



Alliant Global Services

Global Knowledge Center –
Legal & Regulatory Updates

January 2026



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Australia

SuperMatch Annual Compliance Statement due by 28 February

Published on 15 January 2026

By 28 February 2026, employers with a superannuation fund that relies on SuperMatch services to consolidate their members' accounts must submit an annual compliance statement to the Australian Taxation Office (ATO). Failure to meet this obligation may result in access to these services being revoked.

SuperMatch is an official data-matching service that allows superannuation fund trustees to identify and consolidate a member's multiple or "lost" superannuation accounts by matching member data against records held by the ATO.

Employers concerned

The mandatory annual compliance statement concerns:

- Employers that manage their own superannuation sub-funds or digital interfaces with the ATO;
- Trustees responsible for the management and investment of employer-sponsored superannuation funds; and
- Superannuation fund Chief Risk Officers (CROs) or senior executives responsible for fund compliance.

Based on APRA's Annual Superannuation Bulletin (December 2025) and ATO SuperMatch User Guide (v9.0), 100% of APRA-regulated superannuation funds with more than six members are eligible to use the service, and effectively all major commercial and industry funds rely on SuperMatch for account consolidation and "lost" superannuation account identification.

Employer Obligations

Affected employers or their superannuation fund trustee must:

- Ensure that the annual compliance statement is authorized by a fund trustee or a senior officer (e.g., CRO). This responsibility cannot be delegated down.
- Formally certify that:
 - No unreported changes have been made to the solution or usage of SuperMatch;
 - The fund actively monitors its use of SuperMatch and reports any concerns to the ATO; and
 - The fund strictly adheres to the SuperMatch terms and conditions.
- Ensure any breaches of the user guide or terms is reported within ATO specified timeframes.

Finally, the employer or trustee must email the annual statement of compliance to ESFSEngagement&Insights@ato.gov.au.

Employer Actions

To maintain your fund's regulatory standing and service access, affected employers must:

- Carry out an internal review to confirm that their SuperMatch solution and monitoring protocols have remained compliant over the previous year;
- Prepare the annual compliance statement;
- Ensure the CRO or the Trustee reviews and endorses the statement; and
- Submit the signed statement to ESFSEngagement&Insights@ato.gov.au by 28 February 2026.

Underlying legislation

The operation of the SuperMatch service and the reporting obligations of trustees are governed by Section 299LA of the [Superannuation Industry \(Supervision\) Act 1993 \(Cth\)](#), published in the Federal Register of Legislation and last amended on 21 February 2025.

Resources

ATO Guidelines: [SuperMatch Terms and Conditions of Use](#)

Belgium

Tax-exempt reimbursement limits for home charging company EVs increased

Published 2 January 2026

Effective 1 January 2026, the maximum tax-exempt reimbursement amounts for home charging of an employer-provided electric vehicle (EV), commonly referred to as the CREG rates increase.

Reimbursement amounts below the applicable CREG rate are exempt from income tax and social contributions, provided a networked charging station or smart charger is used—a charger able to transmit electricity consumption data.

Unjustified reimbursements exceeding the maximum reimbursement amounts set by the Electricity and Gas Regulatory Commission (*Commission de Régulation de l'Électricité et du Gaz, CREG*) are considered as in-kind benefits from a tax and social contribution perspective.

Regional reimbursement limits

The regional CREGs, i.e., the maximum tax-exempt reimbursement amount for home charging of an employer-provided EV, are as follows:

- Brussels-Capital Region, EUR 34.26 per kWh, up from previously EUR 33.56
- Flemish Region, EUR 31.32 per kWh, up from previously EUR 30.70
- Walloon Region, EUR 35.23 per kWh, up from previously EUR 34.57

The above rates apply based on the employee's place of residence and are adjusted quarterly.

National reimbursement limit

An employer may opt to uniformly apply one rate per kWh irrespective of the employee's place of residence. In this case, the maximum rate per kWh corresponds to the lowest first quarter regional rate and must be applied for the entire year, i.e. EUR 30.70 for 2026.

Underlying legislation

- Circular 2025/C/72 on the reimbursement of electricity costs by the employer for charging a company car at home - maximum fixed amount per kWh - first quarter of 2026 ([Circulaire 2025/C/72 relative au remboursement des frais d'électricité par l'employeur pour la recharge à domicile d'une voiture d'entreprise - montant fixe maximal par kWh - premier trimestre 2026](#))—an addendum to circular 2024/C/77 of 05.12.2024 relating to the reimbursement of electricity costs by the employer for home charging of a company car, which was released by the Ministry of Finance's General Administration of Taxation on 17 December 2025.

- Circular 2024/C/77 of 5 December 2024 on the reimbursement of electricity costs by the employer for charging a company car at home ([Circulaire 2024/C/77 du 5 décembre 2024 relative au remboursement par l'employeur des frais d'électricité liés à la recharge d'un véhicule de fonction à domicile](#)).
- National Social Security Office (NSSO) intermediate instruction of 9 January 2025, Commuting between home and work and company car ([Instruction intermédiaire de l'ONSS du 9 janvier 2025, Déplacement domicile-lieu de travail et voiture de société](#)).
- Circular 2025/C/38 on the reimbursement of electricity costs by the employer for charging a company car at home - maximum fixed amount per kWh - third quarter of 2025 - permanent application ([Circulaire 2025/C/38 relative au remboursement des frais d'électricité par l'employeur pour la recharge à domicile d'une voiture d'entreprise - montant fixe maximal par kWh - troisième trimestre 2025 - application permanente](#)).

Brazil

Paternity leave to be increased and paid for by social security

Published 8 January 2026

On 4 November 2025, the Chamber of Deputies approved Bill No. 3935/2008, which proposes several changes to paternity leave provisions, including a gradual increase in entitlement and a transition from employer-paid leave to social security-paid leave.

The Bill was presented to the Senate on 11 November 2025 for review for approval and is expected to enter into force on 1 January 2027.

The proposed changes are detailed below.

Paternity leave entitlement

Currently, male employees are entitled to five days of employer-paid paternity leave (*licença-paternidade*) for the birth, adoption, or legal guardianship of a child.

The Bill would gradually increase the paternity leave entitlement from five to 20 days over a four-year period following the law's entry into force as follows:

- 10 days in the first two years
- 15 days starting from the third year
- 20 days starting from the fourth year

Entitlement extended for child with disability

The Bill provides for an additional one-third of paid paternity leave entitlement in cases where the newborn or adopted child has a disability. The leave entitlement would therefore also gradually increase during the phased implementation.

Currently, an additional 20 days of leave without loss of pay applies to employees with a newborn or adopted child with a permanent disability resulting from a congenital syndrome associated with the Zika virus.

Paternity leave payments

The responsibility of paying for the proposed leave entitlement would become fully borne by the National Institute of Social Security (*Instituto Nacional do Seguro Social, INSS*), instead of employers, as is currently the case.

Drawing on the leave

With the proposed changes, employees would be permitted to split the leave in two equal periods upon request, except in the case of the mother's death. The first half of the leave must be taken immediately after

birth, adoption, or obtaining legal guardianship, and the remaining would have to be used within 180 days after birth or adoption.

Employment protection

The Bill would grant protection against termination without just cause from the start of paternity leave to one month after the end of the leave. If an employee is terminated between the period when they inform their employer of taking paternity leave and the start date of the leave, they would be entitled to compensation equal to double their regular salary during the above period.

In the case where an employee has requested to split their leave, employment protection would be granted up until one month after the end of the first half of their leave entitlement. If the employee is terminated before taking the second half of their leave entitlement, depending on the case, they would be entitled to compensation as provided for in cases of resignation or termination with just cause, or double compensation for arbitrary termination or termination without just cause.

Combining paternity with annual leave

Based on the proposed changes, an employee would be permitted to take annual leave immediately following the end of paternity leave if they communicate their intent to the employer 30 days before the expected date of birth or issuance of a court order for custody. The 30-day advance notice requirement would be waived in the case of a premature birth.

Currently, the option to combine these leaves is not provided for by the Consolidation of Labor Laws (*Consolidação das Leis do Trabalho*).

Extension of leave in case of postpartum hospitalization

In case of hospitalization of the mother or newborn due to postpartum complications, paternity leave would be extended for the duration of hospitalization, up to the date of hospital discharge of the mother or newborn, whichever occurs last.

The current paternity leave framework does not provide for extending paternity leave for hospitalizations of mother or child.

Variations in entitlement

The bill would introduce certain new rules regarding entitlement to paternity leave and pay in cases of domestic violence, the death of an employee receiving maternity or paternity pay, or if the mother's name does not appear on the child's birth, adoption, or legal guardianship certificate.

These rules are further detailed below.

Domestic violence

If there is evidence that the father has committed domestic or family violence or abandonment of the child or adolescent under their responsibility, the INSS could suspend or deny payments for paternity leave.

Death of a parent

In the event of the death of an employee entitled to maternity or paternity leave and the related payments, the individual who legally assumes parental responsibilities would become entitled to the remaining benefits, provided they are insured by INSS.

However, if the child dies or is abandoned while under the care of the individual taking maternity or paternity leave, they would not be entitled to the remaining leave duration or pay.

Paternity leave equal to maternity leave

In the event the mother's name is absent from the child's birth certificate or the adoption or legal guardianship is obtained solely by the father, the duration and pay of paternity leave would be equivalent to that of maternity leave (*licença-maternidade*).

Proposed legislation

The changes were proposed by the Substitute Bill from the Chamber of Deputies to Bill No. 3935/2008, from the Federal Senate (PLS No. 666/2007), which provides for paternity leave; establishes paternity pay within the scope of Social Security; and amends the Consolidation of Labor Laws, approved by Decree No. 5452, of May 1, 1943 and Laws No. 8212 of July 24, 1991 (Organic Law of Social Security), 8213 of July 24, 1991, and 1170 of September 9, 2008 ([Substitutivo da Câmara dos Deputados ao Projeto de Lei nº 3.935, de 2008, do Senado Federal \(PLS nº 666/2007\), que dispõe sobre a licença-paternidade; institui o salário-paternidade no âmbito da Previdência Social; e altera a Consolidação das Leis do Trabalho, aprovada pelo Decreto-Lei nº 5.452, de 1º de maio de 1943, e as Leis nºs 8.212, de 24 de Julho de 1991 \(Lei Orgânica da Seguridade Social\), 8.213, de 24 de Julho de 1991, e 11.770, de 9 de Setembro de 2008](#)).

Canada

British Columbia enacts new leave for serious illness or injury

Published 22 January 2026

Effective 28 November 2025, British Columbia's Employment Standards Act (ESA) entitles employees to up to 27 weeks of unpaid employment-protected leave (within a 52-week period) if they are unable to work for at least one week (seven consecutive days) due to serious illness or injury, provided they obtain a medical certificate from a health practitioner.

This leave entitlement is intended to align with the federal Employment Insurance (EI) Sickness Benefits program, which provides for up to 26 weeks of sickness benefits to eligible employees.

Currently, after 90 consecutive days of service, B.C. ESA-regulated employees are entitled to five paid and three unpaid days of employment-protected sick leave per calendar year, which remains unchanged. This leave is intended for short-term health issues, such as attending medical appointments, preventive care, or caring for sick family members.

Eligibility criteria

To be eligible to receive up to 27 weeks of unpaid leave, employees who are experiencing serious illness or injury for at least one week must obtain a medical certificate from a health practitioner (i.e., a medical practitioner, nurse practitioner, or a person authorized to practice a designated health profession) that states the following:

- The employee is unable to work for medical reasons;
- The date on which the employee's inability to work began if the employee is already unable to work or the date on which the employee's inability to work is expected to begin; and
- The date on which the employee is expected to be able to return to work.

The number of medically certified sick days remain an entitlement even if the employee returns to work earlier than anticipated by a medical certificate, provided:

- The employee was unable to work again due to medical reasons;
- The employee has not taken the 27 weeks of leave; and
- The 52 weeks from the date the leave began have not expired.

The employee is required to provide a copy of the medical certificate to the employer as early as possible.

Duration of leave

The duration of the newly introduced unpaid leave is up to 27 weeks within a 52-week period.

Drawing on the leave

The new unpaid leave must be taken in weekly increments within a 52-week period.

The start date of the leave is the date on which the employee's inability to work begins if the employee is already unable to work, or the first day of the week during which the employee's inability to work is expected to begin.

The end date of the leave should be on the last day of the week during which:

- the employee returns to work;
- the 27-week leave entitlement has been used; or
- 52 weeks have elapsed since the leave's start date.

Employer Actions

Effective 28 November 2025, all provincially regulated employees are entitled to up to 27 weeks of medically certified employment-protected leave (within a 52-week period).

Employees with 90 consecutive days of service remain entitled to the previously existing five paid and three unpaid days of employment-protected sick leave per calendar year.

Employers are advised to update employee handbooks and prepare communication materials to inform employees of their new entitlements.

Underlying legislation

The changes were introduced by Bill 30, [Employment Standards \(Serious Illness or Injury Leave\) Amendment Act, 2025](#), which received Royal Assent on 27 November 2025.

Canada

Alberta increases leave for long-term illness and injury

Published 16 January 2026

Effective 1 January 2026, Alberta's Employment Standards Code (ESC) entitles provincially regulated employees to up to 27 weeks of employment-protected leave per calendar year for long-term illness or injury, marking a substantial increase from the previous 16-week leave entitlement per calendar year.

The increase is intended to align the provincial leave entitlement with the 26 weeks of sickness benefits paid to eligible employees by Employment Insurance (EI).

Other ESC provisions pertaining to the long-term illness and injury leave, such as eligibility criteria, employment protection, or return to work processes remain unchanged.

Employer Actions

Effective 1 January 2026, all provincially regulated employees are entitled to 27 weeks of long-term illness and injury leave per calendar year.

Employers are advised to update employee handbooks and prepare communication materials to inform employees of the change.

Underlying legislation

The change was introduced by the [Employment Standards Amendment Regulation \(A.R. 281/2025\)](#), which was approved by the Lieutenant Governor in Council on 10 December 2025.

Czech Republic

Tax-exemption ceiling of in-kind benefits increased

Published 15 January 2026

Effective 1 January 2026, new limits apply for social security and health contributions exemption and for income tax-exemption for in-kind benefits, which take two forms that are referred to as non-monetary benefits, and “leisure” non-monetary benefits.

Non-monetary benefits exemption limit

The limit for such benefits is set at the national average wage, which is CZK 48,967 for 2026 benefits, up from previously CZK 46,557 for 2025.

Section 6, paragraph 9,d) of Act No. 470/2024 defines non-monetary benefits as benefits provided by the employer to the employee or their family member from the cultural and social needs fund; from the social fund; from after tax profits or against expenses that are not incurred for achieving, securing, and maintaining revenue; in the form of the purchase of goods or services of a health, medical, hygienic and similar nature from health facilities; or the purchase of medical devices on a medical prescription. These supplies are exempt in total up to the amount of the average wage for the tax period.

Non-monetary benefits exceeding the above limit are subject to income tax and to social security and health insurance contributions.

“Leisure” non-monetary benefits exemption limit

The exemption limit for the remaining, so-called “leisure” non-monetary benefits remains at 50% of the national average wage, i.e. CZK 24,484 for 2026 benefits, up from previously CZK 23,278.50.

Subdivision 6, paragraph 9,d) of Act No. 470/2024 defines leisure non-monetary benefits as use of educational or recreational facilities, provision of recreation or a trip, use of facilities for the care of pre-school children, including kindergarten under the Education Act, the employer’s library or physical education and sports facilities, or provision of a contribution to cultural or sports events or a contribution to printed books, including picture books for children, except for books in which advertising exceeds 50% of the surface area.

Non-monetary benefits exceeding the above limit are subject to income tax and to social security and health insurance contributions.

Underlying legislation

The change was confirmed by Section 6, paragraph 9.d) of Act No. 470/2024 amending Act No. 435/2004 Coll., on Employment, as amended, and certain other acts ([Zákon č. 470/2024 Sb., kterým se mění zákon č. 435/2004 Sb., o zaměstnanosti, ve znění pozdějších předpisů, a některé další zákony](#)), which was published in the [Official Gazette \(sbírka zákonů\)](#) on 27 December 2024.

Czech Republic

Tax-exemption ceiling for meal benefits increased by more than 4.5%

Published 17 January 2026

Effective 1 January 2026, the tax-exemption ceiling for monetary or in-kind employer contribution towards employee meal benefits is CZK 129.50, up from CZK 123.90 in 2025.

Tax treatment of meal benefits

Starting 2024, as a part of the Consolidation Package Act No. 349/2023 amending certain laws in connection with the consolidation of public budgets ([Zákon č. 349/2023, kterým se mění některé zákony v souvislosti s konsolidací veřejných rozpočtů \(dohoda o provedení práce\)](#)), the conditions for tax-exemption of employer contributions towards any of the three types of employee meal benefits (i.e., cash meal allowance, meal vouchers, or employer canteen) were aligned.

Employers are free to provide meal benefits to their employees in any amount, and this limit is a tax-exemption limit.

The tax treatment of meal benefits by employees and employer is detailed in the sections below.

Conditions for tax-exemption of meal benefits for employees

According to Section 6, paragraph 9, b) of the Consolidation Package Act No. 349/2023, the following conditions must be met for employer contributions to be income tax-exempt for the employee:

- A minimum of three hours must be worked during a shift (employees without a fixed shift must work at least three hours per calendar day);
- No entitlement to travel-related per diems may arise during the shift; and
- The monetary or in-kind employer contribution is up to 70% of the upper limit of the meal allowance allowable for employee business trips lasting five to 12 hours. In 2026, this limit corresponds to 70 % of CZK 185, i.e., CZK 129.50 (up from previously 70% of 177, or CZK 123.90).

The amounts paid may double for employees who work more than 11 hours.

Conditions for tax-deductibility of meal benefit expenses for the employer

Meal benefit expenses incurred by an employer are tax-deductible, if the employee entitlement to meal benefits is provided for by employer regulations, collective agreement or employment contract.

Underlying legislation

The change was introduced by the Decree No. 475/2024 on changing the rate of basic compensation for the use of road motor vehicles and meal allowances and on determining the average price of fuel for the purposes of

providing travel reimbursements for the year 2025 ([Vyhláška č. 475/2024, o změně sazby základní náhrady za používání silničních motorových vozidel a stravného a o stanovení průměrné ceny pohonných hmot pro účely poskytování cestovních náhrad pro rok 2025](#)), which was published in the Official Gazette (*Sbírka zákonů*) on 27 December 2024.

The index for calculating the 2026 average wage as assessed by the Ministry of Labor and Social Affairs was confirmed via Government Regulation No. 365/2025 Coll. ([Nářízení vlády č. 365/2025 Sb.](#)), which was published in the Official Gazette on 30 September 2025.

The upper limit of the meal allowance allowable for employee business trips lasting five to 12 hours in 2026 was set by Decree No. 573/2025 Coll., on changing the rate of basic reimbursement for the use of road motor vehicles and meal allowances and on determining the average price of fuels for the purposes of providing travel reimbursements for the year 2026 ([Vyhláška č. 573/2025 Sb., o změně sazby základní náhrady za používání silničních motorových vozidel a stravného a o stanovení průměrné ceny pohonných hmot pro účely poskytování cestovních náhrad pro rok 2026](#)), which was published in the Official Gazette on 22 December 2025.

Italy

2026 Budget introduces new work-life balance and parental support measures

Published 6 January 2026

Effective 1 January 2026, as part of the 2026 Budget Law's work-life balance and parental support measures and incentives, new provisions on optional parental leave and related social benefits, child illness leave part-time work, and recruitment of unemployed mothers apply.

These changes are detailed below.

Social benefits for optional parental leave

The 2026 Budget Law modifies the National Social Security Institute (*Istituto Nazionale della Previdenza Sociale, INPS*) parental leave benefit.

Specifically, effective 1 January 2026, the following changes apply in terms of social benefit amounts and timing of the optional parental leave:

- The INPS parental leave benefit is 80% of the salary for the first three months of optional parental leave. Previously, INSP benefits were paid 80% of salary for two months and 61% for the third month.
- The optional parental leave can now be used until a child reaches 14 years of age, up from previously 12 years of age.

Unpaid child illness leave

Effective 1 January 2026, each parent is annually entitled to 10 days of unpaid leave per child under the age of 14 years.

Previously, each parent was annually entitled to five days of unpaid leave, and only until the child reached 8 years of age.

Parental part-time work prioritized and incentivized

Effective 1 January 2026, new criteria govern the prioritization of contract flexibility for specific demographic groups, as follows.

Employees with three or more children with their youngest child being under 10 years of age, or with a child who has a disability regardless of age, hold priority status for converting full-time contracts to part-time. To incentivize contract conversions, a social security contribution exemption of up to EUR 3,000 per year is offered for 24 months to employers that approve such conversions.

Incentives for unemployed mothers

The 2026 Budget Law introduces social security contribution exemptions for employers recruiting women with at least three children who have been unemployed for a minimum of six months.

The exemption is 100% of employers' social contributions up to an annual limit of EUR 8,000.

The duration of the exemption depends on the type of employment contract, as follows:

- 12 months for fixed-term contracts.
- 18 months for conversions of fixed-term contract to a permanent contract.
- 24 months for permanent contracts.

Previously, incentives for hiring women existed and were typically at a 50% reduction in social contributions for recruiting individuals from disadvantaged categories. There was no 100% exemption specifically targeting mothers of three or more children.

Employer Actions

With the 2026 Budget Law's work-life balance and parental support measures and government incentives in effect as of 1 January 2026, employers should update their internal policies and payroll procedures to ensure compliance and maximize available financial incentives. In particular:

Employers that top up social benefits to ensure the employee receives 100% of their salary should update their leave policies, procedures, and payroll systems to reflect the changes in social benefits paid for optional parental leave. Many National Collective Bargaining Agreements require employers to top-up social benefits.

Employers will also need to:

- Update leave tracking software to allow optional parental leave and unpaid child illness leave for parents of children up to 14 years of age;
- Increase the annual entitlement to unpaid child illness leave from five days to 10 days per parent, per child; and
- Revise parental leave and flexible working sections in employee handbooks to reflect the new age limits and leave entitlements.

Employees must also review the workforce demographic to identify employees with three or more children with the youngest under the age of 10 years, or with a child with disabilities, to ensure these employees are prioritized for government subsidized conversions of full-time work to part-time work.

Underlying legislation

The measures for parental support and work-life balance were introduced by Law no. 199 of 30 December 2025, State forecast budget for the 2026 financial year and multi-year budget for the three-year period 2026-2028 ([*Legge 30 dicembre 2025, n. 199, Bilancio di previsione dello Stato per l'anno finanziario 2026 e bilancio pluriennale per il triennio 2026-2028*](#)), which was published in the Official Gazette (*Gazzetta Ufficiale*) on 30 December 2025.

Netherlands

Maximum transition payment amount increases

Published 14 January 2026

Effective 1 January 2026, the maximum amount of transition payment (*transitievergoeding*) increases from EUR 98,000 to EUR 102,000, or an amount equivalent to 12 months' gross salary if it exceeds EUR 102,000.

The transition payment owed to an employee upon termination is calculated based on their monthly salary and length of service. This amount is subject to a maximum that is adjusted annually based on changes in contractual wages of the previous year as estimated by the Bureau of Economic Policy Analysis (*Centraal Planbureau, CPB*) and published in the latest Macro-Economic Outlook.

Employee entitlement

As a reminder, Article 673 of Book 7 of the Civil Code ([Artikel 673 Burgerlijk Wetboek Boek 7](#)) provides that an employee is entitled to a transition payment if:

- they are terminated after at least two years of service;
- their fixed-term contract is not extended or converted to an indefinite term contract before the end of the contract; or
- they voluntarily resign due to serious misconduct or negligence committed by the employer.

Employer Actions

Effective 1 January 2026, employers must adjust the maximum gross transition payment amount from EUR 98,000 to EUR 102,000, or an amount equivalent to 12 months' salary if this amount exceeds EUR 102,000.

Employers are advised to update their employee handbooks to reflect the increase and communicate the change to employees, as relevant.

Underlying legislation

The changes were introduced by a Regulation of the Minister of Social Affairs and Employment and of the State Secretary of Social Affairs and Employment of 10 December 2025, No. 2025-000239225, containing the amendment of amounts and the determination of percentages, amounts and numbers for certain laws and regulations for 2026 ([Regeling van de Minister van Sociale Zaken en Werkgelegenheid en van de Staatssecretaris van Sociale Zaken en Werkgelegenheid van 10 december 2025, nr. 2025-000239225, houdende de wijziging van bedragen en vaststelling van percentages, bedragen en aantallen voor enkele wetten en regelingen voor 2026](#)), which was published in the Official Gazette (*Staatscourant*) on 18 December 2025.

Netherlands

Employers' discretionary margin for tax-exempt allowances, in-kind benefits, and provisions remain unchanged

Published 28 January 2026

As of 1 January 2026, the discretionary margin remains unchanged at:

- 2% of payroll expenses up to EUR 400,000; and
- 1.18% for salary payments in excess of EUR 400,000.

Effective 1 January 2027, the discretionary margin will increase from 2% to 2.16% of payroll expenses of up to EUR 400,000.

Overview of the discretionary margin

The work costs scheme (*werkkostenregeling*, WKR) allows employers to spend a percentage of their total taxable income, also referred to as the discretionary margin, on tax-exempt allowances, in-kind benefits, and provisions for employees.

If employers' tax-exempt spending exceeds the discretionary allowance limit, an 80% tax will be applied to the excess amount.

Targeted exemptions

Targeted exemptions (*gerichte vrijstellingen*) are also tax-exempt but do not affect the discretionary margin available to employers. For example, tax-exempt allowances, in-kind benefits, and provisions for extraterritorial costs, transport, meals, overnight stays, courses, conferences, and trainings, to name a few, are not applied towards the discretionary margin.

A full list of specific exemptions can be found in the resources section below.

Zero valuation

Several provisions have a zero valuation (*nihilwaarderingen*) and therefore are tax-exempt. These provisions are not deducted from the discretionary margin. Examples of zero valuation provisions include work equipment, beverages and snacks, and work clothes, to name a few.

A full list of zero valuation provisions can be found in the resources section below.

Underlying legislation

The change was introduced by an Amendment of some tax laws and some other laws (Tax Plan 2025) ([Wijziging van enkele belastingwetten en enige andere wetten \(Belastingplan 2025\)](#)), which was published in the Official Gazette (*Staatsblad*) on 14 November 2024.

Resources

The Tax Authority's 2025 Payroll Tax Handbook ([Handboek Loonheffingen 2025](#)) contains an overview of the targeted exemptions and zero valuations that apply provided by the work costs scheme.

Netherlands

Tax-exempt work from home allowance limit increases

Published 28 January 2026

Effective 1 January 2026, the tax-exempt work from home allowance (*thuiswerkvergoeding*), which is annually indexed to account for general inflation or changes in commodity prices, increases from EUR 2.40 to EUR 2.45 per day.

Any amount paid above the allowance limit is considered as wages for income tax and social contribution withholding purposes. In other words, employers must deduct payroll taxes and social contributions on the amount paid in excess of the EUR 2.45 limit.

Employees under hybrid work arrangements

For employees working under a hybrid arrangement, the tax-favorable payment may be either a commuting allowance (*reiskostenvergoeding*) or work from home (WFH) allowance depending on whether the employee worked from home or commuted to work. This means that employers may not give an employee both a commuting allowance and a WFH allowance for the same day.

Underlying legislation

The indexed allowance amount is provided for by the government's Most important tax changes in 2026 ([Belangrijkste wijzigingen belastingen 2026](#)), which was published on 17 December 2025.

Thailand

New legislation enhances family-related leave entitlements, including introduction of paternity leave [Revised]

ERRATUM (7 January 2026): An earlier version of this alert incorrectly listed menstrual leave as a mandatory provision of the recently enacted Labor Protection Act (No. 9) B.E. 2568.

Although birth-related leave amendments were published in the Royal Gazette on 7 November 2025, the provision for three days of paid menstrual leave is part of a simultaneous but separate legislative proposal—the Bill on Workers' Quality of Life—which is still under parliamentary review.

Note for Employers: Although not yet a legal requirement, on 7 May 2025 the Department of Labour Protection and Welfare issued a nationwide recommendation encouraging employers to voluntarily grant up to three days of paid menstrual leave per month. Employers who have since adjusted their policies are in alignment with this government recommendation.

Published on 12 November 2025, Revised 7 January 2026

Effective 7 December 2025, amendments to the Labor Protection Act, introduce:

- Up to 120 days of maternity leave, 60 days of which are employer-paid;
- 15 days of continuous leave to care for a sick child; and
- 15 days of leave for fathers to help with a wife following childbirth.

Maternity leave entitlement increased

Maternity leave entitlement

Effective 7 December 2025, pregnant female employees are entitled to maternity leave, not exceeding 120 days per pregnancy.

Previously, pregnant female employees were entitled to 98 days of leave.

Wages during maternity leave

Employers must pay regular wages to during maternity leave for the duration of maternity leave period but not exceeding 60 days. Social security benefits can be used for remainder of the increased maternity leave entitlement.

Previously, 45 days of a maximum 98-day entitlement was employer-paid.

Leave to care for a sick child

Female employees who have already used their maternity leave entitlement are entitled to an additional 15 days of leave to care for their child in the event that the child has an illness that puts them at risk of

complications, has congenital anomalies, or a disability, by presenting a current medical certificate along with the leave request. The leave is employer-paid at 50% of the employee's regular pay.

Previously, no such leave was provided for by law.

Paternity leave

Employees are entitled to take up to 15 days of employer-paid leave to assist their spouse who has given birth. The leave must be used before or on the day of birth, and up to 90 days from the date of childbirth

Previously, legislation did not provide for paternity leave.

Employer Actions

Effective 7 December 2025, employers have new statutory leave obligations, both in terms of granting additional or new type of leave, and in terms of paying employees during additional and/or new leave entitlements.

Employers are advised to revise:

- Leave policies and procedures, and corresponding employee handbooks to reflect the enhanced leave entitlements; and
- Update employee communication materials and to inform managers and employees of the changes.

Moving forward, these new leaves should ideally be included in budgeting exercises, and staffing needs.

Underlying legislation

Labor Protection Act (No. 9) B.E. 2568 (2025) ([พระราชบัญญัติคุ้มครองแรงงาน \(ฉบับที่ ๙\) พ.ศ. ๒๕๖๘](#)) was published in the Royal Gazette on 7 November 2025.

Errata & Clarifications

The following corrections or technical clarifications apply to the following article of the November 2025 Legal Regulatory Updates: Thailand: Labor Protection Act Amendments

The article initially reported that three days of paid menstrual leave had been enacted as a mandatory requirement.

The Provisions for paid menstrual leave were not included in the Labor Protection Act (No. 9) B.E. 2568 published on 7 November 2025. Menstrual leave provisions remain part of a separate, concurrent legislative proposal—the Bill on Workers’ Quality of Life—which is currently still under parliamentary review.

Although not yet a legal mandate, on 7 May 2025 the Ministry of Labor’s Department of Labour Protection and Welfare (DLPW) issued a nationwide recommendation encouraging all employers to voluntarily grant up to three days of paid menstrual leave per month. Employers who have since adjusted their policies are in alignment with these government best-practice initiatives.

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