



# #GlobalBenefitsBulletin Highlights

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## Key



Retirement



Talent



Health


























Risk

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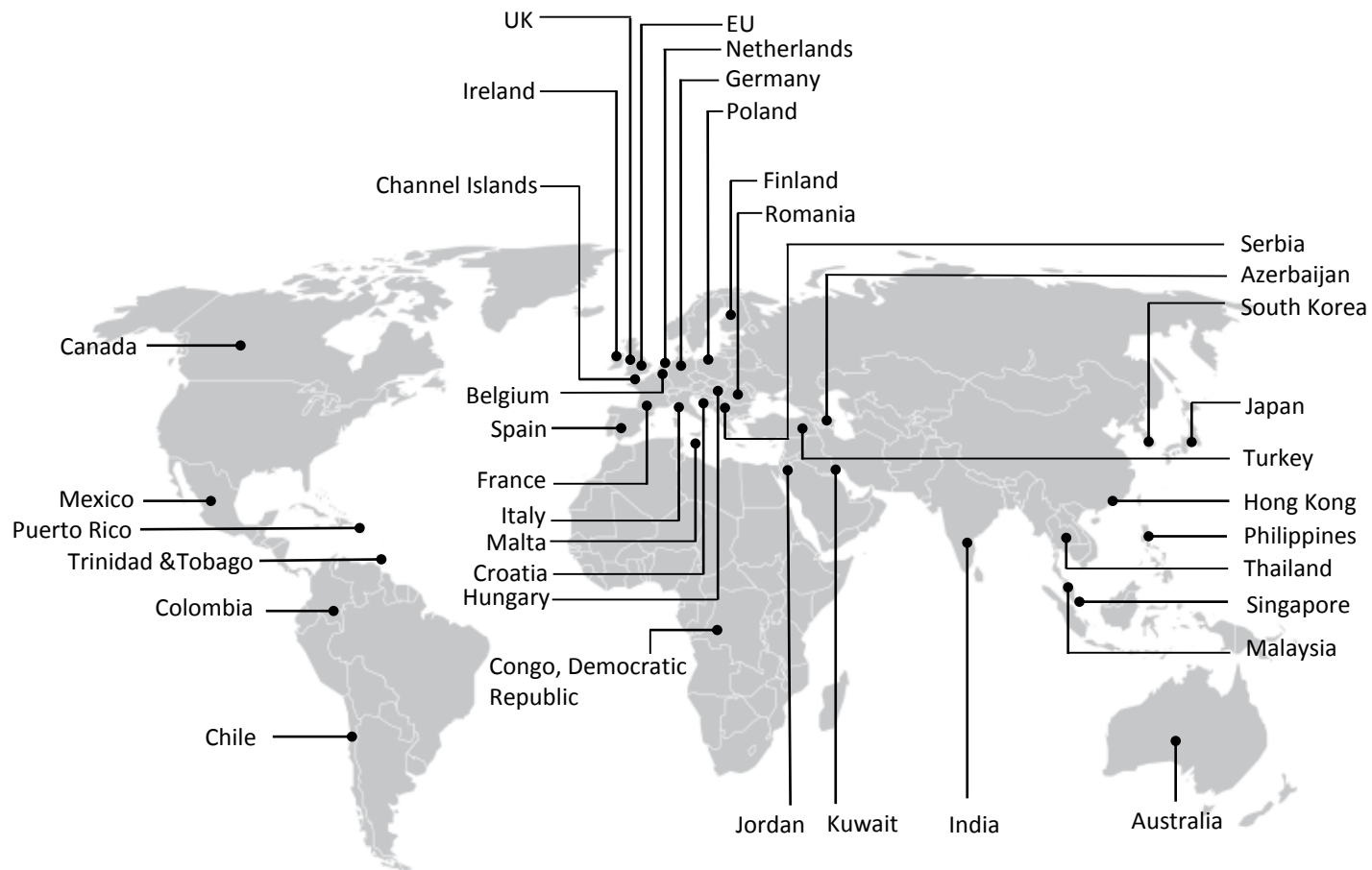
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# Key Updates

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## Australia: Watch



### Draft measure on casual conversion rights

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The Minister for Jobs and Industrial Relations [announced](#) plans for legislation amending Fair Work Act 2009 to grant casual workers the right to reasonable accommodation of a request to switch to permanent full or part-time status. This follows a Fair Work Commission Decision to include casual conversion clauses in 85 modern awards (#GBB October 25, 2018). The minister has given assurances that the new rules will include safeguards against "double dipping" claims which have entitled some workers undergoing the conversion to both the 25% casual loading and benefits due to permanent workers.

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## Australia: Watch



### Super market reform proposals

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The Productivity Commission's Inquiry Report, Superannuation: [Assessing Efficiency and Competitiveness](#) report concludes that many superannuation fund members are ill-served by an overcrowded market which results in harmful effects such as multiple accounts and underperforming funds. It found that the super system needs to adapt better to meet the needs of a modern workforce and a growing pool of retirees. It proposes:

- Setting performance standards for all MySuper and choice in order to remove "persistent underperformers" from the market
  - Member choice of superannuation product from a "best in show shortlist";
  - Limiting default assignment to a single time;
  - Raising standards for trustee boards; and
  - Producing legislation to clarify and strengthen the role of regulators such as the Australian Prudential Regulation Authority (APRA).
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# Key Updates

## Azerbaijan: Note



### Tax break on pensions, life insurance premiums

Law No. 1356-VQD, a package of Tax Code amendments that came into force on January 1, 2019, includes a provision granting employers exemptions on premiums paid for pension insurance and accumulative life insurance. To qualify, the premiums must be for contracts of at least three years and they must amount to less than 50% of an employee's taxable income.

## Belgium: Note



### Institutions for Occupational Retirement Provision (IORP) transposition law

Parliament has passed an IORP transposition [law](#) and it came into effect on January 13, 2019 (though still not published in the Official Gazette as of January 16th). Occupational pension funds will have a two-year transition period to draw up the necessary documentation, including a risk assessment and statement of investment principles. The Financial Services and Market Authority (FSMA) must now produce a series of [circulars](#) on implementing the new law and it has already produced one on IORP reporting and disclosure for the 2018 financial year.

## Canada: Watch



### Ontario bill would amend overtime rules

On December 6, 2018, Bill 66, Restoring Ontario's Competitiveness Act, 2018 received first reading.

Among other matters, the bill purports to amend the Employment Standards Act, 2000 (ESA) to provide that:

- The Director, and not the Minister, will be required to publish the poster providing information about the ESA and regulations; employers will no longer be required to post the poster in the workplace (however, employers will still be obligated to provide a copy of the poster to their employees).
- Remove the requirement for the Director's approval for employers to make agreements that allow their employees to exceed 48 hours of work in a workweek.
- Remove the requirement for the Director's approval for employers to make agreements that allow them to average their employee's hours of work for the purpose of determining the employee's entitlement to overtime pay (the employee's hours may be averaged in accordance with the terms of an averaging agreement between the employee and the employer over a period that does not exceed four weeks).

These provisions would come into effect upon Royal Assent.

Source: [Bill 66, Restoring Ontario's Competitiveness Act, 2018](#)

# Key Updates

## Canada: Respond



### Royal Assent for Bill C-86

On December 13, 2018, Bill C-86, Budget Implementation Act, 2018, No. 2 received Royal Assent.

#### All – EI

Among other matters, the bill amends the Employment Insurance Act (EI) to, among other things, increase the maximum number of weeks for which parental benefits may be paid if these benefits are divided between claimants.

#### Federal – Pay Equity/Employment Standards

In addition, with respect to the federal public and private sectors, the bill:

- Establishes the Pay Equity Act to establish a proactive pay equity regime.
- Amends the Canada Labour Code to, among other things.
- Increase the aggregate amount of maternity/parental leave if that leave is divided between parents (to co-ordinate with proposed changes to the Employment Insurance Act referred to above).
- Provide five days of paid leave for victims of family violence, a personal leave of five days with three paid days, an unpaid leave for court or jury duty and a fourth week of annual vacation with pay for employees who have completed at least 10 consecutive years of employment.
- December 13, 2018:
- Eliminate minimum length of service requirements for leaves and general holiday pay and reduce the length of service requirement for three weeks of vacation with pay;
- Prohibit differences in rate of wages based on the employment status of employees;
- Address continuity of employment issues when a work, undertaking or business becomes federally regulated or in cases of contract retendering; and
- Update group and individual termination provisions by increasing the minimum notice of termination.

Source: [Bill C-86, Budget Implementation Act, 2018, No. 2](#)

## Channel Islands: Note



### Jersey's International Savings Plans

Jersey Finance has [introduced](#) the International Savings Plans (ISP) in a bid to entice multinationals to establish retirement savings plans in Jersey. The plans will allow pre-retirement payouts in cases of job termination, divorce, or sickness. Members would not be subject to tax in Jersey. The Law went into effect on January 1, 2019.



# Key Updates

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## Chile: Note



### Pension portability, comparison shopping improved

The Ministry of Labor and the Superintendency of Pensions (SP) have [introduced](#) new standards for simplifying the safe transfer of affiliates between pension fund administrators (AFPs). A common platform for remote authentication will feature the "find and decide" [web tool](#) to help consumers with comparison shopping. AFPs will have an August 1, 2019 deadline for adopting the necessary technology.

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## Chile: Watch



### Pension reform bill

The Labor Minister has [delivered](#) the Draft Law on Pension Reform to the Chamber of Deputies. Contrary to earlier coverage, employer contribution is being introduced, not increased. Over the course of eight years, a 4% employer contribution would be added to 10% employee contributions. There would also be a 0.2% employer contribution and increased government funding to ensure adequate pensions for certain vulnerable populations.

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## Chile: Respond



### New rights for fixed-term workers

[Law 21122](#) has introduced a regulatory framework as well as paid vacation entitlement and a severance pay formula for workers on project-based contracts. From January 1, 2019:

- Staff offered more than two successive fixed-task contracts would have to be converted to permanent employment contracts.
  - These workers are entitled to 15 days paid leave per year, pro-rated if less than a year.
  - When a service contract of at least one month is concluded, there is a severance payment of initially one day's pay per month of service. The amount rises to 1.5 days for each month in July 2020, then two days from July 2021. and settles in at 2.5 days from July 2022.
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# Key Updates

## Colombia: Respond



### Employers to be responsible for contract worker social contributions

Decree [1273](#) will transfer social security contribution requirements from independent contractors to the entities that contract with them. From June 1, 2019, employers that have service contracts with these workers will be responsible for collecting the contributions from them at the conclusion of their contracts. Administration could be tricky as pensionable salary is 25x minimum monthly wage and the employer would need the details of the worker's other service contracts in order to accurately calculate the contribution.

## Congo, Democratic Republic: Note



### Social security contribution shift

The Prime Minister has issued Decree [No. 18/041](#) which alters the social security contribution formula. From January 1, 2019:

- The pension contribution rose from 3.5%ER/3.5%EE to 5% each.
- The 4% ER family contribution rose to 6.5%.
- The workers compensation rate remains 1.5% ER, with some high-risk sectors contributing as much as 3%.

## Croatia: Note



### Pension reform bill passed

Parliament has now passed the administration's pension reform bill featuring an increase in the retirement age from 65 to 67 by 2033. It also has measures penalizing early retirement with a benefit reduction of 3.6% per year and it rewards retirement deferral with a similar formula. In addition, pensioners will be able to work up to four hours per day without losing benefits. The law was slated to come into effect on January 1, 2019. Trade unions have started a petition drive for a national referendum on rescinding this law.

# Key Updates

## EU/Ireland: Note



### Ruling on dispute resolution jurisdiction

The European Court of Justice ruled in [Case C-378/17](#) that Ireland's employment dispute resolution body, Workplace Relations Commission, is authorized to ignore, "disapply", national law when it is in conflict with EU law. This is being taken as a precedent for empowering all Member State statutory bodies to give priority to EU law when it is in conflict with national law. This case had been referred to the ECJ for clarification on whether weighing EU versus national law is exclusively a power of the High Court.

## EU/UK : Watch



### UK policy paper on "no-deal" status of EU nationals in UK

The UK's Department for Exiting the European Union Home Office has issued a [Policy Paper](#) on the status of EU/EEA nationals in the UK and vice versa in the event of a "no-deal" Brexit. EU citizens and their family members already residing in the UK as of March 31, 2019 would be grandfathered on their social benefit entitlements and they would be able to register under the [EU Settlement Scheme](#) until December 31, 2020. The paper notes that this arrangement would not be unilateral and that there has been agreement in principle on broad reciprocity for UK citizens in EU/EEA states.

In addition, the DWP has issued [summary guidance](#) on the benefit and pension rights of EU citizens in the event of a "no-deal" Brexit.

## EU/UK: Watch



### Transitional Central Counterparties (CCP) arrangements

A set of [Contingency Action Plans](#) for a "no deal" Brexit features transitional arrangements for the recognition of UK-based central counterparties (CCP) in the derivatives market. They would be able to continue working with EU investors for 12 months under a "temporary and conditional equivalence decision". There would also be a 24-month transition for UK-based security depositories.

# Key Updates

## Finland: Note



### Annual leave entitlement protected from offsets

Parliament has passed [amendments](#) to the Annual Holidays Act that transpose portions of the EU Working Time Directive to preserve the four-week statutory annual leave entitlement for workers who have periods of sick leave or rehabilitation. This leave entitlement may be carried over into the next holiday period. The law will come into effect on April 1, 2019.

## France: Note



### "Yellow Vest" package enacted

Parliament has passed and the President signed Act [No. 2018-1213](#) without significant changes. It incorporates the President's concessions to "yellow vest" protestors. Most notably:

- Bonuses paid between December 11, 2018 and March 31, 2019 to workers earning no more than EUR 3,600 per month will have income tax and social security contributions waived on up to EUR 1,000.
- From January 1, 2019, up to EUR 5,000 per year in overtime compensation will be exempt from social security contributions and personal income tax.
- Retired people earning less than EUR 2,000 per month will be exempted from last year's 1.7% increase in the generalized social contribution rate.

## Germany: Note



### Overtime pay for part-timers

The Federal Labor Court (BAG) Decision in [10 AZR 231/18](#) concluded that part-time employees may be entitled to overtime premiums for working hours that exceed their contractual working time but fall short of full-time hours. The judgment, which overturned earlier BAG decisions found that it violated a provision of the Part-Time and Fixed-Term Act stipulating that "A part-time employee shall be granted remuneration or another divisible non-cash benefit at least equal to the proportion of his or her working time to the working time of a comparable full-time employee."

# Key Updates

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## Global: Note



### Environmental, Social and Governance (ESG) scoring debuts

With environmental, social, and governance (ESG) factors under increased scrutiny by institutional investors, one credit rating service has pioneered a model scoring [system](#) on how ESG factors impact a company's credit rating. The agency stated that the system is "fundamental credit analysis...[not]...value judgements on whether an entity engages in good or bad ESG practices".

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## Hong Kong: Watch



### Bill would harmonize tax breaks on retirement income products

The government has gazetted the budget measure Inland Revenue and MPF Schemes Legislation (Tax Deductions for Annuity Premiums and MPF Voluntary Contributions) (Amendment) [Bill 2018](#) which would grant tax deductions of up to HK \$60,000 per year on contributions to Mandatory Provident Funds (MPFs), Tax Deductible Voluntary Contributions (TVCs), and Deferred Annuity Premiums. The bill is now before the Legislative Council.

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## Hungary: Note



### Overtime expansion bill passed

The ruling coalition has [navigated](#) the overtime expansion bill through the National Assembly without significant amendment. Lifting the annual overtime cap from 250 to 400 hours is depicted as lifting "silly bureaucratic hurdles" for those workers who want to work extra hours. The date of entry into force has not been disclosed. The opposition is preparing a challenge in constitutional court.

Update: The president of Hungary signed the law regarding overtime expansion on December 20.

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# Key Updates

## India: Watch



### Right to Disconnect bill

The Right to Disconnect [Bill](#), now before the Lok Sabha, faces an uphill battle as a Private Members Bill but has drawn considerable attention. Companies with over 10 workers would be obliged to establish an Employee Welfare Committee to enforce compliance with this measure barring employers from any disciplinary action for failure to respond to e-mails and phone calls outside of normal work hours, " while the employer may contact the worker after work hours, the employee is not obliged to reply or shall have right to refuse to answer such calls." No sector would be exempt.

## Ireland: Note



### Employment reform package passed

Employment (Miscellaneous Provisions) [Bill, 2017](#) has cleared its final vote in the Seanad and the return to the Dail for a final vote is viewed as a formality. Its provision banning zero-hour contracts still provides exceptions for "genuine casual employment....emergency situations or to cover short-term absence". In addition:

- The written statement on five core terms of employment, currently due within a month of starting work, will now have to be delivered to the new hire within five workdays.
- There will be minimum compensation for workers who are called in to work then sent home without working.
- If customary banded hours are higher than those set out in a worker's employment contract, the contract will be revised to reflect that.

The Minister for Employment Affairs aims for a March 1, 2019 entry into force.

## Italy: Note



### Cabinet approves pension reform decree

The Cabinet has [endorsed](#) a decree reversing a retirement age increase set in 2011 and introducing a universal income. The retirement age, now 67 and still climbing would switch to a "quota 100" formula with normal retirement when age plus contribution period total 100, with age as low as 62. There are plans for a second stage from 2021 that would allow retirement at any age after 41 years of contributions. The "citizen's income" scheme will introduce a means-tested basic income of up to EUR 1,032 per month for families and EUR 780 per month for individuals. Italian citizens and foreigners residing in Italy at least 10 years would qualify. There is a two-month deadline for passage in Parliament but that is viewed as little more than a formality, though there is some concern about how long it would take to draw up adequate implementing regulations. If all goes according to plan, the decree will come into effect for the private sector on April 1, 2019.

# Key Updates

## Japan: Watch



### Plan to expand mandatory pension

The Ministry of Health Labor and Welfare has reportedly proposed a pension reform package that would expand the employer obligation to offer the government-sponsored pension to their employees. This is required in enterprises with at least 501 workers and the ministry aims to lower the bar or remove the minimum altogether. The ministry also aims to relax the minimum income (88,000 yen per month) and working hours (20 per week) requirements. Legislation should reach the Diet in 2020.

## Japan: Note



### Easier access to work visas

The legislature has now passed a framework immigration bill on work visas for foreign blue-collar workers in several sectors where there are skill shortages. One scheme will offer renewable one-year visas with no right to bring family. The other, for occupations where the need is more urgent, will have renewable three-year visas, the right to family accompaniment and eligibility for permanent residence. If a few different ministries produce implementing legislation quickly enough, the law will come into effect on April 1, 2019. Stakeholders are urging officials to add safeguards against the exploitation of foreign workers.

## Jordan: Note



### End of Service Benefits (EOSB) tax exemption trimmed

Income Tax Law No. 38 of 2018 features significant changes to the tax treatment of pensions and end of service benefits (EOSB). Effective January 1, 2019:

- The first JOD 2,500 of a monthly pension is tax-exempt.
- EOSB reflecting employment periods through December 31, 2010 remain 100% tax-exempt.
- For periods between January 1, 2010 and December 31, 2014, half of EOB is taxed at 9%.
- EOSB for work from January 1, 2015 moving forward is tax-exempt up to JOD 15,000 and anything above that is taxed at 9%.

# Key Updates

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## Jordan: Watch



### Labour Law amendments advance

A package of draft Labour Law amendments first introduced to Parliament in 2013 has now cleared the Lower House. Among the provisions confirmed at this stage:

- Pay equity standards would be enforced with fines for violators.
- Companies whose employees have at least 15 children under age five would have to offer day care facilities and those falling below that threshold would be required to team up with other small companies for provision of day care services.
- There would be a three-day paid paternity leave entitlement.

Another provision awaiting debate would extend the 70-day paid maternity leave to 90 days.

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## Kuwait: Watch



### Bills would add copayments for expatriates, make medical coverage obligatory for foreigners

The National Assembly's Legal and Legislative Committee and its Health Committee have approved draft legislation that would make health insurance coverage obligatory for any foreigners entering Kuwait. It would be a prerequisite for a visitor's visa. The bill is now before the plenary. Another measure under review in the National Assembly would complement the annual KD 50 health insurance premium for expatriates with a schedule of copayments.

Meanwhile, there will be debate this month on measures that would amend the labor law to make the statutory leave provisions for the private sector more appealing for Kuwaiti citizens.

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## Malaysia: Watch



### Bill on social security coverage for expatriates

The Human Resources Minister has [delivered](#) draft legislation on extending social security coverage to foreign workers to the National Labour Advisory Council's technical committee. The 20% contribution rate would both extend social protection to foreign workers and serve as a disincentive for absconding. The workers would be repaid their contributions upon expiration of their work permits. The committee has a January 29th deadline for reviewing the draft.

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# Key Updates

## Malta: Note



### Legal notices revised

Three of the four legal notices that were suspended last August (#GBB October 4, 2018) have since been revised and have come into force:

- [Temporary Agency Workers](#) (Amendment) Regulations, 2018 remains suspended.
- [Itemised Pay Slip Regulations](#), 2018 requires more detailed disclosure on pay slips from January 1, 2019.
- [Transfer of Business](#) (Protection of Employment) (Amendment) Regulations, 2018 prohibits, from January 1, 2019, altering the conditions of employment while the terms of a transfer of business are being negotiated.
- [Annual Leave National](#) Standard Order, 2018 effective January 1, 2019, provides for accrual of annual leave entitlement during maternity leave and sick leave with carryover into the following year possible. It also ensures that, with limited exception, that there may not be unilateral changes to leave periods negotiated by employer and employee. In addition, any shutdowns, including those for bridge holidays, must be disclosed to employees by January 31 each year.

## Mexico: Watch



### Bill on school-related leave

The Senate Joint Commissions on Education and Legislative Studies has endorsed a measure that would entitle parents to leave from work for documented attendance at a child's school-related activities. The bill is short on key specifics such as eligibility, compensation (though the model is certain U.S. states that have introduced an entitlement to unpaid leave), and annual caps on leave periods. It has now been forwarded to the House of Representatives.

## Netherlands: Note



### 30% regime modified

Both houses of Parliament have passed [Tax Plan 2019](#), which is best known for its [modification](#) of the "30% regime" tax break for qualified expatriates. There will be a two-year transition period before cutting the relief from 8 years to 5. The reduction took effect on January 1 2019 but is deferred to January 1 2021 for those already benefiting from the regime. In addition, there will be a gentler tax [regime](#) for personal use of employer-provided bikes and electric bikes.

# Key Updates

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## Netherlands: Note



### Gig economy workers classified as employees

Trade Union Confederation FNV [prevailed](#) against a food delivery service in a [pair](#) of Amsterdam District Court [decisions](#) over whether it was legitimate to classify its drivers as independent contractors. The court concluded that the workers must have employment contracts and that the company is retroactively subject to the collective agreement for the transport sector.

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## Philippines: Note



### Telecommuting Act signed

The President has [signed](#) Republic Act 11165, [The Telecommuting Act](#) into law, effective January 26, 2019. It has extended equal pay, rights, and protections to telecommuting workers. The Department of Labor and Employment (DOLE) must now produce a set of implementing rules and guidelines covering compensation, working time, performance standards, career development, training, and worker representation.

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## Poland: Respond



### Launch of Employee Capital Plans (PPK) Portal, revised deadlines

Aon Poland has shared a [bulletin](#) reporting both the introduction of the [portal](#) for the Employee Capital Plans (PPK) and a one-month delay (to October 25, 2018) of the obligation for employers with at least 250 workers to contract with a pension provider for PPK management.

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# Key Updates

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## Puerto Rico: Respond



### Internal Revenue Code amendments

The Governor has now signed Act No. 257, a package of amendments to the Internal Revenue Code. A few provisions are worth noting:

- Severance pay, both the statutory amount and anything in excess, will be taxable as wages.
- The full deduction on travel expenses will be cut to 50%.
- The 50% deduction on meals and entertainment expenses will be halved to 25%.
- Private-sector employers may qualify for a 150% deduction on salaries paid to college students.
- Contributions to health savings accounts are no longer deductible.

These measures were generally slated to come into effect from January 1, 2019 but the Financial Oversight and Management Board for Puerto Rico has indicated that it may challenge part of the package.

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## Romania: Watch



### Voluntary second-pillar scheme planned

Following the passage of second-pillar reforms that will make it far more difficult for providers to offer these retirement savings schemes, the ruling coalition revealed that its legislation on transposing the EU's IORP II Directive will introduce a new voluntary occupational defined contribution scheme. Officials said that it would complement rather than replace the mandatory second-pillar scheme and that it would have the same annual contribution cap of EUR 400 as third-pillar schemes. The draft is set to be finalized next month and opposition parties are already planning a constitutional challenge.

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## Serbia: Note



### Employer unemployment insurance contribution ends

An amendment to the Law on Mandatory Social Security Contributions that came into effect on January 1, 2019 eliminates the employer contribution to the unemployment insurance scheme (0.75% of gross salary). There have also been some adjustments and clarifications to the calculation for determining minimum and maximum social security contributions.

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# Key Updates

## Singapore: Respond



### Employment Act amendments passed

An Act to amend the [Employment Act](#) that will come into effect on April 1, 2019:

- Clarifies the right of workers to claim reinstatement or compensation in cases of dismissal "without just cause or excuse" and extends it to cases of constructive dismissal.
- Removes the S\$ 4,500 (US \$3,328.78) per month ceiling on entitlement to statutory benefits including annual leave, payment of accrued annual leave upon dismissal, sick leave, maternity leave, protection from wrongful termination, and prompt payment of salary.
- Requires more recordkeeping and disclosure requirements, including provision of Key Employment Terms and pay slips to all employees.
- Relaxes rules on employer salary deductions, provided there is written consent from the employee.

## South Korea: Watch



### Minimum wage calculation to be revised

The Cabinet has approved the Minimum Wage Amendment [Decree](#) which would count statutory hours of paid rest in the definition of monthly working hours for determining the hourly minimum wage. The supplemental hours of paid rest that are commonly provided by large employers would not be included in this calculation. This reversal of a 2007 Supreme Court ruling means that the total monthly hours that must average 8,350 won (US \$7.40) per hour is increasing from 174 to 209. The worker representatives of the Minimum Wage Commission have branded this plan as a "unilateral retrogressive revision" for excluding the supplemental hours of paid rest from the calculation and have called for further negotiations. The change was supposed to take effect from January 1, 2019.

## Spain: Respond



### General Data Protection Regulation (GDPR) transposition features "right to disconnect"

Last month the government gazetted [Law on the Protection of Personal Data](#). It transposes the EU General Data Protection Regulation ([EGDPR](#)) and it establishes some "digital rights" for workers:

- They will have the right to disconnect from work when out of the office.
- There is protection against location tracking and workplace video surveillance is sharply limited.
- Workers will generally have a right to privacy in their use of workplace technology, including e-mail.
- Employers have limited rights to maintain records of employee complaints/whistleblowing and must first obtain the employee's consent.

The Law went into force on December 7, 2018.

# Key Updates

## Thailand: Respond



### Termination benefit to rise

The Department of Labor Protection has [hailed](#) final passage of the Labor Protection Act in the National Legislative Assembly (NLA). It will raise the severance compensation for workers with at least 20 years of service from 300 days pay to 400 while:

- those employed less than one year are entitled to 30 days of pay;
- employment of more than one year but less than three earns 90 days of pay;
- For more than three years but less than six years, the rate is 180 days of pay;
- For 6-10 years, it's 240 days of pay; and
- Workers employed for over 10 years but under 20 years are entitled to 300 days' pay.

The new law also increases paid maternity leave from 90 days to 98, with employers and the Social Security Fund splitting the cost increase. Date of entry into force has not been set.

## Trinidad & Tobago: Note



### Larger tax exemption for severance pay

A Finance Ministry [press release](#) served notice that the tax exemption on severance/termination benefits is increased from TTD 300,000 to TTD 500,000 (US \$73,826). Although the necessary amendments have not yet been added to the Income Tax Act, the increase went into effect on November 29, 2018.

## Turkey: Respond



### Auto-enrollment rules

The December 27, 2018 Resmi Gazette published [regulations](#) on improving worker retention in its auto-enrolment pension scheme. The minimum subscription period is three years and those who opt out will be automatically re-enrolled after three years. The rules give the Finance Ministry the option of narrowing the re-enrollment period to one year or expanding it to five. In addition:

- Workers who have opted out would be free to opt back in at any time.
- Auto-enrolment is extended to workers below age 18.
- Employees may take a (renewable) three-month contribution break.
- New enterprises with at least five workers must offer a defined contribution scheme with auto-enrolment within the first month.
- Funds that exceed performance targets would be allowed to raise their management fees.

The regulations went into effect on January 1, 2019.

# Key Updates

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## UK: Watch



### Employment reform consultation

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The Department for Business, Energy & Industrial Strategy has [introduced](#) a major package of employment reform legislation. Among the highlights:

- New hires would receive a written "statement of rights" featuring compensation and leave entitlement on the first day of work.
- The "Swedish Derogation" loophole allowing reduced pay for agency workers would be eliminated.
- The maximum employment tribunal fine would quadruple to BPS 20,000.
- New paid leave crediting formulas would benefit seasonal and other atypical workers.

Additional reforms to protect vulnerable workers are in the pipeline. A public [consultation](#) on minimum wage rules and salary sacrifice schemes is already underway and accepting feedback through March 1, 2019.

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## UK: Watch



### Appeals Court backs gig economy worker status ruling

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The Court of Appeals has [confirmed](#) a landmark 2016 decision that determined that gig economy workers were employees of the platform they served, thus eligible for minimum wage and paid leave. The company noted that this was a split decision and plans to take the case to the Supreme Court.

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## UK: Note



### Immigration Health Surcharge (IHS) doubles

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UK Visas and Immigration has served [notice](#) that the immigration health surcharge (IHS) is doubled to BPS 400 per year from January 8, 2019. Those subject to the IHS include workers from outside the European Union/European Economic Area (EEA) posted in the UK for at least six months and their families. Under some post-Brexit scenarios, IHS would also extend to EU/EEA workers.

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# Key Updates

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## UK: Watch



### The Good Work Plan - The Government's vision for the future of the UK labour market

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As part of its '[Good Work Plan](#)' (setting out its vision for the future of the UK labour market and how it intends to implement the recommendations of the Taylor Review of Modern Working Practices), the Government intends to improve the clarity of tests to determine employment status. An individual's employment status determines their legal rights; a 'worker' is entitled to rights including holiday pay, the national minimum wage, automatic enrollment, and protection from discrimination. No timetable has been set for any changes.

Employers will need to be aware of any changes to the employment status tests.

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## UK / EU: Watch



### Skills-based migration policy paper

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The Home Office has published Policy paper: The UK's future skills-based immigration [system](#), which would broadly extend the points-based system for non-EEA nationals to EEA migrants following Brexit. It would also liberalize the points-based system; ending the Resident Labour Market Test (RLMT) for skilled workers, removing the cap on skilled worker visas, and easing some of the skills requirements. The decision on maintaining the minimum salary of £30,000 has been deferred.

The Home Office has also posted supporting [documents](#) for the Immigration and Social Security Coordination (EU Withdrawal) [Bill](#): which would end application of the rules on EU/EEA free movement of persons but keep some accommodation for Irish citizens. Entry into force is tentatively set for the end of 2020.

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## Other Notable Updates


Area	Country	Date	Name
	Brazil	1/31	Individual Plans Readjustment Index (IRPI) formula changed
	Canada	1/17	OHIP+ Update
	China	1/31	Generic drug initiative
	Kazakhstan	1/31	Drug pricing scheme
	Saudi Arabia	1/24	New Business Rules for Health Insurance
	South Korea	1/24	Premium hike

	Armenia	1/24	DC contribution shift is temporary
	Australia	1/10	STP expansion bill passed
	Cameroon	1/24	Value-Added Tax (VAT) exemption lost for life and sickness insurance premiums
	Canada	1/10	Annual Roundup – A Recap of 2018 Reforms for Ontario Pension Plans
	Canada	1/10	BC Disclosure guidance for target benefit plans
	Canada		Federal DC targeted review
	Chile	1/24	Social security coverage for independent contractors
	Estonia	1/24	Management fees, investment restrictions cut
	Greece	1/10	State pension cuts shelved
	Hong Kong	1/31	Age limit raised for Comprehensive Social Security Assistance (CSSA)
	Hungary	1/31	Social security contributions waived for retired workers
	Ireland	1/24	New Pension Savings Benchmark (PQS) category
	Kazakhstan	1/24	Social security to be optional for independent contractors
	Malaysia	1/24	Employees Provident Fund (EPF) contributions to be voluntary for seniors
	Netherlands	1/17	Law to limit fiduciary asset management
	Netherlands	1/24	Guidance on post-employment pension contributions
	Netherlands	1/24	Cancellation or transfer for small pots
	Peru	1/31	Survivor benefit entitlement expansion




## Other Notable Updates

Area	Country	Date	Name
	Romania	1/17	Second-pillar reform bill passed
	Tanzania	1/24	State pension formula reprieve
	United Kingdom	1/10	PPF final levy determination
	United Kingdom	1/10	CMA announces reforms
	United Kingdom	1/31	Cold calling ban goes into effect

	Luxembourg	1/17	Sickness benefit adjustments
	Luxembourg	1/24	Phased return-to-work scheme
	Saudi Arabia	1/17	Tighter regulations for insurers

	Argentina	1/24	Vaccination leave
	Australia	1/10	Domestic violence leave entitlement expanded
	Bahrain	1/31	Value-Added Tax (VAT) exemption for life insurance
	Belarus	1/10	Occupational safety agreement
	Belgium	1/24	Flemish Third-Country Nationals (TCN) law
	Brazil	1/24	Ruling clarifies Free Benefit Life (VGBL) tax treatment
	Canada	1/24	Guidelines for Obtaining Meaningful Consent
	Denmark	1/10	Expatriate tax relief terms relaxed
	Denmark	1/31	Sex harassment bill passed
	EU	1/10	Text on workplace carcinogens adopted
	Finland	1/31	Unemployment benefits for study
	France	1/24	Gig economy worker status ruling
	Germany	1/17	New rules for hiring foreign workers
	Germany	1/24	Unemployment insurance contribution trimmed
	India	1/31	Benefits Pulse Issue 6
	Israel	1/17	Stock option tax regime clarification
	Malaysia	1/31	Professional Visit Pass (PVP) now good for one year
	Mexico	1/17	Minimum wage hikes

## Other Notable Updates

Area	Country	Date	Name
	Mexico	1/24	Ruling on widow's pension for same-sex partner
	Moldova	1/31	Holiday shuffle
	Mongolia	1/31	Flu leave
	Nigeria	1/24	Combined Expatriate Residence Permit and Aliens Card (CERPAC) fee doubled
	Romania	1/31	Cap set for day labor
	Singapore	1/10	Work permit price hike
	Singapore	1/24	Wage Credit Scheme guidance
	Singapore	1/24	Revised guidance on taxable car benefit
	South Korea	1/24	Higher ceiling for paternity leave benefit
	South Korea	1/24	Workplace harassment bill in the works
	Spain	1/17	Minimum wage hike
	Turkey	1/24	Minimum wage hike
	United Kingdom	1/10	Updated guidelines on executive pay
	United Kingdom	1/10	Employer National Insurance contributions on termination payments delayed
	United Kingdom	1/24	Right to Work Checking Service
	United Kingdom/European Union	1/24	Post-Brexit agreement with EEA/EFTA
	Uruguay	1/31	Telework guidelines
	United States	1/10	IRS Releases Interim Guidance on Tax Treatment of Parking Fringe Expenses
	United States	1/10	IRS Issues Guidance on New Code Sec. 83(i) Tax Deferrals for Qualified Stock Options and Restricted Stock Units
	United States	1/10	IRS Issues Additional FAQs on Employer Credit for Paid Family and Medical Leave
	United States	1/31	2019 Aon Compliance Calendar
	Vietnam	1/24	Guidance on labor law compliance audit



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