

#GlobalBenefitsBulletin Highlights

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Key Updates

Argentina

WATCH

Benefit tax break due to rise



Talent

Capital markets legislation due before Congress by the end of this year will reportedly include the first adjustment of tax relief on life insurance and pension insurance since 1992. The deductions, which are currently ARS 996.23 (US \$57.48) per year for life insurance and ARS 630 for retirement or pension insurance, would be replaced by AR 23,000 total, including both individual policies and employer provided group plans.

Belgium

RESPOND

FSMA guidelines for DC plans



Retirement

The Financial Services and Markets Authority (FSMA) has published new disclosure guidelines for defined contribution schemes. A study of financial transparency at DC plans found that communication of performance and fees was often inadequate. The guidelines set out the fee and performance details that must be included in transparency reports. They must also discuss short and long-term investment strategy, risk exposure, the financing of guaranteed minimum return, and the role of environmental social and ethical criteria in their investment policies.

Link

<https://goo.gl/eQap5j>

Brazil

WATCH

Co-ordinated legal challenge to labor reform



Talent

The National Association of Labor Court Judges, a body comprised of members of the labor courts that will ostensibly be interpreting Brazil's new employment law reform package, has produced a document offering guidelines for judges hearing cases involving the new law, which came into effect on November 11. The guidelines detail the association's constitutional objections to 125 provisions of the new law. The president of the association noted that many of the provisions just required greater clarity, but there is a core provision of the new law that is widely agreed to be unconstitutional. The measure allowing employers and workers to negotiate on 15 key labor issues even if their agreement is not as beneficial to employees as existing labor law, a.k.a. the "voluntary labor jurisdiction," has already been the topic of hearings before the Superior Council of Labor Justice. Among the other provisions flagged as particularly problematic:

- The ability to employ workers on call without fixed hours.
- A cap on awards for moral damages.
- Provisions on aggregating work hours that could result in some 12-hour shifts without overtime pay.

Link

<https://goo.gl/DMEje5>

Canada/EU

NOTE

Greater worker mobility between Canada and EU



Talent

Comprehensive Economic and Trade Agreement (CETA), a trade agreement between the EU and Canada, went into effect on September 21, 2017. It features a number of Labour Market Impact Assessment (LMIA) exemption codes to increase labour mobility between Canada and the EU Member States. The categories include: short-term business visitors, intra-corporate transfers (including graduate trainees), independent professionals, contractual service suppliers, and business visitors for investment purposes.

Link

<https://goo.gl/QRoiH1>
<https://goo.gl/dtBg75>

Denmark

WATCH

2017-18 Legislative Program



Talent

The government's Legislative Program 2017-18 includes a number of employment-related measures that were delivered to Parliament on October 3:

*Stronger data protection rules would require employee consent for processing of personal data, set new protocols for the treatment of this data and increase the maximum fine for breaches six-fold.

- Employment discrimination based on disability would be banned.
- The penalties for employing undocumented workers would rise.
- The draft legislation on ensuring permanent sick leave for the chronically ill is included in this package.
- A Holiday Act amendment entitling workers to annual leave during their first year of employment is also featured. This measure would not go into effect before 2020.
- The conduct of occupational safety inspections and the remedies for infractions are refined.

Most of these measures, if passed, would be effective from late October and late November 2017.

Link

<https://goo.gl/pTPHGx>

European Union

WATCH

Vote on equal pay for posted workers



Talent

Parliament's Employment and Social Affairs Committee has approved by a wide margin draft rules on improving the rights of posted workers. Most notably:

- All national laws on remuneration and all collective agreements would apply equally to posted workers.
- Member States would have to post details of their "national remuneration policy" online.
- Workers posted at least 24 months would have full employment rights (There was still a dispute over the time limit at this stage and EU Employment Ministers have since agreed to a 12-month cap with a 6-month extension possible.).
- There would be safeguards to ensure that allowances for accommodation, meals, and transportation are not unduly offset by salary reduction.

A plenary vote in Parliament will be followed by further trilogue with the Council and the Commission.

Link

<https://goo.gl/7RTxwb>

European Union

WATCH

Council endorses Pillar of Social Rights and revisions to posting of workers directive



Talent

EU Ministers of Employment and Social Affairs have unanimously approved the European Pillar of Social Rights, a set of 20 key principles for "fair and well-functioning labor markets and social welfare systems." Much legislation on worker rights and social protection is expected to ensue. The pillar will be formally proclaimed by the European Parliament, Commission and Council at the Social Summit for Fair Jobs and Growth on November 17th.

The ministers also reached a "political agreement" endorsing revisions to the directive on posting of workers. They embraced the compromise approach on minimum period for posting before coming under the host state's labor laws (18 months; 12 months with a 6-month extension possible) and agreed on a four-year transition period for national compliance. It is now left to Parliament, the Council, and the Commission to finalize and formally adopt the proposal.

Link

<https://goo.gl/KAjrD2>
<https://goo.gl/uwFnDH>
<https://goo.gl/Aztrps>

European Union

WATCH

Written Statement Directive due for revision



Talent

The European Trade Union Confederation (ETUC) has waived on the opportunity to enter social partner consultations on major revisions to the 1991 Written Statement Directive, but it has submitted its recommendations to the European Commission. The Commission may now proceed with a legislative initiative expanding the content of the written statement to provide greater disclosure of working conditions and extending entitlement to the statement to include most atypical workers. A draft is expected by the end of this year.

Link

<https://goo.gl/XzgE2a>
<https://goo.gl/Y4Z81r>

Global

WATCH

UN draft instrument on human rights in MNCs



Talent

The Open-ended Intergovernmental Working Group (OEIGWG) on Transnational Corporations and Other Business Enterprises posted the working paper ELEMENTS FOR THE DRAFT LEGALLY BINDING INSTRUMENT ON TRANSNATIONAL CORPORATIONS AND OTHER BUSINESS ENTERPRISES WITH RESPECT TO HUMAN RIGHTS during its October meeting on development of a binding instrument on multinational enterprises' human rights responsibilities. The discussion has addressed due diligence obligations for occupational safety and other fundamental worker rights. The group aims to produce an "international legally binding instrument" on human rights compliance for MNCs, including accountability for their supply chains.

Link

<https://goo.gl/K7qjvj>
<https://goo.gl/5mWD8d>

Hong Kong

WATCH

Health insurance tax incentives planned



Health

Along with the more concrete proposals in the Chief Executive's 2017 Policy Address was a mention of plans to attract more people to the Voluntary Health Insurance Scheme. These will include so far unspecified tax incentives on the purchase of health insurance products.

Link

<https://goo.gl/P7BcaZ>
<https://goo.gl/wv5bom>

Israel

WATCH

Mandatory long-term care insurance proposed



Health

The Labor and Welfare Minister has delivered a proposal for compulsory long-term care insurance to the Prime Minister. This would be financed by raising health insurance contributions by 0.5-0.7%. The Minister wants a commission of experts and representatives from the relevant ministries to flesh out a plan over the next few months. There is some urgency to the request because the Capital Market Authority (CMA) has precipitously served notice that private long-term care insurance, including the "collective nursing insurance" offered by some employers, will be eliminated effective January 1, 2018. An estimated one million people will be losing their coverage. The Finance Minister has been asked to prevail upon CMA for a coverage extension while the plan for universal long-term care is explored.

Link

<https://goo.gl/G62QvX>

Italy

NOTE

Early retirement scheme advances



Retirement

The Prime Minister's September 4 decree implementing the "pension advance" APE voluntary early retirement scheme technically went into effect on October 18, but hurdles remain. The scheme involves retiring three years before normal retirement age with the benefit for that period received as a loan from the government payable over the next 20 years. Two framework agreements between the Ministries of Economy and Labor and between ABI (Italian Bankers Association) and ANIA (National Association of Insurance Companies) have yet to set out the details of these loans. The agreements are supposed to be concluded within 30 days of October 18, but analysts note that the scheme has already seen a couple of false starts (a pilot project, "experimental measure" did launch on May 1, 2017). The INPS (National Institute of Social Security) has already started reviewing applications for the APE scheme and has rejected many. It maintains a resource page on the scheme, including a simulator for those considering participation.

Link

<https://goo.gl/PQ2QER>



Talent

The Prime Minister has delivered the 2018 Budget to Parliament. A few proposals bear watching:

- There will be additional tax incentives for employers hiring disabled workers.
- Paid maternity leave in the private sector would increase from 60 to 90 days.
- From 2018-2020, women who return to the workforce after a career break of at least two years would qualify for a personal income tax exemption for at least one year.
- Government-linked companies (GLC) and government-linked investment companies (GLIC) would need at least 30% female participation on their boards by the end of 2018.
- GLCs and GLICs will introduce flexible benefit programs and expand on existing profit sharing schemes and flexible work arrangement models.
- Private companies with government contracts will be required to earmark 1% of the project value to the SL1M Apprenticeship Programme.

Link

<https://goo.gl/eGTzB7>

New Zealand

WATCH

Coalition government's agenda



Talent

The new Labour-led coalition government has confirmed that extending the paid parental leave entitlement from 18 weeks to 26 is a top priority for its first 100 days in office. The leave would rise to 22 weeks from 2018 then reach 26 weeks by 2020. In addition:

- The coalition is divided on minimum wage increases. Labour plans to raise the \$15.75 floor to \$16.50 from January 1, 2018 and to eventually peg the minimum wage to two-thirds of the average wage. The Greens are calling for \$18 per hour and NZ First for \$20.
- The 90-day probationary period established by the preceding administration would require justification for dismissal and an arbitrator could require reinstatement or award damages.
- A consultation on minimum redundancy protection in a restructuring is expected to result in redundancy compensation and advance notice requirements.
- All three coalition partners want higher standards for skilled foreign workers and fewer work visas.

The balance of Labour's workplace relations policy must be discussed with coalition partners.

Link

<https://goo.gl/GsJ8WR>
<https://goo.gl/9WstpY>

New Zealand

WATCH

Proposal to increase parental leave



Talent

The Prime Minister announced that the Cabinet has approved draft legislation raising the 18-week parental leave entitlement to 26 weeks in two stages. It would reach 22 weeks on July 1, 2018 then hit 26 weeks on July 1, 2020. The Parental Leave and Employment Protection Amendment Bill sped through second reading on the day it reached Parliament, and is now before Committee of Whole House.

Link

<https://goo.gl/8hdTt6>
<https://goo.gl/8miakp>

Poland

WATCH

PPK bill is before Cabinet



Retirement

The Cabinet is assessing draft legislation on establishment of the PPK mandatory employer-sponsored pension scheme. The minimum employer and employee contributions are confirmed at 1.5% and 2%, respectively. Asset management fees would be capped at 0.6% of net asset value. While membership would be obligatory for all persons subject to social insurance contributions, there would be an opt-out feature as well as incentives for employers and employees to increase their contributions, which may run as high as 4% each. The state would give each account a PLN 250 (US \$68.46) starting bonus and a PLN 240 annual contribution.

Qatar

WATCH

Labor reforms announced



Talent

The Minister of Labour and Social Affairs has previewed what could prove a major set of labour reforms:

- The kafala system, which requires foreign workers to have local sponsors before they can live or work in Qatar, was loosened under last December's reforms and is now expected to be dropped. Foreign workers would be free to change jobs or leave the country without employer permission.
- Employment contracts would be filed with a government authority to ensure against unilateral revisions.
- The government has signed bilateral accords on worker rights with the 36 nations that supply most of its foreign workers.
- A (so far undisclosed) national minimum wage would be set, ending race-based wage disparities.
- Each workplace would have an employee-elected workers' committee.
- A new dispute resolution process would feature a time limit.
- Existing rules on timely payment of wages would now be enforced.

Link

<https://goo.gl/P7BcaZ>
<https://goo.gl/wv5bom>

Saudi Arabia

NOTE

Conditions for employer tax breaks on contributions



Retirement

Royal Decree M/131 of September 20, 2017 allows capital companies to deduct their contributions to employee retirement, medical, end-of-service benefit, or social insurance funds if:

- The funds have an "independent legal status."
- The deduction is less than the fund's unfunded liability at the start of the financial year in which the deduction is claimed.
- The General Authority of Zakat and Tax (GAZT) is notified that a deduction will be claimed.

This provision is retroactive to January 1, 2017.

Taiwan

WATCH

Incentive package for foreign professional staff



Talent

A legislative committee has approved the Draft Act for the Recruitment and Employment of Foreign Professional Talent. The bill aims to make Taiwan more hospitable to foreign professional workers:

- The three-year cap on work and residence permits would rise to five years.
- The "four-in-one" Employment Gold Card would serve as work permit, residence visa, re-entry permit, and alien residency permit for qualified applicants.
- The worker's spouses and children would no longer face a six-month wait for National Health Insurance coverage.
- Qualifying foreign workers would be taxed on just 50% of their annual income over NT \$3M (US \$99,209).
- These workers would not lose their status if unable to stay in Taiwan for over 183 days per year.
- A job-seeking visa for a foreign professional would be valid for six months, up from three. An annual quota would be set for these visas.

Taiwan

NOTE

New incentives for skilled foreign workers



Talent

On October 31 the Legislative Yuan passed the Act Governing Recruitment and Employment of Foreign Professionals introducing several incentives to draw foreign talent into the Taiwanese workforce. Most notably, it will allow qualified foreign professional to apply for the multi-purpose "four-in-one" Gold Card and halve the personal income tax on salary over NT 3M (US \$99,209) per year.

Link

<https://goo.gl/YoLp35>

Thailand

WATCH

Labour Protection Bill



Talent

Stakeholders have warned that business-sector opposition to the Labour Protection Bill, a set of draft Labour Protection Act amendments that has been before the National Assembly, is mounting. Among the more high-profile provisions:

- The threshold for maximum severance pay would be 400 days' final salary for those with at least 20 years of service.
- Workers would be entitled to three days' paid personal leave per year.
- The paid maternity leave entitlement would include some time off before pregnancy, including medical checkups.
- Workers would have to be notified in advance of relocation plans and would be entitled to compensation if the relocation compelled them to resign.
- There would be a 15% annual default interest rate on overdue payment of wages, severance pay, and payment in lieu of notice.

Thailand

NOTE

Pensionable income cap to rise






Retirement

The Social Security Office (SSO) has proclaimed that the maximum monthly income subject to employer and employee social security levies will rise from 15,000 baht to 20,000 baht (US \$602.60) from January 1, 2018. The contribution level will remain 5% so the maximum monthly contribution will be 1,000 baht.

Link

<https://goo.gl/kkSXf6>

Other Notable Updates

Area	Country	Date	Name
 Health	Cambodia	11/02	Health insurance contribution shift
	Ireland	11/16	Medical coverage expansion
	South Korea	11/30	Guidelines for health rewards insurance policies
	Ukraine	11/09	Parliament adopts health reform bill
	US	11/30	IRS Starts Enforcing ACA's Employer Mandate Penalties
 Retirement	Chile	11/02	New caps on alternative investments for AFPs
	EU/US	11/16	MiFID compromise
	Finland	11/09	Pension contributions to rise
	India	11/02	Oversight for private provident fund trusts
	India	11/16	NPS incentives added
	India	11/16	NPS threshold rises
	Italy	11/09	Pension reform challenges
	Romania	11/16	Social security contribution shift
	Singapore	11/30	CPF transfers, waivers eased
	UK	11/09	In Sight quarterly on pension regulatory developments
	US	11/02	IRS 2018 Official Indexed Figures for Retirement Plans and Other Employee Benefit Plans
 Talent	Argentina	11/02	Bill would allow up to three off-bridge holidays
	Argentina	11/30	Labour reform bill
	Belgium	11/16	LIMOSA declaration for posted workers
	Brazil	11/30	Tighter access to Superior Labor Court
	Egypt	11/30	Parliament adopts Trade Union Organization Law
	Ethiopia	11/16	E-visa program launched
	EU	11/09	Revised Carcinogen and Mutagen Directive passed
	France	11/02	Guidance on worker rights under "collaborative platforms"

Area	Country	Date	Name
 Talent	France	11/16	New reporting requirements when posting workers
	Georgia	11/02	Labour inspections to be published
	Greece	11/09	New law on employment rights of disabled workers
	India	11/02	Looser supervision for start-ups
	Israel	11/02	Ruling against religious discrimination in hiring
	Italy	11/02	Rules altered for meal coupons
	Italy	11/30	Guidance on TFR transfer when changing jobs
	Kazakhstan	11/16	Termination, Labor dispute guidance
	Luxembourg	11/09	Hiring incentive program
	Moldova	11/09	Tax treatment of compensation from short-term foreign postings
	Moldova	11/09	Guidance on status of interest-free loans
	Mozambique	11/09	Residence permit rules eased
	Puerto Rico	11/09	New Christmas bonus guidelines
	Puerto Rico	11/09	Guidance on work time missed in a disaster
	Qatar	11/30	Labour reforms hailed
	Romania	11/16	No outside income offset for disability pensions
	Russia	11/02	Ruling confirms that skilled workers may be favored in a layoff
	Russia	11/09	Guidance on accounting for bonuses
	Saudi Arabia	11/16	One-year limit for work visas
	Sierra Leone	11/30	Worker migration ban lifted
	Singapore	11/16	Grievance resolution protocols
	Singapore	11/16	Return to Work Programme
	Slovakia	11/02	Minimum wage jump
	Turkey	11/02	New overtime, shift work rules
	Turkey	11/16	Labour Courts Code
	Uruguay	11/02	More salary, pension benefits to be protected from creditors
	US	11/16	2018 Limits for Benefit Plans

Contacts

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

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