

#GlobalBenefitsBulletin Highlights

This document is intended for general information purposes only and should not be construed as advice or opinions on any specific facts or circumstances. The comments in this summary are based upon Aon's preliminary analysis of publicly available information. The content of this document is made available on an "as is" basis, without warranty of any kind. Aon disclaims any legal liability to any person or organization for loss or damage caused by or resulting from any reliance placed on that content. Aon reserves all rights to the content of this document.

RESPOND



Retirement

Georgia: Parliament approves second pillar scheme



Retirement

Nauru: Compulsory super launch



Talent

Nepal: Minimum wage, allowances to rise

NOTE



Talent

Austria: Flexible work hours bill passed



Retirement

Kazakhstan: Social security coverage available to foreign workers



Retirement

EU/Netherlands: Reasoned opinion over taxation of pension distributions



Talent

New Zealand: Domestic violence bill passed



Retirement

Germany: New mortality tables



Talent

South Africa: Ruling on threshold for casual worker status



Retirement

Hong Kong: Lifetime annuity introduced



Talent

Venezuela: Redenominated currency

WATCH



Health

Australia: Health insurance reform consultation



Talent

Ireland: Gender pay gap reporting bill



Retirement

Bahrain: Pension reform blueprint



Talent

Italy: Dignity Decree



Talent

EU: Work/life balance proposals



Talent

Mexico: President's agenda



Talent

EU: Draft directive would improve lot of gig economy workers



Retirement

Poland: PPK timetable



Talent

France: President's reform agenda



Retirement

Russia: Voluntary individual account scheme proposed



Talent

Greece: Ruling on unfair dismissal



Talent

Spain: New administration's agenda



Retirement

Hong Kong: Proposal to raise EPF thresholds



Retirement

UK/EU: Brexit implications for IORPs



Health

India: Health insurance policy exclusion review

Key Updates

Australia

WATCH

Health insurance reform consultation



Health

The Health Ministry has opened a brief consultation on the exposure draft of the Private Health Insurance (Reforms) Amendment Rules 2018 (the Rules), regulatory framework for a new system that would categorize private health insurance as gold, silver, bronze, or basic. These four tiers would distinguish levels of coverage and policyholders would be able to read a succinct summary of their coverage "on a single page." Critics charge that some key treatments are excluded from all but the gold and that the basic category essentially amounts to a "junk policy." The consultation closed on August 3, 2018, and the target launch date for the new policies is April 1, 2019.

Link

<https://goo.gl/f35kKH>

Austria

NOTE

Flexible work hours bill passed



Talent

Both houses of Parliament have now passed the contentious flexible working hours legislation that will allow workdays up to 12 hours and workweeks up to 60. An exemption to the limits is set for workers with "significant autonomous decision-making power" and the minimum rest period entitlement is cut from 11 hours to eight for the tourism industry. The law enters into force on September 1, 2018.

Link

<https://goo.gl/J8xwxB>
<https://goo.gl/X7MmR8>
<https://goo.gl/VnAAE1>

Bahrain

WATCH

Pension reform blueprint



Retirement

The government has outlined a 17-point pension reform with the bulk of the detail concerning public sector workers. Among the highlights for the private sector:

- Monthly pension contributions would be unified at 27% by 2021 then climb to 33% by 2033
- The pension eligibility age for men and women would reach 55 in 2023. The normal retirement age would be 60 and deferral to age 65 could be negotiated with the employer.
- The pension calculation will start out based on the final three years of salary in 2019 and rise to five years in 2021.
- Expatriates in the private and public sector would participate in the pension system.
- Unless a worker dies or is permanently disabled before retirement, one needs at least 25 years of service to qualify for a full pension.
- Workers who contributed to the Unemployment Fund and didn't benefit from it would be reimbursed at retirement.

A joint committee of Cabinet, Parliament and Shura Council members is - so far -sharply divided on most points.

European Union

WATCH

Work/life balance proposals



Talent

Parliament's Economic and Social Affairs Committee has approved a report proposing a set of work/life balance measures:

- Fathers or "equivalent second parents" would be entitled to at least 10 days paid paternity leave in a birth, stillbirth, or adoption.
- The minimum allowance would be 80% of gross wage for paternity leave and 78% for parental or carer's leave.
- Terms are set out for a right to five days paid carer's leave per year.
- Each parent would be granted up to four months of non-transferable parental leave before a child reaches age 10.

Negotiations with the Council and the Commission will start in September.

Link

<https://goo.gl/PqMMrU>

European Union/Netherlands

NOTE

Reasoned opinion over taxation of pension distributions



Retirement

The European Council has now endorsed the text of the draft Directive on Transparent and Predictable Working Conditions in the European Union, which would extend core employment rights to gig/"platform" economy workers. The employer body, The European Center for Enterprises for Public Participation, weighed in with a statement supporting employment status and collective bargaining rights for all platform workers. This is on a parallel track with the European Commission's Recommendation for Access to Social Protection, a proposal to avail "adequate, efficient" protection to "non-standard workers and the self-employed."

Link

<https://goo.gl/gTAFMb>

European Union

WATCH

Draft directive would improve lot of gig economy workers



Talent

The European Council has now endorsed the text of the draft Directive on Transparent and Predictable Working Conditions in the European Union, which would extend core employment rights to gig/"platform" economy workers. The employer body, The European Center for Enterprises for Public Participation, weighed in with a statement supporting employment status and collective bargaining rights for all platform workers. This is on a parallel track with the European Commission's Recommendation for Access to Social Protection, a proposal to avail "adequate, efficient" protection to "non-standard workers and the self-employed."

Link

<https://goo.gl/PsjszH>
<https://goo.gl/qt5jHF>

France

WATCH

President's reform agenda



Talent

The President's address to Parliament at Versailles outlined his reform agenda:

- He would boost "popular capitalism" with an employee profit-sharing scheme that he aims to launch next year.
- Benefits and retirement age would be harmonized next year in a consolidation of 40 pension schemes into a universal pension system grounded in solidarity and transparency.
- There would be major investments in vocational training and apprenticeship programs would be easier for employers to offer.
- The unemployment insurance system would be redesigned to reduce incentives for atypical work.

Link

<https://goo.gl/P3Tc5S>

Georgia

RESPOND

Parliament approves second pillar scheme



Retirement

Parliament has passed in third and final reading the law on compulsory accumulative pensions. For employed workers under age 40, employers, employees and the state will each contribute 2% of the employee's pre-tax salary. The scheme will be voluntary for those age 40 and up as well as the self-employed. Entry into force is planned for January 1, 2019 but analysts warn that more lead time will be needed.

Germany

NOTE

New mortality tables



Retirement

The new mortality tables - first update since 2005 - reflect lower mortality rates and introduce a unisex table to complement the male and female data.

Link

<https://goo.gl/sQbvAd>

Greece

WATCH

Ruling on unfair dismissal



Talent

The Piraeus' single-member Court of First Instance has delivered a ruling that expands the definition of unfair dismissal to reflect Greece's ratification of the European Social Charter which recognizes "the right of all workers not to have their employment terminated without valid reasons." While Greek case law has established a variety of grounds for unfair dismissal, "non-causative" dismissal has broadly been allowed. This decision will be appealed in the Supreme Court.

Hong Kong

NOTE

Lifetime annuity introduced



Retirement

The Hong Kong Monetary Authority (HKMA) announced the debut of the Hong Kong Mortgage Corporation Limited (HKMC) Annuity Plan, which will generate a lifetime monthly annuity for those permanent residents age 65 and up who register for it. Registrants must invest a lump sum of between HK \$50,000 - HK \$1M. The initial budget for the life annuity scheme is HK 10B, but the government has signaled a willingness to double that if there is oversubscription. The Registration of Subscription Intention has a brief window that closes on August 8, 2018. Successful applicants will receive their notices of allotment between September 2018 and March 2019. HKMA has provided a Product Feature Overview which is available in the link provided.

Link

<https://goo.gl/hYr8XZ>
<https://goo.gl/yRRRUZ>

Hong Kong

WATCH

Proposal to raise EPF thresholds



Retirement

The Mandatory Provident Fund Scheme Authority (MPFA) has presented a proposal to the government that would raise the maximum monthly employer and employee MPF contributions from HK \$1,500 each to HK \$2,400 each. The minimum salary for mandatory contributions would rise from HK \$7,100 per month to HK \$8,250. Both increases would be gradual.

India

WATCH

Health insurance policy exclusion review



Health

The Insurance Regulatory and Development Authority of India (IRDAI) has convened a working group to review the proliferation of exclusions in health insurance policies. The group's mission is to limit the permissible exclusion and to standardize "easily understandable language" on those exclusions that remain. It will issue a report in late September.

Link

<https://goo.gl/K1zQJS>

Ireland

WATCH

Gender pay gap reporting bill



Talent

The Cabinet has approved the General Scheme of the Gender Pay Gap Information Bill. The bill would empower the Minister of Justice and Equality to draw up regulations requiring employers to report gender pay gap details including differences in:

- Hourly pay.
- Bonus pays
- Bonus eligibility.
- Part-time and contract worker pay.
- Eligibility for benefits in kind.

This would initially apply to enterprises with over 250 workers and ultimately to all with over 50 employees.

Link

<https://goo.gl/qwmJWt>

Italy

WATCH

Dignity Decree



Talent

The "dignity decree", the first law approved by the Cabinet under the new populist government features some notable worker protection provisions:

- Compensation for unfair dismissal would rise by 50%, up to 36 months' pay.
- There would be limits on the renewal of fixed-term contracts and the employer's supplemental social security contribution for these workers would increase from 1.4% of taxable income to 1.9%.
- Temp workers and gig economy workers would have more parity with full employees.
- Companies that received state subsidies in the past five years, then relocate jobs to another country would be fined up to four times the amount they received in aid.

The decree must now get ratified by Parliament within 60 days.

Link

<https://goo.gl/Ebo3oQ>

Kazakhstan

NOTE

Social security coverage available to foreign workers



Retirement

The President has now signed Law No. 165VI-ZRK which entitles foreign workers to participation in the social security system. Employers must maintain records of their payments of mandatory social levies. The law went into effect on July 13th.

Link

<https://goo.gl/N9Dxwu>

Mexico

WATCH

President's agenda



Talent

The new President has outlined an agenda for his administration featuring three ambitious proposals:

- A program that he initiated for Mexico City as mayor that set a guaranteed minimum pension of 1,500 pesos (US \$78.25) per month would extend nationwide.
- During his six-year term, the 88.36 pesos daily minimum wage, a sticking point in NAFTA talks, would outpace inflation to reach at least 171 pesos.
- The "Youth Building the Future" program would establish apprenticeship roles for 2.6 million young people in the private sector with the government heavily subsidizing their salaries.

These three initiatives would have significant impacts for companies / employees:

Increasing and extending the "adults pension" will require significant amounts of money but would complement Social Security pensions as this pension would be received regardless of whether the person has other income sources.

The legal minimum wage increase would impact company staff cost if they have employees whose salary is tied to the minimum wage.

Link

<https://goo.gl/jxr1VU>

Nauru

RESPOND

Compulsory super launch



Retirement

A compulsory superannuation scheme that just launched for the public sector on July 1st will be introduced for the private sector, including foreign employers, on January 1, 2019. Enterprises with at least 5 workers will provide 5% employer and 5% employee contributions to the plan, with the employee contribution set off by a 5% wage increase. Employers and employees may make additional voluntary contributions. The benefit may be taken as annuity or lump sum at age 55 or retirement age and those who work past age 55 may continue contributions. Optional life insurance and permanent disability coverage will eventually be added to the scheme.

Link

<https://goo.gl/dr7As7>

Nepal

RESPOND

Minimum wage, allowances to rise



Talent

The Cabinet has accepted the tripartite Minimum Wage Fixation Committee's recommendation to raise the minimum monthly wage by over 38%, from Rs 9,700 to Rs 13,450 (US \$122.14). The wage breaks down to Rs 8,455 in basic salary and Rs 4,995 in allowances. The same ratio is reflected in the Rs 69 hourly wage. In addition, social security allowances including provident fund, gratuity, and health insurance contributions, as well as festival expenses, will rise to about Rs 2,500 per month. The changes took effect on July 17, 2018.

New Zealand

NOTE

Domestic violence bill passed



Talent

Domestic Violence—Victims' Protection Bill has cleared Parliament and it received Royal Assent on July 30, 2018. Workers will be granted up to 10 days paid leave per year to contend with domestic violence. The law is expected to come into effect on April 1, 2019.

Link

<https://goo.gl/QY9p3v>

Poland

WATCH

PPK timetable



Retirement

Following public consultation over the draft Employee Capital Plan (PPK) legislation, the Finance Minister confirmed that, while coming into force on January 1, 2019, the law would take effect for large companies from July 1, 2019 and gradually extend to smaller companies by January 1, 2021. This follows a broad social partner agreement on the bill. The draft should reach the Council of Ministers later this month.

Link

<https://goo.gl/cWkXQC>

Russia

WATCH

Voluntary individual account scheme proposed



Retirement

The Finance Ministry and the Central Bank are collaborating on legislation to complement the state pension with a voluntary individual account defined contribution plan. The scheme would offer tax incentives for both employer and employee contributions. The bill should reach Parliament by the end of this year.

South Africa

NOTE

Ruling on threshold for casual worker status



Talent

The Constitutional Court's decision in Case CCT 194/17 held that workers supplied by a labor broker become permanent employees of the enterprise to which they are assigned after three months. The company must draw up a permanent contract when the three-month threshold is reached and the labor broker may no longer charge fees for the worker's services.

Link

<https://goo.gl/UbTdiR>

Spain

WATCH

New administration's agenda



Talent

The Prime Minister delivered an address to Parliament outlining employment sector priorities:

- He endorses the social partner Employment and Collective Bargaining Agreement of July 5th, which targets a EUR 14,000 minimum wage by 2020.
- He backs legislation aiming to close gender-based wage gaps.
- He will support the draft Law Against Job Insecurity and for Employment Stability on restricting fixed-term contracts.
- More broadly, a Master Plan Against Worker Exploitation would combat atypical work, illegal overtime employment discrimination and other sources of "job insecurity."

He conceded that a pledged reversal of a 2012 law affecting termination pay and collective bargaining does not have the votes to pass and will have to be addressed piecemeal.

Link

<https://goo.gl/mZ137V>

United Kingdom/European Union

WATCH

Brexit implications for IORPs



Retirement

The European Commission recently issued NOTICE TO STAKEHOLDERS: WITHDRAWAL OF THE UNITED KINGDOM AND EU RULES IN THE FIELD OF INSTITUTIONS FOR OCCUPATIONAL RETIREMENT PROVISION to prepare sponsors and members of IORPs for contingencies that may arise under Brexit. If the current IORP rules are not preserved in the withdrawal agreement, UK-based IORPs will lose their legal basis.

Link

<https://goo.gl/9Z28Zp>

Venezuela

NOTE

Redenominated currency



Talent

The President announced that the government will combat hyperinflation by converting the "strong bolivar" currency to the "sovereign bolivar", removing five decimal points in the process. It is common for employers to pay wages in cash and those who do will be required to use the new currency from August 20, 2018.

Link

<https://goo.gl/MBE23u>

Other Notable Updates

Area	Country	Date	Name
 Health	Canada	08/02	British Columbia Employer Health Tax Details Released
	Ecuador	08/02	Health insurance certificate access limited
	US	08/16	Departments Release Final Regulations on Short-Term, Limited-Duration Insurance
 Retirement	EU	08/02	Guidance on CCP exemption lapse
	EU/Belgium	08/02	Ruling on cross-border social security coverage
	Kazakhstan	08/02	UAPF contributions now mandatory under service contracts
	Iceland	08/16	Employer pension contribution rises
	Puerto Rico	08/16	Hardship loan period extended
 Talent	Australia	08/16	Guidance on FBT for private use of company cars
	Belgium	08/09	ECJ referral over seasonal worker rules
	Brazil	08/09	Rulings on waiver of court costs in a bankruptcy
	Brazil	08/09	Ban on obligatory union dues upheld
	Canada	08/16	Quebec pay equity calculator
	China	08/09	Regulatory framework for human resources sector
	Estonia	08/16	Work permit rules amended
	EU/UK	08/02	Dependent partner ruling
	Finland	08/09	Leave entitlement ruling
	Germany	08/02	Employer found not entitled to private mobile phone numbers
	Germany	08/02	Ruling against fixed-term contract renewals
	Israel	08/16	Significant termination rulings
	Japan	08/09	Rulings on discrimination against fixed-term workers
	Kazakhstan	08/16	New occupational safety rules

Area	Country	Date	Name
 Talent	Kuwait	08/16	Guidance on shift work for women
	Mexico	08/09	Reinforcements for labor audits
	Nepal	08/16	Electronic payroll requirement
	Norway	08/02	New rules on foreign internship
	Puerto Rico	08/09	Tax regime for emergency loans
	Russia	08/16	Skilled worker permit cap rises
	Serbia	08/02	Work permit simplification bill
	Spain	08/09	Occupational injury ruling
	Spain	08/09	Paternity leave increase, other parental leave measures in the pipeline
	Switzerland	08/02	Foreign hire compliance tool
	UK/EU	08/16	Employer toolkit for EU Settlement Scheme
	Vietnam	08/02	Ruling backs noncompete clause
	Vietnam	08/16	Stricter terms for employee leasing companies

Contacts

If you have questions please contact your Aon Hewitt representative or send a note to Country.Profiles@aonhewitt.com.

Additional information on the above, plus other updates can be found in Greater Insight which is updated & emailed on a weekly basis

[Click here to access to Greater Insight Login Page](#)