



Alliant Global Services

Global Knowledge Center –
Legal & Regulatory Updates



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Contents

Australia	3
Δ Superannuation to be paid on government-funded paid parental leave	3
Belgium	5
Δ Tax-exempt flat-rate reimbursement ceiling for employees' use of own vehicle for work purposes increased	5
Δ Sports and culture voucher regulations aligned with those of meal voucher and eco-checks.....	6
Δ Occupational pensions' minimum guaranteed rate of return increase pending official announcement	8
Brazil	11
Δ Mental Health Promoting Company Certificate established	11
Canada	13
Δ Pregnancy loss, bereavement, adoption and surrogacy leaves, and social benefits introduced for employees in federally regulated industries.....	13
Δ New Québec supplemental pension plan regulations introduced.....	16
Δ Québec Law 15 introduces new obligations on health and life insurers.....	18
Colombia	19
Δ Government increases incentives to employ certain population groups, and introduces incentives specific to individuals with a disability	19
Hong Kong	22
Δ Proposal to diversify boards, and to strengthen board independence and transparency released for consultations	22

Ireland.....24

- Δ Parent's leave increased by two weeks, from 1 August 202424

Kenya27

- Δ Expected increase in tax-exempt benefit limits now uncertain, despite being passed by Parliament27

Netherlands.....28

- Δ Bill to introduce paid bereavement leave submitted to Parliament28

South Africa.....29

- Δ Earnings threshold above which certain employment entitlements no longer apply is increased.....29

South Korea.....30

- Δ Government program supports employees covering for coworkers' short-time work for childcare30

About Alliant Global32

Australia

Superannuation to be paid on government-funded paid parental leave

Published 2 July 2024

On 14 May 2024, the federal government released its proposed 2024-25 Budget. In particular, the proposed 2024-25 Budget builds on the government's commitment to broaden opportunity and advance equality.

Among its numerous measures, the 2024-2025 Budget includes proposed measures to support gender equality. To address the gender pension gap, the Proposed Budget provides for superannuation payments on government-funded paid parental leave (PPL) for parents of babies born or adopted, on or after 1 July 2025.

Specifically, starting 1 July 2025, the government would make superannuation guarantee (SG) equivalent payments to parents' superannuation account during their PPL, i.e., 12% of government-paid PPL benefits.

Currently, employers are required to contribute 11.5% of an employee's earnings. However, employer SG contributions are not mandatory during family leaves, even if the employer tops-up social benefits paid during these leaves.

The actual SG contribution deposits would be made annually by the government to concerned employees' superannuation accounts, starting 1 July 2026.

Furthermore, the superannuation payment would be subject to tax at the current superannuation tax rate of 15%, and payments made under this initiative would count towards an employee's concessional contributions cap, which stands at AUD 30,000 as of 1 July 2024.

According to the government, the payments are expected to affect approximately 180,000 families each year, with women as primary recipients.

Background

The initiative builds on the government's recently introduced PPL scheme which pays eligible parents up to 22 weeks (as of 1 July 2024) of benefits during the leave, with currently two weeks of PPL earmarked for each parent. From 1 July 2026, a total of four weeks will be earmarked for each parent on a 'use it or lose' it basis.

Currently, the PPL social benefit amount stands at AUD 882.75 for a five-day workweek.

As a reminder, the maximum duration of PPL will continue to gradually increase to 24 weeks and then 26 weeks, starting 1 July 2025 and 1 July 2026, respectively.

Resources

- [Budget Paper No. 1: Budget Strategy and Outlook](#)
- [Budget Paper No. 2: Budget Measures](#)

Belgium

Tax-exempt flat-rate reimbursement ceiling for employees' use of own vehicle for work purposes increased

Published 2 July 2024

Effective 1 July 2024 through 30 September 2024, employers' tax-exempt flat-rate reimbursement ceiling for employees' use of private vehicle for professional purposes (*l'indemnité kilométrique*) increases from EUR 0.4265 per kilometer traveled to EUR 0.4297 per kilometer.

Employers must provide employees with the resources they need to do their work. Therefore, if an employee uses their own vehicles for work purposes, the employer must cover any related expenses.

Employers are free to grant a per kilometer allowance to their employees that differs from the tax-exempt amount set by legislation. However, when the employer's reimbursement exceeds the tax-exempt ceiling, the actual expenses incurred by the employee must justify the reimbursements in order for the amounts to be exempt from the employee's income tax, and from both employer and employee social contributions.

Employer Actions

Starting 1 July 2024 through 30 September 2024, employers may need to adjust flat-rate reimbursements to employees for their use of a private vehicle for business purposes to remain below the maximum tax-exempt limit of EUR 0.4297 per kilometer traveled; or be able to justify the actual travel expenses incurred and reimbursed, for higher reimbursements to be exempt from the employee's income tax, and from both employer and the employee social contributions.

Background

Starting 1 October 2022, periodic adjustments of the tax-exempt flat-rate reimbursement ceiling for employees' use of private vehicle for professional purposes has no longer been carried out annually but quarterly, to more adjust to fluctuations in fuel prices in a timelier manner.

In some sectors, a collective bargaining agreement (CBA) provides the reimbursement amounts for business trips made using a private vehicle. Some make quarterly adjustment while others adjust the amount annually.

Underlying legislation

The increase in the flat-rate reimbursement of employees' use of a private vehicle for work purposes was introduced via the updated Annex of the Ministry of Finance Circular No. 737 Circular 2023/C/78 on kilometre allowance for business travel. - Adaptation of the amount on the mileage allowance ([Circulaire 2023/C/78 relative à l'indemnité kilométrique pour des déplacements de service Annexe](#)).

Belgium

Sports and culture voucher regulations aligned with those of meal voucher and eco-checks

Published 26 July 2024

Effective 1 July 2024, legislation governing sports/culture vouchers are aligned with those governing meal vouchers and eco-vouchers.

Key amendments include the following:

- Sport/culture vouchers can be issued in electronic form under the same terms and conditions that apply to electronic meal vouchers and eco-vouchers. However, paper sports and culture vouchers remain an option;
- Granting of sports and culture vouchers must be provided for by a sectoral or company-level collective labor agreement (CBA). If a CBA is not possible, sports and culture vouchers may be granted according to an individual agreement. The vouchers must be allocated to all employees or to a certain category of employees.
- The start date of validity of sport and culture vouchers changes from previously 1 July of each year to the date the vouchers are granted to the employee. The duration of their validity was, and remains, 15 months, which is a condition for the vouchers to be income tax and social contribution exempt;
- In line with all other vouchers, sports and culture vouchers can be reactivated within three months of their expiration date. The employee can request a one-time reactivation from the voucher issuer. The first reactivation request will be free of charge, regardless of the number of vouchers. Any subsequent reactivation requests may be subject to a maximum fee of EUR 5 payable by the employee. An exception applies in cases of force majeure. Reactivated vouchers will be valid for an additional three months. Although the reactivation option comes into effect on 1 July 2024, the reactivation options also apply to any valid sports and culture vouchers issued prior to 1 July 2024.

Sport and culture vouchers are exempt from income tax and social contributions for both employers and employees.

Underlying legislation

The changes were introduced by:

- The Law amending various provisions relating to sports/culture vouchers and purchasing power bonuses ([Loi modifiant diverses dispositions relatives aux chèques sport/culture et aux primes pouvoir d'achat](#)), was published in the Official Journal (*Moniteur belge*) on 29 March 2024; and
- The Royal Decree amending the Royal Decree of 28 November 1969 in execution of the Law of 27 June 1969 revising the Decree-Law of 28 December 1944 concerning the social security of workers with

regards to sport/culture vouchers ([Arrêté royal modifiant l'arrêté royal du 12 octobre 2010 fixant les conditions d'agrément et la procédure d'agrément pour les éditeurs des titres-repas, éco-chèques et chèques consommations sous forme électronique, exécutant les articles 183 à 185 de la loi du 30 décembre 2009 portant des dispositions diverses, au sujet des chèques sport/culture](#)) which was published in the Official Journal on 17 June 2024.

Belgium

Occupational pensions' minimum guaranteed rate of return increase pending official announcement

Published 31 July 2014

Effective 1 January 2025, the statutory minimum guaranteed rate of return that applies to supplemental pension plans is to increase from currently 1.75% to 2.50%.

This change is automatic and provided for by legislation, however, the official announcement remains to be made by the Financial Services and Markets Authority (*Autorité des services et marchés financiers, FSMA*) by 1 December 2024,

The statutory minimum guaranteed rate had remained unchanged at 1.75% since 1 January 2016, when reforms first allowed the statutory minimum guaranteed rate to be annually adjusted based the average over the latest 24 months of 10-year government bond yields.

The minimum guaranteed rate of return is annually adjusted on 1 June of each year to be applied as of the following calendar year. The annually adjusted rate is (as of 1 January 2020) equal to 85% of the average return on 10-year government bonds (*Obligation de l'État belge, OLO*), as calculated over the latest 24 months and rounded to the nearest 25 basis points.

The yield on 10-year government bonds typically serves as an indicator of economic confidence and investor expectations.

Occupational pension plan types

Occupational pension plans (*Assurance Groupe*) are typically managed by insurance companies. There are two different types of *Assurance Groupe* contracts, namely Branch 21 contracts and Branch 23 contracts.

Branch 21 contracts

Branch 21 contracts, which are occupational pension plans that offer a guaranteed return on contributions made by employers and employees, and where the risks associated with the guaranteed return are borne by the insurance companies providing these Branch 21 contracts. All sector pension plans, and most company pension plans are managed by Branch 21 contracts.

Branch 21 contracts' minimum guaranteed return calculation

When there is a change in 10-year government bond yield, and hence the statutory minimum guaranteed return, Branch 21 contracts typically follow what is referred to as the "horizontal method" for calculating the minimum guaranteed returns. Meaning, that the new rate only applies to new contributions made as of the new rate's effective date, with returns on previous balances being calculated based on the minimum guaranteed return that was applicable prior to the change.

Branch 23 contracts

Branch 23 contracts are unit-linked pension insurance plans that do not offer a guaranteed return while being subject to the statutory minimum guaranteed return, and where the risks associated with the minimum guaranteed return are borne by the employer. They are invested mainly in investment funds and equity markets. Branch 23 plans are riskier for employers. Nevertheless, some employer pension plans are managed through Branch 23 contracts.

Branch 23 contracts' minimum guaranteed return calculation

When there is a change in the statutory minimum guaranteed return, Branch 23 contracts typically follow what is referred to as the "vertical method" for calculating the minimum guaranteed returns. Meaning, that the return will be calculated at the new minimum rate of return, both with regard to contributions paid after the change in the minimum guaranteed return rate and balances attained through contributions made prior to the change in the minimum guaranteed return rate.

Employer actions to consider

Although the minimum guaranteed rate of return applicable in 2025 remains to be officially announced by the FSMA, the underlying legislation provides the applicable formula for calculating it, and according to the statutory formula, the rate increases to 2.5% as of 1 January 2025.

The change will increase the minimum capital that each employee will receive at the statutory retirement age. The impact of a higher guaranteed return may, however, vary across employees, and also depends on the features of the pension plan.

Employers are advised to ensure that their pension plan administrators or providers are preparing for the anticipated change in the guaranteed rate of return and are assessing the implication of the change in terms of risks and administration costs.

Employers can already start producing communication materials announcing the change and its impact for their employees and be prepared to respond to employee questions.

Background

According to the provisions of the Supplementary Pensions Act ([Loi relative aux pensions complémentaires, LPC](#)), the contributions made to supplemental pension plans must yield a minimum rate of return.

This statutory minimum rate of return requirement results in a minimum capital that the employer must guarantee when an employee retires or transfers their balance to a new employer's pension plan.

Between 1999 and 2016, the minimum annual rate of return was fixed at 3.25% for employer contributions and 3.75% for employee contributions to second pillar plans. However, the aftermath of the 2008 global financial crisis forced the government to relax the minimum rate of return requirement, by setting a range within which the minimum guaranteed rate could fluctuate.

Since 2016, the minimum annual rate of return on employer and employee contributions became the same; is subject to annual adjustments; and has to remain within the statutory range of 1.75% to 3.75%.

Underlying legislation

The automatic adjustment in the minimum guaranteed rate of return is provided for by of the minimum the Law aimed at guaranteeing the sustainability and social nature of supplementary pensions and aiming to strengthen the complementary nature in relation to retirement pensions ([Loi visant à garantir la pérennité et le caractère social des pensions complémentaires et visant à renforcer le caractère complémentaire par rapport aux pensions de retraite](#)), which was published in the Official Journal (*le Moniteur belge*) on 24 December 2015.

The above legislation provides that an official announcement be made by the Financial Services and Markets Authority (*Autorité des services et marchés financiers, FSMA*) by 1 December 2024.

As of the date of publication of this article, the FSMA has not officially announced the change.

Brazil

Mental Health Promoting Company Certificate established

Published 29 July 2024

On 28 March 2024, the federal government established a Mental Health Promoting Company Certificate (*Certificado Empresa Promotora da Saúde Mental*) to recognize employers that actively promote mental health and well-being among their employees.

Certification will be granted, by a commission that remains to be appointed via forthcoming regulation, to employers that adhere to specific guidelines and implement comprehensive mental health and well-being policies.

Employers that receive the Mental Health Promoting Company Certificate are authorized to use it in their communications and promotional materials, showcasing their commitment to mental health and employee well-being. The federal government may also incentivize employers to adopt these practices.

Employer qualification criteria

To qualify for the certificate, companies must develop and implement policies focused on mental health promotion, employee wellbeing, and transparency and accountability guidelines as detailed below.

Mental health promotion

Certification is only available to employers who:

- Implement mental health promotion programs in the workplace;
- Provide access to psychological and psychiatric support resources for employees;
- Raise awareness about the importance of mental health through campaigns and training;
- Focus on women's mental health and provide women with leadership training;
- Conduct specific training courses on mental health issues relevant to employees;
- Combat all forms of discrimination and harassment; and
- Regularly evaluate and adjust their mental health programs and initiatives.

Employee wellbeing

To qualify for certification an employer must:

- Create a safe and healthy working environment;
- Encourage a balance between personal and professional life;
- Promote physical and leisure activities, healthy eating, and healthy workplace interactions; and
- Foster integrative communication within the workplace.

Transparency and accountability

In order to receive the Certificate, an employer is required to:

- Regularly disclose mental health and well-being initiatives through company communication channels;
- Maintain a channel for receiving suggestions and feedback; and
- Set goals and periodically analyze results related to mental health initiatives.

Oversight

The certification process will be managed by a commission appointed by the federal government, which will verify employers' compliance with guidelines established by the underlying legislation. The certificate is valid for two years, after which employers must undergo re-evaluation for renewal. Non-compliance with the guidelines can result in the revocation of the certificate.

Underlying legislation

The Certificate was introduced by Law No. 14.831 of 27 March 2024 ([Lei Nº 14.831, de 27 de Março de 2024](#)) which was published in the Official Journal (*Diário Oficial da União*) on 28 March 2024.

Canada

Pregnancy loss, bereavement, adoption and surrogacy leaves, and social benefits introduced for employees in federally regulated industries

Published 10 July 2024

Effective 12 December 2025, or an earlier date to be set by order of the Governor in Council, amendments to the Canada Labour Code (CLC) and Employment Insurance Act (EIA) will entitle employees of [federally regulated industries](#) to new leaves and Employment Insurance (EI) benefits related to pregnancy loss, bereavement, and adoption.

The new leaves and their related EI benefits will apply to employees who experience a pregnancy loss, the death of a child, or the placement of a child received through adoption or surrogacy on or after the effective date.

Pregnancy loss leave

Currently, the CLC does not provide for leave related to the loss of pregnancy.

The new amendments will add a section to the CLC establishing new employee leave entitlements for those experiencing a pregnancy loss. The duration of the leave will be up to three days paid by the employer. However, in cases of stillbirth, the leave entitlement is up to eight weeks of unpaid leave beyond the initial three employer-paid days.

Employees will be able to take the leave any time between the day the pregnancy does not result in a live birth and 26 weeks later.

The first three days of pregnancy-loss leave will be paid by the employer, provided that the employee has completed three consecutive months of continuous employment with the employer.

Bereavement leave extension

Employees who experience the death of a child or the loss of a pregnancy that results in a stillbirth will be entitled to up to eight weeks of unpaid leave. Additionally, new employees taking such leave will be entitled to:

- Be informed during their absence, of employment opportunities and changes in wages and benefits;
- Be reinstated in the same position. However, if this cannot be done for a valid reason, then placed in a comparable position;
- Receive the wages and benefits they would have been entitled to had they been working, in the event of a reorganization during their absence that affects wages and benefits; and

- Accrue benefits and time in service during the leave.

Employers will be prohibited from:

- Taking negative action because the employee has applied for, intends to take, or has taken bereavement leave; or
- Taking into consideration that the employee has applied for, intends to take, or has taken bereavement leave, in any decision regarding their promotion or training.

Currently, the CLC entitles an employee who experiences the death of a child to take up to 10 days of bereavement leave, the first three days of which are employer-paid, provided that the employee has completed three consecutive months of continuous employment with the employer.

Adoption and surrogacy leave

The amendments to the CLC will establish a new shareable employment-protected leave of up to 16 weeks for employees welcoming a child through adoption or surrogacy, to be taken:

- during the period starting six weeks before the estimated placement date; or
- during the week before the actual placement date if it occurs earlier than estimated and ending 17 weeks after the week of the actual placement date.

The maximum duration of leave which may be taken if both parents apply for leave in respect of the same child or children is 16 weeks.

Currently, the CLC does not provide for surrogacy or adoption leave. Employees welcoming a child through adoption or surrogacy are only entitled to unpaid parental leave, which is up to 63 weeks if taken by one parent and up to an aggregate of 71 weeks if taken by both.

The amendments will increase the total parental and adoption and surrogacy leave entitlements of employees to up to 77 weeks if taken by one employee and up to 85 weeks if taken by more than one employee in respect to the same child or children.

If an employee is on parental leave when they become entitled to adoption and surrogacy leave, then they may interrupt the parental leave and resume it once after having taken the adoption or surrogacy leave. In such cases, the employee must notify their employer of this interruption.

Adoption and surrogacy EI benefits

The amendments will add sections to the EIA to establish rules surrounding adoption and surrogacy leave benefit payments. After a one week waiting period, employees who welcome a child into their care through adoption or surrogacy will be entitled to payments for up to 15 weeks.

Benefits are payable for each week of leave during the period that:

- begins the earlier of:
 - five weeks before the week in which the child is welcomed into the claimant's care, or
 - the week in which the child is actually welcomed into the employee's care; and

- ends 17 weeks after the week in which the child is actually welcomed into the employee's care.

If adoption or surrogacy benefits are claimed by more than one employee, the total number of weeks of benefits payable that may be divided between them may not exceed 15.

Payments may be reduced or eliminated based on provincial benefits or allowances that are provided for the same purpose.

Currently, the EIA entitles employees welcoming a child through adoption or surrogacy to the same parental leave benefit payments as biological parents, i.e., up to 35 weeks of benefits if claimed by one employee and up to an aggregate of up to 40 weeks if claimed by more than one employee in respect to the same child or children.

The amendments will extend the total benefits entitlement period for employees welcoming a child through adoption or surrogacy to up to 50 weeks if claimed by one employee, or 55 weeks if claimed by two employees with respect to the same child or children.

Employer Actions

Effective 12 December 2025, or on a day to be set by order of the Governor in Council, employers in federally regulated industries must grant new leaves related to pregnancy loss and bereavement.

On a day that remains to be set by order of the Governor in Council, employers in federally regulated industries must grant new leaves for the purposes of adoption and surrogacy.

The first three days of pregnancy loss leave and of bereavement leave are employer paid.

Employers should ensure that their leave policies, practices, and procedures are revised to reflect the latest amendments.

Employers are advised to revise relevant employee communication materials to reflect their new entitlements under the new leave provisions of the CLC.

Employers who top-up EI benefits for family-related leaves may wish to assess and incorporate the impact of the amendments to the EIA regarding adoption leave and surrogacy leave benefits on their future budgeting exercises, and plan accordingly.

Underlying legislation

Bill C-59, [An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28, 2023](#) received Royal Assent on 20 June 2024.

Canada

New Québec supplemental pension plan regulations introduced

Published 7 July 2024

Effective 1 January 2025, new *Retraite Québec* regulations will affect certain non-mandatory supplemental pension funds. The amendments are designed to provide increased flexibility in the use of retirement savings by plan members by allowing them to withdraw larger amounts earlier.

The key amendments include:

- Removal of the maximum withdrawal limit for members who are at least 55 years of age, in addition to changes to the maximum withdrawal limits for members under 55 years of age.
- An obligation to disclose a new estimated life income calculation on plan statements of members who are at least 55 years of age, among other disclosure requirements.

Affected plans

The amendments will apply to:

- Defined contribution (DC) plans offering variable benefits, i.e., those whose terms allow for direct retirement income payments, and permit the retired member to select how much income is annually withdrawn from their account.
- Life Income Funds (LIFs) are plans essentially used for arranging payments out of locked-in pension funds, such as a Registered Retirement Savings Plan (RRSP).

Withdrawal limits

Effective 1 January 2025, the amendments will remove the maximum annual withdrawal limits mentioned above, which currently applies to those aged 55 and older.

Additionally, the Regulation will alter the maximum withdrawal limit calculations for those under 55 years of age, effectively increasing the limits by 10%.

LIF to RRSP and RRIF transfers

Effective 1 January 2025, employees will no longer be able to make transfers from their LIF to an RRSP – a tax-favorable retirement savings plan and investing vehicle, or into an RRIF – an extension of a RRSP allowing for gradual withdrawals.

Currently, members may choose to transfer funds from a LIF into a RRSP or an RRIF.

Disclosure requirements

Effective 1 January 2025, new disclosure requirements apply to financial institutions managing LIFs and DC plans which offer variable benefits. Specifically, plans will be required to:

- Inform members of the removal of the limits once they reach the age of 55 and of the inability to transfer amounts directly from a LIF to a RRSP or RRIF; and
- Include the following information on members' statements:
 - The estimated amount of the life income
 - The method used to estimate life income; and
 - The fact that the estimated amount of the life income may vary based on withdrawals and returns on balances on the LIF, which is used to estimate life income.

Employer Actions

Employers offering variable benefit DC plans and/or LIFs must ensure that the necessary changes to these plans are made to comply with the Regulation, no later than 1 January 2025.

Additionally, effective 1 January 2025, employers have additional disclosure requirements that they need to comply with.

Underlying regulation

Retraite Québec published the [Regulation to amend the Regulation respecting supplemental pension, on 19 June 2024](#).

Resources

Retraite Québec, [Maximum withdrawal calculations](#)

Canada

Québec Law 15 introduces new obligations on health and life insurers

Published 27 July 2024

On a date that remains to be determined via implementation regulations, Québec's Law 15, introduces new obligations on life and health insurers.

Law 15 authorizes allows the government to introduce regulations specifying the actions insurers must take, including the frequency and circumstances under which these actions are required.

An insurer that is required to pay under a life insurance contract must obtain the information determining whether the amount is due because of the insured's death or, if the contract provides for payments during the insured's lifetime, because of them surviving a specific period or because of the occurrence of an event related to their existence.

Furthermore, if a payment is due, insurers must notify beneficiaries who have not claimed the amount due within three years from the payment's due date. Insurers are also required to assist these beneficiaries in validating their claims.

Underlying legislation

The requirements were introduced by [An Act to amend various provisions mainly with respect to the financial sector](#), which received assent from the province's Lieutenant-Governor.

Colombia

Government increases incentives to employ certain population groups, and introduces incentives specific to individuals with a disability

Published 31 July 2024

Effective 29 April 2024 through August 2026, the subsidies for the creation and retention of new formal employment provided under the Incentive for the Creation and Permanence of New Formal Employment program (*El Incentivo a la Creación y Permanencia de Nuevos Empleos Formales*) are increased, and the underlying program has been refined to explicitly incentivize the recruitment of individuals with a disability.

The program, introduced 14 September 2021 by Law 2155 of 2021, entails subsidies covering a portion of new employees' wages.

New subsidy amounts

The new government subsidies paid to employers under the program continue to be expressed as a percentage of the monthly minimum wage (*salario mínimo legal mensual vigente, SMLMV*). However, in addition to being annually indexed based on SMLMV, the percentages have now been increased.

Additionally, newly hired employees with a disability now comprise a distinct category to which the highest rate of subsidy applies.

Starting 29 April 2024, the subsidy amounts are calculated as follows:

- For each new employee between 18 and 28 years of age, the government pays the employer 30% of SMLMV, which currently amounts to COP 390,000. Previously the applicable percentage was 25%.
- For each new female employee over 28 years of age earning up to three SMLMV, the government pays the employer 20% of the SMLMV, currently amounting to COP 260,000. Previously, the applicable percentage was 15%.
- For each new male employee over 28 years of age earning up to three times SMLMV, the government pays the employer 15% of the SMLMV, currently amounting to COP 195,000. Previously, the applicable percentage was 10%.
- For each new employee with a disability (*personas con discapacidad, PcD*), the government pays the employer 35% of the SMLMV, currently amounting to COP 455,000. Previously, the applicable percentage was not distinguished from that of other employees.

The above percentages are further increased by an additional 10% for all groups, provided the new employee:

- had not been contributing to social security in the last four months prior to being employed, and meets a minimum employment duration of six months with the employer; or
- was a recipient of unemployment benefits.

Employers can receive up to 24 times the monthly incentive amount during the three-year period beginning 29 April 2024.

Note that, the SMLMV, which serves as basis for the calculation on the subsidy amounts, was increased from COP 1,160,000 to COP 1,300,000 as of 01 January 2024. The subsidy amounts will continue to be annually indexed according to adjustments in the statutory minimum wage.

Features of the subsidy program

The employment subsidy program was introduced by Law 2155 of 2021. Key provisions include:

- employers concerned,
- employee qualification criteria,
- subsidy amounts,
- subsidy duration,
- subsidy application process, and
- government inspection.

Employers concerned

To qualify for subsidization, employers must:

- Submit certain documents to the financial institution or savings and credit cooperative (i.e., entities supervised by the Superintendence of Finance of Colombia or by the Superintendence of the Solidarity Economy) where they have financial deposit products; and
- Be at least 50% privately owned.

Employee qualification criteria

To qualify for subsidization the Special Administrative Unit for Pension Management and Parafiscal Social Protection Contributions (*Unidad Administrativa Especial de Gestión Pensional y Contribuciones Parafiscales de la Protección Social, UGPP*) ensures that the following criteria are met by the new employee:

- Have continuously contributed for the last six months to the social security system;
- Have a contribution base (*ingreso base de cotización, IBC*) of at least one SMLMV;
- Not be the subject of a temporary contract suspension or on unpaid leave (*suspensión licencia no remunerada, SLN*) exceeding 15 days during the first six months of employment.

Additionally, the UGPP ensures that employees considered for subsidies under this program have not been considered for the same purpose under another employer's application in the same application period.

Subsidy application process

To receive the subsidy, employers must submit to UGPP:

- a copy of the employer's Single Tax Registry (*Registro Único Tributario*, RUT), issued within the six months prior to the application; and
- a signed application stating that the new employee actually received the salary corresponding to the months prior to each application cycle which must be certified by a statutory auditor (*revisor fiscal*) or public accountant. A statutory auditor is mandatory when the employer meets certain thresholds of assets and/or revenues.

Government inspections

The UGPP is authorized to initiate an inspection of paid incentive within four years following the end of the program. This inspection process is distinct and separate from routine contributions-related inspections conducted by UGPP. The inspection process aims to verify:

- allocation of the subsidies;
- eligibility;
- reported data accuracy; and
- adherence to program guidelines.

Underlying legislation

The changes were introduced by Decree 0533 of 29 April 2024 by which Section 10 of Chapter 1 of Title 6 of Part 2 of Book 2 of Decree 1072 of 2015, Sole Regulatory of the Labor Sector, is replaced and the Incentive for the creation and permanence of new formal jobs is regulated ([Decreto 0533 de 2024 \(Abril 29\) Por el cual se sustituye la Sección 10 del Capítulo 1 del Título 6 de la Parte 2 del Libro 2 del Decreto 1072 de 2015, Único Reglamentario del Sector Trabajo, y se reglamenta el Incentivo para la creación y permanencia de nuevos empleos formales](#)) which was published in the Official Journal (*Diario Oficial*) on 29 April 2024.

Hong Kong

Proposal to diversify boards, and to strengthen board independence and transparency released for consultations

Published 3 July 2024

On 14 June 2024, the Hong Kong Stock Exchange published the [Consultation Paper, Review of Corporate Governance](#) seeking views and comments on proposed enhancements to the [Corporate Governance Code](#) and related amendments to the [Listing rules](#).

Interested parties are encouraged to participate in the consultation by completing and submitting an [online questionnaire](#) available on its website, by 16 August 2024.

Key proposals would apply to corporate governance reports and are detailed in the Consultation paper. These include:

- Enhancement of board effectiveness
 - The designation of a lead Independent Non-Executive Director (INED) where the board chair is not independent – a new “comply or explain” provision.
 - Annual director training on specific topics, with a minimum of 24 hours of training for first-time directors within the first 18 months of appointment – a new rule.
 - First-time directors are those appointed as a director of a securities issuer listed on the Hong Kong Stock Exchange for the first time (i.e., who have no prior experience as a director of an issuer listed on the Exchange); or have not served as a director of an issuer listed on the Hong Kong Stock Exchange for a period of at least three years prior to their appointment.
 - Regular board performance reviews and the disclosure of a board skills matrix – a new “comply or explain” provision.
 - Capping “overboarding” Independent Non-Executive Directors (INED) so they don't hold more than six Hong Kong-listed issuer directorships simultaneously – a new mandatory disclosure requirement. “Overboarding INED” is defined as an INED who is holding seven or more listed issuer directorships.
- Promoting diversity, by requiring:
 - The nomination committee to comprise directors of different genders – a new “comply or explain” provision.
 - Annual reviews of board diversity policy – an enhanced mandatory disclosure requirement; and
 - A workforce diversity policy (including senior management) – a new rule according to which listed companies would be required to produce and disclose a diversity policy applying to employees; and disclose the gender ratio of senior managers and all employees.
- Strengthening board independence by ensuring that long-serving INEDs (i.e., those having served more than nine years) would no longer be considered as independent – a new rule.
- Enhancing risk management and internal controls by requiring an annual review of these systems and enhanced disclosures of the review and its findings – an enhanced mandatory disclosure requirement.

- Improving capital management by requiring the disclosure of an issuer's dividend policy and its board's dividend decisions – a new mandatory disclosure requirement.

The proposed amendments would apply to corporate governance reports for financial years starting on or after 1 January 2025, with a three-year transition period for the proposals related to "overboarding" and long-serving INEDs.

Ireland

Parent's leave increased by two weeks, from 1 August 2024

Published 5 July 2024

Effective 1 August 2024, the duration of parent's and related social benefit payments are increased from currently seven weeks to nine weeks.

Employees concerned

Employees who are already entitled to parent's leave can claim the additional two weeks of parent's leave (i.e., a total of nine weeks), if on 1 August 2024:

- their child is under the age of two years (104 weeks); or
- their adopted child has been placed with their family for less than two years.

However, the increased parent's leave must be drawn within two years of the child's birth or adoption placement.

About parent's leave

Parent's leave is different from parental leave, which entitles parents to take 26 weeks of unpaid leave to spend time with their children.

In contrast, parent's leave entitles parents to nine weeks to be drawn over a period of two years and may entail payments of social benefits (when the parent is eligible).

The new legislation only extends the duration of parent's leave (and of any applicable social benefits), leaving all other statutory provisions unchanged. These provisions are detailed below.

Qualified employees

Employees entitled to take parent's leave must be one of the following:

- A parent of the child,
- A spouse, civil partner, or cohabitant of the parent of the child,
- A parent of a donor-conceived child as provided for under section 5 of the Children and Family Relationships Act 2015,
- The adopting parent or parents of a child, or
- The spouse, civil partner or spouse of the adopting parent (if the parents have not adopted jointly).

Drawing on the leave

Parent's leave can be drawn over a period of two years from the date of the child's birth or placement for adoption. The duration of leave remains unchanged in case of multiple births.

The leave can be drawn as:

- A continuous period of nine weeks of leave (as of 1 August 2024), or
- Separate periods of not less than one week.

Requesting parent's leave

The employee must give at least six weeks of prior notice to the employer to take the leave. The notice must be in writing, and include the start date, indicating how the leave will be drawn, and the duration of the leave.

Under certain conditions, the employer may postpone the requested leave.

Payments during the leave

Employer payment during parent's leave is not mandatory. However, during parent's leave, eligible parents are entitled to social benefits, referred to as Parent's Benefits, which currently amount to EUR 274 per week. In practice, certain employers top-up the social benefits.

Note that it is possible for an employee to qualify for parent's leave without qualifying for Parent's Benefits, if the eligibility criteria for the social benefits is not met. PRSI contributions must have been paid for 39 weeks over the 12-month period preceding the first day of Parent's Benefit.

Employee entitlements during parent's leave

Parent's leave is employment protected, in that an employee on parent's leave is entitled to return to their job after the leave.

Additionally, an employee on parent's leave is considered as being in employment, and is entitled to:

- Annual leave accrual during the leave;
- Public holidays that fall during their parent's leave; and
- Pay-related Social Insurance (PRSI) contributions while on parent's leave.

Employer Actions

Starting 1 August 2024, employers are required to grant qualified employees two additional weeks of parent's leave, which brings the total number of weeks of employee entitlement to nine weeks.

Employees who are already entitled to parent's leave can claim the additional two weeks of parent's leave if, on 1 August 2024, their child is under the age of two years, or in the case of adoption, has been placed with them for less than two years. However, the increased parent's leave must be drawn within two years of the child's birth or adoption placement.

Employer payment during parent's leave is not mandatory. Employers may however choose to top-up social security Parent's Leave benefits.

Employers are advised to revise their internal leave policies, procedures, and practices to reflect the change. They may also wish to update their communication materials to inform employees of their enhanced leave entitlements.

Employers who top-up social security Parent's Leave benefits, should assess budget implications, which would need to be included in their annual budgeting exercise.

Underlying legislation

[Statutory Instrument No. 300/2024 - Parent's Leave and Benefit Act 2019 \(Extension of Periods of Leave\) Order 2024](#) was converted into law on 18 June 2024, and the Notice of the making of this Statutory Instrument was published in *(Iris Oifigiúil)* on 21 June 2024.

Kenya

Expected increase in tax-exempt benefit limits now uncertain, despite being passed by Parliament

Published 25 July 2024

On 24 June 2024, Parliament approved the [2024 Finance Bill](#) despite ongoing protests. Nevertheless, on 26 June 2024 after protestors stormed the Parliament, the President declined to sign the Bill into law and referred it back to the House for reconsideration.

On 24 July 2024 the Speaker of the National Assembly clarified that the President's decision is constitutional, stressed the need to address the deficit resulting from the rejection of the Finance Bill, and assured the House that necessary measures will be undertaken to address the fiscal deficit.

Following the referral of the [Referral Message from the President](#), which recommends the deletion of all provisions of the Bill, the Departmental Committee on Finance and National Planning is expected to deliver a report by 30 July 2024.

Approved increase in tax-exempt employee benefit limits

Among its numerous provisions, Part II of the Parliament-approved 2024 Finance Bill includes amendments to the Income Tax Act. The amendments were scheduled to increase tax-exempt employment benefits, effective 1 July 2024.

Specifically, Article 6 (a) of the Finance Bill would amend the Income Tax Act, Section 5, Sub-section 2, Paragraphs (a) and (b), respectively as follows:

- The current maximum tax-exempt daily allowance paid to employees for work performed outside of their usual place of work, which is currently a flat-rate amount set at KES 2,000 (Income Tax Act, Section 5, Sub-section 2 (a)) would be replaced by a requirement that employers have a policy on the payment and accounting for subsistence, travelling, entertainment or other allowance with an amount not exceeding 5% of the employee's monthly gross earnings; and
- The maximum annual tax-exempt employment benefit (provided for by the Income Tax Act, Section 5, Sub-section 2 (b)) would be increased from currently KES 36,000 to KES 48,000.

Netherlands

Bill to introduce paid bereavement leave submitted to Parliament

Published 17 July 2024

On 12 July 2024, the Bill for the Bereavement Leave Implementation Act ([Voorstel voor de Wet invoering rouwverlof](#)) which would introduce a statutory employer-paid bereavement leave was submitted to Parliament.

This Bill would improve support for grieving employees. The objective of the Bill is to reduce extended periods of absenteeism due to illness after the death of a loved one, and to encourage affected employees' return to work.

The provisions of the Bill

According to the provisions of the Bill, full-time employees in a family with minor children whose partner or minor child has died, would be entitled to five days of statutory employer-paid bereavement leave.

Currently, there is no statutory framework specifically addressing leave for grieving employees. The period surrounding the death of a loved-one, being an intensely emotional time, leads to affected employees taking sick leave or annual leave in order to grieve.

Legislative background and process

The Bill for the Bereavement Leave Implementation Act would amend the Work and Care Act ([Wet arbeid en zorg, WAZO](#)) and Book 7a of the Civil Code ([Burgerlijk Wetboek BES Boek 7a](#)).

The effective date of the provisions of the Bill is not yet known. The Bill's entry into force is subject to its passing through both Lower and Upper Houses of Parliament. After publication of the Act in one either the country's two Official Journals (*Staatsblad* or *Staatscourant*) the provisions of the Act can come into effect.

As next step, a procedural meeting in the Lower House of Parliament is scheduled for 10 September 2024.

Resources

Bill for the Bereavement Leave Implementation Act, Explanatory Memorandum ([Memorie van toelichting](#))

South Africa

Earnings threshold above which certain employment entitlements no longer apply is increased

Published 15 July 2024

Effective 1 April 2024, the annual earnings threshold above which certain statutory employment entitlements no longer apply was increased from ZAR 241,110.59 to ZAR 254,371.67, which corresponds to a monthly earnings threshold of ZAR 21,197.

Certain provisions of the Basic Conditions of Employment Act, 1997 (BCEA) do not apply to employees whose gross earnings exceed this threshold,

Earnings, for the purpose of this threshold, is defined as the regular annual remuneration before deductions i.e., income tax, pension, medical and similar payments, but excludes subsistence and transport allowances, achievement awards, and overtime payments.

The BCEA's employee entitlements that no longer apply to employees with gross earnings above the threshold pertain to:

- Ordinary hours of work - Sections 9
- Overtime - Section 10
- Compressed working week - Section 11
- Averaging work hours - Section 12
- Determination of hours of work by Minister - Section 13
- Meal intervals - Section 14
- Daily and weekly rest periods - Section 15
- Pay for work on Sundays - Section 16
- Night work transport and night shift allowances - Section 17 (2)
- Work performed on a statutory holiday - Section 18 (3)

Employees earning above the threshold are not entitled to the statutory employment conditions provided under the above sections of the BCEA. The employment conditions that they negotiate and agree to with their employers may be less favorable than those applicable to employees earning less than the threshold.

Underlying legislation

The earnings threshold was increased per [Notice No. 4468, Basic Conditions of Employment Act \(75/1997\): Determination: Earnings Threshold](#) of the Ministry the Ministry of Employment and Labour, which was published in the Official Gazette (*Staatcourant*) on 5 March 2024.

South Korea

Government program supports employees covering for coworkers' short-time work for childcare

Published 5 July 2024

Effective 1 July 2024, the government subsidizes co-workers who share the workload of employees whose working hours are reduced for childcare purposes.

Additionally, the duration of government-paid subsidies of 100% of an employee's regular wage for childcare-related purposes is increased from the first five hours per week to the first 10 hours per week.

These measures are to reduce the burden on employers and employees, while allowing employees to easily resort to the reduced working hours system for childcare purposes, even in small and medium-sized enterprises (SME) without concern about their coworkers opinions.

Childcare Short-work Sharing Support Fund

Employee short-time work benefits

The Childcare Short-work Sharing Support Fund is introduced to stimulate the existing Childcare Short-time Work System, which was introduced to allow employees with children under eight years of age (or in the second grade or lower) to reduce their working hours by up to 25 hours per week for one year for child caregiving purposes, or for up to two years if they do not use childcare leave.

Previously, since 1 October 2019, The Childcare Working Hours Reduction Pay – a short-time work earnings preservation system, allowed employees to reduce their workday by up to an hour and remain entitled to full pay up to a monthly standard wage of KRW 2 million via government subsidization, or to reduce their workday by two hours and be paid 80% of their regular wage, up to a monthly standard wage of KRW 1.5 million.

Employers incentivized via subsidies

The government subsidizes small and medium-sized employers (SME) who financially assist employees who take on the work of another employee who has reduced their working hours by at least 10 hours per week (but no more than 25 hours per week) for childcare purposes.

The government subsidy is up to KRW 200,000 per co-worker per month but cannot exceed the amount paid by the employer to the employee. This subsidy paid to employers is distinct from the 100% subsidization of regular wage paid to employees to cover up to 10 hours of reduction in work time per week.

Qualified employers

To qualify for subsidization of short-time work for child caregiving purposes, an employer must:

- Be a SME (i.e., an employer eligible for priority support). Priority support targets companies are classified by their number of regular employees, which varies by sector (i.e., 500 or fewer regular employees in the manufacturing industry, 300 or fewer in the construction, mining, transportation, warehousing, and communications sectors, and 100 or fewer in other sectors);
- Allow short-time work of 10 to 25 hours per week for childcare purposes for 30 days or more;
- Explicitly designate up to five employees who take on the work of an employee on short-time work for childcare; and
- Pay an allowance to the work-sharing employee(s).

Underlying legislation

The Partial Amendment Decree of the Enforcement Decree of the Employment Insurance Act ([법령안 \(법령안\) 고용보험법 시행령 일부개정령\(안\)](#)), was approved by the Cabinet on 18 June 2024.

Resources

- Ministry of Employment and Labor: Announcement of Implementation of Childcare Shortening Work Sharing Support Fund (Newly established on 1 July 24) ([\(육아기 단축업무 분담지원금 시행안내\(24.7.1.신설\)\)](#))
- Pamphlet for promotion of the Childcare Work-sharing Support Fund ([육아기 단축업무 분담지원금 홍보 팸플릿\(홈페이지 게시용\)](#))
- Information on implementing Childcare Work-sharing Support Fund during childcare period ([육아기 단축업무 분담 지원금 시행안내](#))
- Application form for childcare work sharing support grant (including designation of shareholder and wage statement (example)) ([육아기 단축업무 분담지원금 신청서식\(분담자 지정, 임금명세서\(예시\) 포함\)](#))

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