



#GlobalBenefitsBulletin Highlights

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Key



Retirement



Talent



Health



Risk

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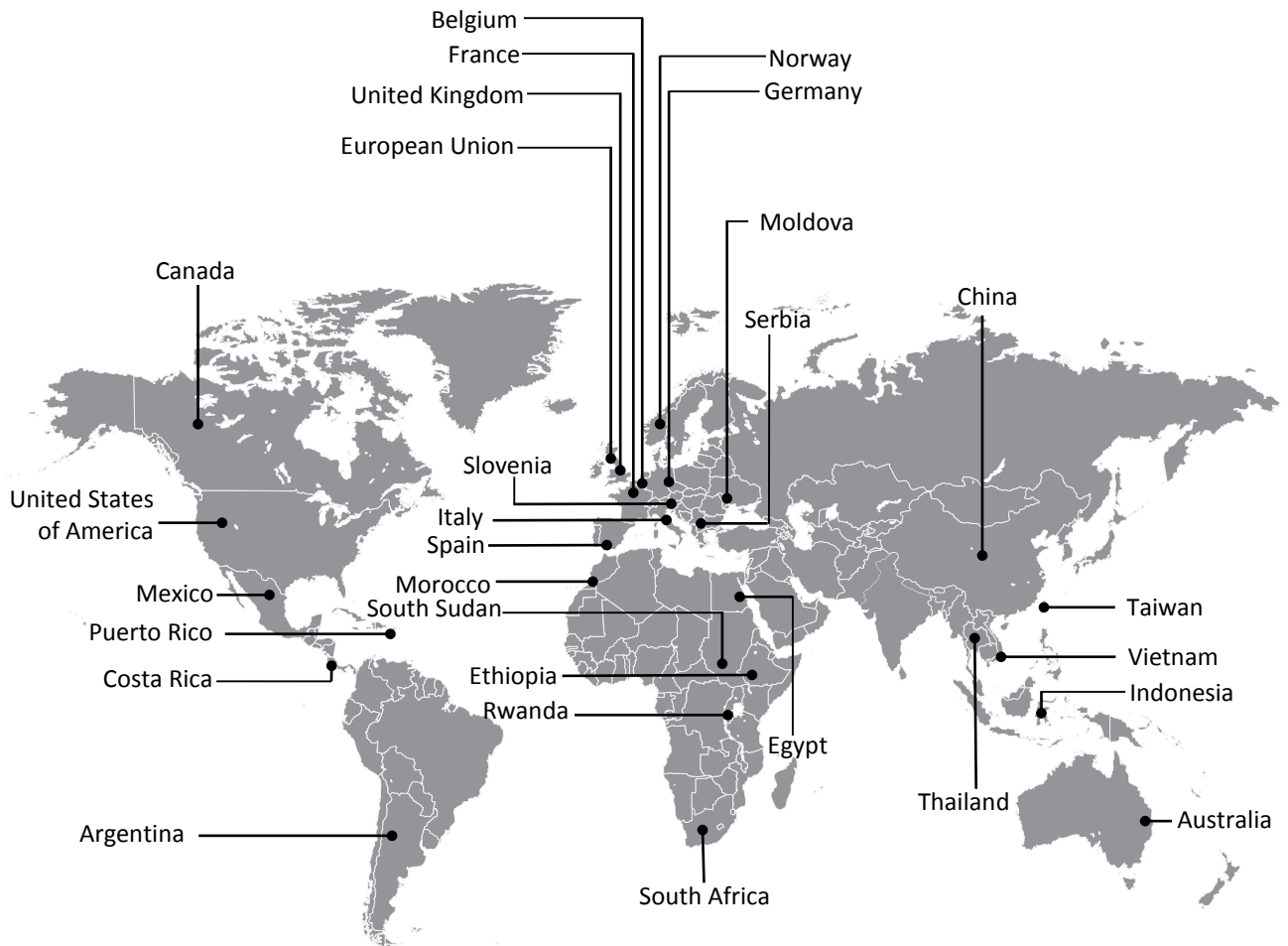
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Coverage – GBB Highlights March 2020



Key Updates

Argentina: Note



Paid leave for coronavirus quarantine

The Labor Minister has signed [Resolution No. 178](#) which grants workers quarantined for COVID-19 exposure (in a growing list of specified countries) 14 days of employer-paid leave (licencia excepcional). The resolution went into effect immediately when it was signed on March 6th.

Australia: Note



Super contribution shortfall amnesty

The Treasury Laws Amendment (Recovering Unpaid Superannuation) [Bill 2019](#) has cleared Parliament and now awaits Royal Assent. The one-off amnesty will apply for any contribution shortfall between launch of the superannuation guarantee in 1992 and March 31, 2018. Administrative fees will be waived but employers must pay the 10% nominal interest on the Superannuation Guarantee Charge (SGC).

Australia: Watch



Draft guidance on climate change factors in investment

The Australian Prudential Regulation Authority (APRA) [disclosed](#) that it sent a letter to superannuation funds and other APRA-regulated institutions previewing its plan to create a prudential practice guide for conducting climate-change-related stress tests. Along with developing climate change vulnerability assessments, APRA would revise its guidance on investment governance to include discussion of environmental, social and governance (ESG) investments.

Belgium: Note



Gender discrimination protection scope expanded

The Federal Chamber of Representatives has passed a [bill](#) that extends gender discrimination protection in the workplace and elsewhere to cover paternity, co-motherhood, breastfeeding, gender characteristics, adoption, and in vitro fertilization. The date of entry into force has not yet been set.

Key Updates

Belgium: Note



Effective date for new gender discrimination legislation

The legislation extending gender discrimination protection to additional characteristics, including paternity, adoption, breastfeeding, and co-motherhood was gazetted on February 28, 2020 and came into effect on March 9, 2020.

Belgium: Respond



Ruling against mobility allowance

In 2018, the legislature passed a law allowing employees to exchange their company cars for a mobility allowance that received advantageous tax treatment (social security and income tax). Climate organizations and unions filed a request to annul the legislation, alleging that it violated the constitution. The Constitutional Court ruled that the law did not achieve the government's aim of reducing cars on the roads and it was discriminatory because the allowance was taxed more favorably than other cash payments.

Canada: Watch



Bill would require supply chain reporting

On February 6, 2020, Bill S-211, An Act to enact the Modern Slavery Act and to amend the Customs Tariff received first reading.

Among other matters, the bill purports to enact the Modern Slavery Act (Act), which would impose an obligation on certain Canadian entities to report annually on the measures taken to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by the entity or in the production of goods imported into Canada. The Act provides for an inspection regime and gives the Minister of Public Safety and Emergency Preparedness the power to require an entity to provide certain information.

Although this bill was introduced by an independent senator, it is similar to a bill that had been introduced in the House of Commons in 2018, that "died on the Order Paper" when the 2019 Federal Election was called. In addition, other nations, including the United Kingdom and Australia, have implemented similar "modern slavery" transparency legislation.

Source: [Bill S-211, An Act to enact the Modern Slavery Act and to amend the Customs Tariff](#)

Key Updates

Canada: Note



Quebec temporary foreign worker rules

The [Regulation Respecting Personnel Placement Agencies and Recruitment Agencies for Temporary Foreign Workers](#) came into effect on January 1, 2020. All temporary foreign worker recruitment agencies must obtain licenses (renewable every two years) from the Commission des normes, de l'équité et de la santé du travail ("CNESST") to stay in business. An agency worker starting an assignment must be issued a document detailing terms of employment and employer obligation. The agencies must maintain records of the hours an assignee has worked for at least six years.

China: Respond



Temporary social security premium cuts

The State Council has agreed on temporary emergency measures to relieve companies coping with the coronavirus crisis:

- For small and medium companies, three employer social security contributions (old-age pension insurance, unemployment insurance, and work-related injury insurance) are waived from February 2020 through June 2020.
- Larger companies have the same contributions halved for February through April.
- All companies in Hubei Province qualify for the full waiver from February through June.

Costa Rica: Note



Comprehensive Reform Act of HIV and AIDS enacted

Law No. 9797, Comprehensive Reform Act of HIV and AIDS, gazetted on December 13, 2019, amends the law on [HIV and AIDS](#). Among the highlights:

- Employers may not require HIV testing to obtain or continue employment.
- They must keep confidential an employee's voluntary disclosure of HIV status.
- Employees can be terminated for just cause if they discriminate against colleagues over HIV status.
- Employers' internal rules must expressly prohibit workplace discrimination over HIV status.

Key Updates

Egypt: Respond



Pension system reform update

A government-produced summary of the new Social Insurance and Pension Law that went into effect on January 1, 2020 adds and revises key details:

- Coverage is extended to small enterprises and atypical workers.
- The reported contribution rate has changed to ER 12%/EE 9%, slated to climb to ER 14.5%/EE 11.5% by 2055.
- In 2025, the minimum contribution period will increase from 120 months to 180.
- The minimum contribution period for early retirement, which earns the greater of the minimum pension or half one's final monthly salary, will rise from 240 months to 300 months in 2025.
- The replacement rate remains 2.22% of covered earnings for each year of contributions but that will gradually transition from the average of final two years of earnings to career average.
- The existing entitlement to the end-of-service benefit is grandfathered but a new individual account scheme introduced on January 1, 2020 will get contributions of 1% each from employers and employees then pay out a lump sum upon retirement.

Ethiopia: Note



Labor Law update

Subsequent coverage of the labor law revisions under Labor Proclamation No.1156/2019 confirmed that the law went into effect on September 5, 2019 and:

- It introduced a three-day paid paternity leave.
- The 14-day paid annual leave entitlement after one year of service increased to 16 days and adds a day for each additional two years of service.
- A tripartite wage board will be setting a statutory minimum wage.
- The probation limit for new employees has increased from 45 calendar days to 60 workdays.
- Overtime caps are raised to four hours per day and 12 hours per week.
- The overtime premium is raised from 125% to 150% for normal hours and from 150% to 175% for the night shift, 10pm to 6am.

Key Updates

European Union: Note



Short-term visa rules come into effect

[Regulation 2019/1155](#) refining policy for short-term [visas](#) went into effect on February 2, 2020. The rules cover third-country nationals obtaining visas for travel to the European Economic Area (EEA) and Switzerland for no more than 90 days in any 180-day period. There is a new harmonized visa application form that may be submitted electronically. In addition:

- The multiple-entry visa period is extended from one year to five years.
- Visa application fees have risen.
- Applications may be submitted six-months ahead, up from three.

European Union: Watch



Pay transparency consultation

The European Commission's Gender Equality Strategy 2020-25 [release](#) features a public consultation on [pay transparency](#) that will run through May 28, 2020. It is expected to result in the adoption of binding pay transparency measures in the fourth quarter of 2020. The initiative also includes an Open call for proposals on closing gender gaps, which has an April 1, 2020 deadline.

France: Watch



Maneuver to expedite pension reform passage

In a move to bypass the more than 144,000 amendments filed by opposition lawmakers to slow the pension reform debate, the Prime Minister decided to invoke article 49.3 of the [Constitution](#). This procedure permits the government to push through a bill without the approval of the National Assembly. The move could have been blocked if a no-confidence motion were passed by the lower house but the opposition parties failed to pass a pair of no-confidence motions. The [draft](#), now accepted by the Senate for debate, features provisions to introduce a penalty when an employee is terminated before retirement age and a bonus when termination is deferred to after retirement age. It would set the social security contribution rate at 28.12% (60% paid by employer and 40% by individual) and guarantee a minimum retirement pension of 85% of the minimum wage by 2025 (transitional period begins in 2022).

Key Updates

France: Note



Ruling on status of gig economy workers

The Court of Cassation has affirmed lower court rulings in a [landmark decision](#) finding that a driver's contract with a gig economy giant was indeed an employment contract. The "relationship of subordination" detected in these contracts is expected to be cited in numerous cases brought against this company and other digital platforms.

Germany: Note



Income supplement for workers on reduced hours

The parties of the governing coalition have reached agreement on a package of economic measures to combat the impact of COVID-19. The Federal Employment Agency will cover 60-67% of the wage shortfall for qualifying workers on reduced hours. Companies with at least 10% of their workers affected may claim the income subsidy for up to 24 months. The measure will be in place from April 1, 2020 through at least the end of this year. Companies will be exempt from social security contributions for the non-working hours.

Global: Respond



Coronavirus responses

Stretching the scope of #GBB coverage a bit in light of the severe impact of the coronavirus pandemic. The checklists of issues that employers must now address closely mirror government priorities for reducing the pandemic's impact on the workforce and the economy. [COVID-19 & How Corporates are Responding](#)

Indonesia: Respond



Supreme Court annuls decree on health premium hike

The Supreme Court has annulled the government's decree that had raised premiums by 66% for state health insurer, BPJS Kesehatan, to make up for a funding deficit. The Court ruled that the increase violated the 2009 Health Law, so the increase is canceled retroactively but guidance is still needed on how that would be accomplished.

Key Updates

Italy: Note



Unfair dismissal compensation ruled insufficient

The European Committee of Social Rights has [ruled](#) that the 2015 Jobs Act provisions on the capped payments for material damage in cases of unfair dismissal "do not cover the financial losses actually incurred from the date of dismissal." It concluded that these provisions, which are currently under review in Italy's Constitutional Court and the European Court of Justice, are in violation of the EU Social Charter.

Mexico: Note



Supreme court confirms length of paid maternity leave

The Supreme Court of Justice of the Nation has [confirmed](#) that the period for paid maternity leave provided in Article 123 of the Constitution is a minimum of 12 weeks. In a recent case, a worker had complications during her pregnancy which led to premature birth of the child (before the formal "prenatal maternity leave period"). The Mexican Social Security Institute (IMSS) granted her leave for the time after childbirth but denied the request for the "prenatal rest period". The Court directed IMSS to compensate the mother.

Moldova: Note



Guidance on tax treatment of employee loans

The State Tax Service has issued [guidance](#) on the tax treatment of employer-provided no-interest and low-interest loans. The taxable benefit is determined by the difference between the loan's interest rate and the interest rate set by the National Bank of Moldova.

Morocco: Note



Guidance on tax incentive for pension contributions

The 2020 Finance Act has passed and the General Tax Administration has published [FAQs](#) for the law confirming that the 50% tax deduction on contributions to pensions apply to "all complementary retirement products, whether they are marketed by insurance companies or by other organizations." It also notes that the deduction applies to contributions made both before and after January 1, 2015. The law came into force on January 1, 2020.

Key Updates

Norway: Note



Gender equality law update

Some interesting details have emerged on the new gender equality law:

- The biennial compensation survey will be much broader than salary comparisons, covering employee benefits and worker entitlements such as paid leave.
 - Employee representatives must have a role in conducting the analysis of this data and unions will have a right to examine the data within the confines of privacy protection laws.
 - While there are no penalties associated with the outcomes of these reports, they must be disclosed publicly.
 - Stakeholders still await key instructions from the Equality and Anti-Discrimination Ombudsman, including details of these reports and when the first ones come due.
-

Puerto Rico: Note



Salary Equity Program

The Department of Labor has published [Regulation 9162](#), implementing regulations for the Salary Equity Program under the [2017 Equal Pay Act](#). Employers that meet the extensive salary disclosure requirements earn a certificate of compliance with equal pay standards, which is valid for three years. Participation in the program is voluntary but it is viewed as a "comply or explain" demonstration of good faith.

Puerto Rico: Note



Hardship withdrawal guidance

The Treasury has [introduced](#) temporary flexible rules for distributions and loans from qualified retirement plans and IRAs to cover eligible expenses from recent earthquakes. A special tax regime for these hardship distributions applies between February 20 and June 30, 2020.

Key Updates

Rwanda: Respond



Community-Based Health Insurance Scheme Contributions

From February 13, 2020, workers in the private and public sector must contribute 0.5% of net salary to the Community-Based Health Insurance Scheme. Employers are responsible for deducting these contributions and delivering them to the Rwanda Social Security Board (RSSB) on or before the 15th of the following month.

Serbia: Respond



Agency worker law passed

A new law, which came into effect on March 1, 2020, imposes requirements on staff leasing arrangements. Among the new measures, individuals can be hired by leasing agencies for unlimited-term or fixed-term employment and should be treated the same (i.e., receive the same pay and mandatory benefits) as employees doing similar work. Also, only 10% of a workforce with 50 or more employees can be agency workers with definite-term contracts and there is a schedule of lower caps for enterprises with 2-49 workers. In addition, a company may not exceed 24 months in fixed-term contracts with a single worker.

Slovenia: Note



Electronic sick leave notes are now mandatory

From February 1, 2020, health care providers must submit worker sick leave notes in electronic form rather than hardcopy and employers must accept the electronic submissions. There is a large exemption for those companies participating in the [Slovenian Business Register](#).

South Africa: Respond



Start date for provident fund annuitisation requirement

Under Taxation Laws Amendment [Act 34 of 2019](#), a long-delayed requirement for two-thirds annuitization of provident funds has a new date for entry into force.

The changes to current tax law that will introduce compulsory annuitisation of provident fund values at retirement is now set to come into effect from March 1, 2021.

Key Updates

South Sudan: Note



Tax guidance on pension distributions

The South Sudan National Revenue Authority (NRA) has issued circular [SS/NRA/J/CG -16/1/2020](#) to resolve contradictions in earlier instructions on the tax treatment of pensions and end-of-service benefits. The circular states that lump-sum pension income paid upon retirement or termination of service is subject to personal income tax.

Spain: Note



Sick leave periods are no longer grounds for termination

The Council of Ministers has now [approved](#) a decree rescinding a provision of the 2012 Labor Law that had allowed employment contract termination for repeated absences attributed to sickness exceeding certain thresholds, even when the sick leave periods were justified. The current administration regards the 2012 law as draconian and is reportedly reviewing additional provisions.

Taiwan: Note



Epidemic Protection Leave

The President signed a law with [provisions](#) to ease the effects of the COVID-19 outbreak on the economy, including measures to establish an Epidemic Protection Leave. Employees who are quarantined or caring for isolated family members should not be penalized or terminated for taking leave. Employers are subject to a fine if they violate the law. Also, employers that pay workers their full wages while they are on leave are eligible for a tax deduction equal to 200% of the salaries. Employees can apply for compensation from the government if they don't receive wages during leave and are compliant with the quarantine rules. The new law applies retroactively from January 15, 2020, to June 30, 2021, except for the penalty provisions which came into effect on February 25, 2020.

Key Updates

Taiwan: Note



Employment measures in response to Coronavirus Disease (COVID-19)

The government has revealed measures to relieve employment concerns resulting from the [coronavirus pandemic](#).

- Companies may apply for a subsidy to have training sessions for workers if they have introduced an unpaid leave policy. Employees attending such training for a program for up to three months can receive an hourly wage of NT\$158 (maximum of 120 hours of training per month).
- Employees are eligible for a monthly wage subsidy of NT\$11,000-NT\$15,400 (US \$ 508.55) for three to six months if there is a reduction in work hours.
- Employers who hire workers that are unemployed more than 30 days for at least six months may receive NT\$5,000 per person in assistance. They are eligible for NT\$11,000-NT\$13,000 per month for a maximum of one year if they hire seniors or disabled workers who have been unemployed for the same period. Also, companies that employ individuals who have not worked for more than three months can receive NT\$9,000 per month for each employee hired for a maximum of one year.

The government is also providing financial assistance to companies that improve safety in the workplace during the furlough period and introduce plans for child care and other subsidies.

Thailand: Note



Economic stimulus package

The cabinet has approved a stimulus package to mitigate the impact of the COVID-19 pandemic. One measure will reduce the social security contributions for employers and employees from 5% to 4% for 180 days (from the end of March through August). Another gives small and medium-sized enterprises (SMEs) a 300% tax deduction on wage expenses from April 2020 through July 2020.

United Kingdom: Note



National minimum wage (NMW) reforms

The Department for Business, Energy and Industrial Strategy (BEIS) has set an April 6, 2020 target date for implementation of a [set](#) of revisions to the rules on enforcement of the national minimum wage (NMW):

- Naming and shaming will return in cases where the arrears are at least BPS 500.
- New terms are set out for exempting qualifying salary sacrifice schemes from NMW laws.
- Greater flexibility on payment practices will include fortnightly and four-week cycles.
- Particularly for small employers, there will be greater emphasis on education and guidance than enforcement.

Key Updates

United Kingdom: Note



National insurance charges on termination payments

From April 6, 2020, voluntary termination payments in excess of BPS 30,000 are slated to incur 13.8% employer national insurance contributions. This measure, first introduced in 2016 to close a tax loophole, has had entry into force [delayed](#) twice already, so analysts do not rule out further delays.

United Kingdom: Respond



Points-based system announced

The Home Secretary has [introduced](#) a new points-based immigration system that is due to come into force on January 1, 2021. Those applicants who have garnered enough "points for specific skills, qualifications, salaries or professions" will qualify. The workers must have qualifying job offers with annual salaries of at least BPS 25,600. "The new single global system will treat EU and non-EU citizens equally." The scheme will amount "to the end of free movement", with sharply reduced immigration opportunities for lower-skilled workers, but the threshold for seasonal farm workers will quadruple.

United Kingdom: Watch



Consultation on draft Defined Benefit funding code

[Aon in Touch](#): Consultation on a revised Code of Practice for funding Defined Benefit Schemes.

United Kingdom: Watch



Statutory sick pay adjusted for coronavirus

The Prime Minister disclosed that forthcoming emergency legislation would temporarily amend the Statutory Sick Pay (SSP) rules to ensure that workers quarantined over coronavirus exposure are spared the three-day wait before they are eligible for the BPS 120 per week (from April 6, 2020) benefit. Those ineligible for SSP would qualify for alternative income support including Universal Credit (UC) and contributory Employment and Support Allowance (ESA).

Key Updates

United States of America: Note



Setting Every Community Up for Retirement Enhancement (SECURE) Transforms the Retirement Landscape

A special edition of the [Aon Quarterly Update](#) addresses the ramification of the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act).

United States of America: Watch



Supreme Court Will Hear Affordable Care Act (ACA) Constitutionality Case During Upcoming Term

On March 2, 2020, the Supreme Court announced it will hear the Affordable Care Act (ACA) lawsuit (California v. Texas) questioning the legality of the health care reform law. The court did not take any action on a similar appeal case (U.S. House of Representatives v. Texas). The court is scheduled to hear arguments in the term that begins this October, with a possible ruling in early 2021. (Please note the timing of a ruling is an estimate and can change, depending on many factors.)

The order is available [here](#).

Vietnam: Note





Limit on work permit renewals

The Amended Law on Immigration, which goes into effect on July 1, 2020, is notable for its cap on work permit renewals. A two-year work permit may now be renewed just once. After four years, a foreign worker must start from scratch with a new work permit reflecting his/her current status and it appears that those who have already renewed work permits will now be subject to the same limitations.

Other Notable Updates

Area	Country	Date	Name
	India	3/27	Guideline for handling Coronavirus Disease (COVID-19) claims
	Ireland	3/27	COVID-19 developments
	Jordan	3/5	Health reform timetable revised
	Sweden	3/5	Guidance on tax treatment of employee healthcare allowances

	Argentina	3/5	New social security increase formula
	Gibraltar	3/5	Private Sector Pensions Act
	Greece	3/27	Reprieve value-added tax (VAT) and social security payments
	India	3/5	January Benefits Pulse
	India	3/5	New rules for pension fund managers
	Poland	3/12	Law establishes annual pension bonus and Cabinet approves measure for second bonus

	Austria	3/12	Barriers to foreign workers reduced
	Canada	3/12	Guidance for on-call and stand-by employees
	China	3/12	Online vocational training program introduced
	Colombia	3/12	Minimum wage for apprentices rises
	France	3/5	Digital platform worker ruled an employee
	Hungary	3/27	Maternity leave for guardian parents and reporting requirements for occupational exposure
	Indonesia	3/27	More features of draft Omnibus Law
	Japan	3/19	Subsidized paid leave for coronavirus school closures
	Philippines	3/19	Guidance on Payment of Employees' Final Pay and Issuance of Certificate of Employment (COE)
	Poland	3/27	COVID-19 responses

Other Notable Updates

Area	Country	Date	Name
	Republika Srpska	3/19	Unemployment contribution cut
	Singapore	3/19	New measures for Flexible Work Arrangements
	Spain	3/19	Sick leave for COVID-19 quarantine
	Ukraine	3/5	Fines for Labor Code infractions slashed
	United Arab Emirates	3/12	Guidance on when commission is part of basic salary
	United Arab Emirates	3/19	Work permit renewal requirements
	United States of America	3/12	National Labor Relations Board (NLRB) Releases Final Rule on Joint Employer Status
	United States of America	3/12	Equal Employment Opportunity Commission (EEOC) Launches Guidance Database



Additional information 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](#)

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