



Alliant Global Services

Global Knowledge Center —
Legal & Regulatory Updates

May 2025



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Contents

Australia	3
Δ ATO confirms payday superannuation contribution payment frequency as of 1 July 2026; law still pending.....	3
Δ Mileage allowance for use of a personal vehicle for business purposes increases	5
Austria.....	7
Δ Continuing education leave to replace previous educational leave and part-time education leave model, starting 2026	7
Canada.....	9
Δ Quebec to introduce new unpaid leaves and incentives for employers accommodating pregnant and breastfeeding employees.....	9
Δ Nova Scotia increases the employer-paid portion of domestic violence leave by two days.....	10
Δ Saskatchewan amends existing statutory leaves	12
Colombia	14
Δ Weekly working hours reduced by two hours, effective 15 July 2025	14
Denmark	16
Δ Bill to enhance benefits for hospitalized newborn children and to expand the scope of paid bereavement leave.....	16
France.....	18
Δ Mileage allowance for employees' use of personal vehicle remains unchanged for 2025.....	18
Netherlands.....	21
Δ Employment of individuals with illness or disability simplified and incentivized	21
Spain	24
Δ Law enhances rights of employees with disabilities	24

Taiwan	26
Δ Government to extend parental leave allowance payments by one month	26
United Arab Emirates	28
Δ MOHRE announces 2025 Eid Al-Adha Holiday dates for private sector employers	28
United Kingdom	30
Δ Most advisory fuel rates for use of company car unchanged, but decreased in a few cases.....	30
About Alliant Global	33

Australia

ATO confirms payday superannuation contribution payment frequency as of 1 July 2026; law still pending

Published 12 May 2025

On 4 May 2025, immediately following the federal re-election of the Albanese government, the Australian Taxation Office (ATO) updated its media release webpage, maintaining that: "From 1 July 2026, employers will be required to pay their employees' super at the same time as their salary and wages."

The updated webpage further states that: "Payday super is not yet law. Announced measures that are not yet law will be subject to consideration by the incoming government."

Frequency of contribution payments

Currently, employers must pay their employees' superannuation contributions on or before specified [quarterly due dates](#). The announced changes would require employers to pay their employees' superannuation contributions on their payday, starting 1 July 2026.

The measure is part of the government's commitment to strengthening the superannuation system, making it more equitable, sustainable, and provide better outcomes for all.

An increase in the frequency of superannuation contributions would not only increase members' overall retirement savings but would also simplify employers' payroll management and result in lower accumulation of financial liabilities.

However, because the change has cashflow implications, it was announced in 2023 to provide employers ample time for planning and adjusting their payroll systems and arrangements.

For employees, superannuation contributions made on their payday would simplify payment tracking and retirement savings.

Frequency of penalties

Currently, employers who fail to pay an employee's superannuation contributions in full quarterly, are subject to a [superannuation guarantee charge \(SGC\)](#).

This penalty is scheduled to start applying as of 1 July 2026 for failures to pay an employee's superannuation contributions in full on their paydays.

Past developments

On 2 May 2023, as part of the [Federal Budget 2023 – 2024](#), the government proposed that starting 1 July 2026, employers would be required to pay their employees' superannuation contribution on their payday as opposed to quarterly.

On 14 March 2025, the Albanese government released draft legislation to implement this reform for public consultations that closed 11 April 2025.

On 3 May 2025, following federal elections, the incumbent Prime Minister, Anthony Albanese, claimed a second term.

Australia

Mileage allowance for use of a personal vehicle for business purposes increases

Published 28 May 2025

Effective 1 July 2025, the maximum tax-exempt mileage allowance paid by an employer to an employee for the use of a personal vehicle for business purposes increases from currently 85 cents to AUD 0.88 per kilometer (Km), up from previously AUD 0.85 per Km.

Maximum tax-exempt allowance

The maximum tax-exempt allowance amount is the number of work-related kilometers travelled by an employee using their personal vehicle times by the per kilometer allowance set by the ATO for that income year.

Amounts paid to employees in excess of the maximum tax-exempt amount is considered as taxable income, unless the employee provides:

- Receipts for fuel and oil expenses, or a record of reasonable estimates of these expenses based on the odometer readings for the start and end of the period for which expenses are being claimed.
- Receipts for other vehicle expenses, such as registration fees, insurance premiums, lease payments, fuel, maintenance, repairs, and loan interest charges.
- Records of the purchase price of the vehicle and formula applied for vehicle depreciation claim, including the effective life and method the depreciation used.

It is worth noting that an annual maximum of 5,000 Km applies per vehicle. Evidence of the number of Kms is not required.

The mileage allowance is deemed to include all vehicle-related expenses and depreciation, e.g., registration fees, fuel, maintenance, parking, toll, and insurance.

Expenses related to a vehicle used under a salary sacrifice or novated lease arrangement cannot be counted towards a mileage allowance. In this situation the vehicle is generally leased by the employer, who typically pays most vehicle-related expenses and claims deductions from corporate income tax. The employee can however claim additional expenses such as tolls or parking costs related to work-related mileage.

Employer Actions

Starting 1 July 2025, employers must ensure that allowances paid to employees for the use of their personal vehicle for work purposes does not exceed the number of work-related kilometers travelled by an employee times AUD 0.88.

Amounts paid to employees in excess of the maximum tax-exempt amount are considered as taxable income, unless the employee can document that the actual expenses incurred exceed the maximum allowance amount.

Official source

The maximum tax-exempt amount is annually adjusted by the Australian Tax Office (ATO), [Calculating your car expense deductions and keeping records](#).

Resource

[ATO: Motor vehicles used by your employees](#)

Austria

Continuing education leave to replace previous educational leave and part-time education leave model, starting 2026

Published 19 May 2025

On 31 March 2025, employees' entitlement to apply for a continued education or a part-time education allowance from the Public Employment Service (*Arbeitslosmeldung beim Arbeitsmarktservice, AMS*) while taking educational leave expired.

On 2 April 2025, in a [press release](#) the federal government announced that the previous educational leave and part-time education leave model (*Bildungskarenz*) will be replaced with a new program called the continuing education period (*Weiterbildungszeit*), effective 1 January 2026.

This change is to create more targeted training and continuing education opportunities which are expected to be finalized by summer 2025.

Details regarding transitional arrangements between the old educational leave model and the new continuing education period model are described below.

Transitional arrangements

A transitional arrangement was established to honor educational leave agreements and already approved allowance payments prior to the March 2025 cut-off date. This includes employees who agreed to educational leave or part-time training before 28 February 2025 and will begin training no later than 31 May 2025. These employees remain entitled to their leave and cash benefits awarded for the period based on earlier regulations.

Employees can still apply for educational leave or part-time educational leave between June 2025 and January 2026, albeit without financial assistance from the government.

New continuing education provisions

The new continuing education period model aims to support employees with fewer formal qualifications and match them to training programs that support the country's labor market needs. A EUR 150 million annual government budget is foreseen for these changes.

Eligibility criteria

Employees would have to meet the following criteria to apply for the new continuing education program:

- Maintain employment with the current employer for at least one year;
- Provide a written agreement with the employer on the purpose of the training;
- Not be transitioning directly from parental leave (*Elternkarenz*);

- Enroll in a minimum of 20 hours of training per week, or 20 credits based on the European transfer system (ECTS) per semester, with reduced requirements (16 hours) for those with caregiving responsibilities; and
- Complete a mandatory consultation with the Public Employment Services (AMS) to ensure labor market relevance.

Benefit amount

Under the previous educational leave and part-time education program, employees could receive a training allowance equal to unemployment benefits, which were approximately 50% of the employee's net income, or at least EUR 14.53 per day for a minimum duration of two months and maximum of 12 months within a four-year period.

Under the new continuing education leave program, employees would receive a base allowance of EUR 32 per day, or EUR 960 per month starting in 2026. Potential changes to the duration of the paid leave under the new program, if any, have not yet been disclosed.

Resources

Presentation to the Council of Ministers ([Vortrag an den Ministerrat](#)) by the Federal Ministry of Labour, Social Affairs, Health, Care and Consumer Protection (*Bundesministerium Arbeit, Soziales, Gesundheit, Pflege und Konsumentenschutz*).

Canada

Quebec to introduce new unpaid leaves and incentives for employers accommodating pregnant and breastfeeding employees

Published 21 May 2025

On 24 April 2025, Quebec's Ministry of Labor introduced Bill No. 101 to the National Assembly of Quebec, which proposes employment-protected unpaid leave entitlements for certain employees and key occupational and health provisions.

Key provisions in Bill No. 101

Among the various provisions that are being proposed by the Bill, the most relevant include new unpaid leave and incentives for employers to accommodate pregnant and breastfeeding employees. These provisions are detailed below.

Unpaid leave entitlements

Bill No. 101 would introduce two new employment-protected unpaid leave entitlements, namely:

- A leave due to a public health decision, disaster, or similar emergency that would prevent an employee from performing their duties and responsibilities; and
- A reservists leave for employees with at least three months of continuous service.

Pregnancy and breastfeeding-related wage compensation

If passed, Bill 101 would allow employers to claim reimbursement from the *Commission des normes, de l'équité, de la santé et de la sécurité du travail* (CNESST) – the provincial government agency responsible for enforcing labor standards, ensuring pay equity, and promoting workplace health and safety – for part of the wages paid to pregnant or breastfeeding employees when they are reassigned to alternative duties.

Underlying legislation

The changes would be introduced by [Bill No. 101, An Act to improve certain labour laws](#), which was submitted by the Ministry of Labor to the National Assembly of Quebec on 24 April 2025, and is pending parliamentary approval.

Canada

Nova Scotia increases the employer-paid portion of domestic violence leave by two days

Published 2 May 2025

Effective 1 April 2025, two additional days of employer-paid leave will be added to the existing three days of paid domestic violence leave.

Employees with at least three months of service who experience domestic violence, or whose child, step-child, foster child, or child under their legal guardianship (under the age of 18 years) experiences domestic violence remains entitled to 16 continuous weeks of unpaid leave, plus 10 continuous or intermittent days of employment-protected domestic violence leave, and up to five employer-paid days of leave (as of 1 April 2025).

Under Article 60Y of the Nova Scotia [Labour Standards Code](#), domestic violence is an act or threat of abuse that may be physical, sexual, emotional or psychological. It may include coercion, stalking, harassment, or financial control.

Employer actions

Employers must grant and pay for five days of domestic violence leave to eligible employees, up from previously three days of paid leave.

Employees' existing entitlements to unpaid leave for domestic violence remain unchanged.

Employers are advised to:

- Revise their internal leave policies, procedures and related practices to reflect the increase in the number of employer-paid domestic violence leave days;
- Inform line managers of the change in eligible employee entitlement;
- Update their employee communication materials to ensure that employees are informed of their rights, and of resources at their disposal in case domestic violence incidents; and
- Ensure that employees are aware of resources for women experiencing abuse (See Resources section below).

Underlying legislation

The increase in the number of employer-paid days of domestic violence leave was initially proposed by [Bill 483 - An Act to Amend Chapter 246 of the Revised Statutes, 1989, the Labour Standards Code, to Provide Paid Leave for Events of Domestic Violence and Other Emergencies](#), and later confirmed by a government decision announced in a [News Release](#) of 19 February 2025.

Resources

- Nova Scotia Department of Labour, Skills and Immigration - [Domestic Violence Leave](#)
- [Making Change: A book for women experiencing intimate partner abuse](#), published by Communications Nova Scotia

Canada

Saskatchewan amends existing statutory leaves

Published 28 May 2025

Effective on dates to be confirmed by an Order of the Lieutenant Governor in Council, new legislation in Saskatchewan extends sick leave, maternity leave, and interpersonal violence leave; and expands the scope of application of statutory bereavement leave.

Key amendments

Among the various amendments, the most notable include an extension of the duration of several statutory leaves and the expansion of the scope of bereavement leave. These are detailed below.

Sick leave extended

Employment-protected sick leave will increase from 12 weeks to 27 weeks. This change will allow employees to receive their federal Employment Insurance (EI) sick leave benefits which are paid over a maximum period of 26 weeks.

Miscarriage and stillbirth leave extended

An employee's entitlement to unpaid employment-protected miscarriage and stillbirth leave will remain unchanged and be the same as maternity leave, provided the employee experiences the pregnancy loss up to 20 weeks before the estimated due date, as opposed to previously 13 weeks prior to the expected due date.

Interpersonal violence leave

In addition to the currently existing interpersonal violence leave of 10 days, of which five days are employer-paid, the new legislation introduces a new long-term unpaid leave of up to 16 weeks for employees who experience interpersonal or sexual violence.

The new unpaid leave entitlement could be used for services such as medical care, counseling, victim services, relocation, or legal assistance, and must be taken all at once within a 52-week period.

Bereavement leave

The new legislation will increase unpaid employment-protected bereavement leave from currently one week to six months after the death of a family member.

The scope of application of this leave will also be expanded to include bereavement for the loss of a pregnancy by the employee, the employee's immediate family member, or any other individual if the employee would have been a parent to the child.

Employer Actions

Upon entry into effect of the new statutory provisions, all employers must comply with the new statutory provisions.

Employers would be well advised to:

- Ensure that workplace leave policies and, if needed, employment agreements are revised to reflect the amendments; and
- Prepare employee communication materials announcing the changes to leave policies.

Some of the amendments may have budget and temporary staffing implications, for which employers would need to be prepared.

Underlying legislation

The changes were introduced by [Bill No. 5, *An Act to amend The Saskatchewan Employment Act*](#), which received Royal Assent on 13 May 2025, and will go into effect by an Order of the Lieutenant Governor in Council later in 2025.

Colombia

Weekly working hours reduced by two hours, effective 15 July 2025

Published 9 May 2025

Effective 15 July 2025, all employers must ensure that their employees' work hours do not exceed 44 hours per week. This change reduces the maximum weekly working hours from 46 hours to 44 hours, as part of a gradual approach to reduce the total number of working hours to 42 hours per week.

This phased implementation came into effect on 15 July 2023 and will continue on an annual basis through 15 July 2026, as provided for by Law 2101 of 2021 (see underlying legislation section below).

This is the third phase of the gradual reduction of maximum working hours from 48 hours to 42 hours a week.

Key provisions

Key provisions of Law 2101 of 2021 are as follows:

- Employee entitlements are not impacted by the reduction in the maximum statutory weekly working time. In other words, employee pay should not be reduced.
- The maximum statutory weekly working time can be spread over five or six days.
- The employer and the employee may mutually agree on a temporary or permanent basis to successive work shifts that do not exceed six hours a day and a total of 36 hours per week, without requiring night work surcharge payments, or additional work for the employee.
- The employer and the employee may mutually agree on flexible working hours of a minimum of four hours per day and a maximum of nine hours per day (previously 10 hours) without payment of overtime, provided the total number of hours does not exceed 44 per week.

An ordinary employer may under no circumstances schedule two work shifts on the same day for an employee. Exceptions only apply to management.

Phased implementation schedule

The objective of Law 2101 of 2021 is to gradually reduce employees' weekly working hours from 48 hours to 42 hours per week over a four-year period, without reducing their pay or affecting other acquired rights and employment guarantees.

The implementation timeline and maximum statutory weekly working hours are indicated in the table below.

Effective Date	Maximum Weekly Hours
15 July 2023	47 hours
15 July 2024	46 hours

Effective Date	Maximum Weekly Hours
15 July 2025	44 hours
15 July 2026	42 hours

The above weekly working hours may be distributed, by mutual agreement, between employer and employee over five or six days per week, always guaranteeing one day off.

Exceptions apply

Exceptions may apply if the employee's tasks are especially unhealthy or dangerous, and the government orders the reduction of the working day; or in the case of working adolescents over 17 years of age who may only work a maximum of eight hours a day and 40 hours a week, and until 8:00 P.M.

Employer Actions

Effective 15 July 2025, all employers must ensure that their employees' work hours do not exceed 44 hours per week.

Employee entitlements should not be affected by the reduction in the maximum statutory working time per week. Most importantly, employee pay should not be reduced.

Employers should be prepared to address any potential impacts of the reduction in working hours on business continuity. In certain cases, such as mutually agreed flexible work, employment agreements may need to be revised.

Employers would be well advised to prepare employee communication materials announcing the reduction in maximum weekly work hours.

Underlying legislation

The phased reduction in working time was introduced in Law 2101, which gradually reduces the number of maximum weekly working hours without a reduction in workers' salaries and other provisions ([Ley 2101 de 2021 por medio de la cual se reduce la jornada laboral semanal de manera gradual, sin disminuir el salario de los trabajadores y se dictan otras disposiciones](#)). The law was published in the Official Journal (*Diario Oficial*) on 15 July 2021.

Denmark

Bill to enhance benefits for hospitalized newborn children and to expand the scope of paid bereavement leave

Published 19 May 2025

On 9 May 2025, Bill L 207 received a first parliamentary reading. The provisions of the Bill aim to improve leave and related social allowance benefits for parents with a hospitalized newborn or newly adopted child, and to extend the scope of entitlement to unemployment benefits during bereavement leave.

The Bill would implement two family-related benefit initiatives that were among the numerous provisions of the 2025 Finance Act.

The proposed entitlement to leave and social benefits are intended to provide greater security for parents who have lost a child or have newborns who have been hospitalized or sent home from the hospital for treatment at home.

Key provisions of the Bill

Paid leave for hospitalized newborns

Bill L 207 proposes to extend entitlement to parental leave and to social benefits paid during parental leave from a total of three months (14 weeks) to 12 months for each parent for a hospitalized newborn child. In addition, the so-called early home care (*tidligt hjemmeophold*), with the newborn's medical treatment being provided at home would be considered as equivalent to being hospitalized.

The benefits for parents of hospitalized children provided for by the Bill are intended to come into effect 1 January 2026 and would apply to parents of children born or placed for adoption on or after 1 January 2026.

Expanded scope of paid bereavement leave

Bill L 207 proposes that the current unemployment benefits that are paid during bereavement leave be extended to parents who lose a child after having received lost earnings benefits for caring for a sick child for over two years. The provision would imply that when calculating the employment eligibility criteria for receiving unemployment benefits during bereavement leave, the periods during which the parent received lost employment and hence earnings can be disregarded.

The proposal to extend the right to unemployment benefits during parental leave is proposed to come into effect on 1 July 2025. This means that the change would apply to parents who begin a period of parental leave on or after 1 July 2025.

Legislative process

The Bill is to be considered in the current parliamentary year, as in the 2025 Finance Act Agreement it is assumed that parents' extended right to unemployment benefits during parental leave should be ensured, starting 1 July 2025.

Prior to becoming Law, a second and third parliamentary reading of the Bill will take place on 3 June 2025 and 11 June 2025, respectively.

Underlying legislation

The changes are proposed by L 207 Proposal for an Act amending the Maternity Leave Act ([L 207 Forslag til lov om ændring af barselsloven](#)).

France

Mileage allowance for employees' use of personal vehicle remains unchanged for 2025

Published 14 May 2025

On 15 April 2025, in a [press release](#), the government confirmed that the flat-rate tax-exempt employer-paid mileage allowance (*barèmes kilométriques*) for employees' use of various personal vehicles for commuting to work and business purposes (including business travel), will remain unchanged in 2025. The mileage allowance was last changed in 2023 by an increase of 5.4% and will be maintained at the same level for the third consecutive year.

Payments by the employer are possible in cases where an employee uses their personal vehicle for commuting or for business purposes. For this, employers can use the annually adjusted flat-rate mileage allowance set by the tax administration.

Employer flat-rate reimbursements up to the government-set allowance limits are exempt from income tax and from both employer and employee social contributions, provided that the actual expenses incurred by an employee can be justified as being professional in nature.

Collective bargaining agreements (CBA) may specify flat-rate allowance limits that differ from those set by tax authorities.

For purposes of flat-rate mileage allowance, the General Directorate of Public Finance distinguishes between three categories of vehicles, namely, automobiles, motorcycles, and motorized two-wheelers other than motorcycles. The applicable tax-exempt allowance limits are detailed below.

Flat-rate mileage allowance for automobiles

The flat-rate allowance applicable to each case is determined based on three distance-travelled bands and five vehicle categories which depend on the vehicles horsepower (HP).

The table below presents the applicable flat-rate allowance limits effective 15 April 2025, where the letter 'd' stands for the distance travelled annually in kilometers (km) by the employee for commuting or for business purposes. A 20% increase in the tax-exempt allowance applies to any electric vehicle.

VEHICLE HP	UP TO 5,000 KM	5,001 TO 20,000 KM	> 20,000 KM
3 HP or less	$d \times 0.529$	$(d \times (0.316) + 1065)$	$d \times 0.370$
4 HP	$d \times 0.606$	$(d \times 0.340) + 1330$	$d \times 0.407$
5 HP	$d \times 0.636$	$(d \times 0.357) + 1395$	$d \times 0.427$
6 HP	$d \times 0.665$	$(d \times 0.374) + 1457$	$d \times 0.447$
7 HP or higher	$d \times 0.697$	$(d \times 0.394) + 1515$	$d \times 0.470$

Flat-rate allowance for two-wheeled vehicles

The Traffic Code recognizes two types of two-wheeled vehicles, namely:

- Motorcycles, and
- Scooters or mopeds

The flat-rate allowance applicable to each depends on their engine capacity, and on the distance annually travelled for commuting or for business purposes. These are detailed in the sections below.

Note that in all cases a 20% increase in the allowance applies for electric vehicles (i.e., cars, motorcycles, and mopeds).

Flat-rate mileage allowance for motorcycles

The flat-rate allowance applicable to each case is determined based on three distance-travelled bands and three categories of motorcycles depending on their HP.

The table below presents the applicable flat-rate allowances for the use of private motorcycles for commuting or business purposes, effective 15 April 2025.

Motorcycles	Up to 3,000 km	3,001 to 6,000 km	> 6,000 km
1 or 2 HP	$d \times 0.395$	$(d \times 0.099) + 891$	$d \times 0.248$
3.4. and 5 HP	$d \times 0.468$	$(d \times 0.082) + 1158$	$d \times 0.275$
> 5 HP	$d \times 0.606$	$(d \times 0.079) + 183$	$d \times 0.343$

Flat-rate mileage allowance for scooters or mopeds

The following flat-rate mileage allowance applies for scooters or mopeds (*cyclomoteurs*) with an engine that has a cylinder capacity (cc) of 50 cubic centimeters or less, provided it is an internal combustion engine. For other engines, the flat-rate mileage allowances in the table below apply if their maximum net power does not exceed four kilowatts (kw).

Two-wheeler Type	Up to 3,000 km	3,001 to 6,000 km	> 6,000 km
Scooter up to 50	$D \times 0.315$	$(D \times 0.079) + 711$	$D \times 0.198$

Expenses covered by the flat-rate mileage allowance

Employer-paid flat-rate allowances for the use of a personal vehicle for commuting to work or for business purposes are deemed to cover an employee's expenses related to:

- Vehicle depreciation during the year
- Vehicle repair and maintenance
- Tires or wheels
- Fuel consumption
- Vehicle insurance premiums

The following expenses may also be included, provided the expenses are justified:

- Vehicle loan interest
- Toll fees
- Parking fees

Employer actions to consider

Employers reimbursing employees for the use of their private vehicle for commuting or business purposes must be able to verify the professional nature of these expenses. Expense reimbursements to employees up to the flat-rate allowance limits set by tax authorities are income tax and social contribution exempt only if they are justifiable as business-related expenses.

Employers are reminded that they must consult applicable CBAs, as these are periodically renegotiated and may specify flat-rate allowance limits that differ from those set by tax authorities.

Underlying legislation

The unchanged applicable tax-exempt mileage allowance limits were last set by the Decree of 27 March 2023 setting the flat-rate allowance for the assessment of travel expenses relating to the use of a vehicle by workers and employees who opt for the tax-deductibility of actual expenses ([Arrêté du 27 mars 2023 fixant le barème forfaitaire permettant l'évaluation des frais de déplacement relatifs à l'utilisation d'un véhicule par les bénéficiaires de traitements et salaires optant pour le régime des frais réels déductibles](#)), which was published in the Official Journal (*Journal officiel de la République française. JORF*) on 7 April 2023.

Useful resources

- Ministry of Finance: Professional Expenses, Taxes 2025 ([Frais professionnels. Impôts 2025](#))
- Ministry of Finance: 2024 Income declaration, Practical brochure 2025 ([Déclaration des revenus 2024 Brochure pratique 2025](#))
- [Mileage cost simulator](#) – Calculate mileage costs based on vehicle use.

Netherlands

Employment of individuals with illness or disability simplified and incentivized

Published 10 May 2025

According to the provisions of the Jobs Agreement Act (*Wet banenafpraak*) which was published in the Official Journal on 9 May 2025, all employers who employ individuals with illness or disability will receive a permanent wage subsidy of EUR 5,000 per recruitment (i.e., the wage subsidy will no longer be timebound).

The effective date of the provisions of the Jobs Agreement Act remains to be confirmed by Royal Decree but is intended to be 1 January 2026.

Additionally, employers who exceed recruitment quotas agreed at sector level are rewarded with a higher wage subsidization.

The Senate passed the proposal as a gavel piece (*Hamerstuk*) on 22 April 2025, meaning it was passed without a vote, and no more parliamentary debates may be held. The House of Representatives passed the proposal on 11 February 2025.

Context and key measures of the Act

On 17 October 2023, the Ministry of Poverty Policy, Participation and Pension submitted the proposed Act to simplify the Jobs Deal and the Quota Program for individuals with disabilities (referred to as the proposed Job Agreement Act) to the House of Representatives.

The Jobs Deal (*Banenafpraak*) was concluded in 2013 between the government and representatives of employers and employees to ensure that individuals who cannot earn the minimum wage independently can still be employed by ordinary employers incentivized by a government wage subsidy. The Jobs Deal set the objective of creating 125,000 additional jobs for individuals with an illness or disability between 2013 and 2026.

The Act simplifies the Jobs Deal implementation and facilitates compliance with the existing quota system (*quotumregeling*), by:

- Introducing permanent wage subsidization for individuals with illness or disability;
- Incentivizing employers' compliance with the quota system agreement;
- Eliminating the target group declaration requirement – an administrative simplification measure; and
- Eliminating the distinction between the private and public sector nature of the employer in meeting set recruitment targets.

Wage subsidization

Previously, under the provisions of the Jobs Deal, upon employment of an individual with an illness or disability lasting more than six months, the employer became entitled to a wage subsidy of up to EUR 2,000 per employee per year, for up to three years.

The new legislation maintains a wage subsidization for the entire duration of employment of an individual with an illness or disability. In other words, the subsidization is no longer timebound.

Additionally, the wage subsidy amount is increased to EUR 5,000 per qualified employee recruited for an average of 25.5 hours per week. This increased subsidy amount is prorated for qualified employees hired to work fewer hours per week.

Note that employers who exceed the annually agreed sectoral employment quotas are rewarded with a higher wage subsidization – an employer performance bonus.

Employer performance bonus

The 2013 Jobs Deal included an employment quota system that came into effect in 2018 for the public sector, and in 2020 for the private sector. The employment quotas are set annually through consultations between social partners, employer organizations, and municipalities.

When employers fail to meet the annually agreed employment quota, they become subject to sanctions in the form of fees. As indicated above, private sector quota compliance monitoring is carried out at sector level. These sector-level arrangements remain unchanged.

However, the quota system is enhanced by the introduction of an employer incentive in the form of an employer performance bonus. High performers, i.e., employers who exceed the annually agreed sectoral employment quotas are rewarded with a higher wage subsidization.

Target group declaration

The Act reduces the administrative burden on employers and employees, who no longer have to request a special statement from the Employee Insurance Agency (*Uitvoeringsinstituut Werknemersverzekeringen, UWV*) to receive subsidies covering the employer's wage expenses corresponding to the recruitment of individuals with illness or disability.

Type of employer

According to the provisions of the 2013 Jobs Deal, both the private and public sectors must each provide for additional employment of individuals with an illness or disability.

Previously, the private sector had to provide 100,000 jobs, and the public sector 25,000 jobs.

These numbers are phased over the years of implementation of the Jobs Deal. Monitoring of whether the set objectives have been met is carried out at sector level, not at employer level in the private sector.

Under the provisions of the Jobs Agreement Act the distinction between a public or a private employer no longer matters, provided the agreed public sector number of jobs to be added is met. Beyond that point, the

sole objective is to increase the labor force participation of individuals with an illness or disability, and the distinction between private and public sector employer is now irrelevant.

Underlying legislation

Law of 23 April 2025 simplifying the Jobs Deal and the Quota Program for individuals with disabilities (Job Agreement Act) ([*Wet van 23 april 2025, houdende vereenvoudiging van de banenafpraak en de quotumregeling voor mensen met een arbeidsbeperking \(Wet banenafpraak\)*](#)), which was published in the Official Journal (*Staadblad*) on 9 May 2025.

Spain

Law enhances rights of employees with disabilities

Published 8 May 2025

Effective 1 May 2025, new legislation makes significant changes to the rights of employees with disabilities, stressing employers' obligation to make reasonable workplace adjustments prior to considering the termination of an employment agreement.

The new law aligns the provisions of the Workers' Statute ([Estatuto de los Trabajadores](#)) with those of the European Council (EC) Directive 2000/78, of 27 November 2000, and would be in accordance with the European Court of Justice (ECJ) ruling C- 631/2022 of 18 January 2024.

As a reminder, the EC Directive 2000/78, spells out criteria for determining if any necessary adjustments would be considered excessively costly for the employer. Considerations include whether government assistance or subsidies can partially or fully offset an employer's expenses, as well as the expenses in comparison to the size of the employer.

Key enhancements to the rights of employees with disabilities

The original wording of the Workers' Statute considered a permanent severe disability as a just reason for termination, without requiring the employer to assess possibilities of making any reasonable adjustments to accommodate each case. In other words, legislation provided for automatic termination due to severe, absolute, or total permanent disability.

The new legislation amends Article 49.1.e of the Workers' Statute, eliminating reference to automatic termination due to severe permanent disability (total or absolute) of the employee, leaving only termination due to death of the employee.

The law adds a new paragraph "n" to Article 49.1 of the Workers' Statute to spell out the conditions that allow a termination of an employment agreement, and employees to request reasonable, necessary, and appropriate adaptations of their current position; or when this is not possible, a transfer to another open position that matches their professional profile and new circumstances.

Automatic termination of an employment agreement due to severe, absolute, or total permanent disability is only possible if:

- Reasonable adjustments cannot be made by the employer, i.e., adjustments would entail excessive burden;
- A compatible vacant position does not exist; or
- The employee refuses a proposed new position.

Furthermore, Article 48.2 of the Workers' Statute recognizes employment-protected suspension of employment for up to two years following the declaration of a permanent disability.

Employer Actions

Effective 1 May 2025, employers must make reasonable workplace adjustments prior to considering the termination of an employment agreement.

Additionally, the termination of an employee due to severe, absolute, or total permanent disability is only possible if reasonable adjustments cannot be made and there is no suitable open position the employee, or the employee refuses a new position.

Underlying legislation

The changes were introduced by Law 2/2025, of April 29, amending the consolidated text of the Workers' Statute Law, approved by Royal Legislative Decree 2/2015, of October 23, regarding the termination of employment contracts due to permanent disability of workers, and the consolidated text of the General Social Security Law, approved by Royal Legislative Decree 8/2015, of October 30, regarding permanent disability ([Ley 2/2025, de 29 de abril, por la que se modifican el texto refundido de la Ley del Estatuto de los Trabajadores, aprobado por el Real Decreto Legislativo 2/2015, de 23 de octubre, en materia de extinción del contrato de trabajo por incapacidad permanente de las personas trabajadoras, y el texto refundido de la Ley General de la Seguridad Social, aprobado por el Real Decreto Legislativo 8/2015, de 30 de octubre, en materia de incapacidad permanente](#)), which was published in the Official Journal (*Boletín Oficial del Estado, BOE*) on 30 April 2025.

Resources

- [Council Directive 2000/78/EC, of 27 November 2000, establishing a general framework for equal treatment in employment and occupation](#)
- [ECJ ruling C- 631/2022 of 18 January 2024](#)

Taiwan

Government to extend parental leave allowance payments by one month

Published 15 May 2025

On 5 March 2025, the Ministry of Labor announced it is considering amending the [Employment Insurance Act](#) to increase parental leave allowances, for both mothers and fathers, from six months to seven months. The proposed amendment is still under review and would not be in effect until 2026 at the earliest.

If approved, the amendment would entitle an insured employee on parental leave to a monthly parental leave allowance for a maximum of seven months, according to Article 19-2 of the [Employment Insurance Act](#).

In cases where the insured employee has more than two children at the same time, the proposed one-month additional allowance would only be granted to one child, given that no other changes are introduced in the amendment.

The proposed amendment would also require both parents to have received the government allowance for six months before they can receive an additional month's allowance.

Key parental leave allowance provisions

The Employment Insurance Parental Leave Allowance was introduced in May 2009 to reduce financial pressure for parents of newborns and promote equal involvement in child-rearing.

Eligibility criteria

Employees must meet the following criteria to be eligible for parental leave allowance:

- Have at least one year of employment insurance contributions;
- Have children under three years of age; and
- Be on parental leave without pay as stipulated in Article 16 of the [Gender Equality in Employment Act](#), which *inter alia* states that employees may apply for parental leave without pay after being in service for six months.

Benefit amount

According to Article 19-2 of the Employment Insurance Act, the parental leave allowance is equal to 60% of the employee's average monthly salary calculated over the six months prior to the start of their parental leave.

Since July 2021, the government has provided an additional 20% subsidy, granting a total allowance amount of 80% of the employee's average monthly salary. The government subsidy is combined and paid to eligible employees without requiring an additional application.

Currently, the parental leave allowance is paid monthly for up to six months per child. In cases of multiple births, the allowance is paid for one child. If approved, the amendment would increase the maximum duration of allowance payments to seven months.

United Arab Emirates

MOHRE announces 2025 Eid Al-Adha Holiday dates for private sector employers

Published 29 May 2025

On 29 May 2025, following the confirmed sighting of the crescent moon and the ensuing cabinet decision, the Ministry of Human Resources and Emiratization (MOHRE) announced that Thursday, 5 June 2025 to Sunday, 8 June 2025 will be an official employer-paid holiday for all private sector employees across the UAE in the occasion of Arafat Day and Eid Al-Adha.

According to the [UAE Federal Law No. 33 of 2021](#), employers must observe statutory paid holidays. Most UAE statutory holidays are religious holidays, and their dates are based on sightings of the moon, prior to being confirmed by the government.

In the UAE, statutory holidays and their duration are announced annually by the Cabinet.

Mandatory provisions related to public holidays

Employers are required to observe all statutory holidays and are not authorized to make payments in lieu of holidays or to replace them with compensatory time off.

According to Article 29 of the UAE Federal Decree-Law No. 33 of 2021, employees are entitled to full pay on officially declared public holidays, including Eid Al Adha.

However, if an employee is required to work on a statutory holiday, the employer must either pay the employee at 1.5 times their basic wage (i.e., a 50% increase) or grant them a rest day off in compensation. (Article 28 of the Federal Law No. 33 of 2021).

Holidays that fall on non-working days

According to [Cabinet Resolution No. 27 of 2024 Concerning the Public Holidays in the State](#) [In Arabic] with the exception of Eid Al Fitr and Eid Al Adha, when the date of a public holiday overlaps with a non-working day (e.g. weekend), the employer is not required to grant a compensatory paid day off.

Employer Actions

Employers are required to observe Thursday, 5 June 2025 through Sunday, 8 June 2025 as an official employer-paid holiday.

Employers are advised to inform their employees of the announced holiday dates.

Payments in lieu of public holidays or compensatory time off in lieu of public holidays are not authorized.

However, if in the even an employee is required to work any of the announced dates, they are entitled to 1.5 times their basic wage, or to compensatory time off.

Official Source

The Ministry of Human Resources and Emiratization (MoHRE) [Press Release: Eid Al-Adha Holiday Announced for Private Sector from 5 June to 8 June.](#)

United Kingdom

Most advisory fuel rates for use of company car unchanged, but decreased in a few cases

Published 26 May 2025

On 22 May 2025, the UK government updated its [Guidance on Advisory Fuel Rates](#). Accordingly, effective 1 June 2025, advisory fuel rates applicable to employees using a company vehicle remain unchanged for most cases, and increased rates apply in three cases.

Advisory fuel rates are recommended tax-effective limits set by the Revenue and Customs authorities (HMRC) for reimbursements of fuel expenses to be used by employers that provide company vehicles to their employees.

Advisory fuel rates can only be used by employers in two instances, namely:

- When employers reimburse employees' fuel expenses for business-related use of a company vehicle, and
- When employees reimburse employers for using a company vehicle for private purposes.

Advisory fuel rates are on a per-mile basis, and periodically adjusted based on market fuel costs.

New advisory fuel rates

Gas, LPG, or Diesel-fueled advisory rates depend on the vehicles engine size, measured in cubic centimeters (cc).

Advisory rates for Gas and LPG-fueled vehicles

The new rates applicable as of 1 March 2025 for Gas and LPG-fueled vehicles are presented in the table below.

Engine Size	Gas (pence per mile)	LPG
1400 cc or less	12 pence (unchanged)	11 pence (unchanged)
1401 cc to 2000 cc	14 pence (down from 15)	13 pence (unchanged)
Over 2000 cc	22 pence (down from 23)	21 pence (unchanged)

Advisory rates for diesel-fueled vehicles

The new rates applicable as of 1 March 2025 for diesel-fueled vehicles are presented in the table below.

Engine Size	Diesel (pence per mile)
1600 cc or less	11 pence (down from 12)
1601 cc to 2000 cc	13 pence (unchanged)
Over 2000 cc	17 pence (unchanged)

Advisory rate for electric vehicles (EV)

As of 1 March 2025, the advisory fuel rate for electric vehicles are 7 pence per mile (unchanged). When rates change, the previous rates may be used for up to one month from the date any new rates apply.

Hybrid cars are treated as either petrol or diesel cars for advisory fuel rates.

Employer reimbursement business travel fuel expenses

When an employee pays for a company vehicle's fuel for work-related driving, the employer must reimburse the employee for the expenses. Employer reimbursements, up to the advisory fuel rate, are exempt from income tax and National Insurance (NI) contributions and deductible from corporate revenues as a business expense.

In cases where a company vehicle is not fuel-efficient, and where employees must be reimbursed at a rate that is higher than the advisory fuel rate, the employer must be able to demonstrate that the vehicle entails a higher per mile fuel consumption. Otherwise, the amounts reimbursed in excess of the applicable advisory fuel rate will become subject to income tax for the employee, to NI contributions for both employees and employers, and considered as taxable profit for the employer, i.e., not a deductible expense.

Employees reimbursements fuel used for private travel

When an employee uses a company vehicle with fuel paid for by the employer for private purposes, they must either reimburse the employer for the fuel or have the private use of the company vehicle considered as an employee benefit, and hence subject to income tax and NI contributions.

In order for the use of a company vehicle for private purposes not to be considered as a benefit, an employee must keep a log of miles driven for private purposes and reimburse the employer based on the applicable advisory fuel rate or higher (if the vehicle is not fuel-efficient).

Use of the advisory fuel rates is not required when an employer can demonstrate that the employee has fully covered private travel miles at a lower rate.

Employer actions to consider

With only some advisory fuel rates being decreased, employers offering company vehicles to their employees may inadvertently subject themselves or their employees to unintended taxes and NI contributions based on previously applicable advisory fuel rates.

To avoid undesired tax and NI contribution implications stemming from these changes. And errors when reclaiming value added tax (VAT), employers should ensure that all relevant departments or service providers (e.g., payroll, benefits, finance) are informed of the changes.

Employers may also wish to inform their employees of the new tax-effective limits for vehicle fuel expense reimbursements.

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