

#GlobalBenefitsBulletin Highlights

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Key



Retirement



Talent



Health



Risk

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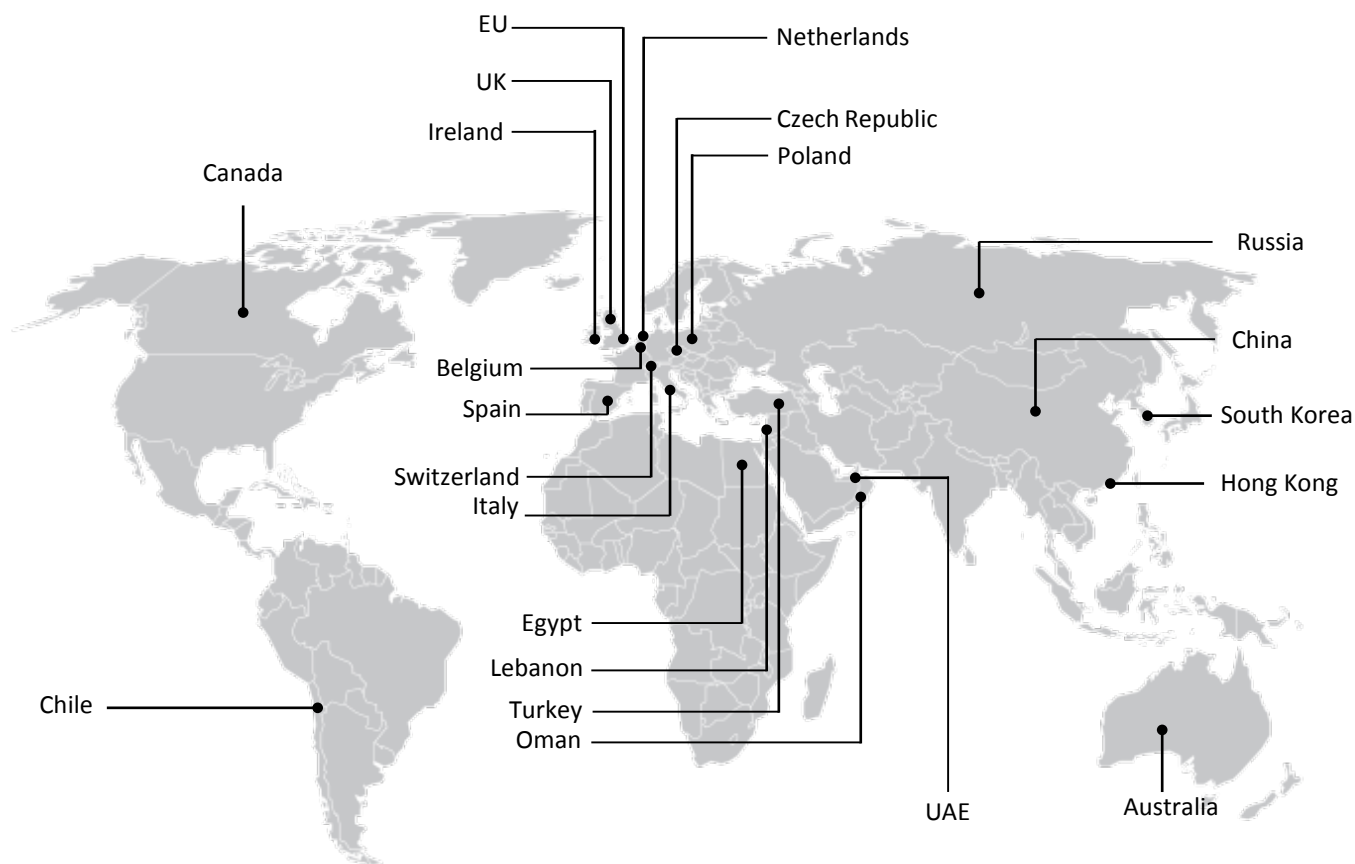
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Key Updates

Australia: Note



Whistleblower law

After a few delays, measures strengthening whistleblower protection are now set to come into effect on July 1, 2019. Under the Treasury Laws Amendment (Enhancing Whistleblower Protections) [Bill 2018](#), a far broader range of employees who disclose workplace wrongdoing will qualify for Eligible Whistleblower status. All public and large proprietary companies (determined by some combination of revenue, staff size, and assets) must develop a "compliant whistleblower policy" detailing fair treatment of whistleblowers and processes for fielding protected disclosures by January 1, 2020.

Australia: Watch



Super contribution hike proposed

The polls are favoring the opposition Labor Party in the forthcoming national election (now set for May 18) despite its unpopular plan to raise the 9.5% compulsory superannuation payment to 12% with "no further delays" to the original schedule which was to have reached 10% last year and 12% in 2022 but froze in 2014. The contribution is currently slated to rise to 10% in 2021 and 12% in 2025.

Australia: Note



Super reform package passed

The Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No 1) [Bill 2019](#) has now concluded reconciliation between Senate and House versions. It will grant the Australian Prudential Regulation Authority (APRA) new powers to issue penalties and greater powers to intervene early when trustees of a superannuation fund are not acting in the interest of members. Trustees must now release an annual outcomes assessment and underperforming funds could be dissolved or merged.

Key Updates

Belgium: Note



New reporting requirement for payments from foreign parent company

A tax avoidance [law](#) that was gazetted on March 22, 2019 introduces a new reporting requirement for Belgian employers on compensation or benefits in kind paid by a foreign parent company or affiliate to workers or directors of a Belgian subsidiary. Employers must now include this information in their tax statements. Employees are already required to disclose these payments. The measure is in force from March 1, 2019.

Canada: Watch



2019 Budget

Aon Canada has published an Information Bulletin on this topic that can be viewed [here](#).

Canada: Note



Ruling on agency worker rights

A recent Canadian Tax Court [decision](#) concluded that a staffing agency's workers performing low-skill work with little risk of loss and with the tools supplied by the agency did not qualify as independent contractors. The workers were determined to be in "pensionable employment," subject to both the Employment Insurance Act and the Canada Pension Plan.

Key Updates

Canada: Watch



British Columbia (BC) bill would end Medical Services Plan (MSP) premiums

On March 28, 2019, Bill 20, Medicare Protection Amendment Act, 2019 received first reading.

This bill purports to set the stage for the elimination of Medical Services Plan (MSP) premiums on January 1, 2020.

The British Columbia government indicates that eliminating MSP premiums will save individuals up to \$900/year and families as much as \$1,800/year.

MSP is the provincial health insurance program that eligible British Columbian residents enroll in to receive provincially insured health-care benefits. British Columbia is the only Canadian jurisdiction to still charge a monthly health-care premium.

Source: [Bill 20, Medicare Protection Amendment Act, 2019](#)

Canada: Note



Ontario employment standards package passed

On April 3, 2019, Bill 66, Restoring Ontario's Competitiveness Act, 2018 received Royal Assent.

Among other matters, the Bill amends the Employment Standards Act, 2000 to:

- Provide that the Director, and not the Minister, is required to publish a poster providing information about the Act and regulations (employers are no longer required to post the poster in the workplace).
- 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 came into effect on April 3, 2019.

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

Key Updates

Chile: Note



Ruling backs severance calculation offset

The Supreme Court has reversed an Appeals Court ruling in a decision allowing an employer to deduct its contributions to an employee's individual unemployment insurance account from its severance pay for unfair dismissal. A lower court had already concluded that the worker's dismissal for "company needs" was unjustified and the Supreme Court has affirmed that the severance formula reflecting years of service should apply but offsetting the individual unemployment insurance fund contributions was flagged as a major precedent.

China: Watch



Contribution cuts are being implemented

The State Council has [announced](#) an over-all reduction in employer social security contributions. The rates vary by province and currently range from 14-20%. With the cooperation of the provinces, the federal government aims for reducing most rates to no more than 16%, effective May 1, 2019. A redefinition of pensionable salary is expected to generate an additional 2-3% in savings. Lower unemployment insurance and workers' compensation insurance rates are also on the agenda. Much still needs to be clarified and resolved.

Czech Republic: Note



Sick leave bill passed

Parliament has passed, and the President has promulgated, [Act 32/2019](#), which will eliminate the three-day waiting period for entitlement to paid sick leave. Employers will now pay 60% of one's average earnings for days 1-14 and social security will take over from day 15. This will be offset by a reduction of the sickness benefit component of social security contributions from 2.3% to 2.1%. The measure will come into force on July 1, 2019.

Key Updates

Egypt: Response



Minimum wage and pensions to rise

The President has declared that the minimum wage for both the private and public sector will rise by 67%, from 1,200 Egyptian pounds per month to 2,000 pounds (US \$116) from July 1, 2019. He also [announced](#) that from July 1, 2019, the minimum pension will rise from 750 pounds per month to 900 pounds. In addition, private-sector wage indexation will lift monthly salaries by 10%, at least 75 pounds per month.

EU/Spain: Respond



Working time record keeping refinement proposed

The Spanish National High Court referred a case to the European Court of Justice (ECJ) when a Spanish union accused a global company of neglecting its recordkeeping obligation under the Working Time Directive. The Advocate General Opinion in [Case C-55/18](#) held that the lack of a policy allowing overtime work did not excuse the employer from maintaining a system to record working hours. The AG's logic was that the absence of a system for logging hours makes it difficult to log any excess hours and the AG, whose opinion is impactful but nonbinding, urged that the directive be revised to clarify this requirement.

This issue is relatively moot for Spain as a measure passed in March will require all companies to maintain daily records of working hours for their full-time staff (it is already mandatory for part-timers). The measure comes into effect on May 12, 2019 and obliges employers to maintain these records for at least four years.

EU/UK: Watch



Social security coordination under a no-deal Brexit

The European Council has [adopted](#) contingency measures for social security coordination in the event of a no-deal Brexit. [Regulations](#) on protecting the rights of affected Member State and UK nationals will come into effect on the following day if a no-deal Brexit occurs.

Key Updates

European Union: Watch



Provisional agreement on social security coordination

The European Commission [announced](#) that it has reached a provisional agreement with the European Parliament and the Council on revised rules for social security coordination. This "modernization" aims to fill gaps in protection for unemployment benefits, long-term care benefits, and posted worker coverage:

- An insured person who moved to another Member State would be able to continue receiving unemployment benefits for up to six months, longer if the state paying the benefit agrees.
- There would be standardized rules for aggregation of unemployment benefit entitlements between Member States.
- Cross-border workers would have the option of claiming unemployment benefits from either state of residence or state of employment.
- There would be greater transparency and harmonization for long-term care benefits.
- Workers posted abroad for up to 18 months would retain eligibility for social security benefits in the Member State where they are primarily employed.

The draft must now be adopted by both the European Council and Parliament, generally a formality but numerous technical corrections and "political questions" may slow its progress.

European Union: Watch



Whistleblower protection rules

A European Commission [press release](#) outlined the provisional agreement with Parliament and Member States on rules establishing stronger whistleblower protections. Following formal adoption in the European Parliament and Council, employers would have to establish reporting procedures for safely handling these disclosures and whistleblowing employees would be protected from retaliations.

Key Updates

European Union: Note



European Insurance and Occupational Pensions Authority (EIOPA) disclosure guidance

The European Insurance and Occupational Pensions Authority (EIOPA) has [issued](#) principles and guidance on clear and adequate disclosure to plan members under the IORP (Institutions for Occupational Retirement Provision) II Directive. This includes the timing and communications channels during the preretirement and pay-out periods as well as historical performance data for prospective members.

European Union: Response



Adoption of work/life balance package

Parliament has [adopted](#) the new work/life balance package in a final plenary vote. Among the minimum requirements set out for Member States:

- Ten days paid paternity leave (father or "second parent" if that status is designated under national law) for birth or adoption at a rate no lower than sick pay (may be taken in segments).
- Five days per year of carer's leave, not necessarily paid.
- Two months nontransferable paid leave for each parent.
- Reasonable accommodation of parent or carer requests for flexible hours or remote work.

Twenty days after its imminent publication in the EU Official Journal, a three-year countdown for Member-State transposition of these rules will start.

Hong Kong: Note



Tax relief on retirement scheme contributions

A government press release [heralds](#) the Legislative Council's passage of the Inland Revenue and MPF Schemes Legislation (Tax Deductions for Annuity Premiums and MPF Voluntary Contributions) (Amendment) [Bill 2018](#). Contributions to tax-deductible Mandatory Provident Fund (MPF) voluntary contribution accounts and qualifying deferred annuities will be tax deductible up to HK 60,000 per year, starting with year of assessment 2019-20.

Key Updates

Ireland: Respond



Guidance on EU reporting requirements

Last year, the European Insurance and Occupational Pensions Authority (EIOPA) and the European Central Bank (ECB) introduced a set of [requirements](#) for occupational pension funds to report to their national authorities so they may in turn produce standardized reports for European regulators. The size of the scheme determines how detailed the reports must be and whether they are monthly or annual. The relevant Irish regulators, the Pensions Authority, and the Central Bank of Ireland, have been posting [information](#) on these reporting obligations, including a [list](#) of those enterprises that will be responsible for detailed monthly reports. The first reports come due in December 2019.

Ireland: Watch



Measures against bogus self-employment

The Minister for Employment Affairs has debriefed the Cabinet on plans to establish a new "standalone" body to investigate bogus self-employment charges. This coincides with an inter-departmental group's effort to produce legislation based on a 2007 code of practice for identifying sham independent contractors. Meanwhile, the Protection of Employment (Measures to Counter False Self-Employment) [Bill 2018](#), which would treat misclassification of employees for tax purposes as tax evasion, has reached committee stage in the Seanad.

Italy: Note



Pension reform implementing regulations arrive

The Senate has "definitively" [approved](#) the social security reform legislation that will allow retirement as early as age 62 provided one's age and years of contribution total at least 100. The passage reportedly occurred in time to meet the April 1, 2019 target for entry into force in the private sector.

Key Updates

Lebanon: Watch



Labor Ministry targets Kafala system and gender discrimination

The Labor Ministry has appointed a committee to draft some key labor law reforms. Goals include dismantling the kafala system which gives employers control over a migrant worker's visa status and often leads to exploitation. The committee will also tackle gender discrimination in the workplace and the illegal employment of foreign workers.

Netherlands: Note



Additional Birth Leave Act now in force

The [Extra Birth Leave \(COT\) Act](#), which went into effect on January 1, 2019, expands entitlement to paternity and adoption leave:

- Employer-paid paternity leave, 100% of full pay for five days, must be taken within four weeks of birth and may be claimed by a mother's partner who is not the father.
- From July 1, 2020, a five-week paternity leave extension at 70% of covered daily earnings will be financed by social security. It must be taken within six months of birth.
- Social security-funded adoption leave for both parents at 100% of covered daily earnings is increased from four weeks to six weeks.

Oman: Note



Scope of health coverage under Dhamani scheme

The Capital Markets Authority (CMA) has [posted](#) more details on the Dhamani health insurance scheme, which is initially being introduced for expatriate workers in the private sector. Coverage exclusions include pre-existing conditions, sexually-transmitted diseases, accident outside of the workplace, and diseases attributed to alcohol or drug abuse. The initial scope of coverage includes prescription drugs, inpatient care, emergency care, and treatment of "basic illnesses." There are expenditure limits for both inpatient and outpatient care. Employers may offer an equal or better medical benefits package and they may also complement Dhamani with certain "optional benefits" such as pregnancy coverage, dental benefits, and eye care.

Key Updates

Poland: Watch



Measure would remove cap on Employee Capital Plan (PPK) contributions

The government is consulting with social partners on a measure that would amend the Employee Capital Plan (PPK) legislation to remove the cap on income subject to the statutory PPK contribution (1.5% ER/ 2% EE). At present, the limit for PPK contributions is harmonized with that for pension and disability benefits, which is currently PLN 142,950 (approx. EUR 33,245).

Russia: Watch



Bill on voluntary Defined Contribution (DC) plans due soon

The Finance Minister revealed that legislation on the regulatory framework for a voluntary individual account defined contribution plan first broached last year is nearly completed. There will be provisions for both occupational pensions and individual schemes. It is designed to replace approximately 20% of final salary and launch is planned for early 2020.

South Korea: Watch



Broader collective bargaining eligibility proposed

A committee of the Presidential Economic, Social and Labor Council recently recommended adoption of the International Labor Organization (ILO) conventions on the right of workers to organize and conduct collective bargaining. This would allow several more categories of workers including temporary workers, firefighters, the unemployed, and those in the gig economy to join unions. Social partners are sharply divided on this issue and observers have noted that the Korea/EU free trade agreement calls on Korea to ratify these conventions but does not oblige it to do so.

Key Updates

South Korea: Watch



Ruling could impact retirement age

Stakeholders have been reviewing the implications of a February Supreme Court [ruling](#) that determined that damage claims for a manual laborer who is killed or injured should be based on retirement at age 65 rather than 60. This interpretation of a normal career span is expected to raise the eligibility age for certain retirement benefits and senior perks. The state pension age is currently on a slow climb to reach 65 in 2033.

Spain: Respond



Equality law

The [Organic Law for effective equality of women and men](#) went into effect on April 1, 2019, but has a two-year transition period for which stakeholders await further clarity. Among the highlights:

- The minimum threshold for a company to develop and carry out an Equality Plan will gradually shrink from 200 workers to 50.
 - The requirement to track remuneration gaps via a wage registry will also see its threshold extend from 200 workers to 50.
 - There will be greater flexibility in maternity and paternity leave.
 - Paternity leave entitlement will gradually expand to 16 weeks.
 - Collective bargaining will set protocols for "reasonable and proportionate" employer accommodation of flexible hours.
 - Dismissal protection for those returning to work after birth or adoption would increase from nine months after birth to 12.
-

Switzerland: Note



National salary calculator

The Federal Department of Economic Affairs has launched a new [National Wage Calculator](#) to complement, and maybe ultimately replace, existing federal and cantonal wage calculators. While its salary statistics are not binding norms, authorities commonly cite figures from the other wage calculators when reviewing unfair compensation claims.

Key Updates

Turkey: Note



Private Pension System (BES) changes

Rules published in the official gazette on December 27, 2018 provided a number of changes and clarifications to the auto-enrollment system for the Private Pension System (BES):

- People who have withdrawn from BES will be re-enrolled on the third anniversary of the day they signed up but will still have a window for withdrawal.
- Those who have opted out will be free to re-enroll at any time.
- Workers under age 18 are now included in the plan.
- There is greater flexibility on contribution holidays.
- Funds that exceed performance targets may charge supplemental management fees.


United Arab Emirates: Note



Health data privacy law

Healthcare Federal Law No.2 of 2019 – Using IT and Telecommunications in the Healthcare Sector” provides an extensive regulatory framework for privacy protection in digital storage and transmission of personal medical records. Both the US Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the European Union (EU) General Data Protection Regulations (GDPR) are cited as models. It will go into effect three months after its imminent publication in the Official Gazette and additional guidance will soon follow.


Other Notable Updates

Area	Country	Date	Name
	Cameroon	4/25	Pensioner health care subsidy
	Japan	4/4	Health insurance premiums adjusted
	Oman	4/4	Expatriate health plan update
	Russia	4/4	Measles vaccination now mandatory for foreigners
	South Korea	4/4	Threshold raised for expat health coverage

	Argentina	4/18	Ruling on income tax exemption for state pension
	Armenia	4/18	Minimum pension increased
	Australia	4/4	Climate-related financial risk
	Canada	4/18	Guidance for transfers to Individual Pension Plans (IPPs)
	China	4/18	Foreign company admitted into pension sector
	European Union	4/25	Pan-European Personal Pension Product (PEPP) rules advance
	Finland	4/4	Social security coverage for expatriates
	India	4/4	Employees Provident Fund (EPF) calculation disclosure
	India	4/18	"Excluded employee" definition refined
	India	4/18	Investment thresholds rise
	Ireland	4/25	Pension taxation guidance
	Mexico	4/18	Survivor benefit rules found discriminatory
	Netherlands	4/4	Responsible investment charter
	Netherlands	4/25	Decree on valuation of pensions and annuities
	Peru	4/18	AFP longevity incentives
	Philippines	4/4	Social security contributions rise
	Poland	4/18	"Pension Plus" advances
	Slovakia	4/18	Retirement age cap
	Switzerland	4/18	Supplementary benefits reform

Other Notable Updates

Area	Country	Date	Name
	United Kingdom	4/4	Investment Association to warn shareholders about pension contributions for executives
	United Kingdom	4/4	New standards for professional trustees
	Vietnam	4/25	Social security coverage exemptions for some foreign workers

	Australia	4/25	Consumer resources for life insurance
	Canada	4/25	Aon Canadian Benefits Guide

	Angola	4/25	Minimum wage hike
	Australia	4/4	Australian Taxation Office (ATO) guidance on annual leave loading
	Australia	4/25	Director liability for Fair Work Act 2009 ("FWA") violations
	Austria	4/18	Compromise on Good Friday
	Belgium	4/4	Positive discrimination guidance
	Germany	4/4	Training subsidies
	Germany	4/25	Ruling on annual leave calculations
	Ireland	4/25	Permit system modifications
	Latvia	4/18	Measure on overtime/minimum wage trade-off passed
	Serbia	4/25	Guidance on tax regime for commuting costs
	Singapore	4/18	Local Qualifying Salary (LQS) adjustments
	Sri Lanka	4/4	Maternity leave tax break
	United Kingdom	4/18	Response to disguised remuneration loans
	United States	4/18	Department of Labor (DOL) says Employers May Not Delay, or Permit Waiver of, Family and Medical Leave Act (FMLA) Leave



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