Alliant Global Services

Global Knowledge Center — Legal & Regulatory Updates

March 2026

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Argentina

Labor Modernization Law amends annual leave and overtime work

Published 10 March 2026

Effective 6 March 2026, labor modernization legislation introduced amendments to annual leave and working time.

Annual leave amendments include modifications to the leave period, providing notice, splitting the leave, summer leave requirements, and the treatment of illness during leave.

Amendments to working time include mutual agreement to paid time off in lieu of overtime pay, an expansion of reduced working time arrangements, and exceptions from working time limits.

These changes are further detailed below.

Annual leave

The changes include a reduced notice period for requesting annual leave (*vacaciones anuales*), splitting of total entitlement, treatment of illness occurring during leave, and more. See details below.

Leave period

Leave may be taken outside the standard period between 1 October and 30 April when agreed between the employer and the employee; previously, leave was required to be granted within that statutory period, subject to limited exceptions.

Notice period

Employers must provide at least 30 days' notice of leave, down from previously at least 45 days' notice.

Split leave

Leave may be taken in periods of at least seven days when there is mutual agreement, in contrast to previous requirements that leave be taken in one continuous period, except where division was expressly permitted.

Summer leave requirement

Employees must take leave during the standard summer period at least once every three years where leave is not granted collectively; previously, no statutory requirement imposed a minimum frequency for leave during that period.

Illness during leave

Where an employee becomes ill during a period of annual leave, the days affected by illness may be rescheduled; previously, the law did not expressly regulate the effect of illness occurring during annual leave.

Working time

The legislation introduces the concept of banking worked hours, expands reduced working time arrangements, and expands the scope of those excluded from working time limits.

Overtime

The Law introduces a voluntary system where employees accumulate overtime hours and earn paid time off in lieu of pay, provided there is mutual agreement between the employer and employee.

Previously, overtime work had to be paid at statutory rates and could not be replaced with time off.

Reduced working hours

The scope for reduced working hours (*reducción de jornada*) is expanded by allowing such arrangements to be agreed not only as provided by law or collective bargaining agreements (CBA), but also in individual employment contracts, and by permitting working time to be calculated on an average basis with the use of hour-bank balances.

Previously, reduced working time arrangements were generally limited to cases expressly provided by law or CBAs and did not include a general framework for averaging working time or the use of hour banks.

Exclusion from working time limits

Managerial and supervisory staff are excluded from working time limits; previously, the exclusion of such employees had been interpreted more narrowly following changes introduced in 2010, with only employees exercising a high degree of autonomy or managerial authority generally considered outside the scope of working time limits.

Employer Actions

Effective 6 March 2026, employers must adhere to amended annual leave rules, including the possibility to

- Agree on annual leave timing outside the statutory period;
- Provide at least 30 days' notice when scheduling leave;
- Split the full leave entitlement; and
- Allow summer leave scheduling.

Effective 6 March 2026, employers should also:

- Consider implementing systems for managing overtime by providing paid time off in lieu of pay; and
- Review classification of managerial and supervisory roles for the purposes of working time limits.

Employers should consider:

- Reviewing internal policies and agreements to ensure alignment with the updated framework;
- Assessing workforce planning practices to accommodate more flexible leave and working time arrangements; and
- Informing employees of their new entitlements, e.g., requirements for requesting annual leave, option to split annual leave, sickness during annual leave, and paid time off in lieu of overtime pay.

Underlying legislation

The changes were introduced by Law 27,802, Labor Modernization Bill (*Ley 27802, Ley de Modernización Laboral*), which was published in the Official Gazette (*Boletín Oficial*) on 6 March 2026.

Argentina

New Labor Assistance Fund and employer contributions cover severance pay

Published 10 March 2026

Effective 1 June 2026, the Labor Assistance Fund (*Fondo de Asistencia Laboral, FAL*), which allows employers to cover employees' severance payments funded by mandatory monthly employer contributions will be introduced.

The effective date may be extended by up to six months via government implementation regulations.

Details regarding the fund, including employer FAL account and contributions, employee eligibility for severance payments, rules governing the use of FAL account resources, and payment processing are summarized below.

Labor Assistance Fund

Each employer must establish an account as a separate, earmarked, independent, inalienable, and unattachable trust fund in one of the funds administered by an entity authorized for this purpose by the National Securities Commission (*Comisión Nacional de Valores*).

Employer contributions

Employers are required to make monthly contributions to the fund through the Customs Collection and Control Agency (*Agencia de Recaudación y Control Aduanero, ARCA*).

Contribution rates vary based on employer size, as follows:

- 1% of the total payroll for large enterprises; and
- 2.5% of the total payroll for micro-enterprises (MSE), and small- and medium-sized enterprises (SME).

The government may increase the contribution rates by up to 1.5% of payroll for large enterprises and up to 3% of payroll for MSEs and SMEs.

The criteria for classifying MSEs, SMEs, and large enterprises are established and updated regularly by the Secretariat for Entrepreneurs and Small and Medium-Sized Enterprises. The following characteristics are generally considered to categorize and register MSEs, SMEs, and large enterprises:

- Activity and activity sector;
- Number of employees; and
- Total annual sales based on sector.

Employee eligibility

Terminated employees may receive payments from the employer's FAL account if they have been on their employer's payroll for at least 12 months prior to their termination date.

Use of fund resources

The resources accumulated in the employer's FAL account can be used to fulfill obligations and cover payments to which eligible employees are entitled in any of the following circumstances:

- Termination before the expiry of a fixed-term employment contract;
- If an employee is unable to perform their duties due to injury or illness, the employer must assign alternative tasks that can be performed without reduction in remuneration, or provide compensation in lieu if this is not possible;
- Substitute compensation for not providing or giving insufficient notice of termination;
- Termination of employment by mutual agreement;
- Termination without just cause, whether or not prior notice was given, and the probationary period has elapsed;
- Termination of employment by the employee based on just cause;
- Termination of employment due to force majeure or lack or reduction of work;
- Termination of employment due to the death of the employee;
- Termination of employment due to expiration of the employment contract; and
- Termination of the employment contract due to physical or mental incapacity of the employee.

Any payable amount that exceeds the balance available in the employer's account is the responsibility of the employer. The lack of or insufficiency of funds in the account does not limit, reduce, or alter the employer's obligation to provide severance pay in full.

Employers may choose to use resources from their FAL account for the total or partial severance payment owed to the employee.

Employers or the designated account management entity will be sanctioned with a fine of up to twice the amount of the contributions made to the FAL, plus accrued interest up to the date of the fine, if fund resources are used for purposes other than those provided for by the Law.

Processing payments

Payments that are agreed to be made using the resources in the employer's account must be processed with the managing entity by submitting a statement containing the following:

- Name and last name of the employee;
- Employee's unique Labor Identification Code (*Código Único de Identificación Laboral, CUIL*);
- Employee's bank account details;
- Date and cause of termination;
- Settlement details carried out;
- Amount to be transferred; and
- Other details that may be established by supplementary regulations.

The managing entity must verify compliance with the requirements and transfer the payment to the employee within a maximum of five business days.

Employer Actions

Effective 1 June 2026, employers are required to create a FAL account and make monthly contributions to help cover employees' severance payments.

Contribution rates are determined based on employer size, and are as follows:

- 1% of the total payroll for large enterprises; and
- 2.5% of the total payroll for micro-, small- and medium-sized enterprises.

Moving forward, employers will need to budget for this additional contribution and coordinate with their payroll department or provider to make monthly contributions.

Employers are also advised to coordinate with their human resources department or relevant employees who will liaise with the managing entity to process severance payments.

Underlying legislation

The changes were introduced by Law 27,802, Labor Modernization Law (*Ley 27802, Ley de Modernización Laboral*), which was published in the Official Gazette (*Boletín Oficial*) on 6 March 2026.

Australia

Cancelling pre-approved paid parental leave in cases of stillbirth or newborn's death prohibited

Published 5 March 2026

Effective 7 November 2025, the Fair Work Act was amended to include specific protections for paid parental leave (PPL). The amendments, known as "Baby Priya's Law," prohibit employers from unilaterally refusing or cancelling an employee's pre-approved PPL solely because the employee's child is stillborn or dies shortly after birth.

This amendment addresses a previous gap in the law where unpaid parental leave (UPL) was protected in such circumstances, but PPL was not.

Eligibility

An employee is eligible for new protections if they would have been entitled to PPL under their employment agreement had the child not been stillborn or died. According to the amendments, this applies to leave associated with the birth of the employee's child (or their spouse/partner's child) or the placement of a child for adoption.

Previously, Section 77A of the Fair Work Act provided for an employee's right to unpaid parental leave in cases of stillbirth or infant death. There was no equivalent statutory protection for employer-paid paid parental leave. Employers could, in many cases, unilaterally cancel a period of paid leave upon learning of the child's death.

Entitlement

Under Section 333X (2), an employer must not, because of the stillbirth or death of a child, refuse to allow the employee to take the employer-funded PPL or cancel any part of that leave without a specific request from the employee.

Previously, there was no statutory entitlement preventing the cancellation of employer-funded paid leave. Entitlements were governed strictly by individual employment contracts or enterprise agreements, which frequently allowed for cancellation if the child was no longer in the employee's care.

Exceptions apply

The prohibition on cancellation remains subject to three specific exceptions defined in Section 333X (5) and 333X (6). The protection does not apply if:

- An employment contract or enterprise agreement in place *before* 6 November 2025 expressly allows the employer to cancel the leave in these specific circumstances.
- Existing terms expressly state the employee is *not* entitled to the leave in the event of stillbirth or death.

- The employee is entitled to another form of leave (other than compassionate leave or unpaid parental leave) that expressly addresses stillbirth or infant death with substantially the same effect. The employer may direct the employee to that leave instead.

Employer Actions

In light of specific protections for PPL that prohibit employers from unilaterally refusing or cancelling an employee's pre-approved PPL solely because the employee's child is stillborn or dies shortly after birth, employers are advised to:

- Audit their parental leave practices, which entails reviewing all current employment contracts and enterprise agreements. Note that under the amended legislation, any variation made to a contract after Royal Assent of Baby Priya's Law to allow for the cancellation of leave due to the child being stillborn or dying shortly after birth is legally invalid.
- Ensure that HR and line managers are aware that they cannot unilaterally direct a grieving parent to return to work if they have pre-approved employer-paid parental leave, unless one of the statutory exceptions applies.

Employers who offer a separate "Bereavement Leave" or "Stillbirth Leave" must verify that such leave meets the criteria for the "Alternative Leave" exception under Section 333X (6).

Employers are informed that serious breaches of these new protections can result in civil penalties of up to AUD 198,000.

Underlying Legislation

The changes were introduced by Fair Work Amendment (Baby Priya's) Act 2025, which was published in the official journal (Federal Register of Legislation) on 6 November 2025. This Act specifically inserted Section 333X into the Fair Work Act 2009.

Australia

Guidelines on government's compliance approach for payday Superannuation transition finalized

Published 18 March 2026

On 28 January 2026, the Australian Taxation Office (ATO) released final guidance regarding its compliance stance for the first year of the "Payday Super" reforms.

With the new laws set to take effect on 1 July 2026, the ATO has issued guidelines outlining how it will prioritize enforcement resources as employers transition from quarterly to per-pay-cycle superannuation contributions.

Shift to payday superannuation

Under the Treasury Laws Amendment (Payday Superannuation) Act 2025, employers must align Superannuation Guarantee (SG) payments with the day they pay "qualifying earnings" (QE).

The ATO acknowledges that many employers may face systemic or process-related hurdles during the initial rollout. Consequently, the compliance approach for the period of 1 July 2026 to 30 June 2027 is designed to support employers who make genuine attempts to comply.

The ATO has indicated it will not apply this relaxed compliance approach to any QE day occurring on or after 1 July 2027. Employers are encouraged to view the 2026-2027 financial year as a critical window to embed and refine their new payroll processes.

Risk Zone Framework

The ATO will categorize employer compliance into three risk zones, which determine whether they will be subject to proactive investigation or audit:

Risk Zone	Compliance Requirements	ATO Action
Low	Employer attempted to pay on-time contributions. If delays occurred (e.g., fund rejections), the error was corrected as soon as reasonably practicable, resulting in a nil shortfall.	The ATO will not have cause to review the employer's actions.
Medium	Employer failed "Low Risk" criteria (e.g., made no attempt at payday frequency) but ensured all shortfalls were cleared within 28 days of the end of the quarter.	Compliance resources may be applied, but these cases are a lower priority.
High	Employer has an individual final SG shortfall greater than nil after 28 days following the end of the quarter in which the earnings were paid.	Highest priority for investigation and enforcement action.

ATO's limited discretion

Although the guideline outlines where the ATO will focus its investigative resources, it does not amend the underlying legislation. If the ATO receives information regarding an SG shortfall—such as through an employee complaint—they are legally required to apply the law and the SG charge provided for under the Superannuation Guarantee (Administration) Act 1992, even if the employer falls within ATO's "low risk" zone.

Employer Actions

Employers should be aware of specific scenarios that could escalate their risk profile under ATO guidelines, namely:

- Failed frequency: Continuing to pay quarterly without attempting to transition to a payday-aligned schedule prevents an employer from being classified as "low risk."
- Unresolved rejection: If a contribution is rejected by a super fund and the employer does not rectify the payment "as soon as reasonably practicable," they move into higher risk categories.
- Calculation errors: Incorrectly calculations leading to insufficient payments by the end of the quarter will result in a "high risk" classification.

Employers are encouraged to view the 2026-2027 financial year as a transition window to amend their payroll processes. ATO's relaxed approach to compliance is timebound and will not apply after 1 July 2027.

Separately, to be prepared for transitioning to payday superannuation, employers should:

- Audit payroll systems and service providers to ensure they are capable of handling increased payment frequencies by 1 July 2026.
- Begin testing "payday" frequency ahead of the mandatory start date to identify potential fund rejection issues or data errors.
- If a payment is missed or rejected, document the error and rectify the contribution immediately to remain within the "low risk" zone.

Underlying guidelines

ATO released Practical Compliance Guideline PCG 2026/1 on 28 January 2026.

Belgium

Bill proposes salary indexation cap and working time modernization measures

Published 20 March 2026

On 3 February 2026, proposed legislation implementing the government's Budget Agreement was submitted to Parliament. The proposed law seeks to address high labor costs and to modernize work regulations.

The anticipated effective date for most provisions of the proposed law is 1 June 2026.

The proposed law introduces, among it numerous provisions, several high-impact changes to wage and time structures, namely:

- Wage indexation cap
- Threshold determining part-time work
- Limiting night work prohibition
- Voluntary overtime limit increase

These proposals are detailed below.

Salary indexation cap

Automatic indexation would be restricted for high earners. For the portion of a gross monthly salary exceeding EUR 4,000, indexation would be capped.

An employee would receive a fixed amount based on the indexation of the first EUR 4,000 of their salary. Any indexation on the portion exceeding this threshold would be capped at 2% (e.g., EUR 80 for a 2% index), regardless of how much their total salary exceeds the EUR 4,000 threshold.

Under the proposed indexation cap, employers would not keep the full savings from the introduction of the indexation cap, in that 50% of the non-indexed portion will have to be paid to the government as a wage moderation contribution (*cotisation de modération salariale*).

Currently, the Labor Code and most sector collective bargaining agreements (CBA) apply automatic salary indexation to the full gross salary without a ceiling.

Part-time work criteria

The minimum weekly working hours for part-time employees would be reduced from currently one-third to one-tenth of a full-time schedule (e.g., 3.8 hours in a 38-hour week).

Night work liberalization

The general prohibition on "night work," i.e., work between 8 p.m. and 6 a.m. would be abolished.

In the e-commerce and logistics sectors, "night work" would be redefined for new hires as the window between 11 p.m. and 6 a.m., reducing the timeframe for which night work bonus payments (*primes pour travail de nuit*) are mandatory.

Under the Labour Act of 16 March 1971 (*Loi du 16 mars 1971 sur le travail*), part-time contracts must generally provide at least one-third of the weekly hours of a full-time employee, unless a sectoral exception applies.

Although the prohibition is being lifted, employers must still follow a specific consultation procedure with employee representatives to implement night shifts.

Voluntary overtime limit

The annual quota for voluntary (tax-advantaged) overtime would increase to 360 hours (450 hours in the hospitality sector), up from currently 220 hours (including 100 tax-advantaged hours).

Underlying legislation

The changes are part of the Proposed Program Law of February 23, 2026 (DOC 56 1378/001) (*Projet de loi-programme du 23 février 2026 [DOC 56 1378/001]*), which is currently pending before the Chamber of Representatives.

Belgium

Reinforced reintegration policy after work incapacity entails new employer obligations

Published 24 March 2026

Effective 1 January 2026, Belgium introduced a reinforced return-to-work framework aimed at reducing long-term work incapacity, including earlier employer intervention requirements, mandatory reintegration timelines for larger employers, and new employer financial obligations linked to incapacity benefits.

Scope and application

The reform applies to employers subject to Belgian employment and social security legislation.

Certain measures apply to incapacity periods beginning on or after 1 January 2026, while others impose ongoing compliance obligations on employers from that date.

Work potential assessment

Where an employee has been incapacitated for work for at least eight weeks, the employer must ensure that the employee's work potential is assessed by the Prevention Adviser–Occupational Physician.

Each effective return to work interrupts the eight-week period. If incapacity resumes thereafter, a new eight-week period applies.

In addition, after one month of incapacity, consultation with the occupational physician may be proposed.

Employees may also request an adaptation of their work responsibilities in order to avoid future incapacity.

Mandatory reintegration trajectory

Employers with at least 20 employees must initiate a formal reintegration trajectory where the employee is assessed as having work potential.

This must occur no later than six months after the start of incapacity.

Each effective return to work interrupts the six-month period. If incapacity resumes, a new six-month period applies.

Work regulations requirement

Employers subject to the law on work regulations must include a procedure for maintaining contact with employees during incapacity for work in their work regulations.

This requirement applies as an ongoing employer obligation from 1 January 2026.

Solidarity contribution

A quarterly employer solidarity contribution applies to employers whose average workforce reaches at least 50 employees during the applicable reference period.

The contribution applies in respect of employees who:

- are adult employees who had not yet reached age 55 at the start of incapacity; and
- remain incapacitated for more than 30 days.

The contribution corresponds to 30% of the primary-incapacity benefits (i.e., 30% of the social security sickness benefits payable to the employee) calculated over the two-month period starting from the 31st day of incapacity.

The contribution is calculated and collected by the social security authorities and is subject to statutory exclusions.

Medical certificate exemption

Effective 1 January 2026, employees may be absent without providing a medical certificate for the first day of illness two times per calendar year, reduced from three.

Relapse rule (guaranteed wage)

Effective 1 January 2026, the relapse period is extended from 14 days to eight weeks.

Where incapacity resumes within eight weeks of a prior incapacity that triggered guaranteed wage, a new guaranteed wage period is not due, unless the incapacity is caused by a different illness or accident.

Partial return to work

During an authorized partial return to work, the employer is not required to pay guaranteed wage if the employee becomes fully incapacitated again due to an ordinary illness or accident.

This rule applies for the entire duration of the authorized partial return.

This rule does not apply in cases of:

- occupational disease,
- workplace accident, or
- commuting accident.

Medical force majeure

Effective 1 January 2026, the minimum uninterrupted incapacity period required to initiate termination for medical force majeure is reduced from nine months to six months.

A return to work interrupts this period unless incapacity resumes within 14 days.

Employer Actions

Effective 1 January 2026, employers must:

- Ensure that work potential assessments are initiated after eight weeks of incapacity;
- Ensure that, after one month of incapacity, employees can be referred for consultation with the occupational physician, where applicable;
- Initiate reintegration trajectories within six months for employees with work potential, where required for employers with at least 20 employees;
- Update work regulations to include a procedure for maintaining contact with employees during incapacity for work;
- Adjust internal policies and payroll practices to reflect the reduction in uncertified one-day absences from three to two per calendar year; and
- Ensure compliance with the employer solidarity contribution obligations applicable to employers with at least 50 employees for qualifying incapacity periods.

Employers are advised to produce employee communication materials to inform them, in particular, of:

- The reduction in uncertified one-day absences from three to two per calendar year; and
- The procedure for maintaining contact with them during periods of work incapacity.

Applicable legislation

The changes were introduced by the Law of 19 December 2025 executing a reinforced return-to-work policy in case of incapacity for work (*Loi du 19 décembre 2025 portant exécution d'une politique de retour au travail renforcée*), which was published in the Belgian Official Journal (*Moniteur belge / Belgisch Staatsblad*) on 30 December 2025.

The reintegration framework was further specified by the Royal Decree of 17 December 2025 amending the Code on Well-being at Work (*Arrêté royal du 17 décembre 2025 modifiant le Code du bien-être au travail*), which was published in the Belgian Official Journal (*Moniteur belge / Belgisch Staatsblad*) on 30 December 2025.

Brazil

Incentivized onsite or affiliated daycare proposed

Published 19 March 2026

On 22 December 2025, a bill establishing tax incentives for employers that invest in the construction, maintenance, or funding of onsite or affiliated daycare facilities was presented to the Chamber of Deputies.

The bill is under legislative review. Its key provisions are summarized below.

Proposed tax incentives

According to the bill, the following expenses may be deducted from corporate income tax:

- Construction, renovation, or expansion of onsite or affiliated childcare facilities;
- Maintenance of the facilities, including expenses for personnel, food, operational materials, security and infrastructure;
- Payment for enrollment in affiliated daycare facilities (i.e., early childhood education centers that meet safety and hygiene standards and operating procedures) for employees' children or dependents; and
- Contributions to daycare centers that are shared among several employers.

These amounts would be tax-deductible, subject to the limits and conditions established in income tax legislation.

For employers who invest in the construction, maintenance, or funding of daycare facilities, the tax deduction would be increased by 50% if enrollment in the facility is prioritized for:

- Children under three years of age;
- Children or dependents of female employees; and
- Male or female employees from low-income households.

Employers would be required to provide documentation of expenses incurred, as per applicable regulations, to qualify for the tax incentive.

Proposed legislation

The changes were proposed by PL 7023/2025, which establishes tax incentives to encourage the implementation, maintenance, and funding of company-owned or affiliated daycare centers, as a policy to support early childhood development and the continued participation of parents in the workforce, and other measures (*PL 7023/2025, Institui incentivos fiscais para estimular a implantação, manutenção e o custeio de creches próprias ou conveniadas por empresas, como política de apoio à primeira infância e à permanência de pais e mães no mercado de trabalho, e dá outras providências*).

Canada

Revenu Québec’s 2026 limits for vehicle related allowances and benefits aligned with federal limits

Published 3 March 2026

On 6 February 2026, in a press release, the Québec Ministry of Finance announced the 2026 ceilings for income tax deductions and assessment of benefits related to vehicle use, which are aligned with the 2026 federal limits set by the Department of Finance Canada on 14 January 2026.

As of 1 January 2026, the following increased limits and rates apply:

- The maximum tax-deductible per kilometer allowance for employees’ use of their personal vehicle for business purposes increases from CAD 0.72 to CAD 0.73 for the first 5,000 kilometers driven, and from CAD 0.66 to CAD 0.67 for each additional kilometer.
- The maximum capital cost, for capital cost allowance purposes, of non-zero-emission passenger vehicles increases from CAD 38,000 to CAD 39,000 before the Goods and Services Tax (GST) and the Quebec Sales Tax (QST) for vehicles purchased after 2025.

As of 1 January 2026, the following limits remain unchanged:

- The amount used for determining the value of the taxable benefit an employee receives for the personal portion of the operating costs of an employer-provided vehicle remains at CAD 0.34 per kilometer.
- The maximum capital cost, for capital cost allowance purposes, of zero-emission passenger vehicles (i.e., plug-in hybrid vehicles with a battery capacity of at least 7 kWh and fully electric or fully hydrogen-powered vehicles) remains at CAD 61,000 (plus GST and QST) for vehicles purchased after 2025.
- The maximum deductible amount for interest paid on loans for new passenger vehicles purchased after 2025 remains at CAD 350 per month.
- The deductible limit for leasing expenses remains at CAD 1,100 per month before GST and QST for leases entered into after 2025.

Colombia

Maximum weekly working hours reduced, effective 15 July 2026

Published 17 March 2026

Effective 15 July 2026, all employers must ensure that their employees' work hours do not exceed 42 hours per week.

This change reduces the maximum weekly working hours from 44 hours to 42 hours, completing the fourth and final phase in the gradual reduction of total weekly working hours provided for by Law 2101 of 2021.

Key provisions

Prior to the changes, the maximum weekly working hours were 48 hours or eight hours per day over six days. The Law introduced a gradual reduction in weekly working hours from 48 hours to 42 hours over a four-year period.

Effective 15 July 2026, the maximum duration of weekly working hours will be 42 hours, which may be distributed over five to six days with a guaranteed rest day, except in the following cases:

- For jobs that are particularly dangerous, the government may order a reduction in working hours based on relevant precautions and protocols.
- For adolescents who are authorized to work, the maximum duration of weekly working hours will be:
  - 30 hours for adolescents between the ages of 15 and 17 years, until 6:00 P.M. each day; and
  - 40 hours for adolescents over the age of 17 years, until 8:00 P.M. each day.
- For jobs that operate every day of the week without interruption, employers and employees may agree to temporarily or permanently schedule successive work shifts that do not exceed six hours per day and 36 hours per week, without requiring a night shift surcharge or a surcharge for Sunday or holiday work. In this case, the employee will be entitled to their normal salary corresponding to a regular workday and a paid day of rest.

In summary, weekly working hours may be distributed variably during the week, ranging from a minimum of four hours per day to a maximum of nine hours per day (previously 10 hours) without paying overtime, provided the total number of hours does not exceed 42 per week.

An employer may under no circumstances schedule two work shifts on the same day for an employee. Exceptions only apply to managerial, supervisory, confidential, or administrative duties.

Employer Actions

Effective 15 July 2026, employers must ensure that employees' workweeks do not exceed 42 hours.

Employees' salaries or benefits may not be affected by the reduction in the maximum statutory workweek.

Employers should be prepared to address any potential impact 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 are 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 themaximum 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*), which was published in the Official Journal (*Diario Oficial*) on 15 July 2021.

India

Supreme Court rejects mandatory menstrual leave policy

Published 13 March 2026

On 13 March 2026, the Supreme Court officially declined to entertain a Public Interest Litigation (PIL) seeking a nationwide mandate for paid menstrual leave. The ruling shifts responsibility for such benefits granting paid menstrual leave from judicial mandate to employers' policies and the government's executive branch discretion.

Supreme Court's ruling

The Supreme Court expressed significant concern that a legal mandate could inadvertently harm women's career prospects. It argued that forcing employers to provide paid leave by law could inadvertently create an employment bias, as employers might view female employees as more costly or less available than their male counterparts.

The Supreme Court emphasized that while voluntary employer policies are "excellent," a legal mandate could lead to a mindset where women are viewed as less available for responsibilities, potentially reinforcing gender stereotypes.

While the Supreme Court disposed of the petition, it did not dismiss the biological necessity behind the request. Instead, it directed the Union Ministry of Women and Child Development to examine the possibility of framing a "model policy" after consulting with all relevant stakeholders, including state governments and private industry leaders.

Key takeaways for employers

The ruling maintains the status quo in terms of employers' compliance obligations, namely:

- No National Mandate: There is currently no federal law requiring paid menstrual leave in India.
- State-Level Variations: Employers should remain aware of state-specific legislation. For instance, certain states have introduced mandatory local leave provisions, while others maintain long-standing requirements for government employees only.
- Voluntary Discretion: The Supreme Court specifically praised companies that offer these benefits voluntarily, thereby encouraging employers to treat menstrual leave as a workplace culture and wellness benefit rather than a statutory employee entitlement.

Looking ahead, "model policies" developed by the Ministry of Women and Child Development after consultations with stakeholders, as directed by the Supreme Court, may serve as a blueprint for private sector best practices.

Official Ruling

Case No: 327/2024 is titled Shailendra Mani Tripathi v. Union of India. At the time of publication of this article, the full written judgement from the hearing was not yet uploaded to the official repository. It can later be accessed on the Supreme Court of India - Case Status.

Ireland

Employees may refuse to retire at a contractual retirement age that is lower than the state pension age

Published 25 March 2026

On 16 December 2025, the government enacted the Employment (Contractual Retirement Ages) Act 2025, which introduces a statutory right for employees to refuse retirement at an age lower than the State pension age, currently 66.

The Act will take effect upon commencement by ministerial order and does not yet have legal effect.

Scope and application

The Act will apply to employees whose contract of employment specifies a retirement age lower than 66.

The Act will not apply to employees within their probationary period, or employees subject to a statutory maximum retirement age or service limit.

Employees will be entitled to notify their employer in writing that they do not consent to retire at the contractual retirement age.

Currently, employers may enforce a mandatory retirement age where it is objectively and reasonably justified by a legitimate aim under the Employment Equality Acts 1998–2015, and no statutory mechanism exists allowing an employee to formally refuse retirement.

Exercise of the right

To exercise the right not to retire at the contractual retirement age, the employee will have to:

- provide written notice to the employer; and
- do so not less than three months and not more than one year before the contractual retirement date.

An employee may not give more than two such notifications within a six-month period.

Currently, employees may request to continue working beyond the contractual retirement age, but employers are not subject to a statutory process or timelines for responding.

Employer response

Upon receiving a notification, the employer will have to provide a reasoned written reply within one month.

An employer will only be able to enforce contractual retirement where it is objectively and reasonably justified by a legitimate aim and the means to achieve that aim is appropriate and necessary, based on an assessment of individual circumstances.

Currently, although the objective justification criteria apply, employers are not required to provide a reasoned written response within a statutory timeframe.

Failure to provide a reasoned written reply within the required timeframe will constitute an offence.

Protection and redress

An employee who exercises the right not to retire will be protected from penalization.

Failure to comply with the requirements of the Act may give rise to a complaint to the Workplace Relations Commission.

Compensation of up to 104 weeks' remuneration or EUR 40,000, whichever is greater, may be awarded.

Currently, employees challenging a retirement decision must rely on age discrimination claims under the Employment Equality Acts.

Employer Actions

From the commencement date of the Act, employers must:

- Implement procedures to receive and process employee notifications regarding retirement;
- Ensure that a reasoned written reply is issued within one month of receiving a notification; and
- Apply the objective justification test when considering whether to enforce a contractual retirement age.

Employers may need to:

- Review employment contracts and policies containing retirement age provisions below 66 years; and
- Ensure that employees who exercise their rights are not subject to penalization.

Employers should consider:

- Implementing systems to track notification deadlines and response timelines; and
- Reviewing internal frameworks used to assess legitimate aims supporting retirement ages.

Underlying legislation

The new requirements are established by the Employment (Contractual Retirement Ages) Act 2025, which was enacted on 16 December 2025 and amends the Workplace Relations Act 2015.

Resources

- Workplace Relations Commission (WRC): Retirement and Fixed-Term Contracts Guidance
- Citizens Information: Retirement Age in Ireland

Ireland

Paid leave for pregnancy loss proposed

Published 30 March 2026

As of 23 March 2026, the Pregnancy Loss (Miscellaneous Provisions) Bill 2025 remains under active consideration by Parliament (the Oireachtas), while the government has indicated that the bill is being considered alongside broader family leave reforms.

The Bill proposes a new day-one statutory pregnancy loss leave entitlement for losses occurring before 24 weeks of pregnancy. Payment during the proposed leave would align with Statutory Sick Pay (SSP), but the leave would be a separate and additional entitlement. In addition, partners would also gain a new statutory entitlement to leave.

The Bill has not yet been enacted, and no confirmed effective date is available.

Key provisions of the Bill

The Bill proposes to introduce a new statutory leave for employees who experience a pregnancy loss before 24 weeks of gestation.

Under the current provisions of the Bill:

- Expecting parents would be entitled to five days of paid leave following the pregnancy loss;
- A partner/other parent would be entitled to two and a half days of paid leave;
- The entitlement would apply from the first day of employment. Currently, eligibility for comparable statutory sick leave requires 13 weeks of continuous service; and
- The leave would be employment-protected, meaning any termination, suspension, or notice of termination issued while an employee is on pregnancy loss leave would be legally void. Currently, no specific statutory protection applies to early pregnancy loss-related absences beyond general unfair termination protections.

Current framework

Under the Maternity Protection Act 1994, statutory maternity leave and related protections apply only where a pregnancy loss or stillbirth occurs after the twenty-fourth week of pregnancy. For losses occurring before this threshold, employees currently rely on statutory sick leave. Statutory sick leave is limited to five days per year at 70% of gross earnings, paid at 70% of gross earnings, subject to a daily cap of EUR 110 (as of 1 January 2026), and is subject to a 13-week service requirement.

Entitlement and calculation

The Bill also proposes a distinct framework governing payment, certification, and administration of pregnancy loss leave. See details below.

Statutory pay

Pregnancy loss leave would be paid by the employer at the same rate as SSP. Currently, no specific payment category exists for pregnancy loss, and employees rely on SSP.

Note that the Bill indicates that payment would be aligned with the SSP rate, which is currently employer-paid. The Bill does not expressly provide for a social security benefit or employer reimbursement, suggesting that payments during the leave would likely be borne by the employer, although this has not been explicitly confirmed in the draft provisions.

Medical certification

Eligibility would require certification from a registered medical practitioner confirming the pregnancy loss. Currently, certification requirements apply under general sick leave rules. This means that the employee must obtain a physician-issued medical certificate stating they are unfit for work. The certificate does not need to specify pregnancy loss.

Separate entitlement

Pregnancy loss leave would be in addition to existing sick leave, maternity leave, and parental leave; previously, no standalone entitlement existed.

Pregnancy loss register

The Bill proposes a voluntary, confidential, opt-in register to allow parents to formally record a pregnancy loss; Currently, no such formal recognition mechanism exists. Early pregnancy loss is generally recorded as ordinary illness for leave purposes, and partners do not have a specific statutory entitlement to leave in such circumstances.

Proposed legislation and legislative process

The Pregnancy Loss (Miscellaneous Provisions) Bill 2025 has progressed through the Second Stage in the Upper House of Parliament (*Seanad Éireann*) and is currently at Committee Stage. It has not yet been enacted into law.

The government has indicated it is reviewing the proposal alongside broader family leave reforms; however, no verified effective date has been confirmed.

Netherlands

10% lumpsum withdrawal option from pension upon retirement postponed indefinitely

Published 13 March 2026

On 29 January 2026, in a letter to Parliament, the Ministry of Social Affairs and Employment announced that the effective date of the Lump Sum Revision Law (*Wet herziening bedrag ineens*) will be further postponed from 1 July 2026 to a date that is to be determined by the new cabinet.

In January 2021, the Senate passed the Lumpsum, Early Retirement Scheme and Leave Savings Act (*Wet bedrag ineens, RVU en verlofsparen)*, which included the option for individuals to withdraw up to 10% of their retirement savings as a lumpsum upon retirement. The Senate postponed the effective date of the lumpsum withdrawal provision by one year, from 1 January 2022 to 1 January 2023.

The effective date has since been annually postponed due to potential impacts on the remaining balance and other financial matters, such as retired individuals' eligibility for social benefits (see below).

This latest delay is to afford pension providers enough time to implement the change amidst transitioning to a new pension system.

Requirements for lumpsum withdrawal

Once the law goes into effect, individuals whose retirement start date is in the same month as when they reach the social retirement program (*Algemene Ouderdomswet, AOW)* age of 67 years, or individuals whose retirement start date is the first day following the month in which they reach the statutory retirement age, will receive up to 10% lumpsum of their savings as of the effective date of their retirement, if they have opted in.

There are certain instances in which individuals cannot choose the lumpsum option, specifically when:

- The member opts for a phased benefit payout arrangement, whereby prior to collecting AOW benefits the member receives higher benefits, which are later reduced to a lower amount once they start receiving their AOW benefits;
- The total retirement account balance upon the member's retirement is lower than statutory redemption limit (*wettelijke afkoopgrens*), i.e., EUR 613.52 in 2025;
- The balance remaining after a lumpsum withdrawal is below the statutory redemption limit; and
- The individual is retired after the provision comes into effect.

Implications of lumpsum withdrawal

Once the law goes into effect, employees who opt for the lumpsum withdrawal option will have a higher income in the year of payment. This can potentially affect eligibility for social healthcare benefits and rent allowances.

Additionally, employees who retire before they receive their AOW benefits may pay more in income taxes in the year of withdrawal if the payment places them in a higher tax bracket.

The Ministry of Social Affairs and Employment is planning to introduce a new tool to support individuals in making an informed decision about selecting the lumpsum option. The tool is still under development.

Proposed legislation

The delayed effective date pertains to the Amendment of the Lumpsum, Early Retirement Scheme and Leave Savings Act in connection with the revision of the possibility of buyout in the form of a lumpsum and to amend the Wage Tax Act 1964 (Lumpsum Revision Act) (*Wijziging van de Wet bedrag ineens, RVU en verlofsparen in verband met de herziening van de mogelijkheid tot afkoop in de vorm van een bedrag ineens alsmede tot wijziging van de Wet op de loonbelasting 1964 (Wet herziening bedrag ineens)*), which was initially presented to parliament on 29 June 2022.

New Zealand

New Employment Leave Bill 2026 to replace the Holidays Act 2003, reforming statutory leaves

Published 14 March 2026

On 9 March 2026, the Employment Leave Bill 2026 was submitted to Parliament. The Bill would:

- Replace the current anniversary-based annual leave entitlement system by an hours-based accrual system.
- Introduce the Leave Compensation Payment model to simplify payroll for irregular work patterns. The LCP is a 12.5% rate applied for casual work and extra hours worked beyond standard contract hours. It would replace the current 8% pay-as-you-go (PAYG) for casual workers' annual leave, to cover both annual leave and sick leave entitlements upfront.

If enacted, the measures would take effect 24 months after receiving Royal Assent to allow for payroll reconfiguration, meaning a projected commencement date in early 2028.

These proposed changes are detailed below.

Hours-based accrual model

Under the Employment Leave Bill 2026, the current anniversary-based entitlement system would be replaced by an hours-based accrual model, with the following features:

- Day-One Accrual, according to which employees would accrue annual leave and sick leave from their first hour worked from day one of employment.
- Three Categories of Hours would apply, namely:
  - Standard Hours (minimum contracted),
  - Additional Hours (hours worked beyond contracted hours), and
  - Casual Hours—which determines how leave is earned and paid.
- Pro-rata Sick Leave, meaning sick leave would be accrued at a minimum rate of 0.0385 hours per "standard hour" worked, effectively pro-rating entitlements for part-time employees.

Additionally, bereavement leave, and family violence leave would become day-one rights.

Separately, the "parental leave override" would be abolished, ensuring employees returning from parental leave receive full pay for annual leave.

Currently, under the provisions of the Holidays Act 2003, employees wait 12 months for their annual leave entitlements and six months for a 10-day sick leave entitlement. Sick leave is not currently pro-rated for part-time employees.

Also, an employee only becomes entitled to bereavement and family violence leaves after six months of continuous employment with the same employer. Alternatively, they can qualify if they have worked for the employer for 6 months for an average of at least 10 hours per week (and at least 1 hour every week or 40 hours every month).

Finally, if an employee becomes entitled to annual leave while they are on parental leave, or during the 12 months after they return to work, the employer is only required to pay that leave at the Average Weekly Earnings (AWE) i.e., the average earnings over the 12 months before the leave is taken. However, because the 12-month AWE calculation includes the period the employee was on unpaid parental leave, the average is often significantly lower than their normal salary.

Entitlement and calculation changes proposed

The Bill would introduce the Leave Compensation Payment (LCP) model to replace leave accrual for irregular hours and simplify payroll, as follows:

- For casual hours and additional hours, employers would pay an upfront 12.5% of ordinary hourly rate in every pay period in lieu of the employee accruing annual or sick leave for those specific hours.
- Annual leave would accrue at a minimum rate of 0.0769 hours per standard hour worked.
- All leave types would be paid at a single hourly leave pay rate based on the employee's lowest hourly rate on the day leave is taken, excluding variable components like commissions or discretionary bonuses.
- Employees could request encashment of up to 25% of their total accrued annual leave balance per 12-month period. A day would be an “Otherwise Working Day” (OWD) if the employee worked (or was on leave) for 50% or more of that same weekday over the preceding 13 weeks.

Currently, calculating leave requires comparing "Ordinary Weekly Pay" and "Average Weekly Earnings." Under Section 28A of the 2003 Act, encashment is limited to one week per year by mutual agreement.

Other leave provisions

The Bill also proposes a number of additional technical changes, including the introduction of a cap on sick leave accrual (160 hours), a revised “Otherwise Working Day” (OWD) test, and clarification that leave does not accrue during periods of unpaid leave or while an employee is receiving Accident Compensation Corporation (ACC) earnings-related compensation.

Underlying legislation

The changes are proposed by the Employment Leave Bill 2026 (Bill 259—1).

Poland

Benefit amounts increase with inclusion of non-employment periods in length of service

Published 24 March 2026

Effective 1 May 2026, the definition of length of service (*staż pracy*) is expanded to include certain non-employment periods, including activity performed under civil law contracts (*umowa zlecenie*) and self-employment (*działalność gospodarcza*).

Scope and application

The change applies to employees whose professional activity includes periods outside standard employment contracts (*umowa o pracę*).

The following periods will be recognized:

- Activity performed under civil law contracts (*umowa zlecenie*);
- Periods of self-employment (*działalność gospodarcza*); and
- Other professional activity for which pension and disability insurance contributions were paid.

Certain periods of professional activity performed abroad are also recognized where appropriately documented.

Recognition of these periods requires employees to submit supporting documentation to their employer, including certificates issued by the Social Insurance Institution (*Zakład Ubezpieczeń Społecznych, ZUS*) or equivalent official records, within 24 months from 1 May 2026 or from the start of a new employment relationship.

These provisions apply within the context of an existing employment relationship.

Currently, only periods of employment under an employment contract are taken into account for statutory length of service calculations.

Impact on statutory entitlements

The inclusion of non-employment periods affects several employment-related entitlements, namely, annual leaves, benefits based on length of service, and notice periods.

Annual leave

Employees may reach the 26-day annual leave entitlement threshold, which requires 10 years of service, more quickly. Currently, periods of self-employment and civil law contracts are not counted toward this threshold.

Length of service-based benefits

Where internal regulations or collective agreements provide for benefits linked to total career length in service (e.g., such as jubilee bonuses or years of service-based allowances, severance pay) newly recognized periods must be taken into account.

Currently, such benefits are generally calculated based only on employment contract periods unless otherwise provided.

Notice periods

Notice periods under the Labour Code remain based on length of service with the employer. Where internal regulations or collective agreements link notice periods to total career length of service, newly recognized periods must be taken into account. Currently, such periods are not considered.

Employer Actions

Effective 1 May 2026, employers must:

- Take into account qualifying non-employment periods when determining employee length of service, where these periods are properly documented;
- Update HR and payroll systems to distinguish between length of service with the current employer and total career length of service; and
- Apply updated length of service calculations when determining statutory entitlements, including annual leave.

From 1 May 2026, employers must also:

- Revise internal workplace regulations (*regulamin pracy*) and remuneration policies (*regulamin wynagradzania*), where these include provisions linked to length of service; and
- Establish procedures for the submission and verification of documentation issued by ZUS or other competent authorities.

Employers should consider:

- Informing employees of their right to submit documentation within the 24-month validation period; and
- Assessing the financial and operational impact of increased length of service, including higher annual leave entitlements and potential eligibility for length of service-based benefits.

Underlying legislation

The changes were introduced by the Act of 26 September 2025 amending the Labour Code and certain other acts (*Ustawa z dnia 26 września 2025 r. o zmianie ustawy - Kodeks pracy oraz niektórych innych ustaw*), which was published in the Journal of Laws (*Dziennik Ustaw*) in 2025 (item 1423).

South Africa

Rates per kilometer and travel allowances for use of a personal vehicle for work purposes increased

Published 19 March 2026

On 25 February 2026, the South Africa Revenue Services (SARS) approved the new table of vehicle rates per kilometer (km) used to calculate travel allowances in respect of the 2027 assessment year, i.e., from 1 March 2026 through 28 February 2027. The update increases the tax-exempt reimbursement rate and revises the fixed and variable cost components used to determine travel allowances.

Employers have two options for compensating employees for the use of a private vehicle for work purposes, namely:

- A per kilometer rate used to reimburse employees actual business travel expenses incurred; and
- A fixed allowance to cover expenses incurred for use of a personal vehicle for work purposes.

These options are detailed below.

Reimbursement of actual expenses

The new tax-exempt rate is ZAR 4.95 per km, up from previously ZAR 4.76 per km.

The per-kilometer reimbursement rate can be used by the employer only to the extent that no other allowance or advance other than for reimbursement of expenses related to parking or toll fees is paid by the employer to the employee.

An allowance is an amount granted by the employer to the employee when business-related expenses are incurred (without obligation for the employee to prove/account for these expenses to the employer). The amount of the allowance is based on the anticipated business-related expenses.

An advance is an amount granted to an employee to incur business-related expenses on behalf of the employer, with an obligation on the employee to demonstrate the business-related expenditure. The amount for this advance is based on the anticipated business-related expenditure. In the case of an advance, the employer recovers the difference from the employee if actual expenses are less than the advance paid (or vice versa).

Any reimbursements in excess of allowed travel expenses actually incurred for work purposes is subject to income tax.

Travel allowance

From 1 March 2026 through 28 February 2027, the allowance amount that is tax-exempt is based on the sum of the amounts provided in the following table, which vary according to the value of the vehicle.

Vehicle Value (ZAR)	Fixed Cost (ZAR)	Fuel Cost (cents/km)	Maintenance Cost (cents/km)
115,000 or less	38,344	132.9	49.1
115,000 - 230,000	68,487	148.4	61.4
230,000 - 345,000	98,689	161.2	67.8
345,000 - 460,000	125,393	173.4	74.0
460,000 - 575,000	152,097	185.5	86.9
575,000 - 690,000	180,078	212.8	102.0
690,000 - 805,000	208,106	216.5	114.5
805,000 - 920,000	237,679	220.1	126.9
More than 920,000	237,679	220.1	126.9

Eighty percent (80% of the travel allowance) must be included in the employee's remuneration for tax withholding (pay as you earn, PAYE) purposes. This percentage is reduced to 20%, provided the employer is satisfied that at least 80% of the use of the vehicle for the tax year will be for business purposes.

No fuel expenses may be claimed if the employee has not borne the full cost of fuel used in the vehicle, and no maintenance cost may be claimed if the employee has not borne the full cost of maintaining the vehicle (e.g., if the vehicle is covered by a maintenance plan).

The fixed cost amount must be reduced on a pro-rata basis if the vehicle is used for business purposes for part of a year.

The actual distance travelled during a tax year, and the distance travelled for business purposes, substantiated by a log, are used to determine the costs, which may be claimed as travel allowance.

Employer Actions

Employers should:

- Ensure payroll systems apply the updated tax-exempt reimbursement rate of ZAR 4.95 per km, effective 1 March 2026;
- Review travel allowance structures to align with the updated cost table applicable for the 2027 tax year;
- Verify PAYE withholding reflects the correct inclusion rate (80% or 20% of the travel allowance, depending on expected business use of the vehicle); and
- Make sure employees maintain appropriate logbooks to substantiate business travel claims.

Applicable legislation

The changes were introduced by Fixing of Rate Per Kilometre in Respect of Motor Vehicles for the Purpose of Section 8(1)(b)(ii) and (iii) of the Income Tax Act, 1962 (*Vasstelling van Tarief per Kilometer ten Opsigte van Motorvoertuie vir die Doeleindes van Artikel 8(1)(b)(ii) en (iii) van die Inkomstebelastingwet, 1962*), which was published in the Government Gazette (*Staatskoerant*) on 27 February 2026.

Spain

Birth and childcare leaves extended

Published 24 March 2026

Effective 31 July 2025, legislation extended birth and childcare leave (*permiso por nacimiento y cuidado de menor*) to 19 weeks per parent and introduced a 32-week entitlement for single-parent families. The reform also introduces additional flexible leave periods beyond the child's first year and allows retroactive access to additional weeks from 1 January 2026 for qualifying events occurring on or after 2 August 2024.

Scope and application

The reform applies to employees, self-employed workers, and public sector employees in cases of birth, adoption, or foster care placement.

The extension applies to qualifying events occurring on or after 2 August 2024.

For qualifying events occurring between 2 August 2024 and 30 July 2025, the additional weeks may be requested and processed starting 1 January 2026.

Leave entitlement

Each parent is entitled to 19 weeks of leave, increased from 16 weeks under the previous framework.

A single parent is entitled to a total of 32 weeks of leave, whereas previously single parents were limited to 16 weeks.

Structure of leave

The first six weeks must be taken immediately following the birth or adoption, on a full-time and uninterrupted basis. This requirement remains unchanged from the previous framework.

An additional 11 weeks, or 22 weeks for single-parent families, may be taken in weekly blocks, consecutively or intermittently, until the child reaches 12 months of age.

A further two weeks, or four weeks for single-parent families, may be taken in weekly blocks until the child reaches eight years of age. No equivalent statutory entitlement allowing leave beyond the child's first year existed under the previous framework.

For intermittent use, the employee must give at least 15 days' notice, and the leave must be taken in whole weeks.

This extended entitlement is separate from unpaid parental leave (*permiso parental no retribuido*) introduced in 2023.

Leave payment

Payment is made by Social Security at 100% of the employee's statutory contribution base (*base de cotización*), calculated on a daily basis for benefit purposes and capped by the monthly maximum contribution base (*base máxima de cotización*), which corresponds to approximately EUR 170 per day, as of 1 January 2026. This payment mechanism remains unchanged from the previous framework.

Employers may provide additional payments to supplement Social Security benefits, where provided for under company policy or applicable collective agreements.

The employer does not pay the benefit but must process the suspension of the employment contract and ensure continuity of employment rights in accordance with applicable legislation.

Employer Actions

Effective 31 July 2025, employers must:

- Update leave policies and employee handbooks to reflect the extended 19-week and 32-week entitlements and the distinction between compulsory and flexible leave periods;
- Ensure that leave management systems allow leave to be taken in weekly blocks within the first year and for extended parental care up to the child's eighth birthday; and
- Process leave requests in accordance with statutory notice requirements and ensure correct suspension of employment contracts during leave periods.

Effective 1 January 2026, employers must:

- Process employee requests for additional leave weeks for qualifying events occurring on or after 2 August 2024; and
- Ensure that employment contract suspensions and related Social Security procedures are correctly administered during such leave periods.

Employers should consider updating employee communication materials to inform employees of their new entitlements.

Underlying legislation

The changes were introduced by Royal Decree-Law 9/2025, of July 29 (*Real Decreto-ley 9/2025, de 29 de julio*), which was published in the Official State Gazette (*Boletín Oficial del Estado, BOE*) on 30 July 2025.

United Kingdom

Large employers must publish action plans including for menopause along with mandatory gender pay gap reporting

Published 22 March 2026

Effective 6 April 2026, the government introduces a significant expansion of the mandatory gender pay gap (GPG) reporting framework for large employers.

Under new guidance issued by the Department for Business and Trade and the Government Equalities Office on 4 March 2026, businesses with 250 or more employees are required to go beyond simply reporting pay gaps; they must now develop, publish, and maintain formal action plans addressing both GPG and menopause support in the workplace.

This action plans spell out specific strategic steps being taken to close pay disparities and to retain female talent.

Both action plans must be published on the employer's website and the designated government portal alongside their annual GPG metric reporting.

Employers concerned

The requirement applies to all "relevant employers" in England, Scotland, and Wales with 250 or more employees on 5 April of the year—the date that determines which employees are to be included in the employers' headcount.

Action plan requirements

The new guidance stipulates that an action plan is not legally compliant unless it includes:

- Specific, time-bound targets for increasing female representation in the upper pay quartiles and a clear strategy for reducing the "motherhood penalty" through flexible working.
- Evidence of workplace adjustments, such as temperature control, flexible break patterns, and specialized training for line managers to support employees experiencing menopausal symptoms.
- A requirement to update the plan annually, detailing progress against the previous year's stated objectives.

Previously, under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, employers were required to report six specific pay metrics (including mean and median gaps) but were only "encouraged" to provide a voluntary supporting narrative or action plan. There was no statutory requirement related to menopause support. While many employers adopted a menopause pledge or voluntary policies, these were not subject to government guidance or public reporting mandates.

Recommended evidence-based actions

The guidance outlines 18 evidence-based actions categorized into five themes to assist employers in developing their mandatory strategies. Employers are required to select and implement specific measures from this list to address their identified GPG and menopause support requirements.

The five categories and 18 evidence-based actions are indicated below.

Recruitment actions

1. Inclusive job descriptions: Use gender-neutral language and avoid stereotypes.
2. Unconscious bias in CV screening: Use anonymized recruitment or diverse panels.
3. Salary transparency: Include salary ranges in all job advertisements.
4. Promote flexible working: Explicitly state the availability of flexible work and parental leave in postings.
5. Diverse candidate pools: Proactively source a balanced range of candidates.

Developing and promoting employees

6. "Opt-out" promotion systems: Automatically consider all eligible employees for promotion unless they opt out.
7. Mentoring and sponsorship: Establish formal programs for women and underrepresented groups.
8. Development programs: Provide targeted leadership tracks for women.
9. Clear progression criteria: Standardize and publish specific requirements for promotion and pay raises.

Diversity building actions

10. Representation targets: Set specific, time-bound goals for gender balance at all levels.
11. Monitor Progress: Regularly track and report internally on meeting diversity targets.
12. Inclusion Networks: Support employee-led resource groups to foster belonging.

Actions increasing transparency

13. Transparency in rewards: Publish objective criteria for bonuses and pay increases.
14. Granular pay analysis: Conduct pay gap analysis by department to identify specific pockets of inequality.
15. Public accountability: Publish the finalized action plan on the company website and government portal.

Supporting women with health conditions and menopause

16. Manager training: Train line managers to recognize menopause symptoms and offer appropriate support.
17. Workplace adjustments: Provide practical support such as desk fans, uniform changes, or flexible breaks.
18. Menopause risk assessments: Include ventilation and temperature considerations in health and safety assessments.

Compliance and enforcement

The Equality and Human Rights Commission (EHRC) has been granted enhanced enforcement powers.

Concerned employers who fail to publish an action plan by the 4 April deadline each year will be named on a public "Non-Compliance List."

The EHRC may enter into formal Section 23 Agreements (i.e., a legally binding agreement under the Equality Act 2006 between the EHRC and an employer suspected of breaching the Equality Act 2010) with repeat offenders, legally forcing them to implement the action plan under threat of court injunctions and unlimited fines.

Previously, enforcement focused primarily on the accuracy of the GPG data submitted. Although the EHRC could take action against non-reporters, it lacked the specific mandate to penalize the absence of a qualitative action plan.

Employer Actions

Employers with 250 or more employees must publish a formal action plan addressing both GPG and menopause support in the workplace along with their GPG data reporting.

Employers should:

- Produce plans to ensure alignment with the 2026 reporting cycle. The Gender Pay Gap and Menopause plans can be part of a single "Inclusive Workforce Strategy" document.
- Audit physical office environments and flexible working policies to ensure the Menopause Action Plan can cite tangible, existing supports.
- Ensure the Action Plan is signed off by a director or senior executive, as public accountability is a primary goal of the new guidance.

Employers should consider implementing specific training for line managers on menopause awareness, as "managerial competence" is a core metric the government guidance expects to see addressed in published plans.

Resources

- Equality and Human Rights Commission (EHRC): Guidance for Employers on Menopause in the Workplace
- Advisory, Conciliation and Arbitration Service (ACAS): Managing the effects of menopause at work

Underlying Legislation

The GPG action plan reporting requirements were introduced by the Employment Rights Act 2025, which received royal assent on 18 December 2025, and was published in the London Gazette on the same day.

The Office for Equality and Opportunity Guidance: Creating an action plan: guidance for employers was published on 4 March 2026.

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