# #GlobalBenefitsBulletin Highlights

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## Key

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|---|---|---|---|
| Retirement | Talent | Health | Risk |



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# Key Updates

## Argentina: Note

### New Mobility Formula

The Retirement Mobility Index, Law 27609, (published on January 4, 2021 and formalized through Decree 1/2021), will enter into force on March 1, 2021. The new mobility formula announced by the National Social Security Administration (ANSES) replaces the retirement mobility formula in effect from 2018 through 2019. Highlights include:

- Under the Law, the assets of the passive class and social allowances will be updated with an index that combines 50% growth in tax collection of ANSES and 50% of salaries by INDEC and RIPTE (Taxable Remuneration of Stable Workers) Social Security salaries.
- The application of the index cannot produce a decrease in the assets received by the beneficiary.
- Retirements, pensions, and family allowances will be updated every three months (i.e., March, June, September, and December). The first update will be effective as of March 1, 2021.
- ANSES will be responsible for preparing and approving the quarterly mobility index along with publishing this information.
- The Ministry of Labor, Employment and Social Security has the authority, jointly with the Ministry of the Economy and the ANSES, to issue clarifying and complementary regulations. The regulations must be within the scope of their respective competences.

## Australia: Note

### Financial sector reform

Parliament has adopted legislation to enact several recommendations from the Hayne Royal Commission. Measures in the Financial Sector Reform (Hayne Royal Commission Response) Bill 2020 includes:

- Strengthening unsolicited selling provisions (prohibition on “hawking”), including those for superannuation and insurance products;
- Prohibiting trustees of registrable superannuation entities from having a duty to act in the interests of another person, other than those arising from their duties as trustee of a superannuation fund; and
- Introducing a “deferred sales model” for add-on insurance products with the goal of assisting consumers in making informed purchasing decisions and preventing inappropriate sales of add-on insurance.


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## Azerbaijan: Respond

### Compulsory Health Insurance fee

The State Agency on Compulsory Health Insurance has announced that from January 1, 2021, workers and employers ("non-state and non-oil sector") in several districts will pay a monthly fee for mandatory health insurance. Premiums will be in the amount of 1% of the monthly salary fund (up to 8,000 manat) and 0.5% of the salary above 8,000 manat. From 2022, employers and employees will pay a monthly fee for mandatory health insurance in the amount of 2% of the amount up to 8,000 manat. These payments will be mandatory from April 1, 2021, in additional districts.

The Agency also announced all those who are insured will use the Service Package of compulsory health insurance which includes 2,550 different medical services.

## Canada: Note

### Retirement and amendment to Labour Code

Aon's weekly Radar (December 10, 2020) is available here.

## Canada: Note

### COVID-19 measures/bill to amend labour code

Aon's weekly Radar (November 20th to December 3rd) is available as of December 3rd, January 7th.

## China: Note

### New health reimbursement scheme

The National Healthcare Security Administration has unveiled regulations with measures that would encourage medical institutions and retail pharmacies to link with the country's medical insurance system for reimbursements. The regulations, expected to go into effect from February 1, 2021, aim to "expand the supply of medical resources and provide more quality medical and pharmaceutical services for the public". Licensed medical institutions and retail pharmacies that have been in operation for at least three months will be able to apply for a "tie-up" with the medical insurance scheme.



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# Key Updates

## Croatia: Note

### Income Tax Act amendments

Law No. 2625, amending the Income Tax Act, was published on December 11, 2020. Measures included in the law expands employee share options as optional salary payments; expands deductions for elderly dependents; abolishes the annual tax rate for payers earning additional income (up to five times the individual deduction base) and reduces the individual tax rates to 30%, 20%, and 10% under Ordinances Nos. 7 and 8. The Law generally entered into force on January 1, 2021.

## Czech Republic: Respond

### Amendments to Labor Code

Amendments to the Labor Code (of Act No. 285/2020 Coll.) were adopted concerning annual leave and compensation for work injuries effective January 1, 2021. Highlights include:

- Annual leave will be calculated on hours worked rather than days.
- Employees will be able to request (in writing) to "carry over" part of paid leave exceeding the statutory minimum of four weeks to the next calendar year.
- Employers may establish a "shared job position" which may be filled with two or more employees performing the same type of work during agreed upon reduced working hours (based on individual agreements with employees).
- The amount of compensation has changed for the "injury to health" of workers as well as the scope of persons entitled to such compensation for "non-pecuniary damages" provided to surviving relatives of an employee.
- One-off compensation for non-pecuniary damages when there is a serious injury to an employee's health has been introduced into the Labour Code. It will apply in cases where the "consequences of such injury are so extensive that the consequences are comparable to the death of an employee".

Also, under the amendments, the employer can deliver documents concerning the employment relationship to the employee via the worker's databox if the employee agrees to such delivery.



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# Key Updates

## Denmark: Note

### Psychosocial working environment rules

The Working Environment Authority has issued an Executive Order on the psychosocial working environment. It applies to any work performed for an employer and aims to clarify the psychological working environment rules for employers and employees to prevent mental wellbeing issues. The Executive Order contains special provisions concerning individual effects on the psychosocial working environment such as high workload and time pressure; unclear and conflicting demands at work; high emotional demands when working with people; offensive behavior, including bullying and sexual harassment; work-related violence (during and outside working hours). The Executive Order entered into force on November 1, 2020.

## France: Note

### Social Security Finance Law for 2021

The Social Security Finance Law for 2021 (Law No. 2020-1576 of December 14, 2020) was published in the Official Gazette and entered into force on December 16, 2020. It enacts tax measures to implement the France Recovery Plan as well as gives support to businesses and taxpayers impacted by the pandemic. Highlights include:

- Extending the reduced corporate income tax rate of 15% to companies with an annual maximum turnover of EUR 10 million;
- Allowing employers to enter into payment plan agreements for unpaid contributions in 2020 without surcharges and penalties for late payment if requested by March 31, 2021; and,
- Establishing a contribution to cover expenses related to the management of the pandemic which would be allocated to the National Health Insurance Fund. The contribution rate of 2.6% in 2020 and 1.3% in 2021 would be required of Complementary Health Organizations (OCs).

## France: Respond

### Increase in paternity leave

The Social Security Finance Law of 2021, provides measures to increase paternity leave and requires fathers to take some of the leave. From December 16, 2020, paternity leave increased to up to 28 days with seven days that are mandatory (which must be taken immediately after the child's birth). New fathers will receive pay for three days from their employers and 25 days will be paid by the social security administration. The administration will pay up to 32 days of paternity leave in the case of multiple births (twins, triplets, etc.). The new extended paternity leave will be applicable to fathers of children born or adopted on or after July 1, 2021. It will also be applicable to fathers of children born before that date, so long as the predicted due date was on or after July 1, 2021. Also, as of July 1, 2021, adoption leave will be extended to 16 weeks (from 10).



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## France: Note

### Cancellation of medical insurance plans

Under Law No 2019-733 of July 14, 2019 relating to the right to terminate free of charge of supplementary health contracts, subscribers can cancel individual and collective medical insurance plans at any time (with a 30-day notice) from December 1, 2020. Also, subscribers who change plans may instruct their new insurers to initiate cancellation arrangements with the previous insurer. The Law does not apply to insurers who are only allowed to cancel on December 31 with a 60-day notice and polices providing coverage for incapacity, invalidity, and death.

## India: Watch

### Proposal for new compensation rules

The government has announced new compensation rules to increase the social security benefits for employees. Because of the new rules, employers would have to restructure the wages paid to employees under the new wage code.

- According to the proposed new pay rules, allowances of an employee cannot exceed 50% of the total compensation. The basic pay of the employee would be 50% or more from the total salary.
- After the new pay code is implemented, companies would have to increase the basic salary. This would result in a reduction in the take-home salary of employees but would increase provident fund (PF) contributions and gratuity contributions. Also, the employee's tax liability would be reduced.
- Additionally, companies may incur a one-time cost to audit their current base of employee pay structure to align it with the new system.

The new measures are expected to take effect in April 2021.

## Ireland: Note

### Pandemic Unemployment Payment (PUP) changes

The Social Protection Minister announced that new applicants may now apply for the Pandemic Unemployment Payment (PUP) scheme until March 31, 2021 (previously December 31, 2020). Under the scheme, from October 16, 2020, workers who were earning €400 or more will receive a PUP rate of €350; those earning between €300 and €399.99 will receive €300; those earning between €200 and €299.99 will receive €250; and those earning less than €200 will receive €203. Also, the government extended the waiver of the three-day waiting period for Jobseeker payments until the end of March.



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# Key Updates

## Ireland: Respond

### Anti-bullying workplace measures

The Health and Safety Authority (HSA) and the Workplace Relations Commission (WRC) have prepared a joint code of practice, Industrial Relations Act 1990 (Code of Practice for Employers and Employees on the Prevention and Resolution of Bullying at Work) Order 2020 (SI No. 674/2020), on the subject of workplace bullying. It outlines the responsibilities of both employees and employers. Under the Code, employers are required to "uphold the duty to manage and conduct" work activities so to prevent bullying and develop an anti-bullying policy in consultation with employees. Measures went into effect on December 23, 2020.

## Italy: Note

### 2021 budget measures

Law No. 178/2020, published in the Official Gazette on December 30, 2020, contains measures implementing the 2021 budget. Measures provide for a 100% employee contribution deduction for three years when employing individuals under the age of 35 and introducing a single universal allowance for families. The provisions went into force on January 1, 2021.

## Japan: Note

### Amendment to employment laws

Under an amendment to the Elderly Persons Employment Stabilization Law-Securing employment opportunities until the age of 70 employers are encouraged to retain employees until reaching age 70. Employers are encouraged to consider five options including raising their retirement age, eliminating it, allowing employees to work beyond the maximum retirement age of 65, outsourcing work to retirees with their own business, or assigning them to projects. The provisions of the new law will not be mandatory. The measures will go into force on April 1, 2021.



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# Key Updates

## Luxembourg: Note

### Minimum wage increase

The Act of 15 December 2020, which amends the Labour code, went into effect on January 1, 2021. Measures in the Act increased the minimum wage by 2.8% raising unskilled employees' minimum monthly wages from to EUR 2,201.93 gross (from EUR 2,141.99); and raising the qualified employees' minimum monthly wages to EUR 2,642.32 gross (from EUR 2,570.39). The index applicable to employees' wages (EUR 834,76) remains the same.

The Act of 19 December 2020, which provides financial assistance to employers to compensate for the wage increase, also went into effect the beginning of 2021. The subsidy (tax-free) is capped at EUR 200,000 and is granted for one month (between January 1, 2021, and June 30, 2021). Companies operating in sectors severely affected by the pandemic and whose financial situation "renders the legally required wage increase difficult to put into place" are eligible for the assistance.

## Mexico: Respond

### Remote work legislation updates

The Decree which amends the Federal Labor Law on remote working was published in the Official Gazette of the Federation on January 11, 2021. Highlights:

- To be considered as remote working, more than 40% of the time must be spent at the worker's home or at the place chosen by the worker.
- Under the new legislation, employers are required to reimburse certain expenses related to teleworking such as paying the telecommunication services (i.e., cell phone and internet) and the proportional cost of electricity used for teleworking. Employers must also provide the necessary equipment for working remotely including computers, ergonomic chairs, printers, and any other equipment.
- The transition from face-to-face to remote working must be voluntary and established in writing (except in cases of force majeure).
- The remote working modality will be part of the Collective Labor Agreement (CCT) or the company's Internal Work Regulations. Copies must be given without cost to each of the workers. Labor agreements must include the work equipment and supplies given to the employee; a description and amount of money the employees will receive for payment of services; and contact and supervision information.

Employees will need "to provide timely information on the agreed costs for the use of telecommunications services and electricity consumption, derived from teleworking".

The legislation went into force on January 12, 2021.



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# Key Updates

## Mexico: Respond

### Pension reform

The pension law containing proposals to reform the pension system was signed by the President on December 9, 2020 and went into effect on January 1, 2021. Highlights of the law include:

- The monthly contribution by employers to individual pension accounts will increase from 6.5% to 15% gradually over eight years with the rate remaining the same for workers. The contribution for low-wage earners would be supplemented by the government.
- The new fees paid by employers will be for all active employees. The new contribution rates will start on January 2023.
- The minimum number of weeks for workers (already in the system) to contribute to the system to become eligible for the benefit will decrease 750 (equal to 14 years of contributions) from 1,250 (equal to 24 years). The minimum number of contribution weeks required for eligibility will increase gradually (by 25-week increments) to 1,000 weeks (equivalent to 20 years of contributions) in 2031.
- The replacement rate will be raised to an average of 40%. The increase would vary between high- and low-wage earners.
- The guaranteed monthly pension amount will increase to an average of 4,345 pesos from 3,289 pesos. It will be awarded based on age, weeks of contributions, and the base salary for contributions.
- The pension reform (in terms of benefits) affects only individuals that started contributing to the Mexican Institute of Social Security (IMSS) after July 1, 1997; not those who contributed before this time.
- The new fees paid by employers will be for all active employees. The new contribution rates will start on January 2023.

## Moldova: Note

### Tax code amendments

Amendments to the Tax Code addresses the tax treatment of payments made by legal entities for the testing of employees for the COVID-19 virus. Under Law No. 224 of December 4, 2020, published in the Official Gazette No. 353-357 of December 22, 2020, such payments will not be considered a taxable benefit granted by the employer to its employees for which individual income tax, social security, and medical assistance contributions should be calculated and paid. The amendments concerning individual income tax and medical assistance contributions are applicable retroactively, from January 1, 2020 (i.e., such payments are not due starting January 1, 2020). The amendments concerning social security are applicable starting December 22, 2020, (i.e., social security contributions are not due starting December 22, 2020).



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# Key Updates

## Montenegro: Note

### Increase in threshold for social security contributions

The Official Gazette has published Ordinance No. 1627 which increases the maximum annual taxable salary for mandatory social security contributions to 53,858 euros from 53,371 euros. Measures in the Ordinance entered into force on December 12, 2020.

## Netherlands: Watch

### Pension reform proposals

A bill, Future Pensions Act, was published for consultation on December 16, 2020, and contains details of the proposed new pension system based on the agreement between the cabinet and social partners. It provides measures to switch from "benefit agreements" to "defined contribution agreements". The bill covers the new pension contract, the new contribution scheme, the transition, and the level of the pension contribution. Highlights include:

- In the new system, pension accrual would be possible based only on a defined contribution agreement. From January 1, 2022, there would be four types of contribution schemes (currently three types of pension agreements) including the "new pension contract"; the "improved contribution scheme"; a premium benefit agreement (only for insurers); and a premium capital agreement (only for insurers).
- There would be a maximum age-independent contribution of (in principle) 30% of the pension base for contribution agreements concluded in the year 2022 or later.
- After the bill enters into force, a transition phase to the new pension system will be created from 2022 to 2026.

## Philippines: Note

### Increase in contribution rate and adjustment in income ceiling deferred

The Philippine Health Insurance Corporation (PhilHealth) published the scheduled contribution rate and adjustment in income ceiling for 2021 which included an increase in the contribution fee. However, the President ordered the Corporation to defer the contribution increase that was to be effective on January 1, 2021. PhilHealth will continue to collect premiums using the 3% contribution rate and the P 60,000 ceiling.



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# Key Updates

## Philippines : Respond

### Social security contribution rate

The Department of Finance has announced an increase (to 13% from 12%) in the monthly social security contribution rate, not to exceed maximum monthly salary credit (MSC) from January 1, 2021. The maximum MSC has increased to 25,000 Philippine pesos and the minimum to 3,000 pesos (with exception). Also, employers must pay a contribution rate of 8.5 % and a 4.5 % rate is applicable to employed members, OFW members based at sea, and land-based Overseas Filipino Worker (OFW) members in countries with which the Philippines has bilateral labor agreements.

## Poland: Note

### Employment measures

On December 14, 2020, the President signed a bill with measures to support employment. Under the Sector Shield (Shield 6.0), companies (those following under the Polish Classification of Activities as of September 30, 2020) are eligible for the scheme. Highlights of Shield 6.0 include:

- The Guaranteed Employee Benefit Fund will subsidize employees' remuneration up to PLN 2,000 (monthly) depending on their "working time" for three months. Employers must file an application for the subsidy by February 28, 2021. This measure went into force on December 19, 2020.
- The bill also modifies regulations on the medical examination of employees regardless of sector. The suspension of periodic examinations has been extended to 180 days after the end of the epidemic; and positions for which preliminary examinations will not be necessary have been added (provided the employee has a current medical certificate stating that there are no reasons why he/she should not work in the given position).
- Contribution payers may request an exemption from paying social security and health insurance contributions, as well as contributions to the Labour Fund, the Solidarity Fund, the Guaranteed Employee Benefit Fund, and the Bridge Pension Fund for the period from November 1, 2020 to November 30, 2020. The application must be submitted by January 31, 2021. These measures went into effect on December 30, 2020.


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# Key Updates

## Romania: Respond

### Fiscal Code amendments

Law No. 296 of December 18, 2020, which amends the Fiscal Code, was published on December 21, 2020. Highlights of measures contained in the Law:

- Expenses related to employees' remote-working activity are now included as deductible expenses.
- The amounts granted to employees (who telework) for utility expenses (i.e., electricity, heating, water, and data subscription), office furniture and equipment purchases are exempt from income tax and social contributions (up to a monthly ceiling of 400 lei "corresponding to the number of days in the month" that the employee works remotely).
- The definition of salary benefits now includes amounts received from an employer in connection with an employed activity and from third parties because of a contractual relationship.
- The costs related to epidemiological testing and the vaccination of employees to "prevent the spread of diseases that endanger the health of employees and the public" is exempt from income tax and social security contributions.
- Also, the amounts paid by employers for the early education of employees' children are exempt from social security contributions.

Most provisions of the Law went into effect on January 1, 2021.

## Singapore: Note

### Income tax amendments

Law No. 41 of 2020, published in the Official Gazette, amends the Income Tax Act. Measures include:

- Providing an income tax exemption for qualified companies and individuals on grants received under various schemes implemented in connection with the coronavirus pandemic;
- Providing an income tax exemption for the 2021 tax year on benefits-in-kind and cash allowances received by qualifying employees in 2020 for accommodation, food, transportation, and other necessities; and
- Introducing a 25% corporate tax rebate for 2020.

The measures went into force on December 7, 2020.



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# Key Updates

## Spain: Respond

### Paternity leave update

From January 1, 2021, paternity leave for new fathers will be the same as maternity leave. New fathers will receive 16 weeks of paid leave. Under the Royal Decree Law 6/2019 (on urgent measures to guarantee equal treatment and opportunities between women and men in employment and occupation), the leave will be paid (100%) by social security and is non-transferable. The first six weeks must be taken right after the child's birth. The remaining 10 weeks may be taken any time up to one year later (with 15 days' notice). To be eligible for the full 16 weeks, the individual must have paid into the social security system.

## Spain: Respond

### New contribution thresholds

The government has published the maximum contribution for qualified plans. Under the General State Budget for 2021:

- The total maximum annual contribution for pension plans (employee and employer contributions) may not exceed €2,000 per year (previously €8,000). Employers can contribute an additional €8,000.
- The threshold for the personal income tax deduction for plan contributions is €2,000 per year (from €8,000). Employers can contribute an additional €8,000 (i.e., the maximum joint deduction is €10,00). The total amount of contributions must not exceed 30% of the total net income derived from employment and any other economic activity during the year.
- The maximum limit of contributions for spouses has decreased from EUR 2,500 to EUR 1,000.

# Key Updates

## Switzerland: Note

### Pension reform

Pension reform applicable to supplementary benefits went into effect on January 1, 2021. Supplementary benefits (SB) to the old-age, survivors', and invalidity insurance ensure an individual's subsistence level if pension and income do not cover the minimum living costs. Highlights of the amendments include:

- An individual is entitled to SB if his net assets amount to less than CHF 100,000. For married couples the threshold is CHF 200,000.
- The pension reform will ensure that workers who lose their job at age 58 or over can continue to be covered by their pension fund (i.e., affiliated members may choose to remain enrolled in their employer-sponsored pension schemes until they reach the normal retirement age). This applies primarily to interest rates, conversion rates, and pension payments.
- Workers will also be able to choose between maintaining their pension scheme without paying additional contributions; and paying contributions that only cover death and disability, as well as processing fees.
- Members who decide to remain enrolled are required to pay both employee and employer contributions. These contributions are deductible from income tax levied at the federal, cantonal, and communal levels.
- Members may decide to cancel their insurance coverage at any time. The Occupational Pension Institution will then be entitled to cancel insurance coverage if members do not pay contributions.
- From January 1, 2021, heirs must reimburse SB which the deceased lawfully received in the last 10 years prior to his death out of the estate provided that the estate exceeds CHF 40,000. Any SB paid out after January 1, 2021 must be reimbursed. For married couples, the reimbursement obligation only arises in the second spouse's estate if the requirements are still fulfilled.

## United Kingdom: Note

### Minimum wage increase

The Government has announced the National Living Wage (NLW) and National Minimum Wage (NMW) rates that will come into force from April 2021. The National Living Wage will increase by 2.2% (from £8.72 to £8.91). It will be extended to those who are ages 23 and 24 for the first time. The Low Pay Commissioners recommend smaller increases for workers aged under 23.



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## United Kingdom: Note

### Immigration and Social Security Co-ordination (EU Withdrawal) Bill 2020

The Immigration and Social Security Coordination (EU Withdrawal) Act 2020 received Royal Assent on November 11, 2020. The Act contains measures to end EU free movement arrangements in the United Kingdom (UK) after the end of the transition period; recognize the immigration status of Irish citizens in the UK; make changes to social security coordination arrangements between the UK and the European Union after the end of the transition period for those persons who are not covered by the withdrawal agreement; and require the Home Office to review or arrange for a review of the ways in which protection claimants who are in an EU Member State can enter the United Kingdom lawfully. It is expected to enter into force on January 1, 2021.

Also, regulations have been introduced to enable people who are eligible to apply under the EU Settlement Scheme to be able to maintain their lawful status in the UK and travel to and from the UK between January 1, 2021 and June 30, 2021.

## United Kingdom: Note

### Extension of Coronavirus Job Retention Scheme (CJRS)

The government has announced the extension of the Coronavirus Job Retention Scheme (CJRS) furlough scheme to April 2021 (from March 31, 2021) and retention of the level of support at 80% of wages as well as the eligibility criteria. The Government will continue to pay 80% of the salary of employees for hours not worked, until the end of April. Employers will only be required to pay wages, National Insurance Contributions (NICS), and pensions for hours worked; and NICS and pensions for hours not worked.

## United Kingdom: Note

### Transmission of personal data provision in Brexit agreement

The transitional period relating to the UK's exit from the EU ended on December 31, 2020. The parties published a Trade and Cooperation Agreement on December 24. This includes an interim provision for transmission of personal data from the Union to the United Kingdom, for a period of four months from the agreement entering into force (potentially extended by two further months unless one of the parties' objects).



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## United Kingdom: Note

### Brexit implications

The PPF has published a statement entitled "The impact of Brexit on schemes we protect", which confirms that pension schemes based in the UK will still be protected by the PPF, even if the employer is based in the EU. The statement advises that, where an EU-based sponsoring employer is at risk, trustees should discuss in advance with their legal advisers the steps to take to enter the PPF. The statement also links to guidance from the Pensions Regulator.

## United Kingdom: Note

### Post-Brexit tax measures

Law No. 26/2020, published in the Official Gazette on December 22, 2020, introduces tax measures for the post-Brexit transition period. The law includes measures requiring insured individuals to pay insurance premium taxes (IPT) if their insurer fails to comply with the obligation.

## United Kingdom: Note

### Kickstart Program

Employers interested in creating 30 or more job placements for young individuals (those ages 16 to 24 on Universal credit at risk of long-term unemployment) may apply for funding through the Kickstart Scheme. Companies will be eligible for £1,500 funding per job placement; reimbursement of 100% of the National Minimum Wage or (National Living Wage depending on the age of the participant) for 25 hours per week for six months; associated employer National Insurance contributions; and employer minimum automatic enrollment contributions. Employers can spread the start date of the job placements up until the end of December 2021.

The Kickstart Scheme also has a grant for employers interested in creating 29 or less job placements.



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## United Kingdom: Note

### Global Health Insurance Card

The UK has launched its Global Health Insurance Card (GHIC). The scheme replaces the previous European Health Insurance Card (EHIC) arrangements which gave UK residents access to free or low-cost medical treatment in the European Union countries. Under Britain's new agreement with the EU, UK residents' rights to emergency and medically necessary health care will continue when travelling in the EU. This includes medically necessary treatment for a pre-existing or chronic condition. The new scheme allows citizens to get state health care in the EU at a reduced cost or for free. The government website, in the link given, provides guidance on how to apply.

## United States of America: Respond

### Amount of the Families First Coronavirus Response Act (FFCRA) Tax Credit for Qualified Family Leave Wages

On November 25, 2020, the IRS updated its Frequently Asked Questions (FAQs) on Determining the Amount of the Families First Coronavirus Response Act (FFCRA) Tax Credit for qualified family leave wages. The Family and Medical Leave Act (FMLA) generally entitles eligible employees of covered employers to unpaid, job-protected leave for specified family and medical reasons. The FFCRA amended the FMLA to require an Eligible Employer to provide qualified family leave wages when an employee is unable to work or telework due to a need for leave to care for a child of the employee if the child's school or place of care has been closed, or because the childcare provider of the child is unavailable, for reasons related to COVID-19.

## United States of America: Note

### Employer Guidance on COVID-19 Vaccinations

On December 16, 2020, the Equal Employment Opportunity Commission (EEOC) issued updated guidance for employers on COVID-19 vaccinations and the applicability of various equal employment opportunity laws, including the Americans with Disabilities Act, the Genetic Information Nondiscrimination Act, and Title VII of the Civil Rights Act of 1964.

# Key Updates

## United States of America: Note

### Funding bill signed into law

On December 27, 2020, President Trump signed into law the Consolidated Appropriations Act, 2021 (the "Act" – H.R. 133). Congress approved the legislation on December 21, 2020. The Act provides for government spending and coronavirus relief, including temporary rules that allow employers to provide additional flexibility for health and dependent care flexible spending accounts (FSAs).

## United States of America: Note

### Medical Billing, Price Transparency Rules, and More in COVID-Relief Act

On December 27, 2020, President Trump signed into law the Consolidated Appropriations Act of 2021 (the "Act" – H.R. 133). In addition to provisions for COVID-19 relief and for government spending for Fiscal Year 2021, the Act includes provisions on employer group health and welfare plans relating to:

- Surprise medical billing;
- Price transparency and disclosure rules;
- Reporting on pharmacy benefits and prescription drug costs;
- Student loan extensions; and
- Mental health parity rules.



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## United States of America: Note

### Final Rule Clarifying Independent Contractor Status under the Fair Labor Standards Act (FLSA)

On January 6, 2021, the Department of Labor (DOL) announced a final rule clarifying the standard for employee versus independent contractor status under the Fair Labor Standards Act (FLSA). The final rule includes the following clarifications:

- Re-affirms an "economic reality" test to determine whether an individual is in business for him or herself (independent contractor) or is economically dependent on a potential employer for work (FLSA employee).
- Identifies and explains two "core factors" that are most probative to the question of whether a worker is economically dependent on someone else's business or is in business for him or herself:

-The nature and degree of control over the work.
-The worker's opportunity for profit or loss based on initiative and/or investment.

- Identifies three other factors that may serve as additional guideposts in the analysis, particularly when the two core factors do not point to the same classification. The factors are:

-The amount of skill required for the work.
-The degree of permanence of the working relationship between the worker and the potential employer.
-Whether the work is part of an integrated unit of production.

- The actual practice of the worker and the potential employer is more relevant than what may be contractually or theoretically possible.
- Provides six fact-specific examples applying the factors.

The final rule becomes effective on March 8, 2021.

## Vietnam: Note

### Increase in retirement age

The retirement age will gradually increase starting in 2021. Under Decree No. 135/2020/ND-CP, from January 1, 2021, the retirement age for men will be 60 years and three months (from age 60) and 55 years and four months (from age 50) for women. After 2021, the retirement age will increase by three months per year for men and four months for women. The male retirement age will gradually increase from 60 to 62 by 2028, and 55 to 60 by 2035 for females.



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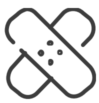
# Other Notable Updates

| Area | Country | Date | Name |
|---|---|---|---|
|  | Bulgaria | 1/14 | Introduction of telemedicine |
| | South Africa | 1/21 | COVID-19 vaccine added to Prescribed Minimum Benefits |
| | Taiwan | 1/28 | Increase in national health insurance contributions |
|  | Chile | 1/14 | Early withdrawal option |
| | India | 1/14 | Change to contribution payment date |
| | Kazakhstan | 1/14 | Pension withdrawals |
| | Malaysia | 1/14 | Employees’ Provident Fund (EPF) withdrawals |
| | Russia | 1/21 | Pension contributions |
| | Spain | 1/21 | Social security contributions and changes to tax laws |
| | Thailand | 1/14 | Unemployment scheme |



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# Other Notable Updates

| Area | Country | Date | Name |
|---|---|---|---|
| | Belgium | 1/21 | Extension of unemployment benefits |
| | Bulgaria | 1/7 | Tax treatment of costs for Covid-19 testing |
| | Costa Rica | 1/7 | Wage increase |
| | Czech Republic | 1/21 | Business expense deductions |
| | Finland | 1/21 | Income Tax Scale of 2021 |
| | Germany | 1/7 | Wage increase |
| | Germany | 1/21 | Guidance on valuation rates on employer provided meals |
| | Italy | 1/21 | Tax treatment of pension fund contributions reimbursement |
| | Kenya | 1/7 | Tax laws amended |
| | Malaysia | 1/21 | 2020 Finance Act |
| | Netherlands | 1/7 | Support measures for the economy and jobs |
| | Poland | 1/7 | Tax on free benefits |
| | Romania | 1/14 | Extension of job support measures |
| | Saudi Arabia | 1/7 | Wage increase |
| | Singapore | 1/7 | Tax exemption for employee allowances |
| | Singapore | 1/7 | Support for local workers |
| | Thailand | 1/28 | Tax measures |
| | Turkey | 1/14 | Extension of measures |

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

## About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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