



## Alliant Global Services

Global Knowledge Center – Legal & Regulatory Updates

April 2025



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### **Contents**

Aus	traua
Δ	Minimum superannuation guarantee rate increases to 12% starting 1 July
Can	ada5
Δ	British Columbia proposes restricting employer requests for sick notes to ease administrative burden on healthcare providers
Egy	pt6
Δ	Labor reforms include support for women in the labor force adopted by House of Representatives
Frai	nce
Δ	Maximum sick leave allowance reduced, affecting social benefits top-ups
Δ	Employer contribution rate on grants of company shares increased
Δ	Government welcomes MP's recommendations to understand and support menopause in the workplace 13
Indi	a15
Δ	Karnataka High Court rules on entitlement to leave encashment upon termination of an employee for misconduct
Net	herlands17
Δ	Government to retroactively close annuities-related tax avoidance loophole
Tan	zania18
Δ	Paid maternity and paternity leaves extended in cases of premature birth
Tür	kiye19
Δ	Employers and managers required to identify and mitigate psychosocial risks and harassment
Uni	ted Kingdom21

7	$\Delta$ Tribunal award limits for unfair termination increased	. 21
7	$\Delta$ Government opens call for evidence on existing equality legislation	. 23
Ab	out Alliant Global	. 25

### Australia

## Minimum superannuation guarantee rate increases to 12% starting 1 July

Published 10 April 2025

Effective 1 July 2025 through 30 June 2026, the general minimum superannuation guarantee (SG) rate - the rate of mandatory employer superannuation contributions made on behalf of employees (up to the cap of AUD 30,000 in 2025-26, known as the Maximum Contributions Base) - increases from 11.5% to 12.0%.

This increase is the second of a phased 0.5% annual increase that will continue each year until it reaches 12%, starting 1 July 2025.

It is worth noting that the SG rate for Norfolk Island increases from 9.0% to 10.0% and will continue to annually increase by 1.0% until it reaches 12%, from 1 July 2027.

These gradual increases were legislated in 2020 as part of the measures confirmed by the 2021 Federal Budget.

#### Gradual SG rate increases between 2022 and 2028

The table below provides the gradual SG rate increases.

Dates	General Superannuation Guarantee	Superannuation Guarantee Rate
	Rate	for Norfolk Island
	(%)	(%)
1 July 2022 - 30 June 2023	10.5	7.0
1 July 2023 - 30 June 2024	11.0	8.0
1 July 2024 - 30 June 2025	11.5	9.0
1 July 2025 - 30 June 2026	12.0	10.0
1 July 2026 - 30 June 2027	12.0	11.0
1 July 2027 - 30 June 2028	12.0	12.0

Separately, the maximum quarterly superannuation contributions base for payments made on or after 1 July 2025 through 30 June 2026 increases to AUD 62,500, up from previously AUD 60,070.

#### **Employer Actions**

Employers who have not yet updated their payroll system settings and who do not rely on payroll providers, must ensure their payroll system reflects the new SG rate of 12% of earnings is paid on or after 1 July 2025 through 30 June 2026. Contributions are paid quarterly on payments to employees of up to a maximum of AUD 62,500 per quarter (as of 1 July 2025).

Employers will need to also account for the resulting increase in payroll expenses in their budgeting forecasts.

Employers' failing to pay the SG into the correct superannuation fund by the quarterly due dates must report and rectify any payment errors by submitting an SG Statement and paying a Superannuation Guarantee Charge (SGC) to the Australian Tax Office (ATO).

Additionally, administrative penalties ranging between 75% to 200% apply to the shortfall resulting from false and misleading statements, for failure to submit a superannuation guarantee change statement by due dates, and for failure to comply with the ATO's directions during an audit.

Employers would be well advised to communicate with their employees on how the increase will impact their net pay and superannuation.

With the 0.5% increase, some employees who top up their SG through salary sacrificing or additional contributions may approach or exceed the annual concessional contributions cap of AUD 30,000 in the 2025-26 financial year.

### Canada

# British Columbia proposes restricting employer requests for sick notes to ease administrative burden on healthcare providers

Published 22 April 2025

On 15 April 2025, British Columbia's Bill 11, Employment Standards Amendment Act, 2025 went through a first Parliamentary reading. The Bill would amend British Columbia's <a href="Employment Standards Act">Employment Standards Act</a> (ESA) to restrict employers from requesting a sick note for short-term sick leave from an employee.

Implementing regulations would determine the number of days considered a short-term absence, as well as the annual limit on the number of times short-term sick leave without a sick note can be taken, and their frequency.

Based on the government's <u>press release</u>, in 2024, physicians issued around 1.6 million sick notes to employees on sick leave. The restriction on employer sick note requests is aimed at reducing the administrative burden on healthcare practitioners and hence costs on the healthcare system.

The press release states that the regulation will be implemented prior to respiratory illness season in fall 2025.

Once the provisions become law, employers would have to review and adjust their current sick leave policies, procedures, and practice, in addition to informing employees of any their sick leave entitlements and obligations.

#### Underlying legislation

Bill 11, Employment Standards Amendment Act, 2025

## Egypt

## Labor reforms include support for women in the labor force adopted by House of Representatives

Published 29 April 2025

On 15 April 2025, in its plenary session, the House of Representatives gave its approval of the final provisions of the new labor law that, among its numerous measures, includes reforms to support and protect women in the labor force.

The new legislation is expected to be ratified by the President and published in the Official Gazette.

The new provisions are aimed at ensuring equal treatment, equitable pay, and certain benefits for expectant and breastfeeding women. The approved law would also address work-life balance challenges and workplace barriers faced by working women, especially married women.

Egypt has a longstanding history of low female participation in the labor force. According to World Bank data, the current female labor force participation rate is around 18%. This compares to 73% for men. Moreover, the labor force participation rate of married women lags far behind that of single women.

The provisions of the approved law aimed at protecting women in the workforce are outlined below.

#### Equal treatment

Under Article 35 of the approved law, women and men would be subject to the same rules, receive equal pay for work of equal value, with pay including wages, bonuses, and other employer-provided benefits.

#### Paid maternity Leave

According to Article 54 of the approved law, women will be entitled to four-months of paid maternity leave, including pre and post childbirth, with a minimum of 45 days taken after delivery, based on a medical certificate confirming the expected delivery date.

The employer-paid maternity leave will be mandatory up to three times during a woman's time in service.

#### Reduced working time

Pregnant employees will be entitled to reduced working hours by at least one hour per workday starting from the sixth month of pregnancy.

Additionally, overtime work during pregnancy or for six months after childbirth will be prohibited.

#### **Employment protection**

According to Article 55 the approved law, following maternity leave an employee will be entitled to return to their previous employment or to a similar position without losing any employer provided benefits.

Employers will be prohibited from terminating or otherwise ending an employee's service during maternity leave.

Termination without just cause of an employee returning from maternity leave will also be prohibited.

#### Breastfeeding breaks

Article 56 the approved law grants breastfeeding employees two breastfeeding breaks of at least 30 minutes each within two years of childbirth. These breaks will be in addition to regular rest breaks.

These breaks could be accumulated and will count as work hours in that the entitlement will not be offset by a reduction in pay.

#### Childcare leave

Under Article 57 of the approved law, employers with 50 or more employees, will be required to grant up to two years of unpaid childcare leave to their female employees, for up to three times throughout the employees years of service.

To be entitled to the childcare leave, the employee will be required to have at least one year of service with the employer.

Moreover, a two-year gap will be required between the first and second childcare leaves requested by an employee.

#### Ending employment for family reasons

Article 58 of the approved law will allow female employees to end her employment agreement for marriage, pregnancy, or childbirth, provided the employer is notified in writing within three months of the qualifying event.

Doing so will not impact the employee's entitlements under the approved Labor Law, the Social Insurance law, or the Pension Law.

#### Women's employment regulations

Article 59 of the approved law will require employers to display copy of the Women's Employment Regulations in the workplace or in employees meeting venues.

The regulation will have to include procedures, controls, rules, and schedules for flexible working hours or remote work options for female employees who care for children with disabilities.

#### Mandatory workplace daycare services

Article 60 of the approved law mandates that employers with 100 or more female employees working at the same location provide or arrange for daycare services.

When several smaller employers employing less than 10 female employees are located in one place, they will be required to share the mandatory provision of daycare services.

#### **Background**

The approved 2025 labor law overhaul will overhaul labour regulations. The reforms are intended to modernize employment conditions and align them with those of most other countries.

The approved 2025 Labour Law will replace <u>Labour Law no. 12 of 2003</u> which is scheduled to remain in effect for a minimum of 90 after the publication of the approved 2025 Labour Law in the Official Gazette of laws.

The provisions of the approved 2025 Labour Law essentially apply to the private sector employers and employees, with the exception of domestic workers.

Moreover, employers and employees in free zones and investment zones remain subject to existing regulations.

#### Resources

The official text of the new 2025 Egyptian Labor Law is not yet readily available in a single link.

Childcare leave: Parliamentary discussions on women's rights under the new labor law (جازة-رعاية-طفل-مناقشات-) of 10 March 2025

### **France**

## Maximum sick leave allowance reduced, affecting social benefits top-ups

Published 3 April 2025

Effective 1 April 2025, with the adoption of the 2025 social security budget, the maximum daily benefit paid during sick leave is reduced.

Sick leave allowances paid by social security (*les indemnités journalières de Sécurité sociale*, *IJSS*) represent 50% of the employee's gross earnings up to a cap that is now reduced to 1.4 times the minimum wage (*le salaire minimum interprofessionnel de croissance*, *SMIC*), down from previously 1.8 times the SMIC.

This new cap reduces the maximum gross daily sick leave allowance from previously EUR 53.31 to EUR 41.47.

The change affects employees, but also certain employers who have committed or are required to maintain, in whole or in part, the employee's pay during their sick leave.

#### Employers and employees affected

Employees with gross earnings of less than 1.4 times the SMIC (i.e., EUR 2,522.57 per month) are unaffected by this measure. However, employees earning more than EUR 2,522.57 per month are entitled to a maximum daily sick leave allowance that is reduced.

The change can result in:

- A reduction in the level of compensation for the employee if the latter cannot claim am employer top-up;
- An increase in employer top-up amounts when the latter has committed or is required to maintain, in whole or in part, the employee's pay during their sick leave; and
- The resulting increase in employer contributions paid to their pension fund, in cases where the employer has committed or is required to maintain, in whole or in part, the employee's pay during their sick leave.

Increased sick leave related expenses is the main concern that employers need to be aware of if they top-up social benefits paid during sick leave.

#### **Employer Actions to Consider**

Affected employers, i.e., those who have committed or are required to maintain, in whole or in part, the employee's pay during their sick leave, will need to account for the impact of this change in their annual budgeting exercise, and consider the feasibility of gradually transitioning to a revised sick leave top-up benefit practice, if deemed necessary.

#### Underlying legislation

The change was introduced by:

• Law No. 2025-199 of 28 February 2025 on social security financing for 2025 (1) (Loi n° 2025-199 du 28 février 2025 de financement de la sécurité sociale pour 2025 (1)), which was published in the Official Journal (Journal officiel de la République française, JORF) on 28 February 2025; and its implementation decree, namely:

• Decree No. 2025-160 of 20 February 2025 relating to the ceiling of earned income serving as a basis for calculating daily allowances due under health insurance (<u>Décret n° 2025-160 du 20 février 2025 relatif au plafond du revenu d'activité servant de base au calcul des indemnités journalières dues au titre de <u>L'assurance maladie</u>), which was published in the JORF on 21 February 2025.</u>

### **France**

## Employer contribution rate on grants of company shares increased

Published 8 April 2025

Effective 1 March 2025, the rate of employer contributions due on company shares (attributions gratuites d'actions, AGA) granted to employees, increased from previously to 30% of their value, up from previously 20%.

Grants of company shares are exempt from social security contributions but are subject to specific contributions.

The employing company, whether listed on the stock exchange or not, can grant company shares to employees or managers within certain limits.

#### Social contribution treatment of company share grants

#### Applicable social contributions

Except for certain small and medium-sized enterprises (SME), employers are subject to a 30% contribution calculated on gains resulting from AGAs, due the month immediately following the date of the employee's acquisition of company shares.

The social security treatment of benefits in the form of company shares remains unchanged and is detailed below. However, the rate of contributions applicable to grants of company shares is increased. As of 1 March 2025, benefits in the form of company shares are subject to social contributions equal to 30% of their value.

The granted shares are excluded from an employee's social security contribution base, the Generalized Social Contribution (*Contribution Sociale Generalisee*, *CSG*), the Contribution for the Repayment of Social Debt (*Contribution pour le Remboursement de la Dette Sociale*, *CRDS*), and other contributions, such as the flatrate social contribution (*forfait social*), supplementary pension contributions, mobility payment, unemployment insurance, etc.).

In order to qualify for the above exemption, the employer must meet two conditions, namely:

- Notify the organization responsible for collecting social security contributions (Union de Recouvrement des cotisations de Sécurité Sociale et d'Allocations Familiales, URSSAF) of the identity of employees and corporate officers to whom company shares were granted during the previous calendar year, and the number and value of those shares per individual. The registered social declaration (la déclaration sociale nominative, DSN) can also be used as a notification channel; and
- Compliance with the conditions for granting company shares that are set by the company's board of directors or, where applicable, by the management board.

Otherwise, the employer is required to pay all social security contributions, including the employee's share of contributions, assessed on the value of the granted shares.

This contribution also applies when the shares are granted by a company headquartered abroad and which is the parent company or subsidiary of the company for which the employee works. .

#### **Exemption from social contributions**

Certain SMEs are exempt from the employer contribution for each employee up to the annual Social Security ceiling amount (plafond annuel de la Sécurité sociale, PASS). These are those:

- with less than 250 employees;
- whose annual revenues do not exceed EUR 50 million, or whose annual balance sheet total does not exceed EUR 43 million; and
- have not distributed dividends.

The above conditions must be met on the date of the decision to grant company shares.

#### Underlying legislation

The change was introduced by Law No. 2025-199 of 28 February 2025 on social security financing for 2025 (1) (Loi n° 2025-199 du 28 février 2025 de financement de la sécurité sociale pour 2025 (1)), which was published in the Official Journal (Journal officiel de la République française, JORF) on 28 February 2025.

### **France**

## Government welcomes MP's recommendations to understand and support menopause in the workplace

Published 14 April 2025

On 10 April 2025., a government <u>press release</u> welcomed a report by a member of parliament (MP) with 25 recommendations for improving the understanding of menopause, including a number of recommendations to better support menopause in the workplace.

It is worth recalling that a bill to improve awareness and prevention of menopause and to support women during this phase of their lives was submitted to Parliament on 21 January 2025 and is currently under review by the Social Affairs Committee.

#### Key recommendations of the report

Drawing on successes observed in other countries, especially in the United Kingdom, the report makes 25 recommendations some of which are aimed at improving ways in which menopause is considered in the workplace. These include:

- Estimating the economic cost of menopause on work and sharing the result to employers;
- Creating and disseminating of a guide on menopause in the workplace;
- Launching an initiative aimed at encouraging employer engagement on menopause by October 2026;
- Training of occupational physicians and occupational nurses;
- Producing occupational health statistics by gender and age group to address the current information gap;
   and
- Integrating menopause in the mid-career medical exam (a measure that is already in the bill being reviewed by Parliament). Since 31 March 2022, a mid-career medical exam is mandatory at a time that is set by branch agreement or, failing that, during the calendar year of an employee's forty-fifth birthday.

#### MP report, government press release, and related bill

- Menopause in France: 25 proposals to finally find the path to action, report by MP Stéphanie Rist, submitted to the Government on 9 April 2025 (<u>La ménopause en France : 25 propositions pour enfin trouver le chemin de l'action, rapport de la députée Stéphanie Rist, remis le 9 avril 2025 au <u>Gouvernement</u>).
  </u>
- The government welcomes the quality of Stéphanie Rist's report and sets out its priorities for supporting women in preventing menopause, press release, 10 April 2025 (<u>Le gouvernement salue la qualité du rapport de Stéphanie Rist et décline ses priorités pour accompagner les femmes en prévention de la ménopause, communiqué de presse, 10 avril 2025</u>).

• Bill to improve awareness and prevention of menopause and to support women during this period of their lives (Proposition de loi visant à améliorer la sensibilisation et la prévention de la ménopause et à accompagner les femmes durant cette période de leur vie), submitted to Parliament on 21 January 2025.

### India

## Karnataka High Court rules on entitlement to leave encashment upon termination of an employee for misconduct

Published 10 April 2025

On 19 February 2025, in a case of an employee terminated for misconduct the Karnataka High Court invoked Article 300A of the <u>Constitution of India</u> in ruling that upon termination an employee is entitled to payment for statutory earned leave, unless expressly prohibited by statutory provisions. Article 300A of the Constitution safeguards an individual's right to property.

With this ruling the Karnataka High Court stressed that payments for earned leave are statutory, not discretionary, and that the entitlement cannot be violated without due process, even when a termination is for just cause.

#### The High Court's ruling

In its ruling the Karnataka High Court stated:

"the benefit of leave encashment to an employee is trite, a statutory right, but it has an imprimatur to the legal principle that the right to receive terminal benefits is recognized as a right to property obtaining under Article 300A of the Constitution of India. Article 300A mandates that persons shall not be deprived of property save by authority of law. Therefore, it becomes unmistakably clear that any attempt of the employer to take away the right of any part of terminal benefit, which in the case at hand is leave encashment, without any umbrage of a statutory provision, such action is sans countenanced."

In other words,

- Once earned, leave encashment becomes an employee's financial entitlement and cannot be arbitrarily denied, as recognized under Article 300A of India's Constitution;
- A terminated employee remains entitled to earned leave encashment unless explicitly prohibited by a statutory provision; and
- Employers cannot refuse earned leave encashment, even in cases of termination due to misconduct, unless expressly provided for by service regulations.

#### Details of the case

The G. Linganagouda v. General Manager, Karnataka Gramin Bank case, involved a Gramin Bank employee terminated for misconduct who claimed encashment of 220 earned leave days from the employer.

The employer denied the employee's claim, based on the employee's termination due to misconduct and the Gramin Bank's 2013 Service Regulations that did not provide for leave encashment for a terminated employee. The terminated employee approached the Karnataka High Court challenging Gramin Bank's stance claiming recognition of his right to leave encashment.

The High Court relied on precedents from a Bombay High Court ruling and a Madhya Pradesh High Court ruling which ruled that leave encashment is a vested right comparable to property under Article 300A of the Constitution of India, and therefore cannot be arbitrarily denied unless explicitly banded by a statutory provision.

#### **Employer actions**

Prior to this latest case, High Courts in several other cases had already ruled on this matter in light of Article 300A of the Constitution of India, statutory entitlements, and service regulations (See Resources section below). The novelty in this case was that the employee was terminated for misconduct.

Employers considering denying encashment of unused leave days upon termination are advised to consider several High Court rulings on this matter, including this latest ruling that reiterates previous High Court rulings, all of which stress that:

- Once earned, leave encashment becomes an employee's financial entitlement and cannot be arbitrarily denied, as recognized under Article 300A of India's Constitution; and
- A terminated employee remains entitled to earned leave encashment, unless explicitly prohibited by a statutory provision.

#### Underlying High Court ruling

Karnataka High Court ruling of 19 February 2025, G Linganagouda vs General Manager Karnataka Gramina Bank

#### Resources

Other High Court rulings on encashment of earned leave upon termination, include:

- Bombay Hight Court ruling of 2 May 2024, <u>Dattaram Atmaram Sawant v. Vidharbha Konkan Gramin Bank</u>, 2024 SCC Bom 1253
- Karnataka High Court ruling of 25 April 2024, Sri H Channaiah vs The Chief Executive Officer
- Karnataka High Court ruling of 2 August 2021, <u>Vikas Grameena Bank v. Chandrashekhar, 2021</u>
- Madhya Pradesh High Court ruling of 26 March 2025, <u>Klavati Sharma vs. the State of Madhya Pradesh and Others</u>

### **Netherlands**

## Government to retroactively close annuities-related tax avoidance loophole

Published 28 April 2025

On 24 April 2025, the Ministry of Finance submitted the Proposed Tax Collection Act 2026 (*Fiscale verzamelwet 2026*) to the Lower House of Parliament. The proposal includes measures to close a loophole that currently allows annuity payments to avoid income taxation if certain conditions are not met.

#### Annuity payment tax loophole

Retirement income can be accrued to supplement social security pension. With supplemental pension plans, during the accrual phase tax-exempt premiums are paid. From a predetermined date, an annuity is paid out in installments, on which income tax must be paid.

Conditions are set for the accrual and annuity payment. For example, the entire amount cannot be withdrawn all at once, and the first annuity payment must be made before the latest statutory start date.

Currently, if an annuity does not meet the above conditions, for example, by starting to pay out the annuity after the latest statutory start date, it cannot be included in the income tax return.

Under the provisions of the proposed Act, the taxability of a non-qualifying or no longer qualifying annuity would always be ensured, even if an annuity does not meet the above conditions.

#### Planned entry into effect

Most measures of the Proposed Tax Collection Act 2026 are expected to come into effect on 1 January 2026. The proposed annuity-taxation measures would come into force on 1 January 2026, but in order to prevent tax-free withdrawals of annuities between now and 1 January 2026, the measures to close this tax loophole would take effect retroactively. Meaning income taxes would always be due on annuity payments made on or after 25 April 2025.

#### Proposed legislation

The changes are part of the Proposed Amendment of certain tax laws and certain other laws (Tax Collection Act 2026) (*Wijziging van enkele belastingwetten en enige andere wetten (Fiscale verzamelwet 2026)*), which was submitted to the Lower House of Parliament on 24 April 2024.

### **Tanzania**

## Paid maternity and paternity leaves extended in cases of premature birth

Published 7 April 2025

Effective 14 March 2025, an employee who gives birth to a premature child is entitled to an employer-paid maternity leave from the date of birth up to the date corresponding to the completion of 40 weeks of pregnancy, which is a typical full term of pregnancy, and to the maternity leave entitlement for all newborns, which is approximately three months (i.e., 84 days extendable to 100 days for multiple births).

Furthermore, paternity leave for fathers in the event of a premature birth is extended from ordinarily three employer-paid days to seven employer-paid days.

Employers are required to continue paying 100% of an employee's salary during paternity and maternity leaves in all cases.

#### **Employer actions**

Employers are required to grant additional maternity and paternity leave days in cases of premature births and continue the pay of affected employees at 100% of their salary during the extended leaves.

Employers are advised to:

- Revise their leave policies, practices, and procedures to reflect the new maternity and paternity leave entitlements in cases of premature births; and
- Update relevant employee communication materials to ensure their employees are informed of the new policies and their new entitlements.

#### Underlying legislation

The change was introduced by the <u>Labour Laws (Amendments) Act, No. 4 of 2025</u>, which was published in the Official Gazette on 14 March 2025.

## Türkiye

## Employers and managers required to identify and mitigate psychosocial risks and harassment

Published 4 April 2025

Effective 6 March 2025, employers and managers are responsible for identifying and mitigating workplace psychosocial risks and harassment, implementing preventive and protective measures, and ensuring all employees respect fundamental rights and freedoms by avoiding any conduct that may constitute psychological harassment.

#### Key employer obligations

Employers are required to implement awareness programs and training to ensure that employees are informed of their rights and the available complaint channels and processes.

Investigations into allegations of harassment must be carried out confidentially and with respect for privacy,

Employers must include psychological harassment preventive and protective provisions in collective bargaining agreements (CBA) and other workplace agreements.

#### Reporting outlets for employees

According to the circular, employees can report instances of psychological harassment directly to their employer, and/or to the Presidential Communication Center, the Parliamentary Petition Commission, the Ministry of Labor and Social Security Communication Center (ALO 170), to the Ministry of Labor and Social Security, the Human Rights and Equality Institution of Turkey, the Ombudsman's Office.

The Circular reestablishes the Psychological Harassment Prevention Board within the Labor and Social Security Ministry to contribute to:

- Formulate nationwide policies;
- Coordinate education and awareness programs;
- Carry out or commission research; and
- Prepare reports and informational materials to raise public awareness.

#### Employer actions to consider

Employers are required to ensure compliance with the Presidential Circular, which imposes the primary responsibility for combating psychological harassment in the workplace onto employers and managers.

In particular, employers are advised to review their current workplace policies to ensure they have psychological harassment policies and safe and confidential reporting channels in place.

#### Furthermore, employers must:

- Develop and implement awareness programs as well as training; and
- Include preventive and protective workplace harassment provisions in CBAs, where applicable,

#### Underlying legislation

The requirements were introduced by Presidential Circular No 2025/3 on the Prevention of Psychological Harassment (Mobbing) in Workplaces (<u>lsyerinde Psikolojik Tacizin (Mobbing) Önlenmesi hakkında</u> <u>Cumhurbaşkanlığı Genelgesi</u>), which was published in the Official Gazette (*Resmi Gazete*) number 32833 on 6 March 2025.

## **United Kingdom**

#### Tribunal award limits for unfair termination increased

Published 2 April 2025

Effective 6 April 2025, compensation limits for certain tribunal awards and other statutory payments increase. The increases are based on the September 2024 retail prices index (RPI) which increased by 2.7% as compared to the previous year.

Specifically, an Order made by the Secretary of State sets the following new limits:

- The limit on a week's pay used to calculate the amount of the basic award, increases to GBP 719, up from previously GBP 700;
- The maximum compensatory award for unfair termination increases to GBP 118,223, up from previously GBP 115,115; and
- The minimum basic award for certain unfair Terminations (including health and safety terminations) increases to GBP 8,763, up from previously from GBP 8,533.

The new limits apply to terminations that take effect on or after 6 April 2025.

#### **Background**

When an employment tribunal rules a termination as unfair, the employee's full compensation comprises a basic award and a compensatory award. The compensatory award considers factors like loss of earnings, benefits, and potential future losses. It is intended to restore the unfairly terminated employee to the financial position they would have been in had they not been unfairly terminated.

The components of compensation are detailed below.

#### Basic award

The basic award is calculated based on age, length of service, and gross weekly pay, similar to a statutory redundancy payment.

The basic award is capped. The maximum amount of a week's pay that is used in the calculation of the basic award is annually adjusted.

#### Compensatory award

The compensatory award aims to compensate for financial losses, including lost earnings, benefits like vehicle allowances, as well as potential future losses.

The tribunal sets the award considering the employee's loss and the employer's responsibility.

The award can include compensation for the period between the termination and a new employment, as well as any difference in earnings if a new employment has a lower salary.

#### Underlying legislation

The changes were introduced by <u>The Employment Rights (Increase of Limits) Order 2025 (SI 2025/348)</u>, which was made by the Secretary of State, in exercise of the powers conferred by section 34 of the Employment Relations Act 1999.

## United Kingdom

## Government opens call for evidence on existing equality legislation

Published 9 April 2025

On 7 April 2025, a <u>call for evidence</u> was issued by the Office of Equality and Opportunity to inform the design the Equality (Race and Disability) Bill. The call for evidence is open for 12 weeks, closing on 30 June 2025.

#### Scope of the call for evidence

The call for evidence is to gather views, insight, and evidence to inform the following features of the Equality (Race and Disability) Bill.:

- Prevalence of pay discrimination on the basis of race and disability
- Entitlement to equal pay for ethnic minority and disabled people
- Ensuring that outsourcing of services is not used by employers to avoid paying equal pay
- Establishing an Equal Pay Regulatory and Enforcement Unit, with the involvement of trade unions
- Pay transparency enhancements
- Strengthened protections against combined discrimination
- Ensuring the Public Sector Equality Duty is met by all parties exercising public functions
- Creating and maintaining workplaces and working conditions free from harassment
- Commencing the socio-economic duty Government's duty to assess how policies affect inequalities that result from socio-economic disadvantage

The government is seeking input from a wide range of stakeholders, including:

- Academics
- Researchers
- Employers
- Trade unions
- Public authorities
- Affected individuals and organizations

Respondents can contribute to all or to selected areas.

#### Types of evidence

The types of evidence to submit by respondents include:

• Summary of published research or evidence

- Unpublished research or data analysis within an organization
- Best practice or good practice examples
- Examples of practice that could be improved

The kinds of requested evidence do not include links to external sources e.g., journal articles, statistics, academic papers, and media sources.

#### Resources

- Full consultation document <u>- Equality (Race and Disability) Bill: mandatory ethnicity and disability pay gap reporting</u>
- <u>Call for evidence Full list of questions</u>

# About Alliant Global

As a truly independent global brokerage and consultancy, Alliant brings a unique fresh approach to managing global employee benefits. We are broker-neutral, and therefore represent our clients without any favoritism or conflict of interest. Asinta - a strategic partnership of independent global employee benefits advisors, enhances our agility and our current and in-depth knowledge of market intelligence.

Our model enables Alliant to offer advice and ensure compliance when placing local coverage. Our team's talents and skills are the foundation of this approach.

Our global consultants provide a single point of contact for your HR team, providing seamless coordination with local country brokers and consultants, while addressing your on-going HR and employee benefits compliance and country knowledge needs.

Alliant's global benefits management services include:

- New country expansion
- Plan brokering and renewals
- Country benchmarking
- Cost analytics
- Country news and compliance knowledge
- M&A global due diligence

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