



# #GlobalBenefitsBulletin Highlights

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## Key



Retirement



Talent








Health













Risk

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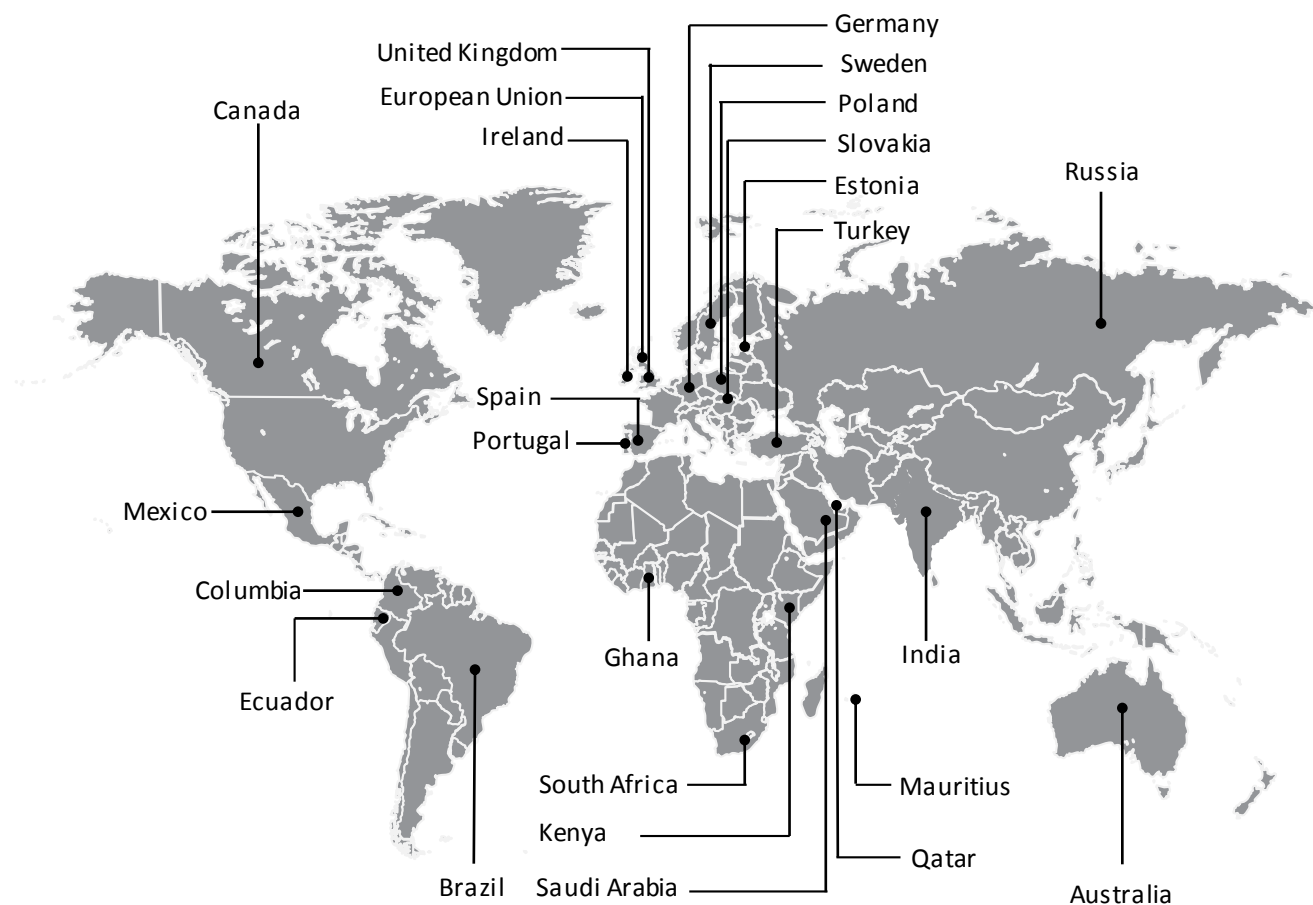
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## Coverage – GBB Highlights November 2019

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# Key Updates

## Australia: Note



### Tax breaks extended to those who defer retirement

Parliament has passed Treasury Laws Amendment (2019 Measures No. 2) [Act 2019 No. 94, 2019](#), which will extend the concessional taxation treatment for redundancy and early retirement payments to individuals who are age 65 or older, provided they have not reached pension age.

## Brazil: Note



### Decree on temporary worker status

The President has signed [Decree No. 10.060](#) which clarifies the relationship between employers and temporary workers:

- Under recent labor reforms, it was decided that temporary workers, while working under the direction of their employers, are not in employment relationships, and do not automatically have the rights set out for workers by the employment laws.
- The new 180-day cap on temporary employment must be one consecutive block and must include days off.
- It is legitimate to hire temporary workers both for seasonal variations in the workload and for unexpected flux.
- The overtime premium for temporary workers is 50%, up from 30%.

## Brazil: Note



### Senate approves pension reform legislation

The Senate has [passed](#) the basic text of the administration's pension reform [bill](#):

- The minimum retirement age, currently averaging 56 for men and 53 for women, will gradually rise to 65 and 62, respectively.
- The pension formula will be based on wages through one's entire career.
- There will be a minimum 15-year contribution period entitling a worker to 60% of career average wages.
- The pension system will now have progressive brackets for contribution levels.

Straggling amendments including provisions lowering the bar for workers with strenuous or dangerous occupations have now also been passed and a consolidated text is being prepared for submission to the President for enactment.

# Key Updates

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## Canada: Respond



### Annuity discharge measures come into force

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Effective October 15, 2019, the provisions of Bill 57, Restoring Trust, Transparency and Accountability Act, 2018 that are intended to clarify the annuity discharge provisions of the Pension Benefits Act (PBA) were proclaimed into force. Among other matters, these amendments provide that the administrator is deemed not to have been discharged if it is discovered that the annuity purchase does not meet the requirements (enforcement provisions are also added).

In addition, Ontario Regulation 335/19 was filed which amends Ontario Regulation 193/18 with respect to the purchase of pension benefits from an insurance company. These amendments to Regulation 193/18 support the technical amendments made under Bill 57 by:

- aligning the definition of "solvency ratio" in Regulation 193/18 with the definition in Regulation 909 under the PBA;
- setting out conditions, such as notification and funding requirements, under which discharge is provided when annuities are bought for surviving spouses; and
- specifying the funding requirements when annuities are adjusted at a later date in order to obtain discharge

#### Policy

On October 17, 2019, the Financial Services Regulatory Authority (FSRA) published its first official Guidance with respect to pension plans (since replacing FSCO), Approach No. PA-002-19, Approach to Requirements After Certain Annuity Purchases for Defined Benefit Plans.

The purpose of this Guidance is:

- to inform pension plan administrators of the FSRA supervisory approach regarding certain requirements associated with the defined benefit (DB) provision of a pension plan, which is frozen and has purchased annuities in respect of all of the DB entitlements under the plan and almost all of those annuities meet the requirements of Section 43.1 of the PBA; and
- to provide additional context regarding FSRA's general approach with respect to the scope of the statutory discharge provided by Section 43.1 of the PBA.

FSRA indicates that this document is consistent with FSRA's Guidance Approach (discussed below). As an Approach, it describes FSRA's internal principles, processes, and practices for supervisory action and application of CEO discretion. They do not, of themselves, create compliance obligations.

Source: Bill 57, [Restoring Trust, Transparency and Accountability Act, 2018](#); [Ontario Regulation 335/19](#); Approach No. PA-002-19, [Approach to Requirements After Certain Annuity Purchases for Defined Benefit Plans](#).

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# Key Updates

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## Colombia: Watch



### Pension reform bill

The President is preparing to deliver a pension reform bill to Congress. It would gradually increase the contribution rate from 16% to 20% of the employee's salary. It is not clear how the increase will be split between the employee and the employer (currently 4% is paid by the employee and 12% is paid by the employer). The government wants Congress to pass the bill before the end of the year, which may be difficult due to the current political environment.

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## Ecuador: Watch



### Bill would halve tax deduction on medical expenses

The National Assembly has [approved](#) in first reading the Economic Growth Bill, the President's fast-track package of tax reform measures to boost the economy. They include provisions that would halve the 100% deduction on employer payment of private medical insurance expenses or prepaid medicine for their employees. The second plenary vote is due by the end of this month and the entire package is expected to go into effect on January 1, 2020.

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## Estonia: Watch



### Second pillar would be optional

The Finance Ministry has circulated draft [amendments](#) to the second-pillar pension rules to the other ministries. As expected, the second-pillar pension would become voluntary and members would have the option of continuing to contribute with the terms unchanged, staying in the plan without making further contributions, or transferring the funds to another investment account. This would coincide with a benefit increase for the state pension. The explanatory memorandum notes that the retirement age for the third-pillar pension, currently 55, would rise for those who join it after 2020. In addition, payouts from a third-pillar scheme would be spared the 10% income tax on withdrawals if the holdings are converted to a lifetime annuity or a fixed annuity for a period roughly equivalent to one's life expectancy. Most of the amendments are set for January 2021 entry into force but current members would be able to start opting out in summer 2020.

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# Key Updates

## European Union: Note



### Ruling on social partner role

The General Court (Ninth Chamber, Extended Composition) delivered an interesting decision in Case [T-310/18](#), reinterpreting Article 155(2) [TFEU](#) to conclude that an agreement forged between social partners is nonbinding. Stakeholders differ on whether the scope of the ruling will broadly undermine the key role of social partners in the development of EU minimum social standards.

## European Union: Watch



### Recommendation on social benefits for the self-employed

The European Council has adopted a Recommendation proposed by the European Commission (part of the European Commission's [Access to Social Protection initiative](#)) which would give non-standard workers and the self-employed access to benefits. The Recommendation encourages Member States to grant these workers access to social security schemes affording "adequate and transparent" coverage including "unemployment, sickness, disability, and health care benefits as well as maternity and paternity leave, workers' compensation, and old age pensions.

The proposed time frame for implementation of the Recommendation is "as soon as possible". Member states have 18 months after publication of the Recommendation to submit a plan for any measures they have decided to adopt. It should be noted that the Recommendation provides only a policy framework and is not binding on Member States.

## Germany: Note



### First pure Defined Contribution plan

The occupational pensions sector has hailed the [first](#) negotiation of a pure defined contribution scheme (reine Beitragszusagen) under the social partnership model, though some technical details must still be ironed out. The law, Occupational Pensions Act (BRSG), went into effect in January 2018, but this "first" is an important precedent. BRSG offers auto-enrollment with freedom to opt out. It features a target benefit range, but no guarantees and it generates a lifelong pension.

# Key Updates

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## Ghana: Watch



### Update on Workmen's Compensation Assurance (WCA) bill

The new insurance bill that would introduce a workers' compensation insurance scheme now includes draft [amendments](#) that would extend the scope of compulsory workers' compensation coverage to have it double as group life insurance. "Workmen's Compensation Assurance" (WCA) would also provide payouts when workers die while still in employment and it has also been proposed that permanent total disability (PTD) be covered by this scheme.

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## India: Watch



### Consultation on draft wage code

The labour ministry has included in its draft wage code a recommendation that a regular work day consist of nine hours instead of [eight](#). The national minimum wage issue, which was not addressed by the labour ministry in its draft rule, has been given to an expert committee to make recommendations. The public has a December 1, 2019 deadline for offering feedback on the draft rule and it will be finalized in December.

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## India: Watch



### Draft guidance on wellness provisions

The Insurance Regulatory and Development Authority (IRDAI) has staged a brief consultation (it closed on November 18) on its [Exposure Draft on Guidelines on Wellness and Preventive Features/Benefits](#). The rules would establish a regulatory framework for more wellness-related coverage in health insurance policies, likely giving preventive coverage a major boost. Examples cited include diagnostic procedures, vouchers for nutritional supplements, and outpatient consultations as well as gym and yoga center memberships.

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# Key Updates

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## Ireland: Watch



### Auto-enrollment update

The Department of Employment Affairs and Social Protection has published [Design of an Automatic Enrolment Savings System - Update and Next Steps](#), a revised blueprint of its automatic enrollment scheme:

- The retirement savings scheme would have automatic enrollment for employees aged 23-60 with annual income of at least €20,000 and workers outside those parameters could enroll voluntarily.
- Participation would be mandatory for six months then there would be a two-month window for opting out and automatic re-enrollment would occur every three years for those who have opted out.
- Employer and employee contributions would start at 1.5% each in 2022 and increase by 1.5% every three years, plateauing at 6% each in 2032.
- Members could temporarily suspend contributions for a fixed period and there are allowances for early withdrawals in certain circumstances such as poor health.
- Scheme provider payments would be capped at 0.5% of assets under management.

The plan is still expected to launch by 2022.

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## Kenya: Watch



### Draft Employment Act amendments

A set of major amendments to the Employment Act are now under review:

- The working day, including all overtime, would be capped at 12 hours and there would be overtime premiums of 150%, 200% for public holidays or days of rest.
  - New employer-paid leave entitlements would include one month for adoption of a child under age two, two months maternity leave in a case of surrogacy, 10 months of study leave per year, and five days bereavement leave.
  - Employer consultation would be required before transfer of undertaking and the new employer would be liable for all acquired rights.
  - New anti-discrimination rules would include development of a policy on sexual harassment.
  - The sick leave benefit, now seven days at 100% of basic salary and seven days at 50%, would rise to 30 days at 100% of basic salary and 15 days at 50%.
  - The statutory end-of-service benefit would be 15 days' pay per year of service.
  - Employers and employees would negotiate a shift allowance or compensatory time off for night work, defined as 10PM to 6AM.
  - Proposed rules on protection of personal data are based on European Union's Global Data Protection Regime (GDPR).
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# Key Updates

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## Kenya: Note



### Pre-retirement withdrawals restricted

From June 17, 2019, workers leaving a job may no longer withdraw up to 50% of vested employer contributions to an occupational retirement plan. The right to withdraw all employee contributions from the scheme upon termination of employment is unchanged.

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## Mauritius: Respond



### Workers' Rights Act 2019

The Workers' Rights Act 2019 went into effect on October 24, 2019 except where noted below. It features several significant measures:

- The end-of-service gratuity will be transformed to a Portable Retirement Gratuity Fund. The relevant provisions are slated to go into effect on January 1, 2020.
  - Workers on fixed-term contracts will have many of the rights of full employment.
  - Employees with 12 months in service are entitled to six days marriage leave, three days leave for the marriage of a child and three days bereavement leave.
  - Flexible work arrangements will help improve work/life balance.
  - People who lose their jobs would qualify for unemployment benefits for up to 12 months.
  - The definition of employment discrimination is expanded and an employer may be held liable for workplace violence.
  - A wage guarantee fund will ensure worker entitlements up to Rs 50,000 (US \$1,376.94) in a company bankruptcy.
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## Mexico: Watch



### Proposal to regulate outsourcing

The chair of the Senate Work Committee has outlined a plan to regulate the outsourcing sector. A Shared Solidarity Responsibility Model would be introduced to ensure that companies are no longer able to evade tax and social security contributions on outsourced workers. There would be a one-year transition period before employers are held criminally responsible for nonpayment of these levies. In addition, a regulatory framework would be developed for outsourcing companies.

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# Key Updates

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## Poland: Watch



### Cabinet approves Open Pension Funds (OFEs) dissolution bill

The government [announced](#) that the draft bill which would generally convert OFE second-pillar pension funds into privately held pension funds has been approved by the Cabinet and that government would assess a 15% “transformation fee” on the transferred funds. Under the OFE pension reform legislation, the transfer of assets from the OFE pension funds into privately held pension funds should be done by March 31, 2020. In addition, those OFE members who exercise the option of diverting assets into virtual individual accounts in the state pension system are expected to do so by March 31, 2020.

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## Portugal: Watch



### Minimum wage negotiations

Following the October elections, the Prime Minister opened a consultation with social partners on a significant increase to the minimum wage, which is currently EUR 600 per month. The employer representatives of CIP -confederation are amenable to reaching EUR 700 per month by 2023 while the unions and the government favor reaching EUR 750, a 25% rise, by 2023. The CGTP union has proposed hitting EUR 690 on January 1, 2020 then gradually climbing to EUR 850 per month. Added to this mix is Parliament's agreement to consider a [draft resolution](#) that would raise the monthly minimum wage in a single bound from EUR 600 to EUR 850 next year.

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## Qatar: Watch



### Harmonized minimum wage planned

The Cabinet has endorsed a measure that would set the region's first "nondiscriminatory" minimum wage, harmonizing the rate and setting guaranteed protections for both Qataris and expatriates in all sectors. The International Labor Organization (ILO) and the Ministry of Administrative Development, Labor and Social Affairs would collaborate on setting a minimum wage. This proposal still requires the Shura Council's approval and is tentatively set for January 1, 2020 entry into force.

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# Key Updates

## Russia: Watch



### Guaranteed Pension Product bill

The Ministry of Finance and the Central Bank [unveiled](#) their Guaranteed Pension Product legislation on October 29, 2019. Some new details have emerged:

- The scheme would be fully voluntary.
- Employee contributions up to 6% would be exempt from personal income tax and there would be a social deduction for those contributions over 6%.
- There would be an income tax incentive for employers to contribute to this scheme.
- Worker contribution levels could be altered at will and they could suspend contributions for up to five years at a time.

A public [consultation](#) on the draft that is running through November 19, 2019.

## Saudi Arabia: Note



### Short-term work visas discontinued

Immigration authorities have replaced the Work Visit and the Commercial Visit Visas with a uniform Visit Visa for Business (which states “not permitted to work” on the [visa sticker](#)). This eliminates the only option available to foreign nationals to work short-term. While foreigners wanting to work short-term may apply for a Business Visa, they must restrict their activities to make sure “hands-on” work is not performed. Those wanting to work long-term will need to apply for a standard Work Visa which “triggers a formal long-term employment relationship” with a sponsoring company. It is not clear what impact this will have on those who were issued the Work Visit Visa before the regulation became effective. Additional information regarding what work activities will be permitted and prohibited under the uniform Visit Visa for Business will be announced in the coming months.

## Saudi Arabia: Respond



### Retirement age hike for women

A Royal Decree implemented by the Saudi General Organization for Social Insurance (GOSI) on August 2 has [raised](#) the retirement age for women from 55 to 60, which is the retirement age for men. This coincided with a number of other advances for women in the workplace, including dismissal protection for pregnant women and those on maternity leave as well as a ban on age, disability, or gender-based employment discrimination. Analysts have noted that age 60 on the Islamic Hijiri calendar is approximately age 58 on the Georgian calendar.

# Key Updates

## Slovakia: Respond



### New tax breaks

A number of new amendments to the Income Tax Act alter the tax treatment of various employee benefits, from January 1, 2020 except where noted:

- Contributions from the employer's social fund for employee physical examinations will be exempt from income tax.
- From January 1, 2022, nonmonetary benefits such as parking spaces and company parties will be tax-exempt up to EUR 500 per year.
- From January 1, 2021, employer subsidies of employee commuting expenses are tax-exempt up to EUR 60 per month.
- Payment of work-related education expenses is tax-exempt provided the person holds the job for at least 24 months.

## South Africa: Note



### Tax treatment of stock plans

The South Africa Revenue Service (SARS) has issued binding class ruling [BCR 069](#) to clarify aspects of the tax regime for employee share schemes. Most notably, administrative costs are tax deductible and dividends are subject to dividends tax but exempt from normal tax. The ruling is retroactive to April 16, 2019 and valid for five years.

## Spain: Note



### Right to reasonable work schedule adjustments

Stakeholders have been drawing attention to recent legislation on flexible hours that have been overshadowed by last spring's law on daily records of working hours. Amendments to Article 34.8 of the Workers' Statute give individual employees the right to reasonable accommodation of requests for adjustment of work schedules and alternative work arrangements such as telecommuting. The change must be negotiated within 30 days and employers must provide a detailed written explanation if they turn down a request. The courts may get involved in resolving impasses.

# Key Updates

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## Sweden: Respond



### Retirement age hike

Parliament has passed a government-sponsored bill that will raise the minimum age for the income-based retirement pension from 61 to 63. It will hit 62 in 2020 and 63 in 2023. In addition, from 2020, the normal retirement age of 65 will be replaced by the right to remain in employment until age 68.

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## Sweden: Watch



### Premium pension reform proposal

The special investigator has delivered the commissioned pension reform report, A better premium pension system SOU 2019:44 to the Social Security Minister. Among its proposals:

- A pre-selected investment portfolio should be the default with choice of fund limited to those who choose the option.
- A procured fund marketplace would improve the quality of investment options.
- While there would not be a guaranteed return, the mission of the premium pension would be to outpace wage inflation.
- The Seventh AP Fund would be renamed the Agency for premium pension fund management and take over certain roles, including management of the default portfolio, from the Pension Authority.

The proposed timetable for these changes would have the transition concluded by December 31, 2023.

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## Turkey: Watch



### New pension regulator

The private pension sector is expected to benefit from a presidential decree #47 ordering the establishment of the new independent regulator, the Insurance and Private Pension Regulation and Supervision Agency (SDDK). Fleshing out the regulatory frameworks for the pension and insurance sectors will be a key SDDK responsibility.

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# Key Updates

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## United Kingdom: Watch



### Pensions Bill

As announced in the Queen's speech on the State Opening of Parliament, the Government has published a Pension Schemes Bill to address several key policy areas, including: strengthening the Pensions Regulator's powers, a framework to support pensions dashboards including new powers to compel schemes to provide information, a framework for collective defined contribution (CDC) schemes, requiring a statement from trustees on their funding strategy, and restricting the statutory right to transfer to another scheme. Aon UK has produced a bulletin detailing the [legislation](#).

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## United Kingdom: Note




### Shortage Occupation List grows

A [Statement of Changes to the Immigration Rules](#) notes a significant expansion of the Shortage Occupation List ("SOL") under which employer-sponsored Tier 2 visas may be more easily accessed by skilled non-European Economic Area (EEA) migrants to the U.K. The list, which now covers about 1% of the UK job market, would reach approximately 9%, but the Migration Advisory Commission (MAC) noted that these changes would be contingent on EU free movement of worker arrangements post-Brexit.


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## Other Notable Updates

Area	Country	Date	Name
	India	11/7	Benefits Pulse
	Lithuania	11/7	Drug fees waived for elderly
	Peru	11/14	Generic medicine decree
	Philippines	11/7	Universal Health Care (UHC) implementing rules
	Taiwan	11/7	Multiple health policies prohibited

	Greece	11/7	Correction: Pension thresholds
	India	11/14	Overseas Citizens of India (OCI) eligible for National Pension Scheme (NPS)
	Isle of Man	11/7	Income Tax Amendment Act
	Netherlands	11/21	Retirement age hike slows
	Philippines	11/14	Pensioner loan program expanded
	Slovakia	11/7	Peg for minimum pension
	United Kingdom	11/7	Investment Association warning on executive pension contributions
	United Kingdom	11/7	High Court dismisses State Pension Age discrimination claims
	United Kingdom	11/7	Industry guidance on Guaranteed Minimum Pensions (GMPs) equalization methods
	United States of America	11/14	Retirement Legal Consulting & Compliance Quarterly Update

## Other Notable Updates

Area	Country	Date	Name
	Angola	11/14	Broader definition of taxable compensation
	Argentina	11/14	Mandatory Bonus
	Australia	11/14	Backpacker tax ruled illegal
	Australia	11/14	The New Whistleblower Legislation – What You Need to Know
	Channel Islands	11/14	New family leave entitlements
	Costa Rica	11/7	Teleworking law
	European Union	11/14	European Labour Authority
	European Union	11/14	European Court on Human Rights (ECHR) privacy ruling
	France	11/21	Migrant worker quotas planned
	Germany	11/7	Tax preparation service not always taxable
	Germany	11/14	Expatriate allowances may be prorated
	Germany	11/21	Ruling against "uncooperative" jobseekers
	Greece	11/14	"Invest in Greece" package passed
	Indonesia	11/7	Outsourcing rules refined
	Ireland	11/21	Ruling on Sunday pay calculations
	Italy	11/21	Tax treatment of carpooling services
	Luxembourg	11/7	Employment inclusion assistance for disabled workers
	New Zealand	11/7	Health and safety Fringe Benefits Tax (FBT) exemption
	Norway	11/21	Ruling on tax treatment of stock plans
	Philippines	11/7	Tax guidance on maternity leave
	Puerto Rico	11/21	Privacy protection for credit histories
	South Korea	11/7	Unemployment insurance premium tweaked
	United Kingdom	11/14	Policy Paper on Off-Payroll Working Rules
	Ukraine	11/7	Single Social Contribution (ESV) guidance
	United States of America	11/21	Fact Sheet on Bonuses and Incentive Payments Under White-Collar Overtime Exemption Rule Issued



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