to most businesses that own, control, or operate a Seattle hotel or motel with 100 or more guest rooms and to “ancillary hotel businesses” with 50 or more employees worldwide.

**Resources**

[rich.glass@mercer.com](mailto:rich.glass@mercer.com)  
[Improving Access to Medical Care for Hotel Employees Ordinance](#) (Office of Labor Standards)

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

**Development**

**Career — Health**

- [Salary and benefit disclosures in job postings to be required in Delaware](#) — key date: Sept. 26, 2027
- [Paid family and medical leave law tweaked in Maine](#) — key date: May 1, 2026
- [Leave to be required for employee blood and organ donation in Illinois](#) — key date: June 1, 2026
- [Leave required for employees with a child in a neonatal intensive care unit in Illinois](#) — key date: June 1, 2026
- [Paid family medical leave law delayed in Maryland](#) — key date: Jan. 1, 2027
- [Paid family medical leave law enacted in California](#) — key date: July 1, 2028

**Health**

- [Prior authorization report law enacted in California](#) — key date: Reports must be provided by July 1, 2026.
- [Upper prescription drug limit set in Colorado](#) — key date: Effective date unknown

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

**Development**

**Health**

- [Immunization law enacted in New Mexico](#) — key date: July 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
- [Insurance law mandates gender detransition coverage in Montana](#) — key date: Oct. 1, 2026
- [State-based exchange delivery to change in Oregon](#) — key date: Nov. 1, 2026
- [Three covered services added to California's benchmark plans](#) — key date: If approved by federal Department of Health and Human Services, inclusion will start in 2027
- [Pharmacy benefit manager law enacted in Colorado](#) — key date: Jan. 1, 2027
- [Obesity and pre-diabetes treatment coverage mandated in Colorado](#) — key date: Jan. 1, 2027
- [Ground ambulance law passed in Illinois](#) — key date: Jan. 1, 2027
- [Telehealth reimbursement parity extended in Hawaii](#) — key date: Dec. 31, 2027

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

**Development**

**Wealth**

- [Employer contributions to Trump accounts can begin](#) — key date: July 2026
- [Rules finalized for SECURE 2.0 'super catch-up' contributions](#) — key date: 2027 plan year

**Uruguay (new)**

**Status**



**Partially effective.**

**Development**

**Career**

**Two-phase minimum wage will increase in 2026**

In 2026, the national monthly minimum wage will increase in two phases to UYU\$25,383 by July 2026. On Jan. 1, 2026, the first increase was to UYU\$24,572, up from UYU\$23,604.



**Resources**

[Announcement](#) (Spanish) (Ministry of Labor, Dec. 9, 2025)


## Section 4

# Asia Pacific

Australia (new)	
Status	 <b>Priorities for 2026</b>
Development	<p><b>Wealth</b></p> <p><b>Australian Securities and Investments Commission announces 2026 enforcement priorities</b></p> <p>Private credit practices, financial reporting misconduct, insurance complaints and claims handling and misleading pricing are among the range of new enforcement priorities the Australian Securities and Investments Commission (ASIC) unveiled for 2026. Highlights include:</p> <ul style="list-style-type: none"> <li>• Misleading pricing practices that impact cost of living for Australians; poor private credit practices, financial reporting misconduct including failure to lodge financial reports, claims and complaint handling failures by insurers, continuing work to hold those responsible for the collapse of the Shield, and First Guardian Master Funds.</li> <li>• Continuing enforcement priorities include strengthened investigation and prosecution of insider trading conduct, misconduct exploiting consumers facing financial difficulty including predatory credit practices, unlawful practices seeking to evade small business creditors, holding super trustees to account for member services failures and auditor misconduct.</li> </ul>
Resources	<p><a href="mailto:anthony.nemec@mercer.com">anthony.nemec@mercer.com</a></p> <p><a href="#">ASIC enforcement priorities</a> (ASIC)</p>
Australia (previously covered)	
Development	<p><b>Wealth</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Anti-money laundering, counter-terrorism legislation effective</a> — key date: March 31, 2026</li> <li>• <a href="#">Superannuation, Medicare implications of 2025/26 federal budget highlights</a> — key date: July 1, 2026</li> <li>• <a href="#">Superannuation service standards for claims handling released</a> — key date: July 1, 2026</li> </ul>

China (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Changes to the National Drug Catalog to improve coverage level take effect</b></p> <p>Effective Jan. 1, 2026, the National Drug Catalog added 114 drugs, including 50 Class 1 innovative drugs, and the removal of 29 drugs that are not clinically available or can be better replaced by other drugs.</p> <p>Changes to the National Basic Medical Insurance, Maternity Insurance and Work Injury Insurance Drug Catalog and the Commercial Health Insurance Innovative Drug Catalog integrate commercial and basic insurance that were announced by the National Health Insurance Administration and Ministry of Human Resources and Social Security.</p> <p>After the adjustment, the total number of drugs in the catalog increased to 3,253, including 1,857 Western medicines and 1,396 traditional Chinese medicines. As a result, the coverage levels in key areas such as oncology, chronic diseases, mental illnesses, rare diseases and pediatric medications are significantly improved.</p>
<b>Resources</b>	<a href="#">Announcement</a> (Chinese) (Government, Dec. 9, 2025)
China (previously covered, with upcoming effective date)	
<b>Development</b>	<p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Preferential taxation policy for expatriates expanded</a> — key date: Dec. 31, 2027</li> <li>• <a href="#">Preferential taxation policy for annual one-time bonus extended</a> — key date: Dec. 31, 2027</li> </ul>
Hong Kong (previously covered, soon to be effective)	
<b>Status</b>	 <b>Effective Jan. 18, 2026</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Working time threshold for ‘continuous contracts’ reduced</b></p> <p>Hong Kong’s Employment (Amendment) Bill 2025 passed the Legislative Council on June 18, 2025, and will reduce the number of hours that an individual must work in order to have a “continuous contract” under the Employment Ordinance (EO). The measures will increase the number of employees who enjoy comprehensive employment rights and provide them with more flexibility as to how the working hours threshold can be calculated.</p> <p>The working hours threshold required for a “continuous contract” is reduced to 17 hours, down from 18. Alternatively, employees will be allowed to aggregate their working hours in any specified four-week period. If an employee works for fewer than 17 working hours in one of the weeks during the four-week period, they will still be deemed to have a continuous contract if the number of working hours in that week, and those of the three weeks immediately preceding, total 68 hours.</p> <p>Other provisions of the EO are unchanged.</p>
<b>Resources</b>	<a href="#">Employment (Amendment) Bill 2025</a> (Legislature, June 18, 2025)

**Hong Kong (previously covered, now effective)**

**Status**  **Currently effective.**

**Development**

**Health**



**Revised fee schedule for public healthcare services takes effect**



A revised fee schedule for public healthcare services provided in Hong Kong’s public hospitals for eligible individuals took effect on Jan. 1, 2026. The schedule follows the Public Healthcare Fees and Charges Reform, initiated jointly by the Health Bureau (HHB) and the Hospital Authority (HA), and includes other measures. Highlights include:


- Five key principles will be achieved over a five-year period, including a requirement for copayment by individuals who can afford it, and by those with mild health conditions, and a continued “high level of subsidy ... with the target of maintaining the 90% overall public subsidization rate.”
- Restructure of the subsidy amounts for various services. More patients with critical illnesses, including those from middle-income families, will receive subsidies for drugs and medical devices.
- Enhancement of the medical fee waiver mechanism, which is expected to benefit 1.4 million poorer individuals (up from 0.3 million)
- Introduction of a cap on annual spending, which will benefit 70,000 patients with serious illnesses.
- Stronger protection for patients with critical illnesses regarding required drugs and medical devices.


Meanwhile, the HHB will address other healthcare reforms, such as primary healthcare services, HA governance, private healthcare fee transparency, the Voluntary Health Insurance Scheme, and the approval, registration, introduction and procurement of drugs and medical devices. The HA is also reviewing fees for non-eligible persons, private services in public hospitals, and remaining individual fee items for public healthcare services. Further announcements will be made upon completion of the review.



**Resources** [Revised fee schedule](#) (Chinese) (Government) and [Fee schedule for public healthcare services gazette to take effect on January 1 next year](#) (Government, April 25, 2025)


<b>India (new)</b>	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Wealth</b></p> <p><b>Pension Fund Regulatory and Development Authority changes to the National Pension system announced</b></p> <p>The Pension Fund Regulatory and Development Authority has issued various changes to the National Pension System, effective Dec. 16, 2025. Highlights include:</p> <ul style="list-style-type: none"> <li>• The mandatory annuity is reduced to 20% (down from 40%) for private sector subscribers. The maximum tax exemption amount of a 60% lump sum remains unchanged under the income tax act.</li> <li>• Individuals can take a 100% lump sum exit if their accumulated retirement fund is less than 8 INR lakh (up from 5 INR lakh) on retirement.</li> <li>• Individuals with an accumulated retirement fund of 8 INR to 12 INR lakh can take up to 6 INR lakh as a lump sum, in conjunction with a Systematic Withdrawal Plan for a minimum period of six years or mandatory annuity.</li> <li>• Individuals with an accumulated retirement fund exceeding 12 INR lakh can take up to 80% as a lump sum plus a 20% annuity.</li> <li>• NPS account continuation is now allowed up until age 85 (previously, the maximum age was 75).</li> <li>• Individuals can now take a loan from financial institutions against their accumulated NPS corpus.</li> <li>• Individuals can partially withdraw their accumulated pension funds (up to 25% of their own contribution, capped at four times, and subject to a four-year gap between the withdrawals).</li> <li>• On surrender of Indian citizenship, individuals are entitled to take 100% tax-free lump sum exit.</li> </ul> <p>For individuals who prematurely exit NPS before retirement age, there is no lock-in for first five years. If the accumulated pension balance is less than 5 INR lakh, individuals can withdraw 100% as a lump sum.</p> <p><a href="mailto:ansh.gandhi@mercer.com">ansh.gandhi@mercer.com</a> and <a href="mailto:jyotsna.tiwari@mercer.com">jyotsna.tiwari@mercer.com</a></p> <p><a href="#">Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2025</a> (PFRDA, Dec. 16, 2025)</p>
<b>Resources</b>	
<b>India (new)</b>	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Wealth</b></p> <p><b>National Pension System updates applicable charges</b></p> <p>Effective Jan. 1, 2026, the National Pension System has updated its charges. The Pension Fund Regulatory and Development Authority has mandated that the changes must be implemented and are non-negotiable. Highlights include:</p> <ul style="list-style-type: none"> <li>• A uniform charge of 0.20% per year of assets under management (subject to a minimum of ₹30) is now levied and collected quarterly (0.05% per quarter) through unit cancellation by the Central Recordkeeping Agencies.</li> <li>• Removal of all upfront point-of-purchase (POP) charges (subscriber registration, contribution, non-financial transactions, exit/withdrawal, persistency, etc.).</li> <li>• Goods and Service Tax (GST) and other applicable taxes are payable, in addition to POP charges.</li> </ul> <p><a href="mailto:ansh.gandhi@mercer.com">ansh.gandhi@mercer.com</a> and <a href="mailto:jyotsna.tiwari@mercer.com">jyotsna.tiwari@mercer.com</a></p> <p><a href="#">Circular No.: PFRDA/2025/24/REG-POP/05</a> (PFRDA, Dec. 31, 2025)</p>
<b>Resources</b>	

India (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Wealth</b></p> <p><b>Multiple Scheme Framework introduced under National Pension System</b></p> <p>The Pension Fund Regulatory and Development Authority (PFRDA) has introduced the Multiple Scheme Framework (MSF) under the National Pension System. This change now allows a single Permanent Retirement Account Number (PRAN) to be mapped to multiple Pension Fund Managers (PFMs) and schemes, replacing the earlier one-PRAN-one-PFM-one-scheme structure. Highlights include:</p> <ul style="list-style-type: none"> <li>MSF enables fixed-percentage allocation of new contributions across multiple schemes and PFMs, significantly enhancing customization and diversification for non-government subscribers.</li> <li>The framework permits higher equity exposure (up to 100%, subject to scheme limits), supporting long-term growth objectives and alignment with India's economic growth.</li> <li>Funds accumulated in existing common (legacy) schemes cannot generally be transferred into MSF schemes, but funds from MSF can be transferred under legacy scheme, Subscribers are also allowed to select MSF schemes for new contributions.</li> </ul>
Resources	<a href="mailto:ansh.gandhi@mercer.com">ansh.gandhi@mercer.com</a> and <a href="mailto:jyotsna.tiwari@mercer.com">jyotsna.tiwari@mercer.com</a> <a href="#">PFRDA/2025/09/REG-PF/01</a> (PFRDA, Sept. 15, 2025)
India (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Career</b></p> <p><b>Meaning of wages clarified under new Labour Code</b></p> <p>The Ministry of Labour and Employment has clarified the meaning of “wages” under the new Labour Codes. Highlights include:</p> <ul style="list-style-type: none"> <li>Under the Code on Wages, 2019, wages comprise Basic Pay, Dearness Allowance and Retaining Allowance, plus excess allowances exceeding 50% of total remuneration. Performance pay, Employee Stock Ownership Plans, variable pay and reimbursements are excluded from the definition of wages.</li> <li>The new Labour Codes do not reduce take-home pay because Provident Fund contributions remain mandatory up to the 15,000 INR wage ceiling (contributions exceeding this amount are voluntary on salaries exceeding 15000 INR).</li> <li>Leave encashment is not an allowance and does not form part of wages.</li> </ul>
Resources	<a href="mailto:ansh.gandhi@mercer.com">ansh.gandhi@mercer.com</a> and <a href="mailto:jyotsna.tiwari@mercer.com">jyotsna.tiwari@mercer.com</a> <a href="#">Post</a> (Ministry of Labour and Employment, Dec. 10, 2025)
India (previously covered, with upcoming effective date)	
Development	<p><b>Career</b></p> <ul style="list-style-type: none"> <li><a href="#">Labor codes implemented</a> — Partially effective, but rules need to be issued for some measures</li> </ul>

Indonesia (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career</b>  <b>Minimum wage increase formula for 2026 confirmed</b>                      The president has approved the formula for calculating minimum wage increases in 2026. The formula is based on the sum of inflation and economic growth, multiplied by an alpha factor, which ranges between 0.5 and 0.9.                      Regional wage councils must calculate the recommended minimum wage increase, with regional governors setting the final minimum wage rates, considering factors such as regional economic growth and average wage levels. Governors have the authority to establish minimum wages at the provincial, district, and city levels, including sector-specific minimum wages. However, sectoral minimum wages can only be implemented if they meet strict criteria and have the agreement of the relevant sectoral employer organizations and labor unions, in accordance with a 2023 Constitutional Court ruling.</p>
<b>Resources</b>	<a href="#">Announcement</a> (Indonesian) (Government, Dec. 17, 2025)
Indonesia (previously covered, with upcoming effective date)	
<b>Development</b>	<p><b>Career</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Details of public housing savings program, contributions and registration issued</a> — key date: May 20, 2027</li> </ul> <p><b>Health</b></p> <ul style="list-style-type: none"> <li>• <a href="#">New insurance regulation for health insurance products issued</a> — key date: Delayed from Jan. 1, 2026</li> </ul>

Japan (new)	
Status	 <b>If adopted as planned, most of the changes will take effect on April 1, 2026 and Jan. 1, 2027.</b>
Development	<p><b>Wealth</b></p> <p><b>Pension tax reforms introduced</b></p> <p>Recently announced tax reforms include measures that will affect pensions. If adopted as planned, most of the changes will take effect on April 1, 2026, and Jan. 1, 2027. Highlights include:</p> <ul style="list-style-type: none"> <li>• Increased monthly contribution limits. The maximum monthly contributions to company defined contribution (DC) plans will increase to 62,000 JPY, up from 55,000 JPY, less the average monthly value of any defined benefit pension that the employee is accruing. This change is scheduled to take effect on Jan. 1, 2027.</li> <li>• Employee contributions to company-sponsored DC plans. The current restriction on employees not being able to contribute more money than the employer to company-sponsored DC plans will be removed. However, the overall monthly maximum contribution will still apply. This change is expected to take effect on April 1, 2026.</li> <li>• Increased age limit for participation in individual DC plan (iDeCo). Employees who are not currently receiving benefits from the state or tax-approved iDeCo will be allowed to participate in iDeCo up to age 70, instead of the current limit of 65. This change is expected to take effect on Jan. 1, 2027.</li> <li>• Retirement-income deduction. A portion of lump sum pension payments will be tax free. Currently, a retirement allowance payment is fully deductible provided any previous lump sum from a DC plan was received more than five years earlier (a taper rule applies for fewer than five years). From Jan. 1, 2026, the five-year period will be extended to 10 years.</li> <li>• Grandfathering of previous rules. When the 55,000 JPY monthly cap for DC pension contributions was introduced — including the average value of the accruing defined benefits — the change applied only for plans after their first amendment following the effective date. Therefore, any subsequent plan changes could result in the plan becoming subject to the new contribution limit rules.</li> </ul>
Resources	<a href="#">Information on the reforms</a> (Japanese) (Ministry of Health, Labour and Welfare, December 2025)
Malaysia (previously covered, with upcoming effective date)	
Development	<p><b>Career — Health</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Employment protections for gig workers finalized — No effective date specified</a></li> </ul>
New Zealand (previously covered, with upcoming effective date)	
Development	<p><b>Wealth</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Kiwisaver and contribution amounts adjusted</a> — key date: April 1, 2026</li> </ul>

Philippines (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Benefit-in-kind allowances updated</b></p> <p>The Bureau of Internal Revenue (BIR) has updated benefit-in-kind allowances. The updated allowances include monetized unused vacation entitlement; medical cash allowances to dependents; medical assistance; employee achievement awards; Christmas and major anniversary gifts; meal allowances for overnight/night work; benefits included in collective bargaining agreements and productivity incentives. Employers should ensure that payroll systems are updated accordingly. Taxpayers using a Computerized Accounting System (CAS) registered with the BIT must ensure that modifications directly affecting the financial aspects of a registered CAS are registered with the BIR because they are major system enhancements.</p>
<b>Resources</b>	<p><a href="mailto:john-yuri.zapanta@marsh.com">john-yuri.zapanta@marsh.com</a>  <a href="#">Revenue regulations 029-2025</a> (Bureau of Internal Revenue, Oct. 27, 2025)</p>
Philippines (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Guidance on reimbursement of medical expenses for employees issued</b></p> <p>The Department of Labour and Employment issued a policy on the reimbursement of medical expenses for employees' work-related injuries, which also applies to employees who use medical services on nonworking days, such as weekends, holidays, work suspensions or during approved leaves. The eligibility criteria for reimbursement of medical expenses are:</p> <ul style="list-style-type: none"> <li>• The employee must have suffered an injury due to work-related accident on the employer's premises or in a place to which he/she was assigned for work.</li> <li>• The employee must not have been considered as absent on the day of the accident.</li> <li>• The accident must be recorded in the employer's Employee Compensation logbook or in any similar document.</li> <li>• The employee incurred out-of-pocket expenses for medical services</li> <li>• The employee is considered as suffering from a temporary total disability.</li> </ul>
<b>Resources</b>	<p><a href="mailto:john-yuri.zapanta@marsh.com">john-yuri.zapanta@marsh.com</a>  <a href="#">Board Resolution No. 25-08-22</a> (Department of Labor and Employment, Aug. 28, 2025)</p>

Philippines (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health — Wealth</b></p> <p><b>New social security system card replaces Unified Multi-Purpose ID</b></p> <p>The generic Unified Multi-Purpose ID (UMID) Cards and UMID Pay Cards have been formally discontinued and a new social security system (SSS) card (MySSS Card) is now the default disbursement account for members' SSS benefits, loans and refunds. The MySSS card can be issued to prior registrants and SSS members; pensioners with SS numbers; and individual claimants and representative payees with SS numbers.</p>
<b>Resources</b>	<p><a href="mailto:john-yuri.zapanta@marsh.com">john-yuri.zapanta@marsh.com</a></p> <p><a href="#">Circular No. 2025-008</a> (Social Security System, Sept. 25, 2025)</p>
Singapore (previously covered, now effective)	
<b>Status</b>	 <b>Beginning in 2026</b>
<b>Development</b>	<p><b>Wealth</b></p> <p><b>Central Provident Fund contribution rates for older workers increased</b></p> <p>From 2026, the Central Provident Fund (CPF) contribution rates increased by 1.5% (inclusive of employer and employee contributions) for individuals aged 55 to 65 under initiatives announced in the government's budget speech on Feb. 18, 2025. Highlights include:</p> <ul style="list-style-type: none"> <li>• The CPF employer and employee contribution rates increased in 2026. For individuals aged 55 to 60, employers' contributions increased to 16% (up from 15.5%) and employee contributions increased to 18% (up from 17%). For individuals aged 60 to 65, employers' contributions increased to 12.5% (up from 12%), and employee contributions increased to 12.5% (up from 11.5%).</li> <li>• The government continues to pay the CPF Transition Offset (offset) to employers through 2026 to cover half the increase in employer contributions. The offset was introduced to help employers hiring Singaporean workers to adjust to the higher Retirement Age and Re-employment Age.</li> <li>• The Senior Employment Credit (SEC) is extended by one year to Dec. 31, 2026. The SEC provides wage offsets to employers who hire Singaporean workers aged 60 and older who earn up to S\$4,000 per month. The age limit to qualify for the highest SEC wage support tier increased to 69 years old, up from 68.</li> <li>• The government convened during 2025 a Tripartite Workgroup on Senior Employment to undertake a holistic and longer-term review of senior employment policies, to improve the employability of seniors and increase the availability of jobs that better suit their needs.</li> </ul>
<b>Resources</b>	<a href="#">Budget highlights 2025</a> (CPF Board, Feb. 18, 2025)

**Singapore (previously covered, partially effective)**

**Status**  **Effective Jan. 1, 2026, with further increases in 2027 and 2028.**

**Development** **Career**  
**Wage increases for in-house security officers takes effect**  
 Starting from Jan. 1, 2026, 7,000 full-time and part-time in-house security officers received scheduled wage increases over a three-year period, lasting until Dec. 31, 2028. This follows the government’s acceptance of the Security Tripartite Cluster’s recommendations regarding the Security Progressive Wage Model (PWM).  
 From Jan. 1, 2026, the wages of 1,500 full-time in-house security officers increased to at least the new entry-level PWM wage of SG\$2,475. Over the course of 2026 to 2028, the baseline monthly gross wage will increase to SG\$2,795, up from SG\$2,475.  
 Since Jan. 1, 2024, the Security PWM has included a separate wage model specifically for in-house security officers.

**Resources** [Announcement](#) (Government, Oct. 30, 2025)

**Singapore (previously covered, with upcoming effective date)**


**Development** **Career**  

- [The Workplace Fairness \(Dispute Resolution\) Bill passed](#) — key date: End of 2027

**Career — Wealth**  



- [Retirement and reemployment ages to increase](#) — key date: July 1, 2026

**South Korea (new)**


**Status**  **Currently effective**

**Development** **Career — Health**  
**Upper limit for calculating of unemployment benefit contributions increased**  
 Due to the 2026 minimum wage increase, the lower amount of unemployment benefits linked to the minimum wage will exceed the current maximum amount. To address this issue, the maximum amount of the daily wage used to calculate unemployment benefits increased to 113,500 KRW, up from 110,000 KRW. The maximum amount of unemployment benefits increased to 68,100 KRW, up from 66,000 KRW.

**Resources** [miyoung.kim@mercer.com](mailto:miyoung.kim@mercer.com)  
[Release](#) (Korean) (Ministry of Employment and Labor, Dec. 16, 2025)

South Korea (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Standard amount for calculating reduced working hours pay during child care period increased</b></p> <p>To promote the reduction of working hours during the child care period, the maximum amount of ordinary wages used to calculate the reduced working hours pay increased. Highlights include:</p> <ul style="list-style-type: none"> <li>• The maximum amount for the first 10 hours of reduced working hours per week (100% of ordinary wages supported) increased to 2.5 million KRW, up from 2.2 million KRW.</li> <li>• The maximum amount for the remaining reduced working hours (80% of ordinary wages) increased to 1.6 million KRW, up from 1.5 million KRW.</li> </ul>
<b>Resources</b>	<p><a href="mailto:miyoung.kim@mercer.com">miyoung.kim@mercer.com</a></p> <p><a href="#">Release</a> (Korean) (Ministry of Employment and Labor, Dec. 16, 2025)</p>
South Korea (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Substitute workforce support fund expanded</b></p> <p>The government has announced a one-month extension of the workforce support fund used to alleviate labor costs for small and medium-sized firms that hire temporary employees to replace employees on parental leave. Highlights include:</p> <ul style="list-style-type: none"> <li>• The salary of the temporary employee is fully covered. Currently, the scheme pays 50% of the temporary employee's salary.</li> <li>• An additional one-month's salary for the temporary employee is paid to cover the handover following the regular employee's return to work. The payment of the temporary employee's salary during the two-month handover period prior to the employee starting parental leave is unchanged.</li> </ul>
<b>Resources</b>	<p><a href="mailto:miyoung.kim@mercer.com">miyoung.kim@mercer.com</a></p> <p><a href="#">Release</a> (Korean) (Ministry of Employment and Labor, Dec. 16, 2025)</p>

**South Korea (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Wealth</b>  <b>Plans to increase pension premiums, expand coverage announced</b>                      Pension reforms increased premium rates for the first time since the 1998 adjustment. Fiscal estimates released by the government in 2024 had expected the National Pension System to run out of funds in 2056. The revised National Pension Act took effect on Jan. 1, 2026. Highlights include:</p> <ul style="list-style-type: none"> <li>• From 2026, the contribution rate will gradually increase to 13%, up from 9%. The rate will then increase by 0.5% each year from 2026 to 13% in 2033. The contribution will be divided equally between employers and employees.</li> <li>• The nominal income replacement rate increased to 43% (up from 41.5%) from 2026.</li> <li>• The credit system for military service and childbirth expanded to recognize longer periods of pension enrollment. The childbirth credit compensates for income gap due to childbirth and will be available for the first child.</li> <li>• The government's responsibility for pension payments is legally guaranteed to increase public trust.</li> <li>• The pension eligibility age, currently 63, will increase to 65 after 2033, and support for low-income and vulnerable populations will be strengthened.</li> </ul>
<b>Resources</b>	<p><a href="mailto:miyoung.kim@mercer.com">miyoung.kim@mercer.com</a>  <a href="#">Announcement</a> (Korean) (Government, March 20, 2025)</p>

**South Korea (previously covered, with upcoming effective date)**

<b>Development</b>	<p><b>Career</b>  <a href="#">Implementation plans, effective date for labor relations law announced</a> — key date: March 10, 2026</p>
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**Taiwan (new)****Status****Currently effective****Development****Career — Health****Parental leave flexibility increased**

From Jan. 1, 2026, parents can take parental leave flexibly under measures approved by the government by allowing them to take up to 30 days of leave entitlement on a single-day basis. Previously, workers could apply for up to two years of parental leave without pay before their child turned three, with the government subsidizing 80% of their salary for the first six months. Highlights include:

- During the parental leave period, employees can choose to take leave on a "single day" basis, up to 30 days, with a combined total of 60 days for both parents.
- Single day leave requests must be submitted at least five days in advance. In cases of emergencies (such as child illness, daycare or school closures), requests can be made one day in advance, and a proxy can submit on-the-day requests.
- Employers with fewer than 30 employees will receive a subsidy of NT\$1,000 for each recorded single-day of parental leave. Employers with more than 30 employees, and that exceed the legal requirements, will be considered for the Work-Life Balance Award, recognizing their support for employee child care needs.
- The Ministry of Labor issued further guidance for medium and large enterprises on environmental, social and governance disclosure to enhance employers' family-friendly reputation that could assist in the attraction and retention of employees.
- Employees who require family care to accommodate temporary child care needs are allowed to request leave in hours — up to 56 hours per year. Employees that exhaust these hours within the same year can request to use their unused personal leave, also in hours. Employers cannot refuse employees' requests and cannot withhold their attendance bonus. Currently, employees can request up to seven days of family care leave per year.

**Resources**

[Announcement](#) (Chinese) (Ministry of Labor, Sept. 4, 2025)

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

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

**Thailand (new)****Status**  **Currently effective****Development****Career — Health — Wealth****Monthly taxable wage ceiling for contributions increased**

On Jan. 1, 2026, the maximum monthly taxable wage ceiling for Social Security Fund contributions increased to 17,500 THB — up from 15,000 THB — through 2028. The maximum contribution for employers and employees is 875 THB/month each. This is the first time taxable wages have increased since 1995.

From 2029 through 2031 the ceiling will increase to 20,000 THB, and the maximum employer and employee contribution will be 1,000 THB/month each. From Jan. 1, 2032, the ceiling will increase to 23,000 THB, and the maximum employer and employee contribution will be 1,150 THB/month each. The minimum taxable wages per month remain 1,650 THB. In addition, several benefit amounts also took effect on Jan. 1, 2026.

**Resources**[Law](#) (Thai) (Government)**Thailand (previously covered, with upcoming effective date)****Development****Health**

- [Start date of Employee Welfare Fund postponed](#) — key date: Oct. 1, 2026

**Vietnam (previously covered, now effective)****Status**  **Currently effective****Development****Career****Minimum wage increased**

On Jan. 1, 2026, the minimum monthly and hourly wages across the four regions increased under measures included in Decree 293. The regional monthly minimum wage increased to 5,310,000 VND (up from 4,960,000 VND) in Region 1; 4,730,000 VND (up from 4,410,000 VND) in Region 2; 4,140,000 VND (up from 3,860,000 VND) in Region 3; and 3,700,000 VND (up from 3,450,000 VND) in Region 4. The hourly minimum wage increased to between 17,800 VND and 25,500 VND (up from 16,600 VND and 23,800 VND), depending on the region.

**Resources**[Decree 293](#) (Vietnamese) (Government, Nov. 10, 2025)

**Vietnam (previously covered, now effective)**

**Status**



**Currently effective**

**Development**

**Career**

**Unemployment insurance participation expanded**

On Jan. 1, 2026, the 2025 Employment Law No. 74/2025/QH15 took effect, expanding mandatory unemployment insurance to include more categories of employees, such as certain part-time workers and contract workers who are not currently covered. Unemployment insurance is mandatory for all agreements that provide for paid employment relationships that include the supervision and management by one party. The law aims to align with the amended Social Insurance Law that took effect on July 1, 2025, and the labor code which includes a wider definition of employee.

Highlights include:

- Employees with contracts ranging from a minimum period of one month but fewer than 12 months must have paid unemployment insurance contributions for at least 12 months over the previous past 36 months, prior to the end of their contract. Coverage must also be given to part-time employees earning at least the minimum wage and salaried enterprise managers (including boards of directors members, chief executive officers, general directors, company supervisors or cooperative controllers).
- Contributions follow a flexible model with employers, employees and the government paying up to 1% each. The insurance will fund job counselling, vocational training and financial assistance.
- Employers that do not meet their unemployment insurance obligations have to compensate employees for the full value of all the benefits they should have received, including unemployment allowances, health insurance contributions during an unemployment period, vocational training support and job placement services.
- Employees are allowed to move to another area and retain their unemployment benefit, subject to fulfilling any requirements imposed by the insurance authority.
- Employers that hire individuals with a disability benefit from reduced unemployment insurance contributions for up to 12 months from the hiring date.

**Resources**

[No. 74/2025/QH15](#) (Vietnamese) (Government, June 16, 2025)

## Section 5

# Europe, Middle East and Africa (EMEA)

### EU (previously covered, with upcoming effective dates)

#### Development

##### Career

- [Law approved to improve gender balance on company boards](#) — key date: June 30, 2026
- [Ban on forced or child labor finalized](#) — key date: Dec. 14, 2027
- [Revised European Works Council Directive approved](#) — key date: National transposition by Jan. 1, 2028; new rules applicable from Jan. 2, 2029.

##### Career — Health

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

##### Career — Health — Wealth

- [Pay transparency law must be transposed into national law](#) — key date: June 7, 2026

### Albania (previously covered, now effective)

#### Status



Currently effective

#### Development

##### Career

##### Increased minimum wage announced

On Jan. 1, 2026, the monthly minimum wage increased to 50,000 ALL.

#### Resources

[Announcement](#) (Albanian) (Government, Sept. 30, 2025)

### Austria (previously covered, now effective)

#### Status



Currently effective

#### Development

##### Career — Wealth

##### Eligibility criteria for early retirement adjusted



From Jan. 1, 2026, the eligibility age for the “corridor pension” (a special form of early retirement) increased to age 63, and the required insurance period increased to 42 years under measures agreed to on June 16, 2025, and included in Budget Accompanying Act 2025 (Budgetbegleitgesetz 2025). The reforms are part of the government's broader plan to address healthcare, pensions, child care, education and the labor market. Highlights include:

- Employees born on or after April 1, 1965, are only able to take early retirement from age 63, and the gradual increase will occur in two-month increments.
- Insurance periods required to be eligible for early retirement will gradually increase to age 42, up from 40.
- Individuals born on or after Oct. 1, 1966, must have a minimum insurance period of 42 years.

The changes do not apply to “old-age part-time” agreements that took effect before April 1, 2025.

#### Resources

Budget Accompanying Act 2025 ([Budgetbegleitgesetz 2025](#)) (German) (Government)

Bahrain (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Career</b>  <b>Wage protection system expanded</b>  Starting Jan. 1, 2026, employers in Bahrain must comply with the expanded Enhanced Wage Protection System (WPS), which aims to centralize salary processing and enhance regulatory compliance. Highlights include:</p> <ul style="list-style-type: none"> <li>• Employers must process all salary payments through a platform approved by the Labour Market Regulatory Authority — the WPS portal. Direct bank transfers are no longer allowed.</li> <li>• Employers are required to upload monthly payroll files and assign WPS roles within the portal. Any nonpayment or partial payment of salaries must be properly documented.</li> <li>• Employers must appoint a Wages Responsible Person to oversee monthly salary preparation and ensure payroll processes comply with the new regulations.</li> <li>• Employers face penalties for noncompliance.</li> </ul>
Resources	<a href="#">LMRA launches the enhanced wages protection system</a> (Labour Market Regulatory Authority, Oct. 21, 2025)
Belgium (previously covered, now effective)	
Status	 <b>Currently effective</b>
Development	<p><b>Health</b>  <b>Maximum value of meal vouchers increased</b>  The maximum permitted value of meal vouchers increased to €10, up from €8 per working day, based on measures included in the coalition government agreement (the so-called Arizona Agreement).  Employers do not have to offer the maximum value of meal vouchers, but the increased amount also depends on company-level decisions and sectoral agreements. The permitted tax deduction remains unchanged at €2 per meal voucher. Additional tax deductibility is permitted, subject to meeting eligibility criteria.  The Arizona Agreement also flagged other possible changes to the meal voucher program, including a possible increased meal voucher value (to €12 in 2027) and expanded options for spending meal vouchers. However, these measures have not yet been confirmed.</p>
Resources	<a href="#">Decree</a> (French) (Government, Nov. 10, 2025) and <a href="#">Arizona Agreement</a> (French) (Government, Feb. 3, 2025)
Belgium (previously covered, with upcoming effective date)	
Development	<p><b>Career — Health</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Summer deal includes employment measures</a> — key date: Implementing legislation must be agreed to, and clarification is still required for some measures</li> </ul> <p><b>Wealth</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Blue- and white-collar pension harmonization postponed</a> — key date: Jan. 1, 2027</li> <li>• <a href="#">Federal government agrees on pension reforms</a> — key date: Jan. 1, 2028</li> </ul>

**Croatia (previously covered, now effective)****Status**  **Currently effective****Development****Wealth****Pension Act revised**

Croatia's new Pension Insurance Act largely took effect on July 1, 2025, with some measures effective on Jan. 1, 2026. The act aims to enhance labor market flexibility by expanding the opportunities for individuals to continue working — either full- or part-time — and to receive partial retirement pensions. Highlights include:

- The minimum pension has increased to 106% of the current pension value, up from 103%.
- The additional service period given to foster parents has doubled to 12 months and is credited for each child. It now includes traditional and kinship foster parents who have provided care for more than 10 years, subject to meeting certain criteria.
- All pensioners now receive an annual pension supplement (commonly called the 13th pension). This amount varies based on the individual's pensionable employment, and is announced each year by October 31.
- Pension incentives are enhanced for individuals who continue working and defer retirement.
- Measures to encourage individuals aged 65 and older with at least 15 years of pensionable employment to work at least half time and receive 50% of their retirement pension. Previously, the maximum weekly hours for combining employment and pension receipt were capped at 20 hours.
- The pension adjustment formula has been revised to account for consumer price and wage growth indices.
- Early retirement penalties are abolished from January 2026 for individuals reaching age 70 who had retired early.




**Resources** [Pension Insurance Act](#) (Croatian) (Government, June 27, 2025)**Croatia (previously covered, now effective)****Status**  **Currently effective****Development****Career****Minimum wage increased**

On Jan. 1, 2026, the gross monthly minimum wage increased to €1,050, up from €970/month. The government also announced that the minimum wage will increase to €1,250 gross by 2028.

**Resources** [Announcement](#) (Croatian) (Government, Oct. 24, 2025) and [Announcement](#) (Croatian) (Government, Sept. 24, 2025)**Czech Republic (previously covered, now effective)****Status**  **Currently effective****Development****Career****Minimum wage increased**

On Jan. 1, 2026, the minimum wage increased to 22,400 CZK/month. A new methodology for calculating the minimum wage indexation was introduced in 2025, and the indexation amount is now announced annually, by the end of September.

**Resources** [Announcement](#) (Czech Trade, Aug. 31, 2025)

Czech Republic (previously covered, now effective)	
Status	 <b>Currently effective</b>
Development	<p><b>Career</b>  <b>Minimum wage increased</b></p> <p>On Jan. 1, 2026, the minimum wage increased to 22,400 CZK/month. A new methodology for calculating the minimum wage indexation was introduced in 2025, and the indexation amount is now announced annually, by the end of September.</p>
Resources	<a href="#">Announcement</a> (Czech Trade, Aug. 31, 2025)
Czech Republic (previously covered, now effective)	
Status	 <b>Currently effective</b>
Development	<p><b>Career</b>  <b>Simplified employee reporting introduced</b></p> <p>Simplified reporting of employee data took effect on Jan. 1, 2026, and employers will have to submit employee data monthly using the unified report (JMZH) from April 2026. The measures are included in the Single Monthly Employer Report bill that passed the Senate on July 23, 2025. Highlights include:</p> <ul style="list-style-type: none"> <li>• The JMZH will replace up to 25 different forms that employers must currently submit to five different authorities (Czech Social Security Administration, Labour Offices, Tax Office, Czech Statistical Office and Ministry of Labour and Social Affairs).</li> <li>• The JMZH will contain up to 300 items, including data on employee earnings, social insurance contributions and taxes. However, employers will not need to complete all 300 items.</li> <li>• Employers will submit the JMZH electronically to the Ministry of Labour and Social Affairs.</li> </ul>
Resources	<a href="#">Announcement</a> (Czech) (Government, July 23, 2025)
Czech Republic (previously covered, now effective)	
Status	 <b>Currently effective</b>
Development	<p><b>Wealth</b>  <b>Pension contribution rules changed for employees in arduous job roles</b></p> <p>From Jan.1, 2026, employers must contribute 4% of their employees' salaries into supplementary pension savings (DPS) for employees who work in so-called "Category Three" high-risk jobs and who are employed for a minimum of three qualifying shifts per month. Such roles include work performed in noisy environments, extreme temperatures or that require significant physical exertion or involve high levels of vibration.</p> <p>Also, employees who work in third-category risk roles no longer need 10 years of pension contributions to be eligible for early retirement. Employees with employment contracts signed before 2024 will need five years of contributions to be eligible for early retirement.</p>
Resources	<p><a href="mailto:petr.boldis@mercero.com">petr.boldis@mercero.com</a>  <a href="#">Law</a> (Czech) (Government, Sept. 3, 2025)</p>

**Denmark (new)****Status**  **Currently effective****Development****Career — Health****Employer contribution rate for holiday fund set**

Starting Jan. 1, 2026, Executive Order 1489/2025 sets the employer contribution rate to the Employees' Fund for Accrued Holiday Pay at 20 DKK. In Denmark, accrued holiday pay is managed through the Employees' Fund for Residual Holiday Funds, which is administered by the Arbejdsmarkedets Feriefond.

Employers must contribute 20 DKK each time they report an amount equivalent to a full year's ATP contribution (ATP is a mandatory pension scheme to which most employees contribute). The first payment to the holiday pay fund is due on July 1, 2026, covering the first quarter of 2026, and is calculated on ATP contributions.

**Resources**[Executive Order 1489/2025](#) (Danish) (Government, Dec. 2, 2025)**Denmark (previously covered, now effective)****Status**  **Currently effective****Development****Career — Health****Bereavement leave for spouses, cohabitating partners expanded**

Starting in 2026, the government now grants families the right to 12 weeks of paid bereavement leave when an individual loses their spouse or cohabitating partner, provided they have minor children together. This leave is compensated at the same rate as maternity benefits paid in cases where the other parent passes away. These provisions are part of the 2026 Finance Act.

**Resources**[Announcement](#) (Danish) (Government, Oct. 24, 2025)**Denmark (previously covered, now effective)****Status**  **Currently effective****Development****Career — Health****Leave for parents of hospitalized newborn or adopted child and bereavement leave benefits expanded**

Starting Jan. 1, 2026, parents of newborn children or an adopted child (at any age) that are admitted to hospital during the first 46 weeks after their birth or adoption are eligible for up to 12 months of leave for each parent — up from a combined total of three months. The leave also applies for early in-home medical treatment, and it is additional to the existing 24-week family leave covering maternity, paternity, and parental leave.

Parents taking bereavement leave after July 1, 2025, following the loss of a child, are eligible for benefits if they had previously received compensation for lost earnings while caring for a seriously ill child at home for two years or more.

**Resources**[L 207 — 2024-25](#) (Danish) (Government, June 20, 2025. )

**Egypt (previously covered, now effective)****Status**  **Currently effective****Development****Health — Wealth****Salary thresholds for social insurance calculations increased**

The National Social Insurance Authority released increased minimum and maximum salary thresholds used to calculate insurance contributions. The changes became effective Jan. 1, 2026, and amend the Social Insurance and Pensions Law No. 148 of 2019. The minimum salary amount for calculating insurance contributions is EG£2,700, up from EG£2,300, and the maximum salary amount is EG£16,700, up from EG£14,500.

The increased amounts aim to improve pensions and strengthen social protection. Furthermore, employers that have more than 100 insured employees can submit wage adjustment forms electronically to ease compliance.

**Resources**[Announcement](#) (Arabic) (Government, Nov. 30, 2025)**Finland (previously covered, now effective)****Status**  **Currently effective****Development****Health****Health insurance contribution rates takes effect**

The Ministry of Social Affairs and Health released updated health insurance contribution rates for 2026. The rates increased to 1.10% of earned income taxed in municipal taxation (up from 1.06%) for medical care fees; 1.49% of taxable pension and benefit income (up from 1.45%) for medical care fees; 1.91% (up from 1.87%) for earned income insurance premiums; and 0.88% of wages and entrepreneurial income (up from 0.84%) for the daily allowance contribution for wage earners, if an individual's total wages and entrepreneurial income is €17,255 euros or more. No daily allowance contribution is charged to individuals whose total wages and income are less than €17,255.

**Resources**[Announcement](#) (Finnish) (Government, Dec. 20, 2025)

## France (new)

## Status



Currently effective

## Development

## Career — Wealth



**New measures introduced to boost hiring and employment of older workers**

Effective Oct. 24, 2025, Law No. 2025-989 introduced several measures aimed at increasing the employment rate and improving career management for older employees in France. Currently, only 49.4% of individuals aged 60 to 64 are employed. Highlights include:

- Support for continued employment. Flexible working arrangements, phased retirement options and training programs are encouraged to help older workers maintain their employability.
- Mandatory employee interviews. Employers must conduct two interviews with employees: A mid-career interview at age 45 to review career progress and identify opportunities for skills development, and a pre-retirement interview within two years of turning 60 to plan the final phase of their employment, including possible adjustments to working conditions and transition measures.
- Introduction of the “Contrat de Valorisation de l’Expérience” (CVE) — a new open-ended employment contract available for up to five years. To be eligible, candidates must: be aged 60 or older, or 57 and older if covered by a collective or branch agreement; be registered with the state employment agency; not be receiving a full old-age pension; and not have been employed by the hiring company or any related group company in the previous six months. This CVE can include reduced working hours, mentoring roles or knowledge transfer responsibilities. It can also outline retirement procedures once employees reach statutory retirement age (between 62 and 64) or the full pension age of 67.
- Partial retirement contribution exemption for employers. Until Dec. 31, 2028, employers will be exempt from 30% of their contributions to the retirement allowance paid to employees, provided all retirement criteria are met.
- Negotiation requirements for larger companies. Companies with at least 300 employees and recognized trade unions must negotiate every three years (or every four years if an agreement is reached) on certain measures to support older workers, such as recruitment, retention, phased retirement, flexible working and knowledge transfer.

## Resources

[Law No. 2025-989](#) (French) (Government, Oct. 24, 2025)

France (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health —Wealth</b></p> <p><b>Social security changes enacted</b></p> <p>Measures included in France’s Social Security Financing Law for 2026 took effect on Dec. 30, 2025. They include:</p> <ul style="list-style-type: none"> <li>• The introduction of an exceptional contribution of 2.05%, payable by insurers on 2026 contributions. The government and the national health insurance body will negotiate with insurers during 2026 to ensure that this contribution is not passed on through increased contribution rates for the current and following years.</li> <li>• Physicians must stipulate on the medical note the reasons for sick leave and its expected duration. A forthcoming decree is expected to specify that leave cannot exceed one month for an initial medical note, and two months for an extension.</li> <li>• Suspension of the 2023 pension reform timetable for pensions taking effect from Sept. 1, 2026, until January 2028.</li> <li>• From Jan. 1, 2027, products, procedures and services prescribed by physicians who are not contracted with the national health insurance system will no longer be reimbursed by the system.</li> </ul>
<b>Resources</b>	<p><a href="mailto:amandine.marsella@mercer.com">amandine.marsella@mercer.com</a></p> <p><a href="#">Law 2025-1403</a> (French) (Government, Dec. 30, 2025)</p>
France (new)	
<b>Status</b>	 <b>Starting July 1, 2026</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>New paid birth leave to be introduced</b></p> <p>From July 1, 2026, parents working in the private sector in France will be eligible for a new paid birth leave of one or two months. This entitlement is part of the Social Security Financing Law for 2026 and applies to children born or adopted from Jan. 1, 2026, onwards. Highlights include:</p> <ul style="list-style-type: none"> <li>• Each parent may take either one or two months of paid birth leave</li> <li>• This leave can only be taken after the completion of other leave entitlements, such as maternity, paternity, or adoption leave.</li> <li>• The leave will be compensated by Social Security through a daily allowance, provided the parent does not work during the leave period. The allowance amounts to 70% of the net salary for the first month and 60% for the second month.</li> <li>• Transitional provisions apply for parents of children born or adopted between Jan. 1 and May 31, 2026, allowing them to use their leave entitlement until the end of 2026.</li> <li>• Further details will be outlined in upcoming decrees.</li> </ul>
<b>Resources</b>	<p><a href="mailto:ayce.nisancioglutopcan@mercer.com">ayce.nisancioglutopcan@mercer.com</a></p> <p><a href="#">Law 2025-1403</a> (French) (Government, Dec. 30, 2025)</p>

**France (new)****Status**  **Currently effective****Development****Health****Reimbursement for wheelchair hire and hair prosthesis expanded**

Reimbursement for the short-term rental of certain types of wheelchairs for and provision of hair prostheses must be included in the “responsible contract” under Decree 2025-1131 of Nov. 26, 2025. The requirement to reimburse wheelchair hire took effect on Dec. 1, 2025, and for hair prostheses on Jan. 1, 2026.

**Resources**

[amandine.marsella@mercer.com](mailto:amandine.marsella@mercer.com)

[Decree 2025-1131](#) (French) (Government, Nov. 25, 2025)

**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**  **Currently effective****Development****Career****Employer notification requirements for certain foreign employees takes effect**

Starting Jan. 1, 2026, employers in Germany must inform third-country nationals recruited from abroad under a German local employment contract that they are entitled to labor and social law counselling. This obligation stems from the Act on the Further Development of Skilled Labor Immigration, which generally took effect in 2023, and which aims to protect third-country nationals from exploitation and discrimination.

Employers must provide eligible new hires with contact details for the counselling center nearest to their workplace no later than their first working day. The list of counselling services was published on Jan. 1, 2026.

This notification requirement does not apply to employees who were already employed as of Jan. 1, 2026, foreign workers hired within Germany, or employees seconded from abroad to work in Germany (there is no local employment contract in such cases).

**Resources**

[Act on the Further Development of Skilled Labor Immigration](#) (German) (Government)

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

- [Corporate tax reductions that will impact company pension schemes introduced](#) — key date: Jan. 1, 2028

**Germany (new)****Status**  **Currently effective****Development****Wealth — Career****Incentives offered for continued employment after retirement age**

Since Jan. 1, 2026, a monthly €2,000 tax-free allowance aims to incentivize individuals to continue working after they reach retirement age (currently, 65 years). The “Active Pension” scheme is included in the Law on the Tax Promotion of Employees of Retirement Age, published in the Official Gazette on Dec. 23, 2025. Highlights include:

- Individuals do not have to be in receipt of retirement payments to be eligible for the scheme.
- Contributions to the statutory unemployment insurance will cease
- Employers can conclude “fixed-term contracts” without objective reason for pensioners who continue working (in other circumstances, this would not be legal).

The government has predicted that around 250,000 individuals annually will participate in the scheme. This is one of the planned pension reform measures included in the government’s pension package (Rentenpaket 2025) that was passed by parliament in December 2025.

**Resources** [Law](#) (German) (Official Gazette, Dec. 23, 2025)**Greece (new)****Status**  **Slated to be fully operational from Feb. 16, 2026.****Development****Career — Health****Launch of employee digitization platform, Ergani II, planned for February**

The new digital Ergani II information system, incorporating Ergani I, is slated to be fully operational from Feb. 16, 2026, with further guidance expected. Ergani II will digitize employment and eventually social security data and will enable the implementation of recent labor law changes.

Ergani II will be accessible to both employers and employees, as well as to the inspection authorities. Employment information will be recorded on the platform in real time — for example, information on hires, changes to terms and conditions, employment termination. The requirement to submit various declarations and forms, such as annual staff lists and part-time employment declarations, will be abolished.

**Resources** [maria.markopoulou@marsh.com](mailto:maria.markopoulou@marsh.com)  
[Law](#) (Greek) (Official Gazette, Dec. 16, 2025)**Greece (previously covered, with upcoming effective date)****Development****Career — Health**

- [Labor law changes introduced](#) — Effective dates vary

## Hungary (new)

### Status



**Currently effective**

### Development

#### Career

#### Minimum wage increased

On Jan. 1, 2026, increases to minimum wage rates for full-time employees took effect as follows:

- Monthly wage rate is 322,800 HUF
- Weekly wage rate is 74,210 HUF
- Daily wage rate is 14,850 HUF
- Hourly wage rate is 1,856 HUF.

For employees in full-time roles that require secondary education or secondary vocational qualifications, the:

- Monthly wage rate is 373,200 HUF
- Weekly wage rate is 85,800 HUF
- Daily wage rate is 17,160 HUF
- Hourly wage rate is 2,145 HUF.

### Resources

[Law](#) (Hungarian) (Government)

Ireland (new)	
Status	Currently effective
Development	<p><b>Wealth</b></p> <p><b>New minimum standards allow members of occupational pension schemes to be exempt from membership of MyFutureFund</b></p> <p>Ireland’s automatic enrollment retirement savings system launched on Jan. 1, 2026. When MyFutureFund (MFF) was first legislated for, employees who were active members of qualifying occupational pension schemes were ineligible for MFF membership. There was provision for minimum standards to be introduced for schemes to be deemed as “qualifying,” but it was expected that these would not be introduced for another few years. However, the government recently passed emergency regulations (<a href="#">Statutory Instrument 668 of 2025</a>), effective Jan. 1, 2026, setting out specific minimum standards for schemes to continue to be considered as “qualifying.” Highlights include:</p> <ul style="list-style-type: none"> <li>• Defined Contribution Schemes (including PRSAs). To be a “qualifying” scheme, employer contributions to the scheme must be no less than 1.5% of gross earnings (capped at €80,000 p.a.) or €1,200 each year, whichever is lower. Employee contributions must then be added to ensure that the total contribution paid to the scheme is at least 3.5% of gross earnings (again capped at €80,000 p.a.) or €2,800 each year, whichever is lower.</li> <li>• Defined Benefit (DB) Schemes. To be a “qualifying” scheme, it must be open to continued accrual of benefits. The introduction of the minimum standards does not currently impact DB schemes, although in some cases there remain practical challenges concerning recording employer contribution amounts for noncontributory DB schemes on payroll submissions to Revenue such that the National Automatic Enrolment Retirement Savings Authority (NAERSA) is able to identify employees who are members of these.</li> </ul> <p>All employers who wish to continue offering their occupational pension scheme to employees and ensure that they are exempt from automatic enrollment need to take the following actions:</p> <ul style="list-style-type: none"> <li>• Review current contribution levels to identify any contribution rates that do not meet the new minimum standards.</li> <li>• Identify any individual cases where nominal contribution levels have been implemented.</li> <li>• Quantify the potential costs associated with meeting the new minimum standards.</li> <li>• Develop a plan to discontinue any contribution rates which will not or are not expected to meet the standards. This may include some shorter-term solutions for impacted cohorts with a larger scale plan redesign to be completed later.</li> </ul>
Resources	<p><a href="#">S.I. No. 637/2025</a> (Legislature) and <a href="#">Minister Dara Calleary gives update on MyFutureFund</a> (Department of Social Protection, Dec. 29, 2025)</p>

**Ireland (previously covered, now effective)****Status**  **Currently effective****Development****Career****Minimum wage increased**

In 2026, the minimum wage is €14.15/hour, up from €13.50/hour. Lower statutory rates apply to employees younger than 20. The government announced earlier in 2025 the postponement of the National Living Wage to 2029 — it had been due to take effect in 2026.

**Resources**

[Minimum wage set to increase to €14.15 an hour in 2026](#) (Government, Oct. 7, 2025)

**Ireland (previously covered, now effective)****Status**  **Currently effective****Development****Career — Health — Wealth****2026 budget includes benefit and employment measures**

The government presented its Budget for 2026 on Oct. 7, 2025. Highlights include:

- The national minimum wage increased by 65 cents to €14.15/hour.
- The Universal Social Charge increased by €1,318 (or 2%), bringing the new limit to €28,700/year.
- Changed benefits-in-kind (BIK) regime for company cars. The temporary universal relief on the original market value of vehicles, introduced in 2023, will be gradually reduced. It remains at €10,000 in 2026 and then it will reduce to €5,000 in 2027 and €2,500 in 2028 and will be abolished from 2029 onwards. Additionally, a new vehicle category is introduced for zero-emission cars, applying the lowest BIK rates.
- The core State Pension (contributory and noncontributory) rates increased by €10/week, effective January 2026. This follows three consecutive increases of €12/week and signals a moderation of welfare growth as inflation returns to more typical levels. The increase affects all “integrated” pension schemes that calculate benefits and/or contributions based on the State Pension.

**Resources**

[lorna.white@mercer.com](mailto:lorna.white@mercer.com)

[Budget 2026](#) (Government, Oct. 7, 2025) and [Announcement](#) (Government, Oct. 16, 2025)

**Isle of Man (previously covered, with upcoming effective date)****Development****Career**

- [Minimum wage to increase](#) — April 1, 2026

**Italy (previously covered, now effective)****Status**  **Currently effective****Development****Career — Health****Leave for employees with disabling or chronic oncological diseases expanded**

Starting Jan. 1, 2026, employees diagnosed with disabling or chronic oncological conditions are eligible for an additional 24 months of unpaid leave, along with certain employment protections. These measures are outlined in Law 106/2025.

Highlights include:

- Employees with a medical certification indicating a disability of 74% or higher due to illness are eligible for 24 months of unpaid leave.
- Employees can only take this leave after exhausting their regular leave entitlements. However, those who used their normal leave before Aug. 9, 2025, were entitled to access the additional 24 months immediately, without waiting until January 2026.
- The unpaid leave can be taken all at once or in installments. During this time, employees' jobs are protected, but they do not accrue seniority and cannot perform any work.
- After using the full 24 months of leave, employees may request remote work (smart working), if their job allows.

**Resources**

[Law 106/2025](#) (Italian) (Government, July 18, 2025)

**Italy (new)****Status**  **Currently effective****Development****Career — Health****New collective bargaining agreement for executives in the commercial sector takes effect**

The national collective bargaining agreement for executives in the commercial sector was renewed on Nov. 5, 2025. The agreement, which is effective from Jan. 1, 2026 through Dec. 31, 2028, covers more than 10,000 companies and around 32,000 managers. Highlights include:

- The total monthly compensation package will increase by €800 over the three-year period — €320 (Jan. 1, 2026), €260 (Jan. 1, 2027) and €220 (Jan. 1, 2028).
- The guaranteed welfare benefits credit is at least €1,500 per year.
- Employer contributions to the Mario Negri Fund will eventually increase to 2.62% by Jan. 1, 2028, up from 2.47%. Employee contributions increased on Jan. 1, 2026, to €1,184.49/year, up from €592.25/year. The fund enables payment of early retirement pensions, allowing executives approaching retirement age to sign temporary contracts and thus enable the promotion of younger employees into more senior roles.
- Employers must pay increased accident insurance premiums from €560/year, up from €410/year.
- Adoption of measures aimed at fostering gender equality and pay transparency.

**Resources**

[National collective bargaining agreement](#) (Italian) (Government, Nov. 5, 2025)

## Italy (new)

### Status



Effective dates vary.

### Development

#### Career — Health




##### **Metalworking sector collective agreement renewed**

On Nov. 22, 2025, the collective bargaining agreement for the metalworking sector took effect and will be valid until June 30, 2028. Highlights include:

- The minimum monthly base salary will increase by a total of €205.32 over the three-year period.
- Annual tax-free welfare benefits will increase to between €200 and €250, with payments advanced to February 2026.
- A new annual company contribution of €1.50 per employee must be made to “MetAppendo,” a digital training platform for the engineering and metals sector. This platform maintains digital records of employee training throughout their careers, helping companies identify training needs, develop customized plans, and offer online courses.
- The use, extension and renewal of fixed-term contracts exceeding 12 months is allowed until the end of December 2026. From January 2027, such contracts will only be permitted for employers who have converted at least 20% of fixed-term contracts that expired in the previous year into permanent contracts.
- From January 2026, agency workers assigned to the same company for more than 48 months are entitled to permanent employment.
- Extended protected sick leave is provided for employees with disabilities.
- New leave entitlements include paid leave for parents, unpaid leave for migrant workers and additional paid leave hours to reduce working hours for employees who work heavy shift rotations.
- Employers with more than 400 employees will have a new semi-annual reporting obligation to the Unitary Workplace Union Representative Body (RSU), covering direct service contracts at the production site.
- Expanded training for Workers’ Safety Representatives (RLS) and their involvement in accident analysis.

### Resources


[Collective bargaining agreement](#) (Italian)

Kuwait (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health — Career</b></p> <p><b>Health insurance and visa fees increased</b></p> <p>Following the issuance of Ministerial Resolution No. 2249 of 2025 (Arabic), which implements the Executive Regulations of the Law on the Residence of Foreigners, Kuwait has increased fees related to health insurance and visas for expatriates, effective Dec. 23, 2025, and payable at the time of visa renewal. Highlights include:</p> <ul style="list-style-type: none"> <li>• Mandatory health insurance fees for most long-term expatriate workers have doubled to 100 KWD per year. Residency permits cannot be issued or renewed without valid health insurance, and the permit duration must not exceed the insurance coverage period.</li> <li>• The cost of work permits has increased, and permit issuance will generally be based on approved manpower requirements, with exemptions applying to certain industry sectors.</li> <li>• The annual renewal fee for most expatriates' iqama residence visas has doubled to 20 KWD.</li> <li>• Annual fees for dependent residency permits (spouses and children) have increased to 20 KWD for most expatriate sponsors.</li> <li>• Short-term visitors must have private health insurance from approved local providers</li> <li>• Visit visas now cost 10 KWD per month.</li> </ul>
<b>Resources</b>	<a href="#">Ministerial Resolution No. 2249 of 2025</a> (Arabic) (Government, Nov. 23, 2025)
Lithuania (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Changes to taxation of benefits announced</b></p> <p>Starting Jan. 1, 2026, health insurance premiums exceeding €350 are fully taxed as income. Employers that provide health, accident and travel insurance as a benefit could face an additional tax burden ranging from approximately 10% to 45%, depending on the premiums. A 10% tax rate applies to non-life insurance premiums (military tax).</p>
<b>Resources</b>	<a href="#">Law</a> (Lithuanian) (Government, June 27, 2025) and <a href="#">Law</a> (Lithuanian) (Government, June 20, 2025)
Lithuania (previously covered, now effective)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Minimum wage increased</b></p> <p>On Jan. 1, 2026, the monthly minimum wage increased to €1,153, up from €1,038. The minimum gross hourly wage increased to €7.05, up from €6.35.</p>
<b>Resources</b>	<a href="#">Law</a> (Lithuanian) (Official Journal, Oct. 16, 2025)

**Moldova (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Minimum wage increased</b></p> <p>On Jan. 1, 2026, the minimum wage increased to 6,300 MDL/month, up from 5,500 MDL/month for a full working week, averaging 169 hours/month.</p>
<b>Resources</b>	<a href="#">Announcement</a> (Romanian) (Government, Nov. 24, 2025)


**Netherlands (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b></p> <p><b>Employer disability and sickness benefit premiums increased</b></p> <p>Beginning Jan. 1, 2026, employer premiums for disability insurance (WGA) and Sickness Benefits Act (ZW), also known as the Work Resumption Fund (Whk), increased.</p> <p>The average premium for WGA increased to 0.96%, reflecting a 0.13% increase on the current rate. This increase is mainly due to more individuals (especially young people) experiencing long-term illnesses and claiming disability benefits.</p> <p>The average premium for the Sickness Benefits Act increased to 0.56%, a 0.06% increase. This increase has driven higher expenditures under the Act.</p>
<b>Resources</b>	<a href="#">Announcement</a> (Dutch) (Government, July 15, 2025)

**Netherlands (previously covered, with upcoming effective date)**

<b>Development</b>	<p><b>Wealth</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Significant reforms to the occupational pension system</a> — key date: Unknown</li> <li>• <a href="#">Lump-sum Revision Act start date postponed again</a> — key date: Postponed until July 1, 2026</li> <li>• <a href="#">Deadline extended for transition to new pension system</a> — key date: Deadline extended to Jan. 1, 2028</li> </ul>
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**Norway (previously covered, now effective)**

<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career — Health</b></p> <p><b>Company-specific age limits abolished</b></p> <p>Starting Jan. 1, 2026, it is illegal for employers to enforce company-specific age limits that require employees to retire before the age of 72 under measures included in the amended Working Environment Act. The only exception applies to professions with specific health and safety regulations that mandate earlier retirement. Norway’s general retirement age increased to age 72, up from 70, in 2015.</p> <p>For companies with existing collective agreements that set a lower retirement age, a transition period is allowed. These agreements can remain in effect until they expire, but no later than Jan. 1, 2029.</p>

**Oman (previously covered, now effective)****Status**  **Currently effective****Development****Career****Annual salary increment scheme revised**

Starting Jan. 1, 2026, eligible Omani employees receive revised annual salary increments based on their performance ratings. Employers are required to conduct annual performance evaluations to determine the increment amount.

This change is outlined in Ministerial Decision No. 317/2025, which replaces the previous Ministerial Decision No. 541/2013. The earlier decision mandated a fixed 3% annual pay increase for employees with satisfactory performance.

Highlights include:

- Employees must have completed at least six months of service by the date of the increment, which is based on the basic salary and performance rating: 5% for "excellent," 4% for "very good," 3% for "good," 2% for "fair," and no increase for "weak."
- Employees can file grievances with the Ministry of Labor regarding their performance ratings.
- The decision also covers salary increments for employees who change employers, as well as potential reductions or suspensions in specific cases. Examples include employer hardship, employee absences of six months or more, unpaid leave, or investigations for workplace misconduct.
- Employers who fail to comply may face a penalty of 50 OMR per affected employee.

**Resources**

[Ministerial Decision No. 317/2025](#) (Arabic) (Ministry of Labor, June 18, 2025)

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

- [Social protection for foreign employees expanded](#) — key date: July 2026

**Health — Wealth**

- [Three workforce insurance schemes postponed](#) — key date: July 19, 2026

**Poland (previously covered, partially effective)****Status**

**Effective Jan. 1, 2026 for public sector employers and May 1, 2026 for private sector employers.**

**Development****Career — Health****Method for determining length of service expanded**

The government has broadened the way an employee's length of service is calculated. The new method includes work performed for the same employer outside of traditional employment contracts, such as self-employment, service contracts or work under "mandate contracts." This change, introduced through amendments to the labor code, aims to include individuals who have years of professional experience but are currently excluded from benefits linked to length of service. The measure affects employee entitlements linked to length of service, including additional holiday leave, long service awards and eligibility for roles requiring documented work history. However, these entitlements only apply if the individual is actively employed when claiming them, and if social security contributions were paid during those periods.

The Social Insurance Institution (ZUS) issues certificates confirming these periods of service. If ZUS cannot provide a certificate, employees may submit their own documentation to verify their length of service.

**Resources**

[Announcement](#) (Polish) (Government, Oct. 16, 2025)

**Poland (new)****Status****Currently effective****Development****Career — Health — Wealth****Employers must disclose pay to job candidates**

From Dec. 24, 2025, all employers in Poland must follow new rules about disclosing pay information when hiring new staff and not asking candidates about current or prior pay. These rules are part of labor law changes that partially implement a European Union directive aimed at increasing pay transparency and reducing pay discrimination (further measures to give effect to the directive are expected to follow). Highlights include:

- Employers need to prepare clear, written pay information for every job opening — either the exact pay or pay range for the job. This includes all types of pay, such as basic salary; bonuses and commissions; overtime pay; allowances and benefits; and pension contributions.
- Employers must provide pay information on paper or electronically. If they tell candidates about pay verbally, they must also provide it in writing later.
- The pay details must be shared in the job advertisement itself, before the job interview, or before the candidate officially starts the job.
- Job advertisements should not use discriminatory language, and the recruitment and hiring process must be fair and transparent.
- Employers cannot ask candidates about current or prior pay. However, they can ask what salary the candidate expects or hopes for in the new role.

**Resources**

[Information on the rules](#) (Polish) (Government, December 2025)

## Poland (previously covered, now effective)

**Status**  **Currently effective**

**Development**

**Career — Health — Wealth**

**Collective bargaining agreements streamlined and expanded**

On Nov. 27, 2025, the President signed the Law on Collective Bargaining and Collective Agreements (CBAs), which streamlines the process for concluding and registering collective agreements and broadens the range of negotiable topics. Highlights include:

- CBAs cannot contain terms less favourable than those established by labor law.
- Company-wide or multi-company CBAs may address issues beyond labor law, such as work-life balance, the integration of new technologies (including artificial intelligence), gender equality, anti-mobbing measures and initiatives targeting psychosocial risks like stress and burnout.
- CBAs must be submitted electronically to the National Register of Collective Bargaining Agreements.
- Parties may engage a mediator during negotiations.
- The duration of CBAs is now more flexible, allowing for fixed-term agreements or CBAs with possible extensions or indefinite terms.
- Multiemployer collective bargaining agreements (involving two or more employers) can be concluded without the participation of an employer organisation.

**Resources** [Law](#) (Polish) (Government, Nov. 28, 2025)

## Russia (previously covered, now effective)

**Status**  **Currently effective**



**Development**



**Career**

**Minimum wage increased**

On Jan. 1, 2026, the monthly minimum wage increased to 27,093 RUB, up from 22,440 RUB.

**Resources** [Law](#) (Russian) (Government, Nov. 28, 2025)

Saudi Arabia (new)	
<b>Status</b>	 <b>Partially effective</b>
<b>Development</b>	<p><b>Career</b>  <b>Wage clause system to simplify wage dispute resolutions</b>                      Saudi Arabia launched a new system designed to simplify and expedite the resolution of wage-related disputes between employees and employers. Highlights include:</p> <ul style="list-style-type: none"> <li>• Wage clauses are immediately enforceable and integrated with the Ministry of Human Resources and Social Development's Qiwa portal and the Ministry of Justice's Naji platform.</li> <li>• Employment contracts must include a detailed wage breakdown, specify statutory salary deductions and the exact payment date for the monthly salary.</li> <li>• Employees can submit direct enforcement requests if their wages remain unpaid for at least 30 days or are only partially paid after 90 days. Employers have five days from notification to contest these claims.</li> </ul> <p>The system began in October 2025 for new and updated contracts and will begin in March 2026 for renewed fixed-term contracts and August 2026 for open-ended contracts.</p>
<b>Resources</b>	<a href="#">Qiwa portal</a> (Government)
Saudi Arabia (previously covered, now effective)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b>  <b>Health insurance disclosure form for smaller employers introduced</b>                      Starting Jan. 1, 2026, health insurance providers have the right to request employers (policyholders) with fewer than 100 employees to complete a medical disclosure form for newly issued policies. This requirement is outlined in a circular issued on Oct. 19, 2025.</p> <p>While the policyholder may submit the medical disclosure forms to the insurance providers, it is mandatory that the individual beneficiaries complete these forms themselves. Health insurance companies retain the right to request additional information if necessary, and may also waive the requirement to provide some or all the disclosed data. For employers with more than 100 employees, health insurance providers may only request medical disclosure under specific circumstances: if the individual beneficiary is older than 65, or if an individual is added to the policy after it has already taken effect (this includes new employees and/or spouses on a dependent visa, within 30 days of the start of employment or their marriage).</p>
<b>Resources</b>	<a href="mailto:zaid.ahmed@marsharabia.sa">zaid.ahmed@marsharabia.sa</a> <a href="#">Circular</a> (English and Arabic) (Insurance Authority, Oct. 19, 2025)

Slovakia (new)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Health</b>  <b>Meal allowances for business trips increased</b>                      On Dec. 1, 2025, Slovakia increased the meal allowance rates for domestic business trips as follows:</p> <ul style="list-style-type: none"> <li>• Five to 12 hours — €9.30, up from €8.80</li> <li>• 12 to 18 hours — €13.80, up from €13.10</li> <li>• More than 18 hours — €20.60, up from €19.50</li> </ul>
<b>Resources</b>	<a href="#">Law</a> (Slovakian) (Government, Jan. 4, 2026)
Slovakia (previously covered, now effective)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career</b>  <b>Minimum wage increased</b>                      On Jan. 1, 2026, the minimum wage rate increased to €915/month and to €5.259/hour — up from €816/month and €4.69/hour. Different rates apply to employees depending on their job grades.</p>
<b>Resources</b>	<a href="#">Announcement</a> (Slovak) (Government, Oct. 8, 2025)

**Slovakia (previously covered, generally effective)****Status**  **Generally effective****Development****Career — Health — Wealth****Public holidays, sick leave payments and health insurance contributions adjusted**

Changes to public holidays, employers' requirement to pay sick leave and health contribution rates were included in a "comprehensive law" that aim to consolidate public finances. The measures started in 2026 except for the permanent cancellation of the Nov. 17 public holiday which was effective in 2025. Highlights include:



- Changes to public holidays. Starting in 2025, Nov. 17 is no longer a public holiday — this is a permanent change. May 8 and Sept. 15 will temporarily lose their status as public holidays in 2026.
- On Jan. 1, 2026, employers have to pay the wages of employees who are on sick leave for 14 calendar days, up from 10. Social insurance will only be paid from the 15th day of incapacity.
- On Jan. 1, 2026, social insurance must be paid if an employee receives any taxable income, for example while on sick leave or during leave to care for a family member.
- Effective Jan. 1, 2026, employees' health insurance contribution increased to 5%, up from 4%; for individuals with disability, and the contribution rate will increase to 2.5%, up from 2%. On Jan. 1, 2028, the contribution rate for employers will decrease to 10%, down from 11%.
- The amount of the thirteenth old-age pension, early retirement pension and disability pension (upon reaching retirement age) is fixed at €667.30 from 2026 to 2028.




**Resources**[petr.boldis@mercer.com](mailto:petr.boldis@mercer.com)[Announcement](#) (Slovak) (Government, Sept. 25, 2025)**Slovenia (previously covered, with upcoming effective date)****Development****Career — Wealth**

- [Phased retirement introduced, hiring of older employees boosted](#) — key date: Upon proclamation
- [Pension reforms will increase retirement age](#) — key date: Beginning in 2028

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

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

Spain (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Career — Health</b></p> <p><b>Birth and child care leave expanded</b></p> <p>Parents are entitled to paid birth and child care leave of 19 or 32 weeks under measures included in Royal Decree-Law 9/2025, which amends the Workers' Statute and aims to transpose the European Union's Directive that includes establishing minimum requirements for parental leave, paternity leave and flexible working arrangements. The Royal Decree law took effect on July 31, 2025, for leave periods starting on Jan. 1, 2026. Highlights include:</p> <ul style="list-style-type: none"> <li>• "Birth" includes childbirth and the care of a baby and by a parent who is not the biological mother, including adoptive parents.</li> <li>• An individual's income is paid at 100% of the maximum social security contribution base (€163.65/day in 2025) and is paid for by social security.</li> <li>• The employment contract may be suspended for 19 weeks for both the biological mother and the other parent in cases of birth, adoption, guardianship for adoption purposes, and foster care. Single mothers/fathers are entitled to 32 weeks.</li> <li>• Biological mothers can take up to four weeks prior to their baby's birth.</li> <li>• Mothers must take a single block of six weeks immediately following the birth or following the placement of a child for adoption or guardianship.</li> <li>• Eleven weeks (22 weeks for single mothers) can be taken flexibly, either as single weeks or as a combination of weeks, up until the child is 12 months old.</li> <li>• The paid parental leave is extended to two weeks, to be taken until the child turns eight years, and retrospectively applies from August 2024. For single-parent families, the leave is expanded to four weeks.</li> </ul>
Resources	<a href="#">Royal Decree-Law 9/2025</a> (Spanish) (Official Bulletin, July 29, 2025)
Tanzania (previously covered, now effective)	
Status	 <b>Currently effective</b>
Development	<p><b>Career</b></p> <p><b>Minimum wage for private sector increases</b></p> <p>On Jan. 1, 2026, the minimum wage for private sector employees increased to 358,322 TZS, up from 275,060 TZS.</p>
Resources	<a href="#">Announcement</a> (Swahili) (Government, Oct. 17, 2025)

Turkey (new)	
Status	 <b>Currently effective</b>
Development	<p><b>Wealth</b></p> <p><b>State contributions to pensions updated for 2026</b></p> <p>Effective Jan. 1, 2026, the state contributions to pensions are as follows:</p> <ul style="list-style-type: none"> <li>• The state contribution rate to pension contracts on behalf of the individual members is now 20%.</li> <li>• For individuals who have not opted-out from the Auto-Enrollment System (OKS), the State Contribution (recorded as a one-time commitment upon entry) is updated to 500 TL.</li> </ul>
Resources	<p><a href="mailto:evsen.olmez@mercer.com">evsen.olmez@mercer.com</a></p> <p><a href="#">Regulation</a> (Turkish) (Government, Jan. 6, 2026)</p>
United Kingdom (UK) (new)	
Status	 <b>Introduction is postponed until April 2027.</b>
Development	<p><b>Health</b></p> <p><b>Introduction of mandatory payrolling of benefits-in-kind postponed</b></p> <p>The introduction of mandatory payrolling of paid benefits-in-kind (BiKs) in the UK is postponed by one year to April 2027. The postponement follows industry consultation earlier in 2025. Most BiKs and expenses, income tax and Class 1A National Insurance contributions will need to be reported through Real Time Information and paid in real time. Employers will also be able to payroll employment-related loans and accommodation on a voluntary basis. The taxable value of a BiKs will be calculated in the same way as under the voluntary payrolling process. However, employers who want to voluntarily payroll their taxable noncash BiKs for the 2026/27 tax year can still do so, but they must register with the tax authority (HMRC) by April 5, 2026.</p>
Resources	<p><a href="#">Technical note: Mandating the reporting of benefits in kind and expenses through payroll software an update — an update</a> (Government, April 25, 2025)</p>
UK (new)	
Status	 <b>Proposal</b>
Development	<p><b>Wealth</b></p> <p><b>National Insurance contributions charge on certain salary sacrifices for employer pensions contributions</b></p> <p>Following the announcement in the November 2025 Budget, legislation was introduced to empower the Treasury to make regulations to apply a Class 1 National Insurance Contributions charge (Employee and Employer) on salary sacrifices for employer pension contributions for sacrificed amounts that exceed the contributions limit. The regulations will specify a contributions limit of £2,000 for the tax year 2029-30 and subsequent tax years.</p>
Resources	<p><a href="mailto:richard.wyatt@mercer.com">richard.wyatt@mercer.com</a></p> <p><a href="#">Legislation</a> (Parliament)</p>

**UK (new)****Status**  **Currently effective****Development****Career****Early conciliation period for potential employment claims and time limit for bringing a claim expanded**

From Dec. 1, 2025, the mandatory early conciliation period offered by ACAS (Advice, Conciliation and Arbitration Service) expanded to 12 weeks, up from six weeks, before claimants commence proceedings in the Employment Tribunal. Introduced in 2014, the early conciliation period enables ACAS to try to facilitate a settlement between the employee and the employer to avoid litigation. If agreement is not reached, the employee can bring proceedings to the Employment Tribunal. This extension aims to reduce pressure on ACAS, as the demand for early conciliation has increased, causing delays in ACAS contacting employers within the original six-week timeframe. These changes are included in The Employment Tribunals (Early Conciliation: Exemptions and Rules of Procedure) (Amendment) Regulations 2025. In addition, the Employment Rights Act that received Royal Assent on Dec. 18, 2025, includes measures that will expand the time limit for bringing a claim in the employment tribunals (in Great Britain) to six months (up from three) for most types of claims. The expanded time limit for claims and early conciliation period will mean that employers could be unaware of claims for up to one year.

**Resources**

[The Employment Tribunals \(Early Conciliation: Exemptions and Rules of Procedure\) \(Amendment\) Regulations 2025](#) (Government, Dec. 1, 2025) and [Businesses, unions and civil society leaders welcome Royal Assent of Employment Rights Act](#) (Government, Dec. 18, 2025)



**UK****Status**  **Consultation is open until Feb. 18, 2026.****Development****Career****Consultation on the use of noncompete clauses in employment contracts published**

The UK government published a working paper seeking views on potential reforms to the use of noncompete clauses in employment contracts. These clauses restrict employees from working for, or starting, a competing business after leaving their current job. The government's goal is to enhance labor market flexibility, reduce recruitment barriers, encourage competition and protect workers from prolonged periods of not working. Stakeholders are invited to submit comments by Feb. 18, 2026. The working paper outlines the following policy options:

- Introduction of statutory limits on the duration of noncompetes.
- Introduction of limits on noncompete durations based on the employer's size.
- Implementation of a complete ban on noncompete clauses.
- Ban the use of noncompete clauses for employees earning below a certain salary threshold.
- Combine a ban below a specified salary threshold with a maximum allowable duration.

**Resources**

[Working paper on options for reform of noncompete clauses in employment contracts](#) (Department for Business and Trade, Nov. 26, 2025)

UK (new)	
<b>Status</b>	 <b>Consultation is open through March 5, 2026.</b>
<b>Development</b>	<p><b>Wealth</b></p> <p><b>Consultation on improving trusteeship, governance and administration standards issued</b></p> <p>The Department for Works and Pensions (DWP) has published a consultation on improving the standards of pension scheme trusteeship, governance and administration. As the pensions system evolves, the DWP proposes several new measures to raise standards of all trustees and ensure that members' best interests are considered, but that recognize that professional and lay trustees need different approaches.</p> <p>The consultation also considers how pension scheme administration standards could be improved, and trustee requirements and administration standards strengthened before considering regulation.</p> <p>The consultation follows the 2023 Call for Evidence on pension trustee skills, capability and culture and the more recent inquiry by the Work and Pensions Select Committee Defined Benefit Pensions Schemes.</p>
<b>Resources</b>	<p><a href="mailto:richard.wyatt@mercer.com">richard.wyatt@mercer.com</a></p> <p><a href="#">Trust-based pension schemes: Trustees and governance, building a stronger future</a> (DWP, Dec. 15, 2025)</p>
UK (previously covered, now effective)	
<b>Status</b>	 <b>Currently effective</b>
<b>Development</b>	<p><b>Career</b></p> <p><b>Immigration changes take effect</b></p> <p>Significant increases to the Immigration Skills Charge took effect in December 2025, and other changes became effective in January 2026. Highlights include:</p> <ul style="list-style-type: none"> <li>• From Dec. 16, 2025, the Immigration Skills Charge increased to £1,320/year for large sponsors, up from £1,000/year. Small or charitable sponsors face an increase to £480 per year, up from £364.</li> <li>• On Nov. 4, 2025, the list of eligible universities for recruitment under the High Potential Individual route doubled, allowing more recent foreign graduates to qualify for this route, which grants the right to work in the UK for up to two years. The number of applications under this route is now capped at 8,000/year.</li> <li>• Effective Jan. 8, 2026, main applicants who apply under the Skilled Worker, Scale-Up and High Potential Individual routes have to demonstrate English language proficiency at Level B2 of the Common European Framework of Reference for Languages (CEFR), an increase from the current Level B1. This requirement applies only to first-time applicants.</li> <li>• Also from January 2026, the period during which foreign nonPhD graduates who have recently graduated from UK universities can work in the UK without sponsorship reduced to 18 months, down from two years. The length of permission for PhD graduates to be employed in the UK remains unchanged at three years.</li> </ul>
<b>Resources</b>	<a href="#">Statement of changes to the Immigration Rules: HC 1333</a> (Government, Oct. 14, 2025)

**UK — Great Britain (new)****Status****Effective dates vary.****Development****Career — Health****Employment Rights Act receives Royal Assent**

The Employment Rights Act (Act) received Royal Assent on Dec. 18, 2025. Most measures will be introduced over a two-year period through secondary legislation and will follow consultations. However, changes to statutory sick pay and paternity leave and the launch of the Fair Work Agency will begin in April 2026. Four consultations have already been launched on bereavement leave, dismissal protection for pregnant women and new mothers, workers' rights to union information and union access to workplaces. The Act does not apply to Northern Ireland, which is planning to review its employment law rights framework. Highlights include:

- The qualifying period to claim unfair dismissal will be reduced to six months down from two years, and the compensation cap will be removed.
- Statutory sick pay will be paid from the first day of sickness instead of the fourth day.
- Individuals on zero and low-hours contracts will have new rights on guaranteed hours and work predictability.
- Employers' refusals to flexible working requests will have to be "reasonable."
- The use of dismissal and re-engagement practices to change employment terms will be restricted.
- Unions will have expanded workplace access rights and the procedures for recognition and balloting simplified.
- Parental and paternity leave will be enhanced, dismissal protections during pregnancy and family leave will be strengthened and a new right to unpaid bereavement leave will be introduced (including for pregnancy loss before 24 weeks).
- The thresholds and consultation rules for mass layoffs will be updated.
- Employers will have a duty to prevent workplace sexual harassment.
- Nondisclosure agreements will be banned in discrimination and harassment cases.
- The time limit for bringing a claim in the employment tribunals will be expanded to six months (up from three) for most types of claims.
- The Fair Work Agency will be established to enforce employment rights and standards.

Other employment topics not included in the Act but which are flagged for consideration include the right to disconnect, workplace surveillance and pay transparency. The Equality (Race and Disability) Bill is expected in 2026 to address pay gap reporting and equal pay measures.

**Resources**

[Businesses, unions and civil society leaders welcome Royal Assent of Employment Rights Act](#) (Government, Dec. 18, 2025)

**UK — Great Britain (previously covered, now effective)****Status**  **Currently effective****Development****Career — Health****Paternity leave to bereaved partners expanded**

Bereaved fathers and partners in Great Britain have new rights if their newborn child's birth or adoptive mother dies, under measures included in The Paternity Leave (Bereavement) Act that received Royal Assent on May 24, 2024. Bereaved parents of children born through a surrogacy arrangement will also be covered. The act applies in England, Wales and Scotland. Highlights include:

- Bereaved partners no longer have to meet a minimum service period and can take statutory paternity leave from the first day of employment.
- Leave can also be taken if both the mother and child die.
- Partners who have already taken shared parental leave are allowed to take paternity leave.
- Regulations specify circumstances in which a bereaved employee could return to work for a period ("keeping-in-touch" days) without bringing the leave to an end, and the potential redundancy of a bereaved employee after returning to work.

The act does not address payment during the leave period.

Commencement regulations were made on Dec. 15, 2025 and took effect on Dec. 29, 2025.

**Resources**

[Paternity Leave \(Bereavement\) Act 2024](#) (Government, May 24, 2024) and [The Paternity Leave \(Bereavement\) Act 2024 \(Commencement\) Regulations 2025](#) (Government, Dec. 15, 2025)

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

- [Benefits-in-kind digitization reporting confirmed](#) — key date: April 2026

**Career**

- [Minimum wage to increase](#) — key date: April 1, 2026

**Wealth**

- [Pension auto enrollment to expand, reducing eligible age and abolishing earnings threshold](#) — key date: unknown
- [Government responds to consultation on unconnected multiemployer CDC schemes](#) — key date: July 31, 2026
- [Budget includes pension changes](#) — key date: April 6, 2027
- [Policy paper on inheritance tax and pensions death benefits](#) — key date: April 6, 2027

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