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Global Legislative Update

February 2026

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

Global	
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Reproductive rights	Global employer resources post-<i>Dobbs</i> ruling
Right to disconnect	Global employer resources
Americas	
Canada	Regulation on establishing variable payment life pension plans in Quebec published Minimum wage to increase in Quebec
Nicaragua	New mandatory national holidays introduced
United States	Individual Retirement Arrangements' amendment deadline for SECURE acts and more extended Monetary penalties for violations of HIPAA adjusted Model 402(f) rollover notices for SECURE 2.0 updated Equal Employment Opportunity Commission rescinds 2024 anti-harassment guidance EEOC adopts resolution to require Commission approval of almost all litigation Final rule significantly changes H-1B visa selection process Health savings account-compatible telehealth, primary care, bronze plans enhancements passed 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

Americas (continued)	
US	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 Annual reporting requirement to insurance department approaching in Arkansas New 'Workplace know your rights act' requires employer action in California Additional 2025 top-off payments deadline approaching under Healthcare Security Ordinance in San Francisco, California Job protection for leaves expanded in New Jersey 'Trapped at work act' enacted and proposed amendments introduced in New York Employers prohibited from requesting or using employee's credit history in New York 2026 Healthcare Reform Act covered-lives assessment rates announced in New York Prohibition against hair discrimination now effective in Pennsylvania Paid sick leave for influenza epidemic in Puerto Rico Benefit and leave laws vary in Puerto Rico Ordinance addresses vaccine recommendations in Washington, DC
Asia Pacific	
Australia	Update on Superannuation bills introduced in 2025 Additional tax on investment earnings from large superannuation balances proposed
Brunei	Second phase of mandatory medical insurance launched
China	Second batch of novel drugs exempt from Diagnosis Related Groups payment scheme issued in Beijing Coverage for serious and catastrophic illnesses expanded in Shanghai
Malaysia	Expatriate permit changes to boost local employment rate introduced Round-the-clock social security coverage (LINDUNG 24/7 Scheme) to be introduced

Asia Pacific (continued)	
South Korea	Ruling recognizes employer's Target Achievement Incentives as ordinary wages for severance pay calculation
Europe, Middle East and Africa (EMEA)	
Belgium	Revised medical leave arrangements now effective Mobility Budget required for certain employers starting in 2027 Inpatriate tax regime eased
Germany	Restrictions on settlement pension entitlements eased
Greece	Launch of employee digitization platform, Ergani II, planned for February
Ireland	Enforcement of contractual retirement ages to be generally restricted
Italy	Revised Termination Indemnity rules to increase employees' pension participation
Luxembourg	Pension system reforms introduced
Morocco	Workers' compensation tax on insurance products, services increased
Netherlands	Reimbursements of expatriates' cost of living expenses tightened
Poland	Rules on electronic processes, unused holiday leave and Company Social Benefits Fund updated
Saudi Arabia	Increased Saudization rates announced
United Arab Emirates	Digitization of Wage Protection System enhanced Basic health plan changes announced
United Kingdom	Consultation on Value for Money framework opened Consultation on the use of noncompete clauses in employment contracts published Consultation on improving trusteeship, governance and administration standards issued Implementation timeline for Employment Rights Act updated in Great Britain

Section 2

Global

Artificial Intelligence	
Status	 Ongoing initiatives
Development	Career Roundup: Global employer resources on artificial intelligence Artificial Intelligence (AI) has become more of a permanent feature of the workplace for many employees and employers around the world and poses numerous challenges and considerations as it reshapes work. To help employers consider the issues associated with AI, the roundup cited below provides links to general information about ongoing legislative and governance initiatives and trends. Sources include Marsh McLennan, organizations, government websites, third-party analysis, news articles and viewpoints.
Resources	Roundup , regularly updated
Minimum wage	
Status	 Ongoing initiatives
Development	Career Roundup: Global employer resources on minimum wage increases To help multinational employers address the different minimum wage rates around the world, the roundup cited below provides links to resources from organizations, government websites, third-party resources, and news articles.
Resources	Roundup , regularly updated

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

Section 3

Americas

Brazil (previously covered, with an upcoming effective date)

Development

Career

- Payroll tax to increase — key date: Jan. 1, 2027

Career — Health

- Inclusion of psychosocial risks in risk management process postponed — key date: May 26, 2026

Canada — Quebec (new)

Status



Effective May 1, 2026

Development

Career

Minimum wage to increase

Quebec's government announced that on May 1 its minimum wage will increase to C\$16.60/hour, up from C\$16.10/hour.

Resources

[Press release](#) (French) (Government, Jan. 22, 2026)

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

Canada (previously covered, with an upcoming effective date)

Development

Career

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

Canada — Quebec (new)

Status  **Currently effective**

Development

Wealth

Regulation on establishing variable payment life pension funds published

The final regulation amending supplemental pension plans to establish Variable Payment Life Pension funds (VPLPs) was published on Dec. 17, 2025, and took effect on Jan. 1, 2026. It closely follows the draft version released on May 28, 2025.

VPLPs enable participants with capital accumulation plans to convert some or all of their accumulated assets into a "dynamic" annuity. This annuity is periodically adjusted based on the fund's investment returns and mortality experience, with the option to pool mortality data with other funds. VPLP funds must undergo an actuarial valuation at least every three years.

Creating a VPLP fund within a registered defined contribution (DC) pension plan is optional and depends on the plan sponsor's decision. If a VPLP fund is introduced, the pension plan's governing documents must be updated accordingly.

Quebec is the first Canadian jurisdiction to finalize legislation allowing VPLPs within DC pension plans. Other jurisdictions are considering similar draft legislation, and the Canadian Association of Pension Supervisory Authorities (CAPSA) formed an advisory committee to develop harmonized rules for VPLPs nationwide. While administrative challenges may affect the adoption of VPLPs by DC plan sponsors, this option offers a promising alternative to enhance financial security in retirement, especially as capital accumulation plans become increasingly important.

Resources

jean.p.plamondon@mercer.com
[Final regulation](#) (Official Gazette, Dec. 3, 2025)

Colombia (previously covered, with an upcoming effective date)

Development

Career — Wealth

- [Labor laws revised, worker protections expanded](#) — key date: July 1, 2026
- [New regulation on provision of breastfeeding spaces issued](#) — key date: July 1, 2026

Wealth

- [Pension reforms issued](#) — key date: Postponed from July 1, 2025, pending judicial decision

Nicaragua (new)	
Status	 Currently effective
Development	<p>Career</p> <p>New mandatory national holidays introduced</p> <p>Nicaragua established new mandatory national holidays on Jan. 18, Feb. 2, Feb. 21 and Nov. 8, as part of Labor Code changes under Law No. 1272, published on Jan. 20, 2026. Highlights include:</p> <ul style="list-style-type: none"> • Employers must pay employees at their regular rate, but if required to work, they must receive overtime pay of 100%. • Certain types of work are exempt from the overtime rate, such as work that cannot be interrupted, urgent repairs due to unforeseen damage or force majeure, tasks related to natural phenomena that must be performed at specific times and activities essential to food supply and basic daily needs. In such cases, employees and employers may agree to substitute the holiday with another rest day.
Resources	Law 1272 (Spanish) (Government)
Panama (previously covered, with an upcoming effective date)	
Development	<p>Wealth</p> <ul style="list-style-type: none"> • Employer social security contributions increased — key date: March 1, 2027
Peru (previously covered, with an upcoming effective date)	
Development	<p>Career — Wealth</p> <ul style="list-style-type: none"> • Pension system modernization law issued — key dates: 2027 and 2028 <p>Wealth</p> <ul style="list-style-type: none"> • Regulations to support pension system reform issued — key date: starting in June 2027
US (new)	
Status	 Currently effective
Development	<p>Career</p> <p>Equal Employment Opportunity Commission rescinds 2024 anti-harassment guidance</p> <p>On Jan. 22, 2026, the Equal Employment Opportunity Commission (EEOC) voted to rescind its “Enforcement Guidance on Harassment in the Workplace,” originally approved in 2024. The EEOC chair stated that “[f]ederal employment laws against discrimination, harassment, and retaliation, and Supreme Court precedent interpreting those laws, remain firmly in place.”</p> <p>In February 2025 the Chair announced that the EEOC is “rolling back the Biden administration’s gender identity agenda.”</p>
Resources	EEOC Commission votes to rescind 2024 harassment guidance (EEOC, Jan. 23, 2026)

United States (US) (new)	
Status	 Deadline is extended to Dec. 31, 2027.
Development	Wealth Individual Retirement Arrangements' amendment deadline for SECURE acts and more extended IRS Notice 2026-9 announces a one-year extension — to Dec. 31, 2027 — of the deadline to amend certain individual retirement arrangements (IRAs) for the following laws: <ul style="list-style-type: none">• The SECURE 2.0 Act of 2022• The Setting Every Community Up for Retirement Enhancement Act of 2019• The Coronavirus Aid, Relief and Economic Security (CARES) Act• The Taxpayer Certainty and Disaster Tax Relief Act of 2020 The extended deadline applies to IRAs under Internal Revenue Code (IRC) Section 408(a), (b) and (h) as well as Simplified Employee Pension (SEP) arrangements and Savings Incentive Match Plan for Employees (SIMPLE) IRAs. It covers all amendments — required or discretionary — related to these laws and any associated regulations. IRS extended the plan amendment deadline in response to feedback from stakeholders that without model language for the required amendments, IRA custodians and providers need additional time. IRS is working on model amendments but hasn't released them yet. The extension does not apply to qualified retirement plans, 403(b) plans or eligible 457(b) plans sponsored by governmental employers. The deadline to amend these plans for most provisions in the above laws remains Dec. 31, 2026, except later deadlines apply to amendments for certain changes to the required minimum distribution rules under SECURE 1.0 and 2.0.
Resources	margaret.berger@mercer.com and brian.kearney@mercer.com GRIST , Jan. 30, 2026
US (new)	
Status	 Currently effective
Development	Career EEOC adopts resolution to require Commission approval of almost all litigation The EEOC (EEOC) recently voted to approve a resolution modifying its procedures to initiate or intervene in litigation. The EEOC now has the authority to approve or disapprove new and intervening litigation. The EEOC General Counsel is responsible for submitting cases to the EEOC for a vote and will retain delegated authority to initiate litigation in certain limited situations, including to enforce settlements, consent decrees, subpoena enforcement actions and temporary restraining orders.
Resources	EEOC Commission adopts resolution to require Commission approval of almost all litigation (EEOC, Jan. 23, 2026)

US (new)	
Status	 Currently effective
Development	Health Monetary penalties for violations of certain health laws adjusted Group health plan sponsors and other entities that violate the privacy, security, breach notification and electronic healthcare transaction rules of the Health Insurance Portability and Accountability Act (HIPAA) now face higher penalties. Inflation adjustments released by the Department of Health and Human Services (HHS) apply to penalties assessed on or after Jan. 28, 2026, for violations occurring on or after Nov. 2, 2015. The adjusted penalties are calculated by multiplying the previous penalties by 1.02598 (the 2026 cost-of-living multiplier), rounded to the nearest dollar.
Resources	dorian.smith@mercer.com and katharine.marshall@mercer.com GRIST , Jan. 29, 2026
US (new)	
Status	 Currently effective
Development	Wealth Model 402(f) rollover notices for SECURE 2.0 updated Notice 2026-13 updates IRS's model rollover notices (402(f) notices) for retirement plan participants and beneficiaries receiving "eligible rollover distributions" from a qualified retirement plan, 403(b) plan or eligible 457(b) plan maintained by a governmental employer. The latest updates to the model notices reflect certain law changes made by the SECURE 2.0 Act of 2022 (Div. T of Pub. L. No. 117-328) and additional recommendations from the Government Accountability Office (GAO) to improve the notices. Like past updates, Notice 2026-13 includes two model safe harbor explanations: one for distributions that are not from a designated Roth account and one for distributions from a designated Roth account. Plans can use the new models immediately but must update them for any law changes taking effect after Jan. 15, 2026. Plan administrators can customize the notices, and Treasury and IRS encourage administrators to omit any information that doesn't apply to their plan. Administrators can also forgo the models and write their own explanations, as long as they contain all required information and are written in a manner designed to be easily understood by recipients.
Resources	brian.kearney@mercer.com and margaret.berger@mercer.com GRIST , Jan. 16, 2026

US (previously covered, soon to be effective)	
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	
Status	 Comments about the guidance are due March 6, 2026.
Development	Health Health savings account-compatible telehealth, primary care, bronze plans enhancements passed 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 (DPCSA) 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 DPCSA 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	cheryl.hughes@mercer.com and jennifer.wiseman@mercer.com GRIST , Dec. 22, 2025

US	
Status	 Ongoing developments
Development	<p>Career</p> <p>Roundup: Employer resources on H-1B reforms</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>
Resources	Roundup: Employer resources on H-1B reforms , regularly updated
US	
Status	 Currently effective
Development	<p>Career</p> <p>Roundup: Employer resources on tax deduction for overtime pay</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>
Resources	Roundup: Employer resources on tax deduction for overtime , regularly updated

US	
Status	 Effective dates vary.
Development	Career — Health 2025 state paid family and medical leave contributions and benefits Mandates requiring paid leave for an employee's own health condition exist in California, Colorado, Connecticut, Hawaii, Massachusetts, New Jersey, New York, Oregon, Rhode Island and Washington, along with Puerto Rico and Washington, DC. Delaware, Maine, Maryland and Minnesota will start similar programs in the next few years. Except for Hawaii and Puerto Rico, these jurisdictions also require paid family leave. Voluntary group family leave insurance is now available in Alabama, Arkansas, Florida, Kentucky, Michigan, South Carolina, Tennessee, Texas and Virginia. Private employers may opt in to the state program for governmental employees in New Hampshire and Vermont.
Resources	rich.glass@mercer.com and katharine.marshall@mercer.com GRIST , updated Jan. 29, 2025 and Paid family and medical leave: Snapshots across the US (Mercer, Sept. 23, 2025)
US	
Status	 Currently effective
Development	Career — Health Domestic partner benefits remain popular, but present challenges Domestic partner benefits continue to be common among many employers. However, compliance complexities present challenges for employers. The GRIST cited below (with minor updates and clarifications) reviews the major issues, particularly related to taxation and documentation, and provides useful tools, including a tax dependent flow chart, an employer domestic partner checklist and two tables summarizing applicable state laws.
Resources	rich.glass@mercer.com and patty.cartwright@mercer.com GRIST , regularly updated

US	
Status	 Effective dates vary.
Development	<p>Career — Health</p> <p>Roundup: State accrued paid leave mandates</p> <p>More than one-third of all states have some form of accrued paid leave requirement. These laws have certain common features, including the following:</p> <ul style="list-style-type: none">• 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• Requirements typically don’t apply to employees covered by a collective bargaining agreement (CBA) in effect at the time of a law’s passage.
Resources	<p>rich.glass@mercer.com and katharine.marshall@mercer.com</p> <p>Roundup: State accrued paid leave mandates (Mercer, regularly updated)</p>

US	
Status	 Currently effective
Development	Health Beyond COBRA: State laws add complexity to continuation coverage Though COBRA has endured for decades, state continuation laws are its less familiar sidekick. These laws (often referred to as “mini-COBRA” laws), fill in COBRA’s gaps, particularly for small employers offering fully insured group health plans as well as fully insured large-employer group health plans (often referred to as “post-COBRA” laws), where coverage is required beyond COBRA’s normal time frames. The GRIST cited below summarizes the major aspects of state continuation requirements.
Resources	rich.glass@mercer.com GRIST , Nov. 12, 2024
US	
Status	 Currently effective
Development	Health Group fixed-indemnity plans post legal and tax issues Concerns that fixed-indemnity plans may too easily be mistaken for comprehensive medical coverage or may improperly treat some benefit payments as tax free has led to a final rule from the departments of Labor, Treasury, and Health and Human Services. The rule requires fixed-indemnity plans to supply a new consumer notice beginning in 2025 but omits more sweeping proposals that would have required many employers to redesign their fixed-indemnity coverage. Treasury proposals to clarify the tax treatment of employer-provided accident and health plans — particularly the tax treatment of fixed-indemnity plans — also were left out of the final rule. The GRIST cited below provides background information about group fixed-indemnity plans, details about the new consumer notice, an overview of proposals left out of the final rule, and a summary of IRS guidance identifying a variety of fixed-indemnity designs (often paired with a wellness program) as improper “double dipping” schemes. This article also summarizes provisions in the rule addressing individual fixed-indemnity plans and short-term limited duration insurance.
Resources	jennifer.wiseman@mercer.com and cheryl.hughes@mercer.com GRIST , Aug. 27, 2024

US

Status



Effective dates vary.

Development

Wealth

User's Guide to SECURE 2.0

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). 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.

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.

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.

This guide is updated periodically to reflect additional information and guidance.

Resources

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[User's guide to SECURE 2.0](#), periodically updated

US	
Status	 Effective dates vary.
Development	Career — Health Transportation plans offer valued benefits, but pose compliance issues Since 1998, employees have been able to pay for qualified transportation fringe benefits through pretax salary reductions under Internal Revenue Code (IRC) § 132(f), and these benefits have become quite popular. (Employers could provide this benefit on a tax-advantaged basis as early as 1992.) The tax exemption extends to commuting expenses for transit passes, qualified parking, van pools, and in certain years, bicycles. While these benefits are not subject to cafeteria plan or ERISA rules, compliance difficulties exist, and a 2018 tax law that will expire at the end of 2025 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.
Resources	rich.glass@mercer.com and cheryl.hughes@mercer.com GRIST , regularly updated
US	
Status	 Currently effective
Development	Career Roundup: Employer resources on the changing landscape of DEI 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.
Resources	Roundup , regularly updated

US	
Status	 Effective dates vary.
Development	Career Roundup: Employer resources on noncompete restrictions Noncompete agreements prevent former employees from working for a competing employer or starting a competing business for a certain time 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. At the state level, several states have generally banned noncompete agreements. Numerous other states have enacted restrictions, such as only allowing noncompete agreements for employees above a certain salary threshold. This roundup focuses on recent federal and state actions to restrict noncompete provisions and provides links to federal and state resources from organizations, government websites, third-party resources and news articles.
Resources	Roundup , regularly updated
US — States	
Status	 Compliance dates vary.
Development	Health Some states require group health plan sponsor reporting Several states and localities have group health plan reporting requirements. 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.
Resources	rich.glass@mercer.com and dorian.smith@mercer.com GRIST , regularly updated

US — States	
Status	 Effective dates vary.
Development	Wealth Resources for tracking state and local retirement initiatives This article summarizes state and local retirement initiatives for private-sector workers and rounds up relevant Mercer and third-party resources. This listing is updated periodically and may not always reflect the latest development in every locality.
Resources	margaret.berger@mercer.com and brian.kearney@mercer.com GRIST , regularly updated
US — States	
Status	 Effective dates vary.
Development	Career Roundup: Employer resources on states' recent equal pay laws The federal Equal Pay Act of 1963 requires that men and women in the same workplace receive equal pay for equal work. In recent years, many states have taken further efforts to address equal pay, such as enacting laws that prohibit employers from asking job applicants about salary history, requiring disclosure of salary ranges and pay data, protecting employees who disclose their pay, expanding equal pay protections for characteristics other than sex, and broadening comparisons of work and pay. In 2023, New Jersey and Illinois expanded equal pay protections to temporary workers. Stronger federal legislation — the Paycheck Fairness Act — was first introduced in 1997 but has not passed after numerous attempts — most recently in June 2021. This roundup primarily focuses on recent state legislative initiatives pertaining to salary history bans and salary range disclosure requirements that affect private sector employers, and provides links to state resources from organizations, government websites, third-party resources and news articles. Certain cities have also acted, but they are generally beyond the scope of this roundup.
Resources	Roundup , regularly updated

US — States	
Status	 Effective dates vary.
Development	Career Roundup: Employer resources on states' recreational marijuana laws Twenty-four states, plus Guam and Washington, DC, have legalized the possession and personal use of marijuana for recreational purposes. To provide employers with some information on states' actions and the varying employment considerations involved, this roundup provides links to organizations, government websites, third-party analysis, news articles and viewpoints on marijuana usage for recreational purposes. Thirty-eight states, plus Guam, Puerto Rico, the US Virgin Islands and Washington, DC, have legalized marijuana use for medical purposes, but this roundup focuses on legal recreational marijuana use and its implications for employers. The aggregated content in each section is organized in reverse chronological order and is by no means comprehensive. It also does not necessarily reflect Mercer's or the authors' point of view on the subject.
Resources	Roundup , regularly updated
US — States	
Status	 Effective dates vary.
Development	Career Roundup: Employer resources on minimum wage increases On 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	
Status	 Effective dates vary.
Development	Career Roundup: Employer resources on hairstyle nondiscrimination laws The Creating a Respectful and Open World for Natural Hair (CROWN) Act movement in the United States aims to prohibit discrimination based on natural hair texture or hairstyles normally associated with race, such as braids, locks, twists, curls, cornrows, Afros, head wraps or bantu knots. The official campaign of the CROWN Act is led by the CROWN Coalition. Federal legislation, supported by the Biden administration, passed the House during the last session of Congress — but was not enacted. Many states have already passed CROWN Acts, and many others are considering legislation. To help employers ensure their employee handbooks and appearance policies are nondiscriminatory and comply with federal, state, and local laws, the roundup cited below provides links to federal and state resources from organizations, government websites, third-party analysis, news articles and viewpoints.
Resources	Roundup , regularly updated
US — Arkansas (new)	
Status	 Reporting deadline is March 1, 2026.
Development	Health Annual reporting requirement to insurance department approaching The Arkansas Insurance Department (AID) imposes an annual reporting requirement (called Rule 128). After a two-year phase-in, AID now requires a full year of data from the prior year (in this case, 2025) by March 1 of every year. The prior two deadlines were March 3, 2025, and July 31, 2025. A reduced reporting burden applies to self-funded ERISA plans with less than 5,000 covered lives in the state. Last September, a federal district court upheld Rule 128 in a challenge based on ERISA preemption.
Resources	rich.glass@mercer.com Rule 128 reporting (AID)

US — California (new)	
Status	 Effective dates vary.
Development	Career New ‘Workplace know your rights act’ requires employer action The new “Workplace know your rights act” (SB 294) aims to provide employees with a strong understanding of their workplace and constitutional rights. Employers must: <ul style="list-style-type: none">• Provide employees with a specific written notice regarding their workplace rights by Feb. 1, 2026 and annually thereafter. A template notice was issued by the Labor Commissioner.• Establish a process for employees to designate an emergency contact in case the employee is arrested or detained by March 31, 2026. Employers that violate the law are subject to specified penalties.
Resources	SB 294 (Legislature, Oct. 12, 2025)
US — California — San Francisco (new)	
Status	 Deadline is March 2, 2026.
Development	Health Additional top-off payments deadline for 2025 approaching under Health Care Security Ordinance March 2, 2026, is the deadline for employers with self-funded ERISA plans making additional top-off payments for 2025 under San Francisco’s Health Care Security Ordinance (HCSO). The 2025 expenditure rates are (based on nationwide headcount): <ul style="list-style-type: none">• \$3.85 per hour for large employers (100 or more workers)• \$2.56 per hour for medium employers (20-99; 50-99 for nonprofit organizations)• Exempt for small employers (0-19; 0-49 for nonprofit organizations) The Office of Labor Standards Enforcement (OLSE) updated its instructions, slide deck and sample employee letter. Mercer’s HCSO team has consulting resources and can provide further assistance.
Resources	2025 self-funded insurance plans: Calculation & top-off instructions (Government, Jan. 28, 2026): Healthcare Security Ordinance: Self-funded health plan calculations (OLSE, Jan. 28, 2026)

US — New Jersey (new)

Status  **Effective July 17, 2025**

Development **Career — Health**
Job protection for leaves expanded
A New Jersey law changed the Family Leave Act (FLA) — its unpaid family law — and the Temporary Disability Insurance (TDI) and Family Leave Insurance (FLI) programs — which collectively comprise its paid family and medical leave (PFML) law. Here is a summary of the changes that will take effect on July 17 as a result of 2026 Ch. 279 (AB 3451):

- FLA. Right now, the FLA applies to employers with 30 or more employees. The new law decreases this threshold to 15 employees. Right now, employees have protected time off if they have been employed by their employer for at least one year and worked at least 1,000 hours in the past 12 months. The new law decreases this threshold to three months of employment and 250 hours worked in the past 12 months.
- TDI/FLI. Right now, eligibility for TDI/FLI benefits is separate from an employee’s right to protected time off. In other words, receiving these benefits does not guarantee job protection. Historically, this put some employees in a bind if they were eligible for FLI benefits but not FLA protections because of different eligibility standards. The new law extends the FLA protections to employees who receive FLI benefits and meet the new FLA eligibility threshold. Also under the new law, if an employee is eligible for both TDI/FLI benefits and paid sick leave under the state’s Earned Sick Leave Law, the employee may select the order for in which to use the benefits but cannot receive both at the same time.

Resources rich.glass@mercer.com
[New Jersey Family Leave Act](#) (Government) and [Bill A3451](#) (Legislature, Jan. 17, 2026)

US — New York (new)

Status  **Currently effective**

Development **Career**
‘Trapped at work act’ enacted and proposed amendments introduced
On Dec. 19, 2025, New York’s governor signed the “Trapped at Work Act” into law. Effective immediately, it prohibits employers from entering into an “employment promissory note” with its employees. The intent was to eliminate agreements that require employees to repay training costs if they separate from employment before a stated period. In January 2026, the legislature introduced amendments (A09452/S08822) to clarify ambiguities in the law. If enacted, it would postpone the effective date to Dec. 19, 2026. California also enacted similar "stay or pay" legislation.

Resources [A09452/S08822](#) (Legislature)

US — New York (new)	
Status	 Currently effective
Development	Career Employers prohibited from requesting or using employee’s credit history On Dec. 19, 2025, New York’s governor signed SB 3073. Effective immediately, it generally prohibits employers from requesting and using any applicant’s or employee’s credit history in connection with employment decisions. There are specified exemptions from the prohibitions. The law is similar to New York City’s credit check prohibition.
Resources	SB 3073 (Legislature)
US — New York (updated)	
Status	 Currently effective
Development	Health 2026 Health Care Reform Act covered-lives assessment rates announced The Department of Health (DOH) posted the 2026 regional covered-lives assessment (CLA) rates and percentage surcharges for graduate medical education (GME) under the state’s Health Care Reform Act (HCRA). The HCRA imposes an annual CLA — based on the number of covered individuals (and families) who live in New York — on “electing” health claim payors, including self-funded plans. The state lets payors “elect” to pay the CLA per covered individual directly to the state’s Professional Educational Pool. Nonelecting payors are not subject to the annual CLA but may incur significantly higher GME percentage surcharges on certain in-state hospital expenses. The annual GME CLA/percentage surcharge, along with an indigent care surcharge, are two distinct payments imposed by the HCRA.
Resources	rich.glass@mercer.com and dorian.smith@mercer.com GRIST , Jan. 15, 2026
US — Pennsylvania (new)	
Status	 Currently effective
Development	Career Prohibition against hair discrimination is now effective Effective Jan. 24, 2026, Pennsylvania’s CROWN Act expands anti-discrimination protections to expressly cover natural hair texture, protective hairstyles and religious hair coverings.
Resources	House Bill 439 (Legislature, Nov. 25, 2025) and Roundup: US employer resources on hairstyle nondiscrimination laws (Mercer, regularly updated)

US — Puerto Rico (new)

Status	 Currently effective
Development	Career — Health Paid sick leave for influenza epidemic On Jan. 27, 2026, the Department of Health declared influenza as an epidemic and Governor Jenniffer González issued Executive Order 2026-005, formally announcing a state of emergency. This action triggers a 2020 law, which provides up to five paid working days for employees who contract, or are suspected of contracting, a disease or illness prompting a state of emergency. The law does not apply to exempt employees under the Fair Labor Standards Act. Eligible employees must have exhausted vacation and regular sick leave before using the additional five days of paid leave. The Executive Order will remain in effect for the duration of the emergency.
Resources	rich.glass@mercer.com Executive Order 2026-005 (Spanish) (Government, Jan. 27, 2026) and Press release (Spanish) (Department of Health, Jan. 27, 2026)

US — Puerto Rico

Status	 Currently effective
Development	Career — Health Benefit and leave laws vary 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.
Resources	rich.glass@mercer.com GRIST , Aug. 12, 2024

US — Washington, DC (new)

Status	 Currently effective
Development	Health Ordinance addresses vaccine recommendations Act 26-251 (B26-0414) allows healthcare providers and pharmacies to recommend vaccines that are on the DC Department of Health schedule in addition to the schedule maintained by the federal Advisory Committee on Immunization Practices. The law will take effect after the mandatory 30-day Congressional review period ends.
Resources	rich.glass@mercer.com Act 26-251 (B26-0414) (Legislature, Jan. 27, 2026)

US (previously covered, with upcoming effective dates)

Development

Career

- [Large private employers required to report pay data by race and gender in New York City](#) — key date: Multi-year

Career — Health

- [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 leave law for unionized construction employees expanded in New York](#) — key date: Jan. 1, 2027
- [Salary and benefit disclosures in job postings to be required in Delaware](#) — key date: Sept. 26, 2027
- [Paid family medical leave law enacted in California](#) — key date: July 1, 2028

Health

- [Regulations on new provider directory standards issued in California](#) — key date: April 1, 2026
- [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
- [Telehealth parity extended in New Jersey](#) — key date: July 1, 2026
- [Immunization law enacted in New Mexico](#) — 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

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 (previously covered, with upcoming effective dates)

Development

Career

- [Minimum wage to increase](#) — key date: July 2026

Section 4

Asia Pacific

Australia (new)	
Status	 Proposals
Development	Wealth Update on Superannuation bills introduced in 2025 The government introduced three key legislative bills in 2025 that aim to strengthen the superannuation system, financial sector resilience and housing availability. Highlights include: <ul style="list-style-type: none">• Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 would establish a new Corporations Act 2001 prohibition on advertising or making statements about superannuation products targeted to a new employee between the time they accept an employment offer and the time the employer first meets their choice-of-fund obligations. It would apply where such content is not publicly accessible and could reasonably induce the employee to choose a particular product, with certain permitted exceptions. The proposed measure is scheduled to commence on July 1, 2026.• Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025 passed Parliament on Dec. 4, 2025, and aims to enhance the stability and resilience of Australia’s financial system, including the superannuation sector.• Unlocking Supply of Family Homes Bill 2025 would amend the Income Tax Assessment Act 1997 to reduce the minimum age of eligibility for a downsizer contribution to 50 years, from 55 years; extend the period of time for making a contribution from 90 days to one year after a change of ownership occurs; and increase the maximum amount of contribution to AU\$500,000, up from AU\$300,000.
Resources	Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 (Legislature); Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025 (Legislature, Dec. 4, 2025); and Unlocking Supply of Family Homes Bill 2025 (Legislature)

Australia (new)	
Status	 Proposal
Development	<p>Wealth</p> <p>Additional tax investment earnings from large superannuation balances proposed</p> <p>The Treasury proposed an additional tax on investment earnings from total superannuation balances exceeding AU\$3 million — the consultation closed on Jan. 16, 2026. The main proposals currently include:</p> <ul style="list-style-type: none">• Revised calculation methodology so that tax would not be generally levied on assets that have increased in value but have not been disposed of (unrealised gains).• Further 10% tax on earnings on super balances exceeding AU\$10 million, in addition to the 15% on earnings on balances exceeding AU\$3 million.• Consumer Price Indexation of the AU\$3 million threshold (in increments of AU\$150,000) and the AU\$10 million threshold (in increments of AU\$500,000). <p>The proposals also include amendments linked to these calculations, including adjustment to the Total Super Balance (TSB) values that would be reported for some funds; transitional arrangements relating to Capital Gains Tax assets; specific guidance on how to calculate and report “Div296 earnings”; and proportional allocation of these earnings to individual superannuation interests within the fund.</p> <p>Separately, the draft proposes an increased Low Income Superannuation Tax Offset (LISTO), up from the current maximum rate of AU\$500 to a new cap of AU\$810, and an increased applicable income threshold to AU\$45,000. This change would generally mean that an individual’s personal income must reach the 30% marginal rate before they would be required to pay 15% tax on any of their Superannuation Guarantee contributions.</p>
Resources	Treasury laws amendment (better targeted superannuation concessions) bill 2025 (Treasury, Dec. 18, 2025)
Australia (previously covered)	
Development	<p>Wealth</p> <ul style="list-style-type: none">• Anti-money laundering, counter-terrorism legislation effective — key date: March 31, 2026• Superannuation, Medicare implications of 2025/26 federal budget highlights — key date: July 1, 2026• Superannuation service standards for claims handling released — key date: July 1, 2026

Brunei (new)	
Status	 Currently effective
Development	Health Second phase of mandatory medical insurance launched The second phase of mandatory medical insurance policy for non-Bruneian residents and visitors came into effect on Jan. 1, 2026, following the first phase introduced on July 1, 2025. Health insurance purchased before this date remains valid until its expiration. Highlights include: <ul style="list-style-type: none">• Phase two extends the requirement to additional visa types, including Employment Passes for the private sector, Dependent Passes (for spouses and children not in education) and Student Passes. Visa categories that were subject to the requirement in Phase 1 are Employment Passes for domestic staff, Visit Passes, Professional Visit Passes, Business Visit Passes and certain categories of Permanent Residents. Minimum coverage amounts are specified for each visa category.• Visitors from visa-required countries must have valid medical insurance.• Visitors from visa-exempt countries require medical insurance only if their stay exceeds the permitted visa period; and they either extend their visa or apply for a new one.• Health insurance must cover the entire duration of the stay and may be issued by either local or internationally recognized insurers.
Resources	Revision and implementation of a medical insurance policy for permanent residents and immigration pass holders (Department of Labor and Ministry of Home Affairs, Feb. 24, 2025)
China — Beijing (new)	
Status	 Currently effective
Development	Health Second batch of novel drugs exempt from Diagnosis Related Groups payment scheme issued The Beijing Municipal Medical Security Bureau issued the second batch of Diagnosis Related Groups (DRG)-paid exclusion payments for new drugs and technologies. The DRG is a payment system that classifies patients into related groups based on their diagnosis, treatment and patient characteristics, with a fixed, pre-determined payment rate set for each group. As such, every patient in the same group is reimbursed the same amount. For new drugs and technologies, payment is increased based on the difference between the actual cost incurred in the case and the average cost per visit for drugs, consumables or treatments in the disease group payment standard.
Resources	Announcement (Chinese) (Municipal Medical Insurance Bureau, Dec. 26, 2025)

China — Shanghai (new)

Status



Currently effective

Development

Health

Coverage for serious and catastrophic illnesses expanded

Shanghai introduced expanded medical treatment insurance for serious and catastrophic illnesses to reduce medical expenses incurred by individuals who are covered by Shanghai's Basic Medical Insurance for Urban and Rural Residents. The expanded coverage will apply from Jan. 1, 2026, until Dec. 31, 2030. Highlights include:

- Coverage of the treatment of severe uremia requiring dialysis; kidney transplant anti-rejection treatment; malignant tumor treatment (chemotherapy, endocrine-specific therapy, radiotherapy, isotope therapy, interventional therapy and traditional Chinese medicine treatment); and treatment for certain mental illnesses.
- Individuals enrolled in universities in Shanghai are covered for treatment of hemophilia or aplastic anemia. Primary and secondary school students as well as infants are covered for hemophilia treatments at designated medical institutions.
- Outpatient treatment expenses related to special diseases incurred by insured individuals and 60% reimbursement of out-of-pocket expenses with the remaining out-of-pocket portion paid for by family co-payment funds.
- Certain individuals will benefit from reduced maximum copayments based on their contribution period and claims record.
- Insured individuals shall use their social security card or electronic medical insurance voucher, or other medical security credentials, to seek medical treatment.
- The annual maximum reimbursement amount for critical insurance will be adjusted annually and designated medical institutions will review and manage critical illness insurance expenses.

Resources

[Announcement](#) (Government) (Chinese, Dec. 29, 2025)

China (previously covered, with upcoming effective date)

Development

Career

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

India (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • Labor codes implemented — Partially effective, but rules need to be issued for some measures
Indonesia (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • Details of public housing savings program, contributions and registration issued — key date: May 20, 2027 <p>Health</p> <ul style="list-style-type: none"> • New insurance regulation for health insurance products issued — key date: Delayed from Jan. 1, 2026
Japan (previously covered, with upcoming effective date)	
Development	<p>Wealth</p> <ul style="list-style-type: none"> • Pension tax reforms introduced — April 1, 2026
Malaysia (new)	
Status	<p> Implementation is slated for mid-2026.</p>
Development	<p>Health — Wealth</p> <p>Expanded social security coverage (LINDUNG 24/7 Scheme) to be introduced</p> <p>The Malaysian Parliament recently passed significant amendments to the Employees’ Social Security Act 1969, introducing the LINDUNG 24/7 Scheme, a landmark reform aimed at providing comprehensive social security coverage for workers. Implementation is slated for mid-2026.</p> <p>LINDUNG 24/7 will extend protection beyond traditional work hours and locations, covering accidents and incidents occurring outside the workplace, including during commutes, personal activities, and flexible or gig economy work arrangements.</p> <p>The scheme will offer benefits such as medical treatment, temporary and permanent disablement allowances, dependent benefits, constant attendance allowance, funeral benefits, rehabilitation, and education assistance. The Ministry of Human Resources said that it will coordinate with existing programs to ensure seamless implementation.</p>
Resources	<p>News release (Malay) (Government, Jan. 27, 2026)</p>

Malaysia (new)	
Status	 Effective June 1, 2026
Development	Career Expatriate permit changes to boost local employment rate introduced The Ministry of Home Affairs announced changes to the Employment Pass (EP) requirements that will take effect on June 1, 2026. The measures aim to boost the employment of qualified local workers under the Thirteenth Malaysia Plan (RMK-13), and will require companies to review expatriate hiring plans, revise expatriate salary budgets and evaluate the impact on upcoming EP renewals. Highlights include: <ul style="list-style-type: none">• The minimum salary thresholds for expatriates applying for all categories of EPs will increase by 60% to 100%. The revised minimum salaries will be: Category I EP —20,000 MYR; Category II —10,000 MYR to 19,999 MYR; and Category III —5,000 MYR to 9,999 MYR except for manufacturing and manufacturing-related services sector, which will be 7,000 MYR to 9,999 MYR.• EPs' duration will be fixed at either five or ten years, and the number of permit renewals for which expatriates can apply will be restricted. Currently, there is no restriction on the renewal of Categories I and II, and Category III is capped at two renewals.• Expatriates applying for a Category III EP will be allowed to bring their dependents (currently, this is restricted to Categories I and II EPs).• Employers that apply for Categories II and III EPs will have to introduce in a reasonable timeframe a replacement plan for developing the local workforce to replace expatriate roles. It will have to include roles and functions that will be transferred to local employees; training; and mentoring and knowledge transfer from expatriates to local workers.
Resources	Notice: Extension of the 1:3 internship policy pilot phase (Ministry of Home Affairs, January 21, 2025) and Revision to employment pass (EP) minimum salary requirements for expatriates (MDEC)
Malaysia (previously covered, with upcoming effective date)	
Development	Career — Health <ul style="list-style-type: none">• Employment protections for gig workers finalized — No effective date specified

Singapore (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • The Workplace Fairness (Dispute Resolution) Bill passed — key date: End of 2027 <p>Career — Wealth</p> <ul style="list-style-type: none"> • Retirement and reemployment ages to increase — key date: July 1, 2026
South Korea (new)	
Status	 Currently effective
Development	<p>Career — Wealth</p> <p>Ruling recognizes employer’s Target Achievement Incentives as ordinary wages for severance pay calculation</p> <p>The Supreme Court overturned a lower court ruling and found that a company’s Target Achievement Incentive (TAI), which is paid based on business performance, constitutes “ordinary wages” and must be included in the calculation of “average wage” that is the basis for calculating severance pay. Highlights include:</p> <ul style="list-style-type: none"> • The Court held that TAI constitutes remuneration because its payment scale is predetermined and intricately linked to the employee’s provision of labor under company employment rules • However, it confirmed that the company’s Overall Performance Incentive (OPI) does not meet this standard. • As a result of this ruling, employers’ retirement benefit liabilities will also increase because the “average wage” is calculated based on wages paid during the three months prior to an individual’s retirement.
Resources	<p>miyoung.kim@mercer.com</p> <p>Ruling (Korean) (Supreme Court, Jan. 29, 2026)</p>
South Korea (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none"> • Implementation plans, effective date for labor relations law announced — key date: March 10, 2026
Taiwan (previously covered, with upcoming effective date)	
Development	<p>Career — Wealth</p> <ul style="list-style-type: none"> • Employees and employers can negotiate post-retirement age employment — key date: unknown
Thailand (previously covered, with upcoming effective date)	
Development	<p>Health</p> <ul style="list-style-type: none"> • Start date of Employee Welfare Fund postponed — key date: Oct. 1, 2026

Section 5

Europe, Middle East and Africa (EMEA)

EU (previously covered, with upcoming effective dates)	
Development	Career <ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• Platform Worker’s Directive moves forward — key date: Dec. 2, 2026 Career — Health — Wealth <ul style="list-style-type: none">• Pay transparency law must be transposed into national law — key date: June 7, 2026
Belgium (new)	
Status	 Currently effective
Development	Career Inpatriate tax regime eased <p>Changes to Belgium’s inpatriate tax regime that were agreed to in December 2025, but which apply retroactively from Jan. 1, 2025, aim to reduce the cost of employing expatriate workers. They include:</p> <ul style="list-style-type: none">• The tax-exempt portion of gross remuneration increased from 30% to 35%. However, the additional exempt amount is now subject to social security contributions.• The previous €90,000 cap on the tax-free allowance was removed, but social security contributions apply to amounts exceeding €90,000.• The minimum gross annual salary to qualify for the regime was lowered from €75,000 to €70,000, effective retroactively from Jan. 1, 2025.• Expatriate employees who started working in Belgium in 2025 and meet the eligibility criteria can still benefit from the revised regime by submitting an application to the authorities within three months from Jan. 9, 2026.
Resources	Law (Dutch) (Government, Dec. 18, 2025)

Belgium (new)	
Status	 Currently effective
Development	Career — Health Revised medical leave arrangements now effective From Jan. 1, 2026, changes to medical leave regulations took effect. Highlights include: <ul style="list-style-type: none">• Employees taking up to two nonconsecutive days of medical leave per year (reduced from three days) do not have to provide a medical certificate. However, companies with fewer than 50 employees may choose to require a medical certificate based on their workplace policy.• Employers must agree with employee representative bodies (or directly with employees if no representatives exist) on a procedure to be included in workplace policies for maintaining contact with employees on medical leave.• Employment contracts may be terminated for medical “force majeure” if an employee is on uninterrupted medical leave for longer than six months (reduced from nine months).• After eight weeks of medical leave, the company physician must assess the employee’s potential to return to work. Failure by the employer to initiate this assessment can result in fines ranging from €200 to €4,000. If appropriate, a reintegration procedure must begin within six months from the start of the medical leave.• Employees receive their normal salary for the first 30 days of medical leave — after this period, health benefits are paid by the health insurer. If an employee falls ill again within eight weeks (increased from two weeks) after returning to work, salary is generally not paid.• Employees on medical leave may request a modified working schedule to facilitate their return. Specific rules apply if the employee takes medical leave again during this partial work resumption period, during which no salary is paid.
Resources	Regulations (Dutch) (Government)
Belgium (previously covered, with upcoming effective date)	
Development	Career — Health <ul style="list-style-type: none">• Summer deal includes employment measures — key date: Implementing legislation must be agreed to, and clarification is still required for some measures Wealth <ul style="list-style-type: none">• Blue- and white-collar pension harmonization postponed — key date: Jan. 1, 2027• Federal government agrees on pension reforms — key date: Jan. 1, 2028

Belgium (updated)

Status



Starting Jan. 1, 2027

Development

Career

Mobility Budget required for certain employers starting in 2027

Starting Jan. 1, 2027, all employers in Belgium who provide company cars are required to offer a Mobility Budget. This budget is a flexible, tax-efficient alternative to the traditional company car, allowing employees to use the total cost of ownership (TCO) of their company car in different ways. For example, employees can choose greener vehicles, sustainable transport options, housing, or even receive the remaining balance as cash. The proposed shift from a voluntary to a mandatory system was included in the federal coalition agreement for 2025-2029 and was initially slated for introduction on Jan. 1, 2026. Currently voluntary, the Mobility Budget will become mandatory following the approval of a draft bill on Jan. 9, 2026.

Although the final legislation is not yet published, key features of the revised Mobility Budget include:

- The budget is based on the full TCO of the company car, covering leasing, insurance, maintenance, taxes, fuel or electricity, and employer costs. Employers can calculate the TCO either on actual costs or using fixed amounts.
- For 2026, the minimum Mobility Budget is set at €3,233 per year, and the maximum is 20% of the employee's gross annual salary (capped at €17,244 per year).
- Employers can offer the Mobility Budget using three different pillars (Pillar 1 — ecofriendly company car; Pillar 2 — sustainable transport; and Pillar 3 — cash, subject to 38.07% social contributions). For employers that offer the Mobility Budget, Pillars 2 and 3 are mandatory.

Resources

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France (previously covered, with upcoming effective date)

Development

Career

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

Career — Health

- [New paid birth leave to be introduced](#) — key date: July 1, 2026

Germany (new)	
Status	 Currently effective
Development	<p>Wealth</p> <p>Restrictions on settlement pension entitlements eased</p> <p>A new law increased the size of former employees' pension entitlements that can be exchanged for an immediate lump sum payment by the employer (the trivial commutation limits). These changes are effective from Jan. 22, 2026, and employers can take advantage of these new limits to reduce their administration burden and defined benefit pension liability.</p> <p>Unilateral settlement by the employer. The new limits are: €59.32 per month retirement pension (was €39.55), or a €7,119 lump sum if the entitlement is a lump sum at retirement (was €4,746).</p> <p>The new law includes another change concerning settlements. While employees in an ongoing employment relationship were allowed to agree to forfeit their right to benefits in return for an agreed upon compensation (subject to any restrictions in collective agreements or the plan rules), former employees whose entitlements exceeded the trivial commutation limits were unable to do so. Now, former employees can consent to the higher limits if the employer contributes the settlement payment to the statutory pension scheme.</p> <p>Settlement with payment to the statutory pension scheme. The new limits are: €79.10 per month retirement pension, or €9,492 retirement lump sum if the entitlement is a lump sum at retirement. Former employees must provide written consent for the payment.</p> <p>Exemptions. There are two groups of plan members who remain exempt from the monetary restrictions on settlement with consent:</p> <ul style="list-style-type: none"> • Retirees whose pension payments commenced prior to Jan. 1, 2005 • Benefits earned while a Managing Director (Geschäftsführer) or while holding a controlling stake in the company.
Resources	<p>thomas.hagemann@mercer.com</p> <p>Law (German) (Government, Jan. 21, 2026)</p>
Germany (previously covered, with upcoming effective date)	
Development	<p>Wealth</p> <ul style="list-style-type: none"> • Corporate tax reductions that will impact company pension schemes introduced — key date: Jan. 1, 2028

Greece (previously covered, soon to be effective)	
Status	 Slated to be fully operational from Feb. 16, 2026.
Development	<p>Career — Health</p> <p>Launch of employee digitization platform, Ergani II, planned for February</p> <p>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 it will enable the implementation of recent labor law changes.</p> <p>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.</p>
Resources	<p>maria.markopoulou@marsh.com</p> <p>Law (Greek) (Official Gazette, Dec. 16, 2025)</p>
Greece (previously covered, with upcoming effective date)	
Development	<p>Career — Health</p> <ul style="list-style-type: none">Labor law changes introduced — Effective dates vary

Ireland (new)	
Status	 Will take effect once a ministerial order is issued.
Development	<p>Career — Wealth</p> <p>Enforcement of contractual retirement ages to be generally restricted</p> <p>The Employment (Contractual Retirement Ages) Retirement Act 2025 (the Act), passed on Dec. 16, 2025, restricts the enforcement of contractual retirement and allows employees to continue working up to the state pensionable age (currently 66), unless the employer can objectively justify the retirement. The Act will only come into effect once a ministerial order is issued. Highlights include:</p> <ul style="list-style-type: none">• Employees that have completed their probationary period and have contracts that specify, either explicitly or implicitly, a retirement age younger than the state pensionable age cannot be forced to retire.• Employees who are subject to a legally mandated maximum retirement age or a maximum service limit are exempt.• Employees who do not consent to retire at their contractual retirement age must notify their employer in writing at least three months (and no more than one year) before reaching that age. Employers may require a notification period of up to six months. Employees can submit up to two notifications within any six-month period and may withdraw a notification if they choose.• Upon receiving a notification, the employer must provide a reasoned written response within one month. This response must explain why retirement at the contractual age is objectively and reasonably justified and that the means used are appropriate and necessary. Failure to provide this reasoned reply may result in criminal and financial penalties.• Employees are protected from penalties or threats for exercising their rights under the Act. They may bring claims to the Workplace Relations Commission if their rights are violated.
Resources	Employment (Contractual Retirement Ages) Retirement Act 2025 (Legislature. Dec. 16, 2025)
Isle of Man (previously covered, with upcoming effective date)	
Development	<p>Career</p> <ul style="list-style-type: none">• Minimum wage to increase — April 1, 2026

Italy (new)	
Status	 Effective dates vary.
Development	<p>Wealth</p> <p>Termination Indemnity rules revised to increase employees' pension participation</p> <p>Key changes to the mandatory Termination Indemnity (TFR) system, originally established in Budget Law 2007, were introduced in Law of Dec. 30, 2025, n. 199 (Budget Law 2026). Effective from July 1, 2026, they will impact first-time private sector employees by automatically directing their TFR accruals to a pension fund unless they opt-out within 60 days of hiring. Highlights include:</p> <ul style="list-style-type: none">Starting on Jan. 1, 2026, employers must recalculate their workforce size each year based on the average number of employees in the previous calendar year. The new thresholds are set as follows: 60 or more employees for 2026-2027 (calculated on the 2025 workforce); 50 or more employees for 2028-2031; 40 or more employees from 2032 onwards. If the workforce meets or exceeds the applicable threshold in any year, employers must pay accruing TFR amounts for all employees into a defined contribution (DC) pension scheme (the INPS Treasury Fund) for all future service, even if the workforce later falls below the threshold. Currently, there is a set 50-employee threshold based on 2006 workforce or the first calendar year of a workforce. The new annual threshold calculation may lead to accounting impacts such as curtailments under IFRS or US GAAP. The National Institute for Social Security (INPS) has not yet released operational instructions for applying this change.From July 1, 2026, employees will have 60 days from their hire date to decide whether to keep their TFR with the company or transfer it to another complementary pension scheme. If no decision is made, the TFR will be allocated automatically to the default pension fund. Employers must inform new employees about their options and the opt-out process at hiring. Under the 2007 rules, they had six months to decide on their TFR accruals.
Resources	<p>giovanna.pezzella@mercer.com</p> <p>Law of Dec. 30 2025, n. 199 (Budget Law 2026) (Italian) (Government, Dec. 30, 2025)</p>

Luxembourg (new)	
Status	 Currently effective
Development	Wealth Pension system reforms introduced In December 2025, the legislature approved Bill 8634, introducing several pension reforms that generally took effect on Jan. 1, 2026. Key changes include: <ul style="list-style-type: none">• Early retirement contribution period. By 2030, the minimum contribution period required for early retirement at age 60 will increase to 488 months, up from 480 months. This requirement will gradually rise by one month per year in 2026 and 2027, and by two months per year from 2028 to 2030.• Study and training periods. Individuals can now count up to nine years of study or training towards their pension contributions at any point in their career. Previously, this was limited to studies completed before age 27.• Social security contributions. The total rate increased to 25.5%, up from 24%, starting in 2026. This increase — shared among the state, employers, and employees — is set to expire in 2032.• Progressive Pension Scheme. A new scheme allows eligible individuals to work part-time while receiving a partial pension. To qualify, individuals must meet early retirement criteria and work at least three years in a role equivalent to 75% full-time or more before applying. Employers pay the partial pension monthly but are fully reimbursed by the National Pension Insurance Fund (CNAP). The progressive pension ends when the individual becomes eligible for the full old-age pension at age 65.• Tax incentives. New tax measures encourage eligible retirees to continue working beyond retirement age.
Resources	Bill 8634 (French) (Legislature)
Morocco (new)	
Status	 Currently effective
Development	Health Workers' compensation tax on insurance products, services increased On Jan. 1, 2026, the workers' compensation tax on insurance products and services increased to 20%, up from 18%,
Resources	Announcement (French) (ACAPS, Jan. 7, 2026)

Netherlands (previously covered, now effective)

Status



Currently effective

Development

Career

Reimbursements of expatriates' cost of living expenses tightened

Effective Jan. 1, 2026, the Netherlands tightened the rules on tax-free reimbursement of expatriates' cost of living expenses under the "ETK regime." Reimbursements are now limited to expenses directly related to the employment relationship. Previously, the regime allowed tax-free reimbursement of additional costs such as utilities and private telephone calls to the employee's home country.

Resources

[Rules](#) (Dutch) (Netherlands, Dec. 17, 2025)

Netherlands (previously covered, with upcoming effective date)

Development

Wealth

- [Significant reforms to the occupational pension system](#) — key date: Unknown
- [Lump-sum Revision Act start date postponed again](#) — key date: Postponed until July 1, 2026
- [Deadline extended for transition to new pension system](#) — key date: Deadline extended to Jan. 1, 2028

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, with upcoming effective date)

Development

Career — Health

- [Method for determining length of service expanded](#) — key date: May 1, 2026

Poland (new)**Status****Currently effective****Development****Career — Health****Rules on electronic processes, unused holiday leave and Company Social Benefits Fund updated**

As of Jan. 27, 2026, recent amendments to Poland's Labor Code and the Act on the Company Social Benefits Fund (ZFŚS) have introduced the following key changes:

- Employers and employees can now complete many labor law-related procedures electronically, while the option to use paper forms remains. Online procedures may include providing information on workplace monitoring, work schedules, health and safety rules, consulting trade unions about intended contract terminations and submitting employee requests such as flexible work arrangements or scheduling.
- The cash equivalent for unused holiday leave must now be paid on the regular salary payday, rather than at the end of employment. This change is intended to simplify accurate calculation of payments.
- Employers are now required to agree on Company Social Benefits Fund (ZFŚS) regulations with at least two employee representatives, up from the previous requirement of one.

Resources

[Labor Code](#) (Polish) (Government) and the [Act on the Company Social Benefits Fund](#) (ZFŚS) (Polish) (Government)

Saudi Arabia (new)**Status****Currently effective****Development****Career****Increased Saudization rates announced**

The Ministry of Human Resources and Social Development (MHRSD) announced on Jan. 4, 2026, further increases to Saudization (Nitaqat) that increases the employment rate of nationals in engineering and procurement roles. Highlights include:

- Engineering. Companies with five or more employees — in 46 designated job titles — must have a Saudization rate of 30%, and these engineers must earn at least SAR 8,000 per month.
- Procurement. Companies that employ three or more workers in 12 job titles must have a Saudization rate of 70%.
- Employers impacted by this measure have six months from Jan. 4, 2026, to comply with the new Saudization rates.

Resources

[Law](#) (Arabic) (MHRSD, Jan. 4, 2026)

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

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

[Type here]

South Africa (previously covered, with upcoming effective date)

Development

Career

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

United Arab Emirates (UAE) (new)

Status



Currently effective

Development

Career

Digitization of Wage Protection System enhanced

In December 2025, the United Arab Emirates launched an upgraded version of its Wage Protection System (WPS), originally introduced in 2009. This initiative by the Ministry of Human Resource and Emiratisation (MoHRE) aims to improve payroll governance and operational efficiency by enabling employers to complete all procedures digitally and accurately track salary transfers. The enhanced system will ensure timely payment to workers and help reduce wage-related disputes. The WPS now covers over 99% of private-sector workers, with monthly salary transfers exceeding 35 billion AED. Key features of the updated system include:

- Real-time, direct data integration between MoHRE's systems and financial institutions via the Central Bank, allowing employers to easily manage salary payments.
- A requirement for employers to maintain accurate records and comply with regulatory deadlines. Failure to comply may result in fines of up to 5,000 AED per employee and restrictions on work permits.

Resources

[MoHRE launches new update for the Wage Protection System](#) (MoHRE, Dec. 10, 2025)

UAE — Abu Dhabi (new)	
Status	 Effective Feb. 20, 2026
Development	Health Basic health plan changes announced The Department of Health in Abu Dhabi published revised basic health plan rates impacting the costs for individuals aged 60 years and older. The revised rates will take effect on Feb. 20, 2026, and the changes will impact confirmations issued from this date. The new rates will be: <ul style="list-style-type: none">• Individuals sponsored by UAE sponsors: 8,822 AED (a 2% increase)• Individuals sponsored by non-UAE sponsors: 8,822 AED (a 2% increase)• Group policies: 9,358 AED (an 8% increase)• Dependents: 19,306 AED (a 7% increase)• Individuals sponsored under employers' insurance policies (group policies and small investors): 19,306 AED (a 7% increase)• Small investors: 10, 408 AED (a 20% increase) The health plan rates for other age bands (18 to 40 and 41 to 59) are unchanged.
Resources	danny.addas@marsh.com Health plan rates (Arabic) (Department of Health Jan. 19, 2026)
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: <ul style="list-style-type: none">• 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)

United Kingdom (new)

Status



Consultation is open until March 8, 2026.

Development

Wealth

Consultation on Value for Money framework opened

A consultation on the new Value for Money (VFM) framework was opened by the Financial Conduct Authority (FCA), the Department for Work and Pensions (DWP) and the Pensions Regulator (TPR). The framework aims to deliver long-term value by enabling comparison of defined contribution arrangements using transparent metrics that indicate value — focusing not only on cost but also investment performance and service quality.

The consultation includes the response to the 2024 VFM consultation and proposes changes to the FCA Handbook rules on the VFM framework applying to FCA-regulated firms operating contract-based schemes. As the intention is to apply the new VFM framework across both contract and trust-based arrangements, TPR is encouraging trustees to respond to the consultation and has provided an overview of the consultation and requirements.

The main proposed changes include:

- The introduction of forward-looking metrics to be considered alongside backward-looking metrics in assessments.
- Fewer cost and backward-looking investment performance metrics, with the focus on key metrics.
- Streamlined service quality metrics to allow further engagement with industry and others.
- Comparisons of value against a commercial market comparator group rather than three other arrangements.
- A four-point rating system rather than three, to allow identification of top performers.

The consultation closes on March 8, 2026. After the Pension Schemes Bill receives Royal Assent (expected this Spring), the DWP intends to consult on draft regulations to implement the VFM framework for trust-based schemes. TPR will also consult on any necessary codes of practice or guidance. The intention is that the requirements will take effect for both contract and trust-based schemes at the same time in 2028.

Resources

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[CP 26/1: The value for money framework: Response to consultation, further consultation and discussion paper](#) (FCA, Jan. 8, 2026)

[Type here]

UK	
Status	 Consultation is open through March 5, 2026.
Development	Wealth Consultation on improving trusteeship, governance and administration standards issued The Department for Works and Pensions (DWP) 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. The consultation also considers how pension scheme administration standards could be improved, and trustee requirements and administration standards strengthened before considering regulation. 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.
Resources	richard.wyatt@mercer.com Trust-based pension schemes: Trustees and governance, building a stronger future (DWP, Dec. 15, 2025)

UK — Great Britain (updated)

Status

 **Effective dates vary**

Development

Career — Health

Implementation timeline for Employment Rights Act updated

On Feb. 3, 2026, the government published a revised timetable for the Employment Rights Act outlining the expected implementation dates for each measure, ranging from February 2026 through 2027. Measures that will take effect soon are:

Feb. 18, 2026:

- Various trade union measures, including repeal of most of the Trade Union Act 2016; removal of the 10-year ballot requirement for trade union political funds; simplification of industrial action and ballot notices; dismissal protections against industrial action.
- Employees newly eligible for “day one” paternity and unpaid parental leave can give notice.

April 6, 2026:

- Collective redundancy protective award (this will double the maximum period of the protective award to 180 days’ pay)
- “Day 1” eligibility for paternity and unpaid parental leave. Currently, employees must have 26 weeks’ qualifying service for paternity leave eligibility, and one year’s service for unpaid paternity leave.
- Extension of whistleblowing protection to sexual harassment complaints
- Introduction of Bereaved Partners’ Paternity Leave that will enable fathers and partners to take up to 52 weeks of leave if the mother or primary adopter dies within the first year of the child’s life (this will apply to bereavements that occur on or after April 6, 2026; the qualifying period for bereaved fathers and partners to take paternity leave was removed at the end of 2025).
- Removal of the Lower Earnings Limit and waiting period for Statutory Sick Pay entitlement (currently paid from fourth day).
- Voluntary introduction of gender equality action plans and menopause support for employees (these plans will become mandatory in 2027 for organizations with 250 or more employees).
- Issuance of menopause guidance
- Simplification of trade union recognition process. The government published a public consultation on Feb. 4, 2026, inviting comments through April 1, 2026.

April 7, 2026:

- Establishment of the Fair Work Agency, a new state enforcement body that will consolidate the different enforcement bodies.

Resources

[Plan to Make Work Pay and Employment Rights Act: Timeline update](#) (Government, Feb. 4, 2026)

UK (previously covered, with upcoming effective date)

Development

Career

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

Health

- [Introduction of mandatory payrolling of benefits-in-kind postponed](#) — key date: April 2027

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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