



# #GlobalBenefitsBulletin Highlights

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## Key



Retirement



Talent









Health















Risk

# Table of Contents

## Respond

	Bosnia and Herzegovina: Labour Law reforms come into effect	.....6		Nepal: Social Security Act	.....10
	Canada: British Columbia Employer Health Tax	.....7		South Africa: National Minimum Wage Act signed	.....13
	India: Creche guidelines	.....9		United Kingdom: Aon in Depth: Solving the Puzzle - Equalizing for GMPs	.....14









## Note

	Australia: Modern Slavery Act	.....5		Lithuania: Minimum wage to rise	.....10
	Belgium: Voluntary occupational pensions	.....5		New Zealand: Employment relations package clears Parliament	.....11
	Canada: Making Ontario Open for Business Act, 2018	.....6		Pakistan: New stock scheme regulations	.....12
	Cyprus: Social insurance contribution hikes/Start date for NHIS contributions	.....8		Philippines: Health reform bill passed	.....12
	EU: NCA guidance on IORPs	.....8		Philippines: Tax break for group health insurance confirmed	.....12
	Israel: Update on two pension developments	.....10		South Africa: Paternity leave law	.....13

# Table of Contents

---

## Watch

	Australia: Super protection bill status	.....5
	Chile: Bill would set telecommuting rules	.....7
	EU: Proposal to enhance social security coordination	.....9
	India: Labour Ministry initiatives	.....9
	Japan: Workstyle reform bulletin	.....10
	Netherlands: Bill to support flexible employment	.....11
	Taiwan: Minimum wage bill	.....13
	UK: Regulations could sharply restrict pension investments	.....14

## Coverage – GBB Highlights December 2018

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# Key Updates

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## Australia: Watch



### Super protection bill status

Treasury Laws Amendment (Protecting Your Superannuation Package) [Bill 2018](#) is overdue for a final plenary vote in the Senate. It would make the default life insurance in superannuation funds an "opt-in" for members under age 25 and those with balances below \$6,000. It would also set thresholds for transfer of inactive accounts and empower the Commissioner of Taxation to consolidate funds below that threshold into an active superannuation account. If it does pass, every super fund in Australia will have to renegotiate terms on Group Life insurance cover (in a market dominated by two or three insurers) by June 30, 2019. .

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## Australia: Note



### Modern Slavery Act

The Senate has approved [Modern Slavery Bill 2018](#) and final confirmation. in the House is viewed as a formality. Australian entities and foreign entities with annual revenue over A\$100M will have to submit annual reports to the government on policies and action to combat forced labor and human trafficking in their own enterprise and in supply chains. The government will maintain a public online registry of these modern slavery statements. The date of entry into force will be set at the Royal Assent stage.

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## Belgium: Note



### Voluntary occupational pensions

[Legislation](#) establishing the voluntary occupational pension for employees has cleared Parliament and will come into force three months after imminent publication in the Official Gazette. Workers not already contributing 3% of gross annual salary (subject to a minimum, EUR 1,600 in 2019) to an occupational pension scheme will have the option of contracting with a pension provider and instructing the employer to deduct VOPE contributions from their salaries. VOPE plans will not have the statutory guaranteed return required for occupational pensions.

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# Key Updates

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## Bosnia and Herzegovina: Respond



### Labor Law reforms come into effect

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The Law on Changes and Amendments to the Labour Law was adopted in 2016 but entry into force was delayed until November 17, 2018. Among the highlights:

- Employee registration with tax and social institutions must be from the first day of employment rather than within 15 days.
  - Unless employer and employee negotiate an alternative arrangement, an employment contract is terminated after age 65 with 15 years of contributions or at any age after 40 years of contributions.
  - Collective bargaining may now set higher annual leave entitlements than the statutory maximum of 30 days.
  - A regulatory framework is fleshed out for variable pay.
  - There is a new schedule of fines for employers failing to pay salary or social contributions.
  - An employee must report a grievance to the employer before resorting to the court system.
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## Canada: Note



### Making Ontario Open for Business Act, 2018

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On November 21, 2018, Bill 47, Making Ontario Open for Business Act, 2018 received Royal Assent. The bill amends the Employment Standards Act, 2000 (ESA), the Labour Relations Act, 1995, and the Ontario College of Trades and Apprenticeship Act, 2009.

Among other matters, the bill amends the ESA to:

- Keep the minimum wage at \$14/hour (eliminating the proposed increase to \$15/hour that was to be effective January 1, 2019), with annual increases tied to inflation to restart in 2020.
- Repeal the personal emergency leave provisions (up to 10 days a year, first two days paid) and replace it with separate entitlements to sick leave (three days, unpaid), family responsibility leave, (three days, unpaid) and bereavement leave (two days, unpaid).
- Repeal the provisions that prohibit employers from requiring an employee to provide a medical note from a qualified health practitioner.
- Repeal a number of other items that had been set out in Bill 148, Fair Workplaces, Better Jobs Act, 2017 that was passed under the previous government.

Source: [Bill 47, Making Ontario Open for Business Act, 2018](#)

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# Key Updates

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## Canada: Respond



### British Columbia Employer Health Tax

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On November 8, 2018, Bill 44, Budget Measures Implementation (Employer Health Tax) Act, 2018 received royal assent.

This bill implements the Employer Health Tax (EHT), effective for the 2019 calendar year, on the remuneration paid by employers to or on behalf of employees that report for work in British Columbia. Generally, the tax is to be paid at a rate of 1.95% of the BC remuneration paid by the employer during the calendar year. If the remuneration paid by the employer is not greater than \$500,000, no tax is payable. If the remuneration paid by the employer is greater than \$500,000 but not greater than \$1,500,000, tax is paid at a rate of 2.925% of the amount by which the remuneration paid exceeds \$500,000. As previously reported, the British Columbia government intends to eliminate Medical Service Plan (MSP) premiums by January 1, 2020.

Aon's [earlier BC Budget 2018 Bulletin](#) provides further details.

Source of [Bill 44, Budget Measures Implementation \(Employer Health Tax\) Act, 2018](#)

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## Chile: Watch



### Bill would set telecommuting rules

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The Chamber of Deputies has [approved](#) a bill that would add a chapter to the Labor Code called "Remote work and telecommuting". A telecommuting arrangement would be preceded by a written agreement identifying where the work will be performed and stating whether it would be exclusively off-site. During a trial period of at least three months, either party could terminate the arrangement unilaterally. Occupational safety and working time agreements, including the right to disconnect are addressed. Existing telework arrangements would have one year to come into compliance after the law comes into effect. The bill is now before the Senate.

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# Key Updates

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## Cyprus: Note



### Social insurance contribution hikes/Start date for NHIS contributions

The matching employer and employee contributions to the Cyprus Social Insurance Fund (SIF) will rise from 7.8% each to 8.3% on January 1, 2019 then continue climbing by 0.5% at five-year intervals:

- From 1.1.2024: 8.8% each.
- From 1.1.2029: 9.3%.
- From 1.1.2034: 9.8%.
- From 1.1.2039: 10.3%.

Meanwhile, the contribution schedule for the Gesy National Health Insurance System (NHIS, #GBB July 13, 2017) has been set. While full provision of health services is phasing in from March 1, 2019 through June 1, 2020, a contribution rate of 1.7% for employees and 1.85% for employers kicks in on March 1, 2019 and the rate will plateau at 2.65% for employees and 2.9% for employers on March 1, 2020.

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## European Union: Note



### NCA guidance on IORPs

The European Insurance and Occupational Pensions Authority (EIOPA) has issued a [decision](#) superseding existing rules on improving transparency and cross-border collaboration between National Competent Authorities (NCA) on the supervision of Institutions of Occupational Retirement Provisions (IORPs). Issues include information exchange, outsourcing of key functions, and cross-border transfer of pension schemes. Flow charts, sample forms, and a glossary are appended

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# Key Updates

## European Union: Proposal to enhance social security coordination



### Proposal to enhance social security coordination

Parliament's Employment and Social Affairs Committee has [approved](#) "modernized" rules for coordinating social security systems in support of EU worker mobility:

- 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.

Parliament, the European Commission, and the European Council will now negotiate a final draft.

## India: Watch



### Labour Ministry initiatives

The Ministry of Labour and Employment is holding stakeholder consultations on two major initiatives. One would create a National Occupational Safety and Health Advisory Board to set and enforce occupational safety standards. The ministry also plans to require national licenses for all staffing firms. Both pieces of legislation are expected to reach the winter session of Parliament.

## India: Respond



### Creche guidelines

The Ministry of Women and Child Development has posted minimum [guidelines](#) for compliance with the creche provision requirements under Maternity Benefit Act, 2017. Among the highlights:

- The creche must be within 500 meters of the workplace.
- The service is provided for children age 6 months to 6 years of permanent staff as well as temporary and contract workers.
- Minimum staffing levels and staff qualifications/training requirements are set.
- Creches must have shifts of at least 8 hours to correspond to the parents' work shift.

# Key Updates

## Israel: Note



### Update on two pension developments

The September 2018 issue of [AKT's Pension Update](#) features an article on a circular ending the requirement to use third party trust accounts for transferring pension payments. There is also an article on a ruling that clarifies the scope of freedom of choice under Section 20 of the Provident Law.

## Japan: Watch



### Workstyle reform bulletin

The Workstyle reform bulletin is provided in the [link](#).

## Lithuania: Note



### Minimum wage to rise

From January 1, 2019, the minimum wage is taking a healthy increase. The hourly rate will jump from EUR 2.40 to EUR 3.39 while the monthly rate will rise from EUR 400 to EUR 555. The actual increases are significantly more modest but tax changes taking effect at the same time account for the large difference.

## Nepal: Respond



### Social Security Act

The [Social Security Act](#) came into effect on November 27, 2018. From May 22, 2019, employees will contribute 11% of income; 10% to the provident fund and 1% to the social security fund while employers will pay 20%; 10% each to the provident fund and the social security fund. Over the next several months, private-sector employers will register their workers for social security cards which entitle them to lifetime pensions, worker's compensation, maternity benefits, disability insurance, and a basic package of health services. Most of these plans have a minimum contribution period to qualify for the benefit. .

# Key Updates

## Netherlands: Watch



### Bill to support flexible employment

The Minister of Social Affairs and Employment has [submitted](#) the [draft Labour Market in Balance Act](#) to the House of Representatives. It would bridge some of the gaps between flexible and permanent workers. Among the highlights:

- Employers would pay lower unemployment premiums for permanent workers than for those on temporary contracts.
- Workers would be entitled to a transition payment from the start of employment rather than two years in, so the right is extended to workers on short-term contracts and those in their probationary periods.
- The probationary period for workers who receive a permanent contract from the start would increase to five months.
- The eight recognized grounds for dismissal would be joined by a ninth "cumulation ground" when there are multiple grounds but no one strong enough on its own.
- The threshold for a succession of temporary employment contracts to trigger permanent employment status would rise from two years to three.

The target date for entry into force is January 1, 2020. The minister is also planning a public consultation early next year on a proposal to require a minimum hourly wage in any freelance contracts and conversion to regular employment contracts if they extend past three months. Ministers have recommended an hourly rate of EUR 15-18.

## New Zealand: Note



### Employment relations package clears Parliament

Employment Relations [Amendment Bill](#) has passed in its third and final reading and now awaits Royal Assent. Please note that this measure is distinct from Employment Relations (Triangular Employment) [Amendment Bill](#), which still awaits passage. The new law will:

- set out the limited exemptions to statutory rest and meal breaks
- allow trial periods of up to 90 days for new hires
- broaden the definition of 'wages' to include piece work and commissions
- requires employers to make certain disclosures about union status to prospective employees

# Key Updates

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## Pakistan: Note



### New stock scheme regulations

The Securities and Exchange Commission of Pakistan (SECP) has published [Companies \(Further Issue of Shares\) Regulations, 2018](#), which fleshes out a regulatory framework for employee stock schemes. It addresses company qualifications, employee eligibility, compensation committee eligibility and irrevocability of share issues.

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## Philippines: Note



### Health reform bill passed

Following passage in both the House and the Senate, the [Universal Health Care Bill](#) [cleared](#) the bicameral conference committee and now awaits the President's signature. The new scheme would provide a basic package of health services financed by a variety of existing taxes and complement it with premiums from those who are able to pay. The premiums will be introduced gradually and peak at 5%. All patients would have choice of a primary care provider from either the private or public sector.

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## Philippines: Note



### Tax break for group health insurance confirmed

The Bureau of Internal Revenue (BIR) has published Revenue Memorandum Circular (RMC) [96-2018](#), which clarifies the tax regime for group health insurance premiums. Employer-paid premiums on group health insurance cards for all workers, including top management, are tax-exempt and do not count towards the annual P90,000 tax-free threshold on employee benefits and bonuses. This RMC "clarifies" earlier guidance that had suggested there was no tax relief on these premiums.

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# Key Updates

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## South Africa: Respond



### National Minimum Wage Act signed

The President's [signing](#) of the [National Minimum Wage Act](#) introduces South Africa's first minimum wage. The hourly rate will be 20 rand (U.S. \$1.44) and the monthly rate will be 3,500 rand (U.S. \$251.83). The bill has now been [gazetted](#). Entry into force will be January 1, 2019 and those sectors that have already set a lower minimum wage rate will have to comply with the national thresholds.

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## South Africa: Note



### Paternity leave law

The President has now signed the [Labour Laws Amendment Act of 2018](#) establishing entitlement to 10 days paid paternity leave. This right is extended to adoptive and "commissioning" (surrogate births) fathers. The benefit will be paid by the Unemployment Fund and date of entry into force will be set when the law is gazetted.

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## Taiwan: Watch



### Minimum wage bill

The Labour Ministry has [outlined](#) a draft Minimum Wage Law that would standardize the process for minimum wage adjustments. The document calls for the creation of a tripartite minimum wage council and discusses the indicators that they should review before proposing the annual revisions. The administration also [presented](#) amendments to the Employment Services Law that would require disclosure of salary ranges for jobs that would pay less than NTD 40,000 (USD \$1,297) per month.

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# Key Updates

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## United Kingdom: Respond



### Aon in Depth: Solving the Puzzle - Equalising for GMPs

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The expanded version of an earlier bulletin on Guaranteed Minimum Pension can be viewed [here](#).

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## United Kingdom: Watch



### Regulations could sharply restrict pension investments


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The Department for Work and Pensions' (DWP) draft Occupational and Personal Pension Schemes (Amendment etc.) (EU Exit) Regulations 2018 would require occupational pension schemes in the event of a "no-deal" Brexit to invest "predominantly" in "UK regulated markets," drastically narrowing the current requirement to invest in "regulated markets." The rule would come into effect from March 29, 2019 and could require occupational pension schemes would have to precipitously disinvest a large portion of their holdings. Stakeholders suspect that this is an unintended consequence and await clarification from the DWP.

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## Other Notable Updates

Area	Country	Date	Name
	Netherlands	12/20	Health insurance contribution rates rise

	Georgia	12/20	Credit rating standards for 2d pillar investments
	Greenland	12/20	Retirement age hike compels revision of workers compensation law
	Jamaica	12/13	Pension fund investment menu expands
	Mexico	12/06	Circulars on Afores internal management, performance
	Peru	12/13	Early retirement scheme extended
	Russia	12/13	Further delay for second-pillar contributions
	Singapore	12/20	NOR pension tax exemption
	Sweden	12/20	Investment flexibility for AP funds

	Angola	12/20	Disclosure rules for employment agencies
	Argentina	12/13	Inflation adjustment allowances
	Argentina	12/20	Pre-dismissal consultation requirement
	Australia	12/20	Unfair dismissal claim over Xmas party incident rejected
	Bulgaria	12/13	Tax break on awards to rise
	China	12/20	Employment support package
	Denmark	12/13	Tax guidance on board, lodging and commuting costs
	EU	12/13	"Carousel secondment" ruling
	France	12/20	Ruling on gig economy employment
	Israel	12/13	Tax treatment of stock options received while working abroad
	Portugal	12/06	Worker mobility advances
	Puerto Rico	12/13	Unemployment benefit thresholds to rise
	Romania	12/06	Work permit hurdles trimmed
	Slovakia	12/20	Tax regime for recreation vouchers

## Other Notable Updates

	Switzerland	12/06	"Social detective" referendum
	Switzerland	12/20	Maternity leave extension for hospitalized newborns
	Turkey	12/13	Professional competence certificates
	Uzbekistan	12/20	Better terms for skilled foreign workers
	Vietnam	12/06	Tax treatment of security transfers from employees leaving a joint stock company
	Zimbabwe	12/06	Vesting for maternity leave





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