



#GlobalBenefitsBulletin Highlights

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Key

 Retirement	 Talent	 Health	 Risk
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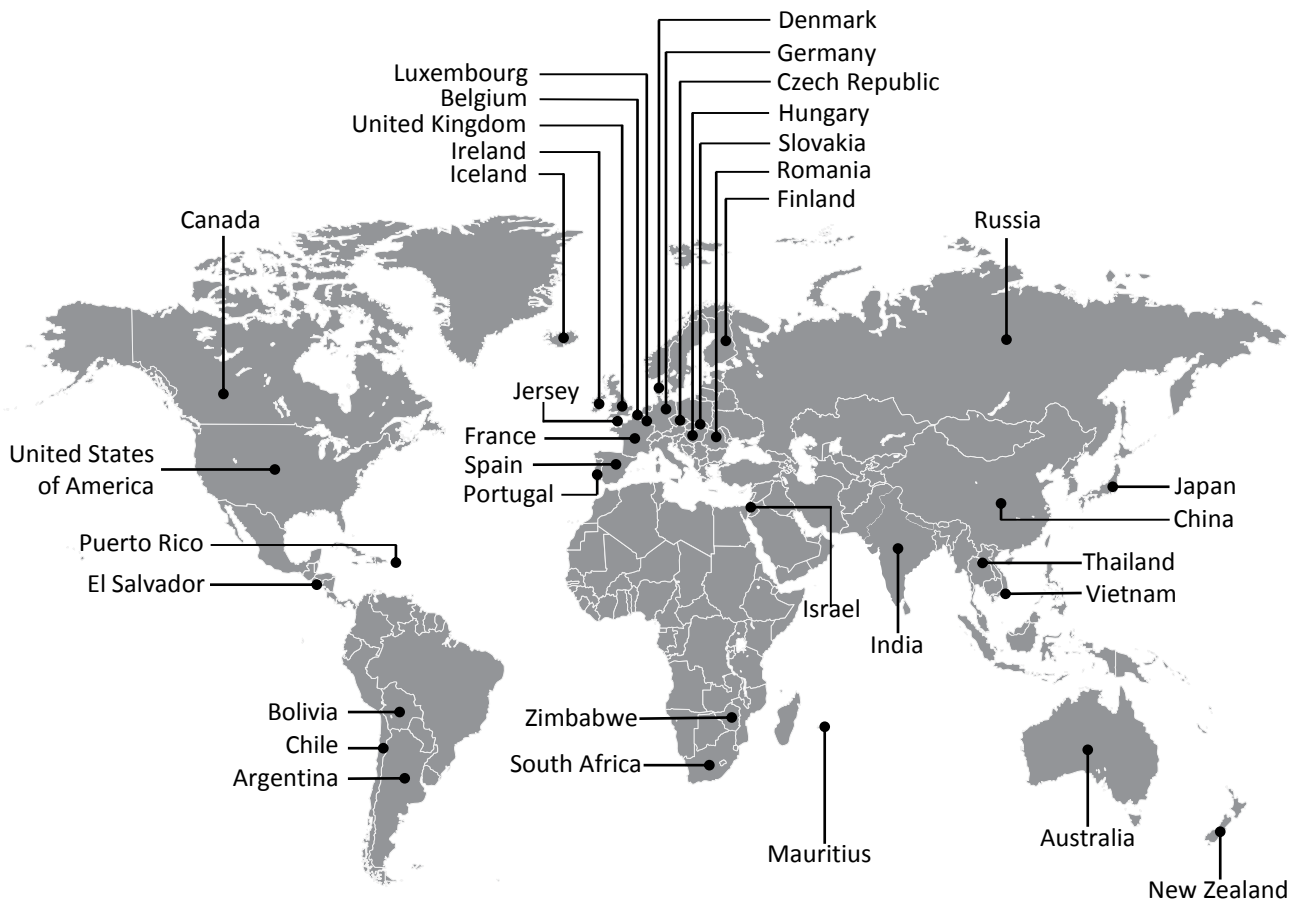


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Key Updates

Argentina: Note



Return to work requirement

The Ministers of Health and Labour, Employment and Social Security have issued Joint Resolution 5/2020 which clarifies that workers are not required to provide proof they are not infected with COVID-19 when returning to their jobs. The Resolution further clarifies that the measures implemented by the government during the health emergency do not give employers the authority to require medical certifications concerning COVID-19 of employees as they go back to work.

Australia: Note



JobKeeper Payment Programs

The government has announced [proposed changes](#) to the JobKeeper Payment program. The [existing](#) JobKeeper Payment scheme will continue until September 27, 2020. JobKeeper 2.0 will be in effect from September 28, 2020 until March 28, 2021. Changes include:

- There will be a two-tiered payment for eligible staff at a new rate depending on the average hours an employee worked before March 1, 2020.
- From September 28, 2020 until January 3, 2021, payments will be \$1,200 and \$750 per fortnight (the lower payment for employees who worked less than 20 hours). From January 4 to March 28, 2021, the payments will be reduced to \$1,000 and \$650 per fortnight.
- Eligible businesses are required to meet the relevant continuing “decline in turnover” test (turnover has fallen by 30% or 50 % depending on size) for both extension periods (September 28 until January 3, 2021, and January 4 to March 28, 2021). They must demonstrate that their turnover has not recovered above the threshold in each of the previous quarters.

Australia: Respond



Pay as you go updated guidance

The Australian Taxation Office has updated its [Pay as you go \(PAYG\) guidance](#) on withholding registration for employees temporarily working in Australia due to COVID-19 travel restrictions. From July 1, 2020, “[foreign employers](#)” are required to withhold PAYG of resident employees and foreign resident employees whose employment income is “Australian sourced”. There is an exception for foreign resident employees where a double-tax agreement (DTA) applies. DTAs may allow foreign residents to earn employment income in Australia for a short period, but the period varies with each agreement.

Key Updates

Belgium: Respond



European Union (EU) Posted Workers Directive Implementation

The [Act of 12 June 2020](#), which entered into force on July 30, 2020, implements the EU Posted Workers Directive (2018/957/EU) in Belgium. New measures include a “second layer” of employment provisions. When a posting period exceeds 12 months, employers must comply with all labour, salary, and employment conditions provided for in the statutes and, collective bargaining agreements that are generally binding by Royal Decree. There are also requirements for foreign employers which post workers to Belgium (i.e., must comply with “first layer” of legal acts and implementing Royal Decrees). Termination rules are explicitly excluded in the second layer.

Belgium: Note



New partial exemption of withheld payroll taxes

The Law dated July 15, 2020, gazetted on July 23, 2020, introduces a new system of (partial) exemption of withheld payroll taxes for employers. It applies to salaries paid from June to August 2020. The exemption from payment of the withheld payroll taxes for the period cannot exceed EUR 20 million. Employers must meet certain requirements to be eligible for the scheme (i.e., must have participated in the temporary unemployment system for an uninterrupted period of at least 30 calendar days between March 12, 2020 and May 31, 2020). The “modalities” of the new system will be defined by Royal Decree and should not be applied until publication.

Bolivia: Note



Tax incentives for economic reactivation

Supreme [Decree No. 4298](#), gazetted on July 24, 2020, establishes tax incentives for “economic reactivation” in response to the coronavirus pandemic. Measures include, until December 31, 2021, allowing employers to recognize social security contributions as payments on value added tax (limited to 50% of employers’ contributions paid for wages or salaries “that individually do not exceed four National Minimum Wages”).

Canada: Note



Radar

Additional measures continued to be introduced across Canada in response to the Novel Coronavirus (COVID-19) disruption.

The Radar report is available [here](#).

Key Updates

Canada: Note



Private sector privacy legislation

Aon's weekly [Radar](#) covers the two-week period from July 31 to August 13, 2020.

We would like to highlight the announcement of a consultation to address private sector privacy regulation in Ontario. Apart from the federal Personal Information Protection and Electronic Documents Act (PIPEDA), currently only the provinces of Alberta, British Columbia, and Quebec have private sector privacy legislation.

Chile: Respond



Temporary parental leave during COVID-19 pandemic

Law No. 21, 247, published in the Official Gazette on July 27, 2020, establishes two types of parental leave benefits (parental preventive medical license for COVID-19 and suspension of the contract for the care of children born from 2013). The provisions of this law are in force from July 27, 2020, until the Constitutional Exception caused by the pandemic remains in force.

Highlights of the parental preventive medical license for COVID-19:

- This leave covers workers who are using parental postnatal leave during the Constitutional Exception; and those whose postnatal parental leave has ended as of March 18, 2020 and July 26, 2020 (who requested a license).
- It grants them 30 additional days following the end of their leave period (renewable for a maximum of two times for a total of 90 continuous days).
- A parent will receive a subsidy equal to full-time parental leave (payable by Isapre or Fonasa).
- The worker taking the leave will be protected from retaliation by the employer.

Highlights of the suspension of the contract for the care of children born from 2013:

- The leave covers employees receiving unemployment insurance benefits and caring for at least one child born from the year 2013, meet the requirements for benefits under the Employment Protection Law, and are not using the parental preventive medical license.
- The leave covers the period when an act of the competent authority for disease control for COVID-19 has suspended the operation of educational establishments, kindergartens, and nurseries.
- Workers may suspend the "effects" of their employment contracts after giving written notice to the employer.

The law also amends Law No. 21,227 on Employment Protection. It requires employers to offer pregnant employees alternative work arrangements to "face-to-face work" to protect the "gestation process".

Key Updates

Chile: Respond



Teleworking/remote work legislation

[Law No. 21.220](#) and [Decree No. 18](#) regulate [teleworking/remote work](#). Highlights include:

- Employers must provide equipment, tools, and materials for remote work or telework (including personal protection elements) for workers. Employees are not “obliged” to use their own property. The “costs of operation, operation, maintenance and repair of equipment” are the responsibility of the employer.
- The employer and worker may agree at the beginning or during the employment relationship (in the employment contract or an attached addendum) upon the mode of remote work or telework. These agreements should not change an employee’s rights under the Labor Code (i.e., specifically remuneration).
- The place where workers will provide the services may be their domicile or another specific place. However, when a worker provides services in designated and employer-enabled locations (even if they are located outside the company’s premises), distance or telework work cannot be considered.
- Employers are required to inform workers of safety and health conditions they must comply with when providing services from the home or other previously determined place. This includes informing workers (in writing) of the risks involved in their work, preventive measures, and the correct means of work for each case in accordance with the employer’s duty of protection.
- Remote working must be subject to the general working day rules, but the parties may agree to a flexible working schedule or agree to an exemption from the standard working hour limits. Also, workers are entitled to 12 hours of uninterrupted rest for 24 hours.
- Within three months, counted from the entry into force of this law, (July 1, 2020) companies whose workers already provide remote services or telework must comply with the legislation.

Chile: Note



Tax treatment of payments to furloughed workers

The Internal Revenue Service (SII) has issued Ordinance No. 1,481 which clarifies the tax treatment of payments made to furloughed employees. According to the Ordinance, contributions or benefits in cash paid by employers to furloughed workers “constitute voluntary remuneration” and should be taxed. However, contributions in-kind do not constitute income if they are given free of charge and “generically” to workers.

Key Updates

China: Respond



Individual Income Tax Withholding and Prepayment Methods

The State Administration of Taxation has issued [Announcement No. 13 \(2020\)](#) on Improving and Adjusting Some Taxpayers' Individual Income Tax Withholding and Prepayment Methods which clarifies the method for the calculation of prepaid individual income tax for new employees and students. It provides the formula a "withholding agent" can use when withholding and pre-paying personal income tax to calculate the "cumulative deduction fee" for a "resident individual" with income from wages and salaries for the first time in a tax year. Reporting and documentation requirements are contained in the announcement as well. Measures included in the announcement retroactively went into effect on July 1, 2020.

Czech Republic: Note



Outplacement Project

The [Outplacement Project](#) (OUT) has now launched with an aim to assist employees of companies laying off workers. Its focus is to increase the "adaptability" of such workers to find new jobs. After registering with the Labour Office, employees will be eligible for counseling, retraining, and job placement. The project will be in effect until June 30, 2022 (at least).

Denmark: Respond



Guidance on Payroll Taxation of Holiday Pay

The Customs and Tax Administration has issued [guidance](#), SKM2020.320.SKTST, regarding the companies' payroll tax treatment of holiday allowances. The guidance contains the rules for when companies subject to payroll tax must include holiday allowances in annual payroll declarations; procedures for companies that settle the payroll taxes on a monthly or quarterly basis; employer deduction methods; the conditions under which employees are not entitled to a holiday allowance; and the tax treatment of employee holiday funds.

Key Updates

El Salvador: Respond



Mandatory workplace nurseries legislation

The Legislative Assembly passed the Special Law for the Regulation and Installation of Nurseries for the Children of Workers which was published in the Official Gazette (No. 112, Vol 419). It regulates the conditions under which employers will implement the benefit of nurseries and "places of custody" for children of their workers. The Law applies to employers with more than 100 workers. Employees may leave their children (up to three years of age) under supervision and care while at work. The employer may install and maintain nurseries and places of custody in an annexed place and independent from the workplace but within the same geographical area. The government is drafting and will issue regulations which will establish the standards and technical requirements to be met by employers. On June 16, 2020, an amendment to the Law (article 15) was published (Official Gazette No. 123, Vol 427) which changed the date for entry into force from June 19, 2020, to January 1, 2021.

Finland: Note



Temporary changes to draw-down rate procedures

The [temporary changes](#) to the Employment Contracts Act have been extended to December 31, 2020. The changes include a shortened notice period for temporary layoffs to five days (from 14); the possibility to temporarily lay off employees with fixed-term employment contracts on the same grounds as employees with employment contracts; and the possibility to execute immediate trial period terminations for production, financial and/or re-organization (i.e., redundancy) related grounds.

Also, the temporary amendments to the Act on Cooperation within Undertakings has been extended to December 31, 2020. The amendments include a decrease in the minimum cooperation consultation period for layoffs from 14 days to five days. However, the parties to the consultation are free to agree on an even shorter consultation period. The cooperation consultation obligation covers companies regularly employing at least 20 employees.

Key Updates

France: Respond



Post worker legislation

The Decree n° 2020-916 of 28 July 2020 on posted workers and the fight against unfair competition, entered into force on July 30, 2020. Highlights include:

- Reimbursement for cost incurred resulting from the posting is regulated by the employment contract or the law applicable to the employment relationship. The reimbursement is not considered remuneration.
- The French law and collective agreements will regulate reimbursement or allowance covering expenditure for travel, board, and lodging cost incurred by posted workers (where they must travel to and from their regular place of work or sent from the regular place of work to another one temporarily). Also, this reimbursement is not considered remuneration.
- Posted workers must receive the terms and conditions of employment (i.e., working hours, night work, weekly rest, and public holidays; health and safety at work; work carried out by women, children, and young workers) of the “user undertaking” and its employees.
- The remuneration granted to posted workers must equal the amount paid to an employee with an equivalent professional qualification and occupying the same job after a trial period (including bonuses). They must also receive payment for public holidays (regardless of seniority) if the employees of the user undertaking receive such.
- Notice must be given for the extension of the initial period of 12 months to 18 months (maximum) of the posting via the SIPSI online platform along with the reason.

Germany: Note



Basic pension law approved by parliament

Parliament has approved the law introducing an income-tested basic pension (Grundrente) that would supplement the social insurance old-age pension. The program aims to reduce the risk of old-age poverty among individuals who were low earners or spent time not working. The government would finance the total cost of the basic pension by increasing its subsidy to the social insurance program. Highlights include:

- To qualify for the additional payment, an individual must have at least 33 years of qualifying contributions through work, child-rearing, or caring for relatives.
- Under the new program, the individual earnings points for qualifying pensioners would increase.
- The full supplement would be paid to pensioners with a maximum monthly income of €1250 who are single and to couples with a monthly income of €1950 euros (maximum). Income above the maximum (€1300 for singles) would be credited at 60% of the basic pension. If the income is more than €1600 (for singles) or €2300 (for couples), it would be credited 100% towards the basic pension supplement.

The law also provides for a tax-free allowance of up to €216 (initially) for those who have received low wages and have paid into the pension fund for 33 years.

The measures would come into force on January 1, 2021.

Key Updates

Hungary: Note



Tax measures for small businesses

The government has [published](#) Law No. LXXVI (Hungarian Gazette No. 168 of 2020 on July 14, 2020) which contains tax measures. Law No. LXXVI provides for a 40% tax rate on income of small businesses in excess of three million Hungarian forint. The law entered into force on July 15, 2020.

Iceland: Respond



Amendments to the Social Security Act

[Law No. 75/2020](#) (Law on Amendments to the Social Security Act, no. 100/2007 (half pension)), published on July 10, will enter into force on September 1, 2020. Measures include a limit of ISK 300,000 on general holiday income when calculating old-age pensions; an ISK, 1,200,000 special holiday income limit for employment income; "in a year", the "full" old age pension will be ISK 3,081,468. Additionally, "half the old-age pension" will be ISK 1,540,734 "in a year" and there is a general holiday income limit of ISK 3,900,000 when calculating half the old age pension.

India: Note



Health insurance

The Insurance Regulatory and Development Authority of India (IRDAI) has announced that health insurers can offer [Corona Kavach](#) as a group insurance policy for public- and private-sector companies. It can be issued for three-and-a-half months, six-and-a-half months, and nine-and-a-half months. The insured amount under the policy ranges between Rs 50,000 and Rs 500,000.

Courtesy of Anviti: These new products carry some covers which are relevant to COVID-19 risks, are not fully covered by standard group medical plans (i.e., Home care and Hospital Daily Cash) and, can address incremental risks for this pandemic.

India: Note



Group health plan coverage

The Insurance Regulatory and Development Authority of India (IRDAI) has issued a Circular, Ref. No: [IRDAI/HLT/REG/CIR/197/07/2020](#), allowing health insurers to offer individual health policy Arogya Sanjeevani as a group insurance product. Insurers may set their own minimum and maximum sum limits subject to the board approved underwriting policy.

Key Updates

India: Note



Return to mandatory contribution amounts

From August 1, 2020, the mandatory contributions to the EPF will return to 24% (12% for the employer and 12% for the worker). As part of the relief measures under the Atma Nirbhar Bharat package during the pandemic, the government had reduced the contribution rate to 20% from May through July 2020.

India: Note



Benefits Pulse

The latest issue of the monthly Benefits Pulse is available [here](#).

Ireland: Note



New Employment Wage Support Scheme

The government has unveiled the [New Employment Wage Support Scheme](#) that will replace the [Temporary Wage Subsidy Scheme](#) (extended to August 31, 2020). The new scheme will be available to employers whose turnover has fallen by 30% or more. They will receive a flat-rate subsidy of up to €203 per week per employee (including “seasonal staff and new employees”). New firms operating in impacted sectors are eligible as well. This scheme will be in force until April 2021.

Key Updates

Ireland: Note



Pandemic Unemployment Payment extended

The government has [announced](#) that the Pandemic Unemployment Payment will be extended to April 1, 2021. Under the scheme, individuals (those between the ages of 18 and 66 who are unemployed due to coronavirus restrictions) are eligible for benefits. However, there are [changes](#) to the scheme.

From September 17, 2020:

- The payment will be closed to new applicants.
- There will be a new rate of €250 for people who previously earned between €200 and €300 per week.
- The maximum rate of payment will be reduced from €350 to €300 for people who previously earned over €300 per week.

From February 1, 2021:

- The rate of payment will be reduced to €203 (from €250) for people who previously earned between €200 and €300 per week.
- The rate of payment will be reduced to €250 (from €300 to €250) for people who previously earned over €300 per week.

Israel: Note



Guidelines for calculating the value of use of a work vehicle

The Israeli Tax Authority issued [guidelines](#) for individual taxpayers and employers who have implemented practices that are different from a Supreme Court ruling in a case regarding vehicle use value regulations. In the case, the Court held that taxpayers should follow the Income Tax Regulations 5747-1987 which prescribe a fixed formula for calculating the value of use of a vehicle made available to employees.

Israel: Note



Employment Encouragement Grant Law

The [Employment Encouragement Grant Law](#) has been published and includes financial incentives for employers to bring back furloughed workers. Eligible employers may apply for a grant to be paid in four installments to ensure workers remain employed. For employees who return to work from June 1, 2020, companies may receive four payments (July through October 2020) of NIS 1,875 per worker (a total payment up to NIS 7,500). For those who returned to work before June 1, 2020, the total grant is NIS 3,500 per worker to be paid in installments of NIS 875 (June through September 2020). The subsidy is granted for employees between the age of 18 and retirement who earned at least NIS 3,300 per month.

Key Updates

Japan: Respond



Whistleblowers Protection Act amendments

Under the Whistleblowers Protection Act, employers with more than 300 employees are required to implement a whistleblowing system and appoint an employee to oversee whistleblower claims. Those with 300 or less employees must try to establish a system. The new measures extend the scope of protected employees to include former employees (within one year from separation) and registered corporate directors; expand protected claims to include misconduct which is subject to administrative punishment (not just criminal violations); and, shield whistleblowers from liability to damages that the company may incur because of the claim.

The new measures will come into force two years from June 12, 2020.

Jersey: Note



Payroll Co-Funding Scheme Phase 2

The government has unveiled the [Payroll Co-Funding Scheme Phase 2](#) which is a short-term wage subsidy measure to help employers protect jobs and reduce cost. Under this scheme, eligible businesses (who have suffered a 30% loss in turnover during the claim month) can apply for a refund of 80% of the first £2,000 of their worker's wages (up to £1,600 per month per person) for wages paid between April 1 through August 31, 2020. The "agreed" wages must be paid by the employer to workers before applying for the scheme.

Luxembourg: Note



Modifications to Labor Code under the Law of 20 June 2020

The Law of 20 June 2020 (temporary exemption from certain provisions in terms of labor law in relation to the state of crisis linked to COVID-19 and modification of the Labor Code), was published on [June 25, 2020](#). Highlights include:

- The labor law has been amended to include sanctions for companies that benefited from the short-time working scheme using "deliberate" false declarations.
- The hours used under the short-time scheme between January 1 and July 31, 2020, will not be allocated towards the thresholds of the ordinary scheme (i.e., 1,022-hour maximum reduction in the working hours per calendar year per full-time employee and 1,022 hours calculated on a pro-rated basis for part-timers).
- The [scheme](#) has been extended until December 31, 2020. Under the scheme, the government pays a compensatory allowance (80% of salaries) during periods of short-time working.

Key Updates

Mauritius: Respond



Wage rates

The Revenue Authority has [updated](#) the basic wage thresholds for calculating the employer contributions to the National Pensions Fund (MPF) and the National Savings Fund (NSF). From July 1, 2020, the minimum monthly basic wage is Rs 3,055 for employees (other than private household workers) while the maximum monthly basic wage is Rs 19,900.

Mauritius: Note



Taxation guidance

The Revenue Authority has issued [guidance](#) regarding the 2020-2021 payroll taxes. The guidance covers thresholds for income exemption; filing procedures for the electronic employee declaration form; payroll tax exemption for employees with monthly income up to Rs 25,000 (this excludes directors' fees which are taxable at 15 %); a solidarity levy of 25% for annual income in excess of Rs 3 million; Return of Employees submission procedures; National Pension Fund (NPF) contributions including deadlines and thresholds; the replacement of NPF with generalized social contributions (CSG) from September 1; and, the monthly portable retirement gratuity fund (PRGF) returns and payments deferrals to January 2022.

New Zealand: Note



Regulation reducing interest for fringe benefit tax

[Regulation No. 2020/129](#), published on June 25, 2020, contains provisions which reduce the rate of interest to 4.5% (from 5.26%) that applies for fringe benefit tax purposes to employment-related loans. The regulation went into force on July 23, 2020. It applies to the quarter beginning July 1, 2020, as well as subsequent quarters.

New Zealand: Respond



Privacy Act of 2020

The [Privacy Act of 2020](#), which will come into force on December 1, 2020, strengthens privacy protections. There is a requirement to report privacy breaches that cause “serious harm or likely to do so” to the Privacy Commissioner and individuals affected. Also, the Act reinforces cross-border protections by requiring New Zealand agencies to take “reasonable” steps to ensure personal information sent overseas is protected by similar privacy standards.

Key Updates

New Zealand: Note



Replacing skill levels with median wage threshold

Immigration New Zealand (INZ) has [announced](#) that from July 27, 2020, it no longer uses the Australia and New Zealand Standard Classification of Occupations (ANZSCO) to assess the skill level of jobs for essential skills work visas. The agency will use a "median wage" threshold to determine skill. Applicants will be assessed as "at or above" the median wage (currently NZD \$25.50/hour) or below the median wage. It will continue to use ANZSCO under several circumstances (i.e., to assess skilled migrant residence visa application; ensure the position pay rate is not less than that of the market; and assess whether applicants are "suitably" qualified for a position).

Portugal: Note



Measures to maintain employment

The Minister of Labor, Solidarity and Social Security has announced the end of the simplified lay-off scheme and unveiled [new measures](#) to help companies maintain employment which was approved by the [Council of Ministers](#). The new measures include a contribution by social security when there is a reduction in normal working hours. Highlights are:

- Workers will be guaranteed "remuneration" (at 77%) for August through September and 88% for October to December 2020.
- Social security will pay 70% of the compensation payable to workers for hours not worked (2/3 in August and September 2020, and 4/5 of October until December 2020) and the hours worked will be paid by the employer.
- The government will provide additional support for companies experiencing a loss in revenue of 75% or more. In addition to the social security contribution, they will receive financing (35%) of hours worked.

Puerto Rico: Note



Hardship withdrawal loans

The Treasury Department has issued [Internal Revenue Circular Letter 20-29](#) (IRCL 20-29) extending the eligibility period until December 31, 2020 (from June 30, 2020) for special disaster distributions to cover eligible expenses from earthquakes and the COVID-19 pandemic.

- Disaster Relief Distributions made from a qualified retirement plan or an individual retirement account to an eligible individual during this period are not subject to early distribution penalties.
- Distributions (up to \$10,000) are tax free and there is a 10% flat tax on distributions that are in excess of this amount (up to \$100,000).
- Distributions more than \$100,000 (in the aggregate) will be treated as ordinary distributions subject to regular income taxes and any applicable early distribution penalties.

Key Updates

Puerto Rico: Respond



Maternity leave expanded

House Bill No. 2424 amends the Working Mothers Protection Act and provides for the extension of the right to maternity leave to working mothers who adopt children age six and older. They will be entitled to up to five weeks of maternity leave which commences on the date in which the family receives the adopted child (regardless of whether the legal adoption process is finalized). The employee is required to give at least 30 days' notice. The law went into force on August 8, 2020.

Romania: Respond



New rules on workplace accessibility

Law no. 145/22.07.2020, published in the Official Gazette (no. 648 dated July 22, 2020), provides new rules on workplace accessibility for disabled workers. Highlights are:

- It amends the definition for “reasonable adaptation of the workplace”, “assisted employment”, and “authorised protected unit”.
- Employers are required to ensure disabled individuals have access to an adapted workplace in accordance with their “functional potential”.
- The fine limits have increased to RON 25,000 (from RON 10,000) for failure to respect the right of disabled individuals to a “reasonable adaptation of the workplace”.

Russia: Respond



New rules for severance wage payments

There are new rules that went into force on August 13, 2020, governing the payment of severance wages to employees who are dismissed due to a staff redundancy or a company's liquidation.

- Workers will be required to file a request (no later than 15 business days after the end of the second month of unemployment) to receive severance beyond one month.
- Employees are entitled to a third monthly payment only if they have registered with the state employment center within 14 days of dismissal and the payment is approved.
- The final compensation payment will be prorated if an employee finds a new job before the end of the second or third month of unemployment.
- Under the rules, employers will have the option of paying these wages either monthly (within 15 calendar days of the employee's request) or in a lump sum.
- Companies are prohibited from liquidating the company before all payments are made to its employees.

Key Updates

Slovakia: Note



Aid to employers extended and proposal to increase minimum wage

The government has extended aid to employers and the self-employed for two additional months (from July 31 until September 30, 2020). Under the First Aid scheme, eligible employers receive a wage subsidy (maximum monthly flat contribution of EUR 540 per employee). The amount of the contribution per employee cannot exceed 80% of the employee's gross salary.

Also, the Labour Minister announced a proposal to increase the minimum monthly wage for 2021 to EUR 620.

South Africa: Note



Tax administration guidance

The African Tax Administration Forum has published [guidance](#) Tax Administration and Policy Developments in Response to the COVID-19 Pandemic to assist African jurisdictions in mitigating the pandemic's impact of their ability to raise tax revenue. Topics cover tax relief measures; nontax relief measures; business continuity; enterprise risk management; tax fraud; and customs revenue.

South Africa: Note



COVID-19 guidelines for private medical schemes

The Council for Medical Schemes has implemented regulations to compel private medical schemes to pay for COVID-19 testing as a prescribed minimum benefit (PMB). The [PMB definition guideline: COVID-19 v4](#) requires private medical schemes to pay for testing as a PMB (under the [Medical Schemes Act Regulations: Amendment](#)) if an individual meets certain protocols of symptoms and needs to be tested. Whether the results are positive or negative, the medical scheme is obliged to pay for the test. The guidelines also outline for medical schemes what they need to pay for in terms of COVID-19, treatment plans, and implications of COVID-19.

South Africa: Note



Circular extends exemption period

The Council for Medical Schemes (CMS) has published [Circular 56 of 2020](#) which provides an industry update on developments on Primary Care products for low income earners offered by insurers. It extends the exemption period for health insurance products to March 31, 2022 (from April 2021). The extension is conditional on the insurers complying with the exemption conditions. The CMS continues to aim for access to quality healthcare for low-income earners that is “regulated effectively and complies with provisions of the MSA”.

Key Updates

Spain: Respond



Social Security contributions exemptions

[Royal Decree No. 24/2020](#) of June 26, on social measures to reactivate employment and protect self-employment and competitiveness in the industrial sector provides for social security contribution exemptions for companies due to the coronavirus pandemic.

Eligible employers (with under 50 workers) may receive a 60% exemption of the business contribution (accrued in July through September 2020) for employees who return to work from July 1, 2020. Those with 50 or more workers may receive an exemption of 40%.

There is a gradual reduction in the exemption percentage for companies in total force majeure. Employers (with less than 50 workers) who continue with their suspended activities as of July 1, 2020, are eligible for a 70% exemption of the business contribution accrued in July, 60% for August, and 35% for September 2020. Those with 50 or more workers are eligible for a 50% exemption for July, 40% for August, and 25% for September 2020.

Thailand: Note



Tax measures for Small and Medium-sized Enterprises (SME)

The Royal Decree [issued](#) under the Revenue Code on Revenue Exemption (No. 708), published on July 12, 2020, includes tax measures to assist employers (small- and medium-sized enterprises) impacted by the pandemic. The measures include a 200% exemption on wage expenses (up to 15,000 Thai baht per month for each employee) paid to employees insured under the Social Security Act between April 1 and July 31, 2020. Exclusions to the exemption include bonuses, fringe benefits, and overtime pay. The Decree also outlines the eligibility criteria for employers. It entered into force on July 13, 2020.

United Kingdom: Note



Contractual notice periods under furlough scheme

The HM Revenue & Customs has issued [guidance](#) to clarify that contractual notice periods are covered by the furlough scheme. Under the Coronavirus Job Retention Scheme, employers can continue to make a claim for a furloughed employee who is serving statutory or contractual notice, but grants cannot be used to substitute redundancy payments.

Key Updates

United Kingdom: Respond



Finance Act 2020

The [Finance Act 2020](#) received Royal Assent on July 22. Section 22 implements the changes to the tapered annual allowance, applying from the 2020/21 tax year onwards, as announced in Budget 2020. It also confirms the previously announced temporary early pension age protection, allowing retirees aged between 50 and 55 to return to their employment (within six months of retirement), between March 1, 2020 and November 1, 2020, to undertake work relating to the COVID-19 outbreak, without triggering adverse tax consequences.

United Kingdom: Respond



Updated guidance on occupational injuries

The Health and Safety Executive has updated its [guidance](#) on employers' reporting obligations involving COVID-19 incidents. Under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) guidelines, employers are required to report:

- A work accident or incident that has, or could have, led to the release or escape of coronavirus as a “dangerous occurrence”.
- A person at work who has been diagnosed with COVID-19 attributable to an occupational exposure to coronavirus as a “case of disease”.
- The death of a worker resulting from occupational exposure to coronavirus as a “work-related death due to exposure to biological agents”.

United Kingdom: Note



Job Retention Bonus scheme

The HM Revenue & Customs has published additional details on the [Job Retention Bonus](#) introduced by the Chancellor of the Exchequer on July 8, 2020.

- Eligible employers will receive a one-off payment of £1,000 for every employee they previously claimed under the scheme, and who remains continuously employed through January 31, 2021.
- Eligible employees must earn at least £520 a month on average between November 1, 2020 and January 31, 2021.
- Employers will be able to claim the bonus after they have filed PAYE for January 2021 and payments will be made to employers from February 2021.

Key Updates

United Kingdom: Note



The Pensions Regulator (TPR) publishes annual funding analysis

The Pensions Regulator has [published](#) its annual funding analysis for DB and hybrid schemes. It is based on tranche 13 valuations, which have effective dates between September 22, 2017 and September 21, 2018.

United Kingdom: Respond



Changes to IR35 rules

The Finance Act of 2020 contains measures that introduce changes regarding workers' services provided through intermediaries. Under the measures, the [off-payroll rules \(IR35\)](#) are revised to place the burden on "end users" of the workers' services to determine whether IR35 applies. From April 6, 2021, medium- or large-sized private-sector clients will be responsible for deciding a worker's employment status. The worker should obtain an employment status determination from the client but will be able to dispute the status.

United Kingdom: Note



August Corporate Monthly Update

The August issue of the Corporate Monthly Update is available [here](#).

United States Of America: Note



Guidance on Wage and Hour Rules, Family and Medical Leave Act (FMLA), and Families First Coronavirus Response Act (FFCRA)

On July 20, 2020, the Department of Labor (DOL) published additional guidance for employees and employers on how the protections and requirements of the Fair Labor Standards Act, the Family and Medical Leave Act (FMLA), and the Families First Coronavirus Response Act (FFCRA) affect the workplace as workplaces reopen amid the COVID-19 pandemic. The guidance from the DOL's Wage and Hour Division includes commonly asked questions and answers that address critical issues in all three laws. The latest guidance updates issues related to remote work, furloughed employees, and flexible work arrangements (Questions and Answers 94–97).

Further information is available in the [news release](#), [updated Questions and Answers](#) and the [Fact Sheet for Employers](#) respectively.

Key Updates

United States Of America: Note



Department of Labor (DOL) Enhances Family and Medical Leave Act (FMLA) Forms

On [July 16, 2020](#), the DOL's Wage and Hour Division (WHD) announced steps to "streamline optional-use forms that workers can use to request, and employers can use to coordinate leave under the FMLA. The new forms are simpler and easier for employees, employers, leave administrators, and health care providers to understand and use. Revised with substantial public input, the forms include more questions that users can answer by checking a response box and electronic signature features to reduce contact. WHD believes the changes will reduce the time users spend providing information, improve communications between leave applicants and administrators, and reduce the likelihood of violations."

United States Of America: Note



Health and Human Services (HHS) Renews Declaration of COVID-19 Public Health Emergency

On July 23, 2020, Health and Human Services (HHS) Secretary Alex Azar renewed the public health emergency declaration, effective July 25, 2020. The renewal extends the declaration for another 90 days, until October 23, 2020, although the Secretary has the right to terminate the declaration prior to that expiration date.

The Aon bulletin is available [here](#).

United States Of America: Note



Internal Revenue Service (IRS) Provides Guidance on COVID-19 Employee Layoffs and Rehires Under Partial Plan Termination Rules

In a [Q&A \(Q15\)](#) posted on its website on July 30, 2020, the IRS provided guidance on whether employees who are laid off because of COVID-19 and then subsequently rehired by the end of this year would be treated as having undergone an employer-initiated severance from employment and therefore counted towards employee turnover rates for purposes of determining whether a partial plan termination has occurred. If a partial plan termination occurs, certain requirements for accelerated vesting may apply. Under IRS Revenue Ruling 2007-43, a 20% or greater turnover rate would create a presumption that a partial plan termination has occurred. However, according to Q15, employees who are laid off because of COVID-19 and subsequently rehired by the end of the year will generally not be treated as having an employer-initiated severance from employment, subject to the facts and circumstances of each case.

Key Updates

United States Of America: Note



Internal Revenue Service (IRS) Provides Guidance on Pension Funding Relief Under Coronavirus Aid, Relief, and Economic Security (CARES) Act

On August 6, 2020, the Internal Revenue Service (IRS) issued guidance ([Notice 2020-61](#)) on the pension funding relief rules applicable to single-employer defined benefit pension plans under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act provided an extended due date of January 1, 2021, for cash contributions that would otherwise be due during calendar 2020 for single-employer pension plans subject to Internal Revenue Code Section 430. It also enables sponsors of such plans to apply the funded status for the last plan year beginning before 2020 to plan years including 2020 for purposes of certain benefit restrictions under Internal Revenue Code Section 436.

The guidance, which is in Question and Answer (Q&A) form, addresses a number of issues arising under the funding relief.

United States Of America: Note



Internal Revenue Service (IRS) Updates Rollover Safe Harbor Explanations to Reflect Changes Under Setting Every Community Up for Retirement Enhancement (SECURE) Act

On August 6, 2020, the IRS issued guidance ([Notice 2020-62](#)) modifying safe harbor explanations that satisfy the requirements for disclosures to the recipients of eligible rollover distributions (402(f) notices). The IRS has updated the safe harbor explanations to reflect:

- Payments up to \$5,000 received from a defined contribution plan for purposes of eligible birth or adoptions, as permitted under the Setting Every Community Up for Retirement Enhancement (SECURE) Act;
- The increase in the age for required minimum distributions to age 72 for employees born after June 30, 1949, which was also a change made under the SECURE Act; and
- Other modifications to improve clarity, such as adding that payments of certain premiums for health and accident insurance are not eligible rollover distributions.

In addition, the IRS indicated that even though a coronavirus-related distribution may be recontributed to an applicable eligible retirement plan, since a coronavirus-related distribution is not an eligible rollover distribution, neither the notice requirement under Section 402(f) nor the mandatory withholding rules apply.

Key Updates

United States of America: Note



Internal Revenue Service (IRS) Posts Guidance on Leave-Sharing Plans for Employees Affected by COVID-19

The Internal Revenue Service (IRS) has posted [frequently asked questions \(FAQs\)](#) on leave-sharing plans set up by employers that allow employees to deposit their leave into an employer-sponsored leave bank, which can then be used by other employees who are adversely affected by the COVID-19 pandemic. The FAQs address whether employers may set up such leave-sharing plans and the income tax considerations for employees who deposit leave, including whether income tax deductions can be taken.

Vietnam: Respond



Labour Code 2019

The Labor Code 2019 (45/2019/QH14) will come into force on January 1, 2021. Highlights include:

- A contractual document which contains a description of the job, salary, management, and supervision conditions will be considered a labor contract.
- Labor contracts made electronically in “data message” form will be formally accepted and recognized as a written contract.
- Only two types of labor contracts will be recognized (indefinite-term and definite-term with a maximum of 36 months). Seasonal or work-specific labor contracts have been eliminated.
- Probationary periods can last up to 180 days for managerial positions.
- The law provides additional grounds for employers to unilaterally terminate labor contracts including the absenteeism of an employee for five or more consecutive days without a legitimate reason or an employee provides false information that affects the recruitment process.
- Employees may unilaterally terminate a labor contract for any reason if notice is given (i.e., at least 45 days for indefinite-term labor contracts; at least 30 days for definite-term labor contracts of 12 to 36 months; or, at least 3 working days for a definite-term labor contract of less than 12 months). Also, employees may terminate the contract without giving notice under certain circumstances.

Key Updates

Vietnam: Note



Social security contribution rate

The government has issued [Decree 58/2020/ND-CP](#) which allows certain companies to apply for a lower contribution rate to the Social Insurance Fund for occupational diseases and accident. Eligible employers may apply for a lower contribution rate of 0.3% of employees' salaries (currently 0.5%) to the Social Insurance Fund for occupational diseases and accident. Requirements include:

- The company must operate in an industry with a high risk of occupational diseases and accidents (i.e., petroleum, plastic/rubber-based chemical productions, metal productions, power generation and transmission, garment manufacturing, and environmental cleaning).
- The Employer must not have been subjected to any administrative penalties or criminal sanctions for violating the labour, health, and safety or social insurance laws in the last three years.
- Reports concerning occupational accidents, labour safety, and hygiene must have been submitted accurately and on time in the last three years by the company.
- There must have been a decrease (by at least 15%) in the number of occupational accidents in the last year compared to the average over the last three years or there must have been no occupational accident within the last three years.

Eligible companies may apply by submitting the form and supporting documents to the Ministry of Labour, Invalids and Social Affairs. The Decree went into force on July 15, 2020.

Zimbabwe: Respond




Risk Management and Corporate Governance Guidelines

The Insurance and Pensions Commission has issued guidelines, the [Risk Management and Corporate Governance Guidelines \(Circular 11 of 2020\)](#), effective on July 1, 2020. The guidelines outline the minimum requirements for risk management systems and corporate governance for pension and provident funds as well as for fund administrators. Insurers and pension funds must submit a "Risk Management Declaration" to the Commission on compliance with this guidance ninety (90) days after the end of the financial year.

Other Notable Updates

Area	Country	Date	Name
	Oman	8/13	Regulation for Third Party Administration

	Hungary	8/20	Decrease in technical interest rate
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	Australia	8/6	Early access to superannuation scheme extended
	Chile	8/6	Proposal for pension fund withdrawal
	Hong Kong	8/20	Bill passed to establish electronic Mandatory Provident Fund (eMPF) platform
	Ireland	8/20	Interest rate on specialized accounts
	South Korea	8/20	National Pension Service (NPS) investment plan changes
	United Kingdom	8/6	Managing pension schemes Her Majesty's Revenue and Customs (HMRC) newsletter
	United Kingdom	8/6	Work and Pensions Committee (WPC) report on Department for Work and Pensions' (DWP) response to COVID-19
	United Kingdom	8/6	User guide to climate-related financial disclosures
	United Kingdom	8/13	New climate change policy
	United Kingdom	8/13	Guide on new trustee investment disclosure duties
	United Kingdom	8/20	Pension schemes
	United Kingdom	8/27	Government Actuary's Department (GAD) paper on COVID-19 mortality
	United States of America	8/6	Retirement Legal Consulting & Compliance Quarterly Update
	United States of America	8/13	Question and Answers (Q&As) on Coronavirus Aid, Relief, and Economic Security (CARES) Act and Single-Employer Defined Benefit Plans

Other Notable Updates

Area	Country	Date	Name
	Austria	8/20	Economic stimulus package
	Canada	8/13	Responses to COVID-19 pandemic
	Denmark	8/20	Vocational training for unemployed workers
	Turkey	8/20	Extension of short-time working, unpaid leave, and termination prohibition schemes
	United Kingdom	8/20	Child Care
	United Kingdom	8/27	Leave period extended



Additional information plus other updates can be found in Greater Insight which is updated and emailed on a weekly basis. [Click here to access Greater Insight](#)

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