

IBIS 2020: INTERSECTIONS



VIRTUAL IBIS 2020

Dear Global Benefits, HR and Mobility Practitioners,

Thank you for joining us for the virtual IBIS Institute.

The interconnectedness between the lines of emotional, physical, safety and security, career and financial wellbeing intersecting with the needs for compliant and competitive global benefits, HR, mobility and total rewards programs have never been more crucial to address in relation to organizational effectiveness – especially in the midst of the COVID-19 situation and its impacts on employers and employees around the world.

Our team has curated this thought leadership piece focused on recent and pending changes in global benefit programs in the Americas, Asia Pacific, Europe, Middle East and Africa. During virtual IBIS 2020 we will continue to keep you informed and provide you with relevant content as you manage your company's global employee benefits programs in relation to your company's philosophy and short and long-term objectives to drive wellness and attract, retain, engage and reward employees.

We hope that you enjoy this thought leadership article. Although it is a snapshot at this moment in time in our continually evolving world, it provides a glimpse into the information that is shared with delegates at our annual IBIS Institute.

Please reach out to a member of our Multinational Benefits & Human Resources team if you would like to discuss the information in more detail or if you would like to continue to receive routine country updates.

We look forward to seeing you at IBIS 2021. Please watch your inbox for more details and early bird pricing.

Best,

Jana Bixby, Breia Foston, Nirmeen Gandhi and Christine Hoehne

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AMERICAS

Latest News

- **Brazil:** Reform defines minimum age and length of mandatory contributions for retirement benefits, abolishes the long service pension, and restructures progressive social security contribution rates and applicable salary bands.
- **Canada:** British Columbia has enacted 3 days of unpaid employment-protected sick leave per year if employee has been under employment for 90 consecutive days.
- **Canada:** Québec introduces financial assistance of CAD 250 every 2 years for the purchase of eyeglasses or contact lenses for any eligible child under the age of 18.
- **Colombia:** Employers are required to make social security contributions on behalf of independent contractors through the integrated payment platform (PILA – Planilla Integrada de Liquidación de Aportes).
- **Costa Rica:** The right to strike has been enshrined into law, regulating and establishing procedures on conducting a strike.
- **Mexico:** Employers are authorized to file a claim requesting a ruling on the legality of a strike after 60 days without reaching an agreement.
- **Panama:** Employers and employees are allowed to conclude telework employment contracts which should align to the standard rules of employment relationships.
- **Peru:** Private sector employers are required to provide life insurance covering total or permanent disability and death resulting from a work-related accident.
- **Venezuela:** Minimum wage and mandatory employer provided meal allowance have increased.

Coming Up

- **Argentina:** Labor reform where employee and employer agreements would overlap the collective bargaining agreements.
- **Chile:** Social security reform would introduce employer mandatory contribution at rate of 6%.
- **Colombia:** Tax reform would offer employers tax incentive to hire youths.
- **Costa Rica:** Law would allow for a one-time withdrawal of mandatory individual pension plan account balance (Regimen Obligatorio de Pensiones Complementarias, ROP).
- **Dominican Republic:** Small and medium-sized enterprises (SMEs) would be exempt from paying a fee on existing Social Security debt.

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- **Peru:** Labor reform in which poor performance would authorize termination with just cause.
- **Panama:** Social Security reform in which the retirement age would increase by 3 years and the minimum length of social contributions would increase to 300 months.
- **Mexico:** Bill would ban employers from outsourcing services that are related to their core activity.
- **Venezuela:** Government plans to expand the social security allowances.

ASIA PACIFIC

Latest News

- **Hong Kong:** Government introduced a broad range of improved unemployment benefits, including direct cash assistance and increased allowances for those enrolled in training programs.
- **Japan:** New pension benefit introduced to offset 2 percentage point increase in consumption tax.
- **Korea:** Employers are required to grant their employees 10 days of paternity leave (increased from 3 days paid, 2 unpaid) and greater flexibility in working hours to care for young children.
- **Malaysia:** Malaysia@Work initiative provides direct cash hiring incentives for new graduates, older women, technical and vocational trainees, and local nationals specifically hired to replace foreign nationals.
- **Taiwan:** New legislation encourages employment and retention of older employees by disincentivizing age discrimination through punitive measures, while introducing subsidies to encourage employment and retention of older employees.

Coming Up

- **Hong Kong:** Proposed bill would extend statutory paid maternity leave from 10 to 14 weeks and introduce a sickness allowance for women receiving prenatal medical care.
- **Korea:** Effective on a date to be announced, revisions to the Employee Retirement Benefit Security Act (ERBSA) will require employers established prior to 2012 to offer corporate retirement savings pension plans.
- **Malaysia:** Ministry of Human Resources announces plans to create a 7 day mandatory paid paternity leave.

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- **Vietnam:** Effective 1 January 2021, employers will no longer be allowed to determine which days of the Lunar New Year (Tết Nguyen Dan) holiday their employees may have as paid leave days.

EMEA

Latest News

- **Belgium:** A new caregiver leave entitles eligible full-time employees to either a total suspension of their employment agreement or to a reduction of their work hours, while part-time employees are only entitled to a total suspension of their employment agreement. Allowance during the leave is paid by the National Office of Employment.
- **France:** Employers are required to provide an extended unpaid paternity leave of up to 30 consecutive days in case employee's newborn child's health requires immediate hospitalization in a specialized care unit.
- **France:** Three new types of supplementary retirement savings plans, Perin, Percol, and Percat replaced the PERP (Plan d'épargne retraite populaire), Madelin, PERCO (Plan d'épargne pour la retraite collectif), and Article 83 plans as retirement savings options for new members.
- **Italy:** Mandatory paternity leave paid for by social security increased by 2 paid days.
- **Netherlands:** New rules apply to most European employers prior to their posted worker commences work in the Netherlands and require action from Dutch employers hosting the posted worker. Fines up to EUR 12,000 per employee apply to the host and the posting employer for non-compliance.
- **Saudi Arabia:** Certain employers in the health and safety sector must meet employment quotas for Saudi national employees.
- **UAE:** Employers based in Dubai's International Finance Centre (DIFC) are required to enroll their employees into a DC savings scheme.
- **UK:** Employers are required to provide Parental Bereavement Leave and Pay to eligible employees that suffer the death of a child.
- **UK:** Large- and medium-sized private employers are required to assess the correct employment status of their contractors to correctly determine the income tax and National Insurance Contributions (NICs) due.

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Coming Up

- **Czech Republic:** Reduction of retirement age for employees working in physically demanding professions is being considered, allowing a reduction of the retirement age by 1 year for every 10 years of completed work.
- **EU:** EU member states are expected to introduce at least 10 days of paternity leave for new fathers, payment for 2 months of non-transferrable parental leave, and measures to add flexibility in the structure of the leave-takers' working time based on the Work-life balance directive.
- **EU:** Recent EU Directive mandates all employers in EU member states to provide their employees with comprehensive information about working conditions in the company. The Directive requires member states (and, ultimately, employers) to make changes to their legislation to make the working conditions for atypical employees comparable to full-time indefinite-term and fixed-term employees.
- **France:** Based on a bonus-malus system to deter the use of fixed-term and/or temporary employment contracts, starting 1 January 2021, certain employers will see their unemployment insurance contributions change depending on the employer's reliance on fixed-term and temporary employment agreements.
- **Germany:** A digital medical certificate allowing employees to file for cash sickness benefits online is set to replace the current paper-based certificate as of 2021. The digital medical certificate would be processed online even if a physician has not issued the paper-based sickness or disability certificate in person, as is currently required by German labor law.
- **Israel:** Government is debating whether employers must make contributions to foreign national employee pension funds or not.
- **Netherlands:** A plan for the transition to a new pensions system is expected to be in place by end 2020 and the government plans to complete the reforms underlying legislation by end 2021.
- **Poland:** Implementation of the second phase of the Employee Capital Plans (Pracownicze Plany Kapitałowe - PPK) requiring eligible employers to establish occupational pension plans and make mandatory contributions has been postponed.
- **UAE:** Future restrictions on recruitment of employees from certain countries, including an activation of a quota system, are considered by the Ministry of Human Resources and Emiratization.
- **UK:** Planned changes to immigration rules would introduce points-based immigration system targeting skilled workers

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Global Mobility Key Trends

- Traditional expat assignments are declining: Increase in
 - Commuters
 - Frequent Business Travelers
 - Rotational assignments and short term assignments.
- Increased flexible and remote working: Employee elects to “work from home” which might be a different country triggering compliance issues for both employee and employer.
- Enhanced communications and technology solutions to support employee tracking and ensure Duty of Care for global assignees.
- Cost Reduction continues: Focus on value for the Company and the assignee Return on Investment (ROI) and more purposeful approach to Mobility in conjunction with support of overall global business, talent development, succession and retention planning.
- Increased restrictions on Immigration and Compliance:
 - More difficult and extended timelines for processes relative to immigration Compliance;
 - Closer scrutiny of short term assignments and business trips from both a tax and immigration perspective - tax and immigration authorities becoming more joined up to track movement for both assignees and business travelers;
 - Increased registration requirements across Europe particularly (Posted Worker obligation);
 - Quotas on Work Permits/ Visas are being placed in some countries.
- Increased restrictions on banking: Demand for more controls over international transactions, and greater effect on assignees.
- Expanded definition of Duty of Care regardless of where the employees are – at home or stuck in another country either due to business travel or leisure travel. Vendors are responding. Insurers are expanding terms and conditions to meet the new scenarios and assistance companies are pivoting to better serve employees not only abroad, but also in their home country.
- Increased interest in providing mental health support to global employee population. Hotlines can be set up quickly and then expand to a full global EAP.

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