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Alliant Global Services

Global Knowledge Center — Legal & Regulatory Updates

August 2026



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Contents

Argentina 3
- Δ Several bills propose to expand birth, adoption and pregnancy-related employment protections 3

Australia 6
- Δ Flexible unpaid parental leave entitlement increases to 130 days 6
- Δ Parental Leave Pay duration increases to 26 weeks 8
- Δ Victoria to introduce statutory right to work from home 10

Belgium 13
- Δ Supreme Court rules retention-linked RSUs are remuneration for social security purposes 13
- Δ Base insurance tax rate increases to 9.60% 15
- Δ New 20% threshold limits in-kind benefits valued on a flat-rate basis 17

Brazil 19
- Δ Medically certified caregiver leave under legislative review 19

Colombia 21
- Δ Changes to paternity and shared maternity leave features under legislative review 21

France 22
- Δ Additional Birth Leave implementing rules now in effect 22

Germany 25
- Δ Partial incapacity for work becomes a recognized status starting 1 January 2028 25

Greece 28
- Δ Expansion of occupational pension access and revised tax and portability rules proposed 28

Ireland 31
- Δ Employees can now oppose contractual retirement ages below State Pension age 31

Mexico....34
∆ Maternity and paternity leave features under legislative review....34
Netherlands....36
∆ Greater security for flex employees enacted....36
New Zealand....38
∆ Employment Leave Act enacted, replacing Holidays Act 2003 and requiring payroll transition....38
Oman....43
∆ Mandatory end-of-service provident scheme for non-Omani employees due by July 2027....43
∆ Sick and extraordinary leave insurance extended to non-Omani employees....46
Qatar....49
∆ Labor Law amendments introduce new employer obligations....49
Singapore....52
∆ 2027 Statutory holidays must be displayed in workplace....52
Spain....55
∆ Three recent Supreme Court rulings limit sick leave-related bonus reductions....55
South Korea....57
∆ Holiday substitution now permitted for Labor Day at workplaces with five or more employees....57
∆ Paid infertility treatment leave increases to four days....59
Tunisia....62
∆ Increase in private-sector wages and certain allowances backdated to January....62
Ukraine....65
∆ Full statutory paid annual leave restored for employees under 18 and employees with disabilities....65
United Kingdom....68
∆ Comprehensive equal pay and pay discrimination reforms under consultation....68
∆ Collective defined contribution code extended to unconnected multi-employer schemes....72
Vietnam....74
∆ Tax treatment of employee benefits revised....74
About Alliant Global....77

Argentina

Several bills propose to expand birth, adoption and pregnancy-related employment protections

Published 26 August 2026

Several bills are currently before the Chamber of Deputies proposing to expand birth, adoption and pregnancy-related employment protections.

Bill 1082-D-2026 is the broadest proposal and has cross-party sponsorship; it would establish a family-related leave framework covering leave for the non-gestational parent, shared leave after birth or adoption, and adoption leave and related family allowances, while retaining the current maternity-leave framework.

Bill 0320-D-2026, Bill 0375-D-2026, Bill 2965-D-2026 and Bill 0403-D-2026 remain separate proposals referred to committees and have not been consolidated into a single bill or committee approval.

Key provisions of Bill 1082-D-2026 are detailed below.

Key provisions of Bill 1082-D-2026

Bill 1082-D-2026, introduced on 1 April 2026, would amend the Employment Contract Law and the Family Allowances Law to add new leave entitlements around the existing maternity framework and move payment for the proposed non-gestational-parent, shared and adoption leaves into the social security system.

Leave for the non-gestational parent

The bill would create 30 calendar days of leave for the non-gestational parent from the child's birth. During the first two years after the proposed law takes effect, the entitlement would be 20 calendar days, increasing automatically to 30 days after that period. The leave would be employment-protected and paid through a social security family allowance equal to the remuneration the employee would otherwise have received.

Currently, Article 158 of the Employment Contract Law provides two consecutive days of employer-paid leave for birth.

Shared leave after birth or adoption

The bill would provide up to 20 additional calendar days of leave in total shared between the parents. They could allocate the days between themselves and use them continuously or intermittently, simultaneously or at different times, within the child's first 12 months.

Currently, the Employment Contract Law does not provide for shared leave entitlements after birth or adoption.

Adoption leave

The bill would apply the existing maternity-leave framework and the proposed non-gestational-parent and shared-leave provisions to employees who adopt. The relevant periods would begin when the employee is formally notified of the judicial decision granting custody for adoption purposes or the adoption itself.

Currently, the Employment Contract Law does not provide for statutory adoption leave entitlements.

Special circumstances

Under the provisions of Bill 1082-D-2026, the applicable maternity, non-gestational-parent and shared-leave periods would each increase by five calendar days in cases of multiple birth, premature birth or prolonged neonatal hospitalization, or where the child has a duly documented disability or chronic illness. Equivalent extensions would apply in analogous adoption circumstances. The proposal would also extend the new leave provisions to agricultural workers, domestic workers and national public employees, subject to implementing rules.

Family-allowance changes

The Bill would revise the Family Allowances Law so that social security would finance leave allowances for gestational, non-gestational and adoptive employees. The allowance would equal the remuneration the employee would otherwise have received during the statutory leave and would require at least three months of continuous service.

Currently, the social security system finances the statutory maternity allowance, while the existing two-day birth leave for the other parent is paid directly by the employer.

Related proposals

Bill 0320-D-2026, Bill 0375-D-2026, Bill 2965-D-2026 and Bill 0403-D-2026 address parts of the same policy area but remain separate proposals.

Specifically:

- Bill 0320-D-2026 separately proposes amendments to maternity and paternity leave under the Employment Contract Law.
- Bill 0375-D-2026 is an alternative proposal addressing maternity leave and family-related leave.
- Bill 2965-D-2026 separately proposes to amend Article 158 so that adoption leave is equivalent to maternity leave; currently, the Employment Contract Law does not provide a general adoption leave equivalent to maternity leave.
- Bill 0403-D-2026 addresses pregnancy-related termination protection under Article 178 rather than leave duration. Under current Article 178, a rebuttable presumption links termination to pregnancy when it occurs within the statutory protected period around childbirth and the employee has notified and documented the pregnancy. Bill 0403-D-2026 would instead make the protected period run from the date the employee becomes aware of the pregnancy through nine months after childbirth, would allow the presumption to operate where the employer had actual knowledge of the pregnancy, and would extend the protection in gestational-surrogacy cases to both the gestational employee and the intended parent.

Employer implications

If Bill 1082-D-2026 were enacted in its current form, employers would need to revise leave policies and leave-tracking systems for the longer non-gestational-parent leave, the new shared leave after birth or adoption, and adoption leave, while coordinating payroll administration with the expanded social security family-allowance framework.

The proposed social security financing for the non-gestational-parent, shared, and adoption leaves would limit direct wage-replacement costs for employers, although longer and more flexible absences could affect workforce planning and temporary coverage arrangements.

Proposed legislation

Bill 1082-D-2026, Regime for birth-, adoption- and care-related leave. Amendments to Employment Contract Law No. 20,744 and Family Allowances Law No. 24,714 (*Proyecto de Ley 1082-D-2026, Régimen de Licencias Parentales. Modificaciones a las Leyes 20.744 de Trabajo y 24.714 de Asignaciones Familiares*), published in *Trámite Parlamentario No. 23* on 1 April 2026.

Bill 0320-D-2026, Employment Contract Law No. 20,744 – Amendments concerning maternity and paternity leave (*Proyecto de Ley 0320-D-2026, Contrato de Trabajo - Ley 20.744 - Modificaciones sobre licencia por maternidad y paternidad*), published in *Trámite Parlamentario No. 8 on 9* March 2026.

Bill 0375-D-2026, Employment Contract Law No. 20,744 – Amendments concerning maternity and family-related leave (*Proyecto de Ley 0375-D-2026, Contrato de Trabajo - Ley 20.744 - Modificaciones sobre licencias maternales y parentales*), published in *Trámite Parlamentario No. 9 on 10* March 2026.

Bill 0403-D-2026, Employment Contract Law No. 20,744 – Amendment of Article 178 concerning termination because of pregnancy (*Proyecto de Ley 0403-D-2026, Contrato de Trabajo - Ley 20.744 - Modificación del artículo 178 sobre despido por causa de embarazo*), published in *Trámite Parlamentario on 11* March 2026.

Bill 2965-D-2026, Employment Contract Law No. 20,744 – Amendment of Article 158 to make adoption leave equivalent to maternity leave (Proyecto de Ley 2965-D-2026, Contrato de Trabajo – Ley 20.744 – Modificación del artículo 158 sobre licencia por adopción equiparable a la de maternidad), published in *Trámite Parlamentario No. 75* on 19 June 2026.

Australia

Flexible unpaid parental leave entitlement increases to 130 days

Published 5 August 2026

Effective 1 July 2026, employees whose child is born or placed for adoption on or after that date may take up to 130 days of their statutory unpaid parental leave entitlement flexibly, completing the phased increases that followed the 1 July 2023 reforms to the Fair Work Act 2009.

The leave is unpaid by the employer. The broader 2023 reforms remain in effect and support greater flexibility in how both parents share childcaring responsibilities.

In Australia, the statutory term “parental leave” is a gender-neutral leave entitlement associated with the birth or adoption of a child. The Fair Work Act 2009 does not establish separate statutory maternity or paternity leave entitlements under these unpaid leave provisions.

Unpaid parental leave provisions

Schedule 2 of the Fair Work Legislation Amendment (Protecting Worker Entitlements) Act 2023 amended the unpaid parental leave provisions of the Fair Work Act 2009. The changes, together with the later phased increases to flexible unpaid parental leave, include:

- Allowing employees to take unpaid parental leave at any time in the 24 months following the birth or placement of a child. Previously, each parent could take up to 12 months, with the combined entitlement of an employee couple generally limited to 24 months and extensions linked to the amount of leave taken by the other parent;
- Allowing qualifying employees to request an extension to their period of unpaid parental leave up to a total of 24 months each, regardless of the amount of leave the other parent has taken;
- Repealing restrictions applying to employee couples so that both parents may take their unpaid parental leave at the same time. Previously, employee couples could generally take no more than eight weeks of concurrent unpaid parental leave, within 12 months of the birth or placement;
- Increasing flexible unpaid parental leave from 30 days to 100 days for a child born or placed for adoption from 1 July 2023 through 30 June 2024. The entitlement then increased to 110 days for a child born or placed from 1 July 2024 through 30 June 2025, to 120 days from 1 July 2025 through 30 June 2026, and to 130 days for a child born or placed on or after 1 July 2026. Flexible unpaid parental leave may be taken as a single continuous period of one or more days or as separate periods of one or more days each;
- Allowing pregnant employees to access flexible unpaid parental leave in the six weeks before the expected birth of their child. Previously, taking flexible unpaid parental leave ended an employee’s continuous unpaid parental leave entitlement, which meant continuous leave generally had to be taken before flexible leave.

Employer Actions

Employers must administer unpaid parental leave in accordance with the amended Fair Work Act 2009 and the phased flexible unpaid parental leave limits. For a child born or placed for adoption on or after 1 July 2026, employers must allow eligible employees to use up to 130 days of their unpaid parental leave entitlement flexibly, subject to the statutory notice and eligibility requirements.

Employers should revise leave policies, leave-management systems, and employee communication materials to reflect the current 130-day flexible unpaid parental leave limit and the rules allowing both parents to take leave at the same time.

Underlying legislation

Fair Work Legislation Amendment (Protecting Worker Entitlements) Act 2023 *(Act No. 43, 2023)* (Fair Work Legislation Amendment (Protecting Worker Entitlements) Act 2023 (Act No. 43, 2023)) — Federal Register of Legislation; registered 30 June 2023; Schedule 2 commenced 1 July 2023.

Fair Work Amendment (Unpaid Parental Leave) Regulations 2024 (Fair Work Amendment (Unpaid Parental Leave) Regulations 2024) — Federal Register of Legislation; registered 21 June 2024; commenced 22 June 2024.

Australia

Parental Leave Pay duration increases to 26 weeks

Published 6 August 2026

Effective 1 July 2026, families with a child born or adopted on or after that date can receive up to 130 days of government-paid Parental Leave Pay (PLP), spanning 26 weeks based for a five-day workweek, up from 120 days or 24 weeks. Variations apply depending on whether the claimant is partnered or single.

Phased increase and sharing rules

The 2024 legislation increased the maximum number of flexible Parental Leave Pay days by two weeks each year, as follows:

- For children born or adopted from 1 July 2024, families became entitled to a maximum of 110 days, or 22 five-day workweeks;
- For children born or adopted from 1 July 2025, families became eligible for up to 120 days, or 24 five-day workweeks; and
- For children born or adopted from 1 July 2026, families became entitled to a maximum of 130 days, or 26 five-day workweeks.

For partnered claimants, the portion reserved for the other parent increases to 20 days for a child born or adopted from 1 July 2026, up from 15 days (since 1 July 2025). A single parent may receive all available Parental Leave Pay days.

Payment and employer administration

Parental Leave Pay is taxable and paid at the National Minimum Wage. As of 1 July 2026, the rate is AUD 200.94 per day, or AUD 1,004.70 per five-day week, before tax. Pay-as-you-go (PAYG) withholding applies to income tax only; employers do not withhold social security or superannuation contributions from Parental Leave Pay.

Services Australia finances the benefit and determines whether an employer must administer it. Where an employer determination applies, Services Australia transfers the funds before the relevant pay cycle, and the employer pays the employee through the normal pay cycle, withholds any applicable PAYG income tax, and provides a pay slip or other written record within one working day. Services Australia pays the employee directly where the employer is not required to administer the payment.

In addition to income tax treatment, only superannuation contributions are payable. For children born or adopted on or after 1 July 2025, a 12% superannuation contribution is payable on PLP. The Australian Taxation Office (ATO) pays it directly into the recipient’s superannuation fund after the end of the relevant financial year. It is not withheld from PLP and is not paid by the employer.

Interaction with employer-provided leave

Parental Leave Pay does not replace employer-paid leave under an employment contract, workplace policy, a modern award, enterprise agreement, or other applicable employment instrument.

Employees may receive PLP before, during, or after employer-provided paid or unpaid leave. Employer-provided leave does not reduce the number of PLP days available. Employees may receive both payments for the same period, provided they meet the eligibility requirements for PLP and comply with the rules for claiming and sharing the payment.

Employer Actions

Effective 1 July 2026, employers that administer PLP should update payroll, leave-management procedures, and employee communications to reflect a maximum of 130 days. Employers should:

- Configure payroll processes to administer the PLP days specified by Services Australia, taking account of the increase in the family maximum to 130 days;
- Ensure payroll teams provide PLP through the normal pay cycle only after government funds are received, apply PAYG withholding, and issue the required payment record within one working day; and
- Revise parental leave communications to distinguish Australian Government PLP from employer-funded parental leave and unpaid parental leave and incorporate the longer payment period into workforce planning.

Underlying legislation

The change was introduced by the Paid Parental Leave Amendment (More Support for Working Families) Act 2024 (No. 7, 2024), which received Royal Assent on 20 March 2024, and was registered on the Federal Register of Legislation on 21 March 2024.

Resources

- Services Australia – Paid Parental Leave scheme changes
- Services Australia – Paid Parental Leave scheme for employers
- Fair Work Ombudsman – Payment during parental leave

Australia

Victoria to introduce statutory right to work from home

Published 24 August 2026

On 30 July 2026, Victoria's Equal Opportunity Amendment (Work from Home) Bill 2026 passed the Legislative Assembly without amendment and, as of 24 August 2026, remains at the second-reading stage in the Legislative Council. It has not been enacted. The Bill would create a statutory right for eligible employees in Victoria to work from home for up to two days per week, where reasonable.

If enacted as currently drafted, the Bill would introduce the entitlement on 1 September 2026. However, for employers with fewer than 15 employees and their eligible employees, the entitlement would apply from 1 July 2027.

Proposed work-from-home entitlement

Eligible employees would have a right to work from home for up to two days per week if it is reasonable for them to do so. Eligible employees working fewer than 38 hours per week, including regular and systematic casual employees, would have an equivalent entitlement determined on a pro rata basis. Regulations may prescribe the method for calculating the pro rata period.

The Bill excludes certain employees from the new entitlement, e.g., employees on probation; employees undertaking an apprenticeship, traineeship, internship, graduate program, work experience program or similar program; casual employees who are not employed on a regular and systematic basis; specified regulated workers and other specified persons covered by the Fair Work Act 2009; and employees who are entitled to request flexible working arrangements under section 65 of the Fair Work Act because of specified personal circumstances and seek to work from home because of those circumstances.

Currently, there is no general statutory entitlement for all employees to work from home. Under the Fair Work Act, certain employees who have completed at least 12 months of service may request flexible working arrangements, including a change in work location, because they are pregnant; are a parent or have responsibility for the care of a school-aged or younger child; are a carer; have a disability; are aged 55 or older; are experiencing family and domestic violence; or provide care or support to an immediate family or household member experiencing family and domestic violence. Other work-from-home arrangements may arise under modern awards, enterprise agreements, employment contracts or workplace policies.

Notice and employer response

Before exercising the proposed entitlement, an eligible employee would have to give the employer written notice identifying the days and any specific times they intend to work from home. If the employee intends to work somewhere other than their private residence, the notice would also have to identify that place. The Bill would not require the employee to specify days or times where doing so is not practicable.

An employer receiving a work-from-home notice would have 21 days to respond in writing. The employer would have to allow the arrangement in the notice unless it is not reasonable. If the requested arrangement is not

reasonable but an equivalent period on different days or at different times is reasonable, the employer would have to allow that alternative. If an equivalent period is not reasonable, the employer would have to allow any lesser period that is reasonable. Where the employer does not accept the notice as submitted, the written response would have to explain the reasons and, where applicable, specify the alternative days or times that will be allowed.

By comparison, the current Fair Work Act process gives eligible employees a right to request, rather than a general right to work from home. Employers must respond to a qualifying flexible work request in writing within 21 days and may refuse only on reasonable business grounds after following the statutory process.

Reasonableness criteria

Under the Bill, whether working from home is reasonable would be assessed only by reference to the inherent requirements of the employee's role, the impact on the employer and any matters prescribed by regulations. The proposed factors include whether the role can be performed without in-person attendance, workplace-based equipment or in-person interactions with the public or clients, and whether working from home would have specified adverse effects.

The employer-impact factors specified in the Bill include whether the arrangement would:

- Cause a significant decrease in productivity or efficiency;
- Have an adverse impact on any person's safety;
- Have a significant adverse impact on supervision, training or professional development, stakeholder or client relationships, customer service outcomes, or confidentiality or data protection;
- Impose excessive financial costs;
- Require impractical changes to the working arrangements of the employee or other employees; or
- Require impractical new hiring.

When considering the inherent requirements of the role, the employer would also have to take account of legal requirements relating to safety, security, welfare or supervision.

Employer-paid reasonable costs

Where an employer is required to allow an eligible employee to work from home, the Bill would require the employer to pay reasonable costs necessary to enable the arrangement. The Bill expressly includes essential equipment, such as hardware and software, and secure access to the employer's information systems. The Bill does not set a fixed allowance or an exhaustive list of reimbursable costs.

Currently, there is no equivalent obligation. Existing cost arrangements depend on applicable workplace health and safety duties, awards, enterprise agreements, contracts and employer policies.

Employer considerations

Employers with employees in Victoria may nevertheless assess how the proposed framework would affect existing hybrid-work arrangements and the administration of work-from-home notices if the Bill is enacted.

Employers may consider preparing for the proposed framework by:

- Reviewing role descriptions and identifying duties that require in-person attendance, workplace-based equipment or in-person interaction;
- Reviewing hybrid-work policies, employment documentation and approval processes against the proposed two-day entitlement and the specified reasonableness criteria;
- Establishing a process to receive, assess and respond in writing to work-from-home notices within 21 days;
- Assessing the equipment, secure system access and other reasonable costs that may be necessary to support eligible employees working from home; and
- Ensuring managers understand the distinction between the proposed state notice process and existing flexible work requests under the Fair Work Act.

Proposed legislation

The proposed changes are set out in the Equal Opportunity Amendment (Work from Home) Bill 2026, which was published on the official Victorian legislation website and introduced in Victoria's Legislative Assembly on 16 June 2026.

The Bill passed the Legislative Assembly without amendment on 30 July 2026 and, as of 24 August 2026, is at the second-reading stage in the Legislative Council.

Resources

Victorian Government Solicitor's Office: Proposed new Victorian work from home laws

Fair Work Ombudsman: Flexible working arrangements

Belgium

Supreme Court rules retention-linked RSUs are remuneration for social security purposes

Published 19 August 2026

On 29 June 2026, the Supreme Court ruled that benefits granted to retain employees, encourage them to continue their efforts, or incentivize conscientious work are remuneration for employment-law purposes and are therefore subject to social security contributions. In the case, the Supreme Court applied that principle to Restricted Stock Units (RSUs) granted by a foreign parent company to employees of local subsidiaries where the plan expressly aimed to retain employees over the long term, and the local subsidiaries helped identify employees who might receive awards.

The ruling does not state that every RSU award is automatically subject to social security contributions; the treatment of a particular plan remains dependent on the applicable legal framework and the facts.

Details of the ruling

Social contributions are calculated on remuneration determined by reference to Article 2 of the Wage Protection Act. Current National Social Security Office (*Office national de sécurité sociale, ONSS)* administrative instructions also state that a cash or monetizable benefit can constitute remuneration regardless of whether the employer or a third party grants the benefit.

The Supreme Court held that benefits intended to bind employees to the business, encourage continued effort, or reward conscientious work are consideration for work and therefore remuneration. The RSU plan at issue stated that equity-related instruments were granted to bind employees to the business over the longer term. During the selection process, the parent company contacted local subsidiaries for information, and the subsidiaries suggested names together with reasons supporting their recommendations before the parent company made the final award decision.

Therefore, the lower court could not conclude that the RSUs were unrelated to work merely because the parent company was the formal grantor, the subsidiaries had not contractually promised the awards, and the subsidiaries did not bear the direct or indirect cost of the awards.

The Supreme Court rejected that legal reasoning because the plan was intended to retain employees over the longer term and that the subsidiaries participated in the selection process by recommending employees and giving reasons for those recommendations.

Employer implications

Financial implications

For multinational groups, the ruling increases the importance of reviewing parent-company equity awards under local employment and social security rules. Where an award is remuneration, social security contributions may become due even when another group company funds and administers the plan. Employers

should not assume that an award falls outside the contribution base solely because the local entity does not issue the award or bear its cost.

Operational and governance implications

Local HR and payroll teams need timely visibility into parent-company awards made to local employees so that the social security treatment and any reporting through the quarterly multifunctional social security declaration (*Déclaration multifonctionnelle, DmfA*) can be assessed. Plan rules, grant agreements, employee communications, the stated purpose of the award, beneficiary-selection criteria, continued-employment or retention conditions, and the local entity's role in recommending beneficiaries may all be relevant to that assessment.

ONSS administrative instructions separately contain specific exclusions and valuation rules for certain employee-participation arrangements, shares and stock options. Employers should therefore identify the type of equity arrangement before determining the social contribution base and reporting treatment.

Employer Actions

In light of the 29 June 2026 Supreme Court ruling, employers that grant RSUs or similar equity awards to local employees through a parent or another group company should:

- Identify current RSU and similar equity plans covering local employees and confirm which group entity grants, administers and funds each award;
- Review plan rules, grant agreements, employee communications, retention conditions, beneficiary-selection criteria and the local entity's role in recommending or supporting awards;
- Establish an information flow from the granting entity to local HR and payroll so awards can be assessed for social security and DmfA reporting before payroll close;
- Determine with local payroll and legal advisers whether current or prior awards require payroll, contribution or DmfA corrections; and
- Document the basis for the social security treatment applied to each plan and update internal equity-compensation procedures accordingly.

Supreme Court Ruling

Supreme Court, ruling of 29 June 2026, Case No. S.24.0021.N (*Hof van Cassatie, arrest van 29 juni 2026, S.24.0021.N*).

Resources

- National Social Security Office, Administrative Instructions 2026/2 Definition of remuneration (*Instructions 2026/3, La notion de remuneration*)
- National Social Security Office, Administrative Instructions 2026/2 – Employee participation, shares and stock options
- National Social Security Office, Administrative Instructions 2026/2 – DmfA remuneration codes

Belgium

Base insurance tax rate increases to 9.60%

Published 20 August 2026

Effective 1 July 2026, the base annual tax on insurance operations increases from 9.25% to 9.60% for premiums due from that date. The change may increase the cost of employer-sponsored insurance arrangements subject to the base rate, including certain hospitalization, outpatient healthcare, and incapacity insurance products.

Insurance tax increase

The Program Act of 30 May 2026 (*Loi-programme du 30 mai 2026*) increased the base rate in Article 175/1, § 1 of the Code of Miscellaneous Duties and Taxes from 9.25% to 9.60%. The premium due date determines which base rate applies, as follows:

- Premiums due through 30 June 2026 remain subject to the previous 9.25% rate; and
- Premiums due from 1 July 2026 are subject to 9.60%.

Other statutory insurance tax rates of 1.10%, 1.40%, 2%, and 4.40% remain unchanged. Broadly,

- 1.10% applies to certain mortgage-related decreasing-term life insurance;
- 1.40% applies mainly to specified marine, transport, and commercial vehicle insurance;
- 2.00% applies principally to individual life insurance and certain annuity products; and
- 4.40% applies, among other things, to certain non-individual life, death, disability, and supplementary pension arrangements.

Insurance arrangements that fall within one of those special rates therefore remain outside the base-rate increase.

Impact on employer-sponsored benefits

The tax measure itself does not require employers to provide any new insured benefit; existing benefit arrangements continue to depend on their applicable plan, contractual, and collective terms. Where an employer provides insured benefits that are subject to the base tax rate, the tax component of the premium increases for premiums due from 1 July 2026.

Employer-sponsored hospitalization and outpatient healthcare insurance that is subject to the base rate may therefore carry a higher tax charge. Certain occupational incapacity insurance products that are subject to the base rate are also affected.

Employer implications

The Program Act changes the base tax rate but does not amend the existing declaration or payment responsibility rules. Employers may nevertheless see the higher tax reflected in premium invoices and renewal costs. Federal Public Service Finance (*Service public fédéral Finances, SPF Finance*) guidance also confirms

that, where a policyholder is itself required to file under the existing rules, the declaration must apply the rate corresponding to the premium due date.

Where employees contribute toward insured benefits subject to the increased rate, the effect on payroll deductions will depend on the plan's contribution formula. For example, employee deductions may increase where employee contributions are calculated as a percentage of the premium but may remain unchanged where employees pay a fixed amount and the employer absorbs the additional cost.

Separately, in the less common cases where the employer, as policyholder, is already responsible under existing tax rules for declaring and paying the annual insurance tax, the reform does not create a new filing obligation. It increases the applicable general rate from 9.25% to 9.60% for premiums due on or after 1 July 2026.

Underlying legislation

The change was introduced by the Program Act of 30 May 2026 (*Loi-programme du 30 mai 2026 / Programmawet van 30 mei 2026*), which was published in the Official Journal (*Moniteur belge / Belgisch Staatsblad*) on 1 June 2026.

Resources

- FPS Finance: Annual tax on insurance operations (*Taxe annuelle sur les opérations d'assurance*)
- FPS Finance: DivTax

Belgium

New 20% threshold limits in-kind benefits valued on a flat-rate basis

Published 29 August 2026

Retroactively effective 1 January 2026, a new tax rule limits flat-rate valued in-kind benefits to 20% of total taxable remuneration. The new rule is applicable to benefits for assessment year 2027, i.e., applying to remuneration paid or attributed during income year 2026.

The 20% limit applies at company level for employees as a group and separately for company directors as a group. For employees, the portion above the threshold is subject to a separate 7.5% tax assessment payable by the employer or company. For company directors, an excessive portion can cause the company to lose access to the reduced corporate income tax rate.

20% threshold and calculation

The Law of 15 July 2026, which introduced the concept of an excessive portion of in-kind benefits. For employees, the excessive portion is the amount by which the total value of in-kind benefits that are subject to a statutory flat-rate valuation exceeds 20% of the total taxable remuneration granted to employees during the taxable period. The same calculation applies separately to company directors.

The calculation is therefore not an individual cap on each employee's or director's benefits. Instead, employers must compare the aggregate flat-rate value of qualifying benefits with aggregate taxable remuneration for each of the two recipient categories.

Previously, there was no statutory percentage limit on the proportion of total taxable remuneration that could be provided through benefits in kind valued on a flat-rate basis.

Benefits included in the threshold

Only benefits in kind covered by a statutory flat-rate valuation method are included in the numerator of the 20% calculation. These may include commonly provided remuneration components such as company cars, employer-provided housing and utilities, private use of employer-provided information technology or telecommunications equipment, and qualifying stock options valued under the legislation of 26 March 1999.

Benefits valued for tax purposes at their actual value are not included in the numerator. The denominator remains the total taxable remuneration granted to the relevant category during the taxable period.

Tax consequences of exceeding the threshold

For employees, the amount of flat-rate valued benefits that exceeds 20% of total taxable employee remuneration is subject to a separate 7.5% tax assessment at employer or company level. The rule does not increase the employee's taxable value of the benefit itself.

For company directors, the 7.5% assessment does not apply in the same manner. Instead, a company that grants an excessive portion of flat-rate valued in-kind benefits to company directors can be excluded from the reduced corporate income tax rate.

The employee and company-director calculations must be performed separately, so a lower ratio for one category cannot offset an excessive ratio for the other category.

Employer Actions

Starting from income year 2026 and the related assessment year 2027, employers should:

- Identify components of remuneration that are in-kind benefits subject to a statutory flat-rate valuation and distinguish them from benefits valued at actual value;
- Calculate the aggregate ratio of qualifying flat-rate benefits to total taxable remuneration separately for employees and company directors;
- Model the potential 7.5% employer-level tax cost where the employee ratio exceeds 20%, and assess the corporate income tax consequences where the company-director ratio exceeds 20%;
- Review compensation arrangements that rely heavily on flat-rate valued in-kind benefits and make any supported benefit-design adjustments before year-end; and
- Ensure payroll, tax and finance processes can capture the information needed to support the separate employee and company-director calculations for assessment year 2027.

Underlying legislation

The changes were introduced by the Law of 15 July 2026 reforming personal income tax (*Loi du 15 juillet 2026 portant réforme de l'impôt des personnes physiques*), which was published in the Official Journal (*Moniteur belge / Belgisch Staatsblad*) on 29 July 2026.

Brazil

Medically certified caregiver leave under legislative review

Published 6 August 2026

On 16 June 2026, the Chamber of Deputies approved Bill 4913/25, which would introduce employer-paid caregiver leave for employees caring for a sick child under 12 years of age who requires assistance during recovery. The leave entitlement would be granted where employees' caregiving responsibilities cannot be accommodated through alternative working arrangements and where the need for care is supported by required medical certification.

Caregiver leave

Under the proposed legislation, caregiver leave would not be automatically granted to employees if they can reasonably take care of their child while continuing to work through alternative working arrangements, such as teleworking, compensatory time off, or other methods provided for by law or in collective bargaining agreements.

Where such arrangements are not feasible, employees would be entitled to up to 14 days of employer-paid, employment-protected leave within a 12-month period, which may be taken consecutively or intermittently, subject to the medical certification that would be required under the Bill. The 12-month period would begin on the first day the employee takes leave.

Mandatory issuance of a medical certificate

In support of the introduction of caregiver leave for employees caring for a sick child, the Bill would also require an attending physician to issue a medical certificate that would substantiate employees' entitlement to the leave, provided:

- Their child is under 12 years of age;
- Their child is medically recommended to rest; and
- Their child's recovery requires direct assistance from a legal guardian.

The medical certificate must include:

- Child's full name and DOB;
- Identification of the legal guardian;
- Medical diagnosis, as authorized by the legal guardian, provided there is no ethical impediment;
- Recommended rest period;
- Express declaration of the need for assistance by a legal guardian;
- Date and place of issue; and
- Doctor's signature and registration number.

Proposed legislation

The changes were proposed by Bill 4913/25, which Provides for the issuance of a medical certificate for accompanying a child under 12 (twelve) years of age and ensures leave for the legal guardian, in the manner specified; and amends the Consolidation of Labor Laws, approved by Decree-Law No. 5,452, of May 1, 1943 (*Projeto de Lei No. 4.913-A de 2025 Dispõe sobre a emissão de atestado médico para acompanhamento de criança menor de 12 (doze) anos e assegura licença ao responsável legal, nos termos que especifica; e altera a Consolidação das Leis do Trabalho, aprovada pelo Decreto-Lei nº 5.452, de 1º de maio de 1943*), which was approved by the Chamber of Deputies on 16 June 2026.

Colombia

Changes to paternity and shared maternity leave features under legislative review

Published 21 August 2026

On 20 July 2026, a bill that would gradually increase the paternity leave (*licencia de paternidad*) entitlement and amend the rules for drawing on shared maternity leave—locally referred to as shared parental leave (*licencia parental compartida*), was introduced in the House of Representatives (*Cámara de Representantes*).

Paternity leave

The proposed changes would gradually increase the non-transferrable, government-paid paternity leave from two weeks to 12 weeks for biological and adoptive fathers, as follows:

- Five weeks from the law's effective date;
- Eight weeks after one year from the effective date; and
- 12 weeks after two years from the effective date.

Currently, biological and adoptive fathers are entitled to two weeks of non-transferrable, government-paid paternity leave following the birth or adoption of their child with a valid birth certificate.

The increased paternity leave entitlement would remain government paid.

Shared maternity leave

The proposed changes would permit employees to mutually agree on how to divide and draw on the last six-weeks of shared maternity leave in weekly periods, either consecutively or intermittently. The last six weeks of maternity leave can be transferred to the father, provided there is mutual agreement. Concerned employees would be required to notify their employer 15 days in advance of taking shared maternity leave.

Currently, the six-week shared maternity leave entitlement cannot be fragmented, interspersed, or taken simultaneously, except for postpartum illness of the mother, duly certified by a physician. The law currently does not specify requirements for requesting shared maternity leave.

Proposed legislation

The changes are proposed by Bill No. 014 of 2026, Through which paternity leave is expanded and other provisions are enacted (*Proyecto de Ley No. 014 de 2026 Cámara, Por medio del cual se amplía la licencia de paternidad y se dictan otras disposiciones*), which was introduced in the House of Representatives on 20 July 2026.

France

Additional Birth Leave implementing rules now in effect

Published 26 August 2026

Effective 1 July 2026, following the publication of implementing decrees that set the leave timing, notice, payment, and employer administration rules, employees may take the new statutory Additional Birth Leave (*congé supplémentaire de naissance*) for children born or adopted on or after 1 January 2026. The leave is a new entitlement that supplements existing maternity, paternity and child reception, and adoption leave; it does not replace those entitlements.

For employers, the implementing rules require eligible leave to be granted when statutory conditions are met and require the employer to transmit the employee's leave information to the health insurance fund so that statutory daily allowances can be paid.

Entitlement and eligibility

An employee who has used maternity, paternity and child reception, or adoption leave is entitled to Additional Birth Leave after exhausting that entitlement. The leave is available without a length-of-service requirement. An employee who could not use all or part of the preceding statutory leave because they were not eligible for the related statutory allowances is not required to exhaust that leave first.

Each eligible employee may choose one or two months of Additional Birth Leave. A two-month entitlement may be taken continuously or split into two separate one-month periods. The leave suspends the employment contract, while the period counts as effective work for determining rights based on length of service and the employee retains benefits acquired before the leave begins.

Previously, there was no statutory Additional Birth Leave. Employees could use the existing maternity, paternity and child reception, adoption, or other applicable family-related leave entitlements, subject to their respective conditions.

When the leave may be taken

For a child born or adopted from 1 July 2026, each period of Additional Birth Leave must begin within nine months after the birth or, for an adoption, the child's arrival in the household. Where maternity, paternity and child reception, or adoption leave is extended under law or an applicable collective agreement, the nine-month period is extended by the same amount.

Transitional rules apply to children born or adopted between 1 January and 30 June 2026, and to children born before 1 January 2026 whose expected birth date was on or after that date. For these cases, the leave period or periods must begin within nine months from 1 July 2026, subject to applicable extensions.

Requesting the leave

Employees must inform their employer of the requested start date, duration and whether a two-month leave will be split. Notice must generally be provided at least one month before the leave begins by registered letter with acknowledgment of receipt or by hand delivery against receipt.

The notice period is reduced to 15 days when the Additional Birth Leave immediately follows paternity and child reception, or adoption leave and the employee seeks to begin the leave during the month following the birth or the child's arrival in the household. If an employee changes employers before using the full entitlement, the employee must inform the new employer within one month of the date on which the remaining leave period will be taken.

Payment during leave

Additional Birth Leave is not employer-paid statutory leave. Eligible employees receive statutory daily allowances (*indemnités journalières*) from the employee's Primary Health Insurance Fund (*Caisse primaire d'assurance maladie, CPAM*), which is part of *Assurance Maladie*, the health insurance branch of the Social Security system.

For employees, the statutory daily allowance is calculated using the same reference salary and calculation rules that apply to statutory maternity daily allowances. The resulting amount is paid at 70% for the first month of Additional Birth Leave and 60% for the second month, if taken. The reference salary used in the calculation is subject to the applicable Social Security ceiling.

As of 1 January 2026, the monthly Social Security ceiling (*Plafond mensuel de la Sécurité sociale, PMSS*) is EUR 4,005. Based on this ceiling and the applicable calculation rules, the maximum statutory daily allowance payable by the CPAM for Additional Birth Leave is EUR 72.81 for the first month.

Employer reporting obligations

Employers must report an employee's Additional Birth Leave to health insurance within five days after the leave begins so that the employee can receive statutory daily allowances. Where a two-month leave is split, a separate employer submission is required for each one-month period; where two months are taken continuously, a single submission covering both months is sufficient.

From 1 October 2026, health insurance indicates that the employer process will be simplified and accompanied by a declaration through the nominative social declaration (*déclaration sociale nominative, DSN*). Until then, employers must follow the current health insurance submission process.

The leave is a statutory entitlement. An employer may not refuse or require postponement where the employee satisfies the applicable conditions. In the event of the child's death or a significant reduction in household resources, an employee may return to work before the scheduled end of the leave by giving at least eight days' notice and supporting documentation.

Employer Actions

Effective 1 July 2026, employers must implement the new Additional Birth Leave requirements. Employers should take the following concrete actions:

- Update leave policies, employee handbooks and leave-management systems to add the one- or two-month Additional Birth Leave entitlement and the option to split a two-month entitlement into two one-month periods;
- Configure HR and payroll processes to apply the one-month employee notice requirement and the 15-day exception where applicable;
- Establish a process to report each employee's Additional Birth Leave to health insurance within five days after the leave begins, including separate submissions for split leave periods;
- Prepare for the health insurance process change scheduled for 1 October 2026, including the related DSN reporting; and
- Update employee communications to explain eligibility, timing, notice requirements and that payment during the leave is provided through statutory daily allowances rather than statutory employer-paid leave.

Underlying legislation

The Additional Birth Leave implementing rules were introduced by:

- Decree No. 2026-419 of 30 May 2026 on Additional Birth Leave (*Décret n° 2026-419 du 30 mai 2026 relatif au congé supplémentaire de naissance*); and
- Decree No. 2026-425 of 30 May 2026 on Additional Birth Leave (*Décret n° 2026-425 du 30 mai 2026 relatif au congé supplémentaire de naissance*), Journal officiel de la République française (JORF) No. 0126, Text No. 29, published 31 May 2026.

Both decrees were published in the Official Journal (*Journal officiel de la République française, JORF*) on 31 May 2026.

Resources

Health Insurance: Additional Birth Leave (*Congé supplémentaire de naissance*)

Germany

Partial incapacity for work becomes a recognized status starting 1 January 2028

Published 10 August 2026

Effective 1 January 2028, employers will have seven calendar days to decide whether an employee may work part of their regular schedule while medically certified as partially incapable of work. The new arrangement applies within statutory health insurance where a physician expects incapacity lasting more than four weeks and certifies incapacity covering 25%, 50%, or 75% of the employee's regular weekly working time. For the illness-related portion that is not worked, continued remuneration is generally paid by the employer during the applicable continued-remuneration period; after that period, partial sickness benefit may be paid by the statutory health insurer if the statutory conditions are met.

Employer approval will be required; silence will not constitute consent. A refusal or missed response deadline causes the certificate to operate as a certificate of full incapacity for the entire certified period. Where the employer approves the arrangement, it must notify the employee of the work start date in writing and manage separately the worked and illness-related portions.

Currently, incapacity for work is certified as full incapacity. Separate gradual return-to-work arrangements and Occupational Integration Management (*Betriebliches Eingliederungsmanagement*, BEM) may be used, but the current framework does not provide a statutory partial-incapacity certificate or partial sickness benefit.

Employer approval required

An employee who wants to use the new arrangement must notify the employer of their willingness to work partially, the certified percentage of incapacity, and the certified period. The employer must state within seven calendar days after receiving the notice whether it agrees to work being performed at the remaining capacity.

If the employer approves, it must communicate the work start date by email or another saved written communication that identifies the sender. Until that date, the certificate is treated as a certificate of full incapacity. If the employer refuses or does not respond by the deadline, the entire certified period must be treated as a period of full incapacity to work.

Approval creates a split pay and absence workflow

Once partial work begins, the employer must prorate the employee's remuneration for work that is performed. The Continued Remuneration Act *(Entgeltfortzahlungsgesetz)* applies to the illness-related hours that the employee does not work. During the period in which the employee is entitled to continued remuneration, the employer must pay the employee for the hours worked and continue the employee's remuneration for certified illness-related hours not worked. Starting partial work does not restart or extend the maximum six-week period for which the employer must continue to provide remuneration.

After the six-week period, the health insurer may pay a partial sickness benefit for the illness-related portion.

Either party may end the arrangement before the certified period expires. The employee may notify the employer in writing that they can no longer work or cannot continue as agreed. The employer may revoke its approval in writing. From the time the arrangement ends, the certificate is treated as supporting full incapacity.

Existing return-to-work process

Partial incapacity will supplement the current gradual return to work and BEM. The legislation requires the government to evaluate the new arrangement against gradual return to work, including where it forms part of BEM.

For employers, this distinction matters operationally. A partial-incapacity request triggers a statutory approval decision and, if approved, an immediate work-and-pay arrangement. Existing return-to-work and BEM procedures should be coordinated with that workflow.

Partial incapacity certification criteria

The Federal Joint Committee (*Gemeinsamer Bundesausschuss*, G-BA) must issue medical criteria for certification at 25%, 50%, or 75% incapacity to work by 1 January 2027. The electronic incapacity-for-work certification process (*elektronische Arbeitsunfähigkeitsbescheinigung*, eAU) and related data transfers must also be expanded to accommodate partial incapacity before the 1 January 2028 effective date.

Employers can establish governance and response procedures now, but final system configuration and detailed employee instructions will need to reflect the G-BA guideline and the electronic reporting specifications.

Employer Actions

The main impact of this change on employers will be complying with a time-bound decision period and the administration of the new partial incapacity to work status.

Before 1 January 2028, employers are advised to:

- Designate the HR or management function authorized to receive employee notices and approve or refuse partial work, and implement a tracker for the seven-calendar-day decision-making timeline;
- Adopt consistent decision criteria for assessing whether the employee's existing duties can be performed at the remaining capacity without creating or adapting a position;
- Prepare written templates for approval, notification of the work start date, refusal, and revocation of approval, and retain each notice and response in the employee's leave record;
- Configure payroll, timekeeping, and leave management systems to separate hours worked, proportional remuneration, continued remuneration, and any period involving partial sickness benefit;
- Map how partial-incapacity requests will interact with existing gradual return-to-work and BEM procedures while preserving the distinct statutory approval process;
- Revise sickness-absence policies and employee communications to explain the voluntary request process, the consequences of refusal or no response, and the circumstances in which either party may end the arrangement; and

- Train HR personnel, payroll teams, and managers on the final medical and electronic procedures after the G-BA guideline and eAU specifications are issued.

Underlying legislation

The changes were introduced by the Statutory Health Insurance Contribution Rate Stabilization Act (*Gesetz zur Stabilisierung der Beitragssätze in der gesetzlichen Krankenversicherung*), which was published in the Federal Gazette (*Bundesgesetzblatt*) on 29 July 2026.

Resources

Federal Ministry of Health: FAQ on the Proposed Statutory Health Insurance Contribution Rate Stabilization Act (*Fragen und Antworten zum GKV-Beitragssatzstabilisierungsgesetz (Entwurf)*)

Greece

Expansion of occupational pension access and revised tax and portability rules proposed

Published 5 August 2026

On 26 August 2026, parliamentary committee consideration resumed on a proposed law that would broaden access to voluntary occupational pensions, introduce a new group occupational pension insurance product, increase tax-favorable contribution limits, replace the existing duration-based benefit tax schedule with age-based rates, establish broader pension transfer rights, and allow Occupational Pension Funds (TEAs) to offer supplementary benefits. The Ministry of Labor and Social Security submitted the proposed law to Parliament on 27 July 2026.

Tax provisions would apply to amounts accruing from 1 January 2027. The proposal concerns voluntary second pillar occupational retirement arrangements, which supplement the statutory social security pension system. Participation would remain voluntary.

Employers would not be required to establish an occupational pension arrangement or make employer contributions. The proposal is intended to make voluntary occupational retirement benefits more accessible to smaller employers and provide employers with additional occupational retirement benefit options.

Open occupational pension funds

Under the current framework, establishing a standalone Occupational Pension Fund (*Ταμείο Επαγγελματικής Ασφάλισης,* TEA) is subject to a 100-person threshold. This may make the creation of a separate fund impractical for smaller employers and professional groups. The proposed law would authorize Open Occupational Pension Funds, or Open TEAs. These would operate as umbrella funds licensed and supervised by the Central Bank and could accept additional participating employers, collective bodies, professional associations and self-employed individuals. An employer joining an Open TEA would not have to independently meet the 100-person threshold or obtain separate supervisory approval for each accession. The proposed model is intended to reduce administrative costs and make occupational pension coverage more accessible to smaller employers.

Group occupational pension insurance products

The proposed law would also establish Group Occupational Pension Insurance Products (*Ομαδικά Ασφαλιστήρια Προγράμματα Επαγγελματικής Σύνταξης,* OAPES) offered by insurance companies. Employers could participate in an OAPES without obtaining separate supervisory approval. Existing group pension insurance arrangements are available, but the proposed standardized OAPES framework—with second pillar governance, disclosure, tax and participant-protection requirements equivalent to those applying to TEAs—does not currently exist. OAPES would also be supervised by the Central Bank.

Simplified administration of existing pension plans

Currently, changing a pension program offered through a TEA requires an amendment to the fund's statute and a new supervisory approval. The proposed law would more clearly separate the TEA's governing statute from the individual pension programs it offers.

Under the proposed law, a TEA's board would be permitted to introduce new pension benefit programs or amend existing programs for sponsoring employers that have already joined the TEA, subject to specified governance, actuarial, risk-management and notification requirements. The proposal would therefore allow changes to individual pension benefit programs to be made separately from amendments to the TEA's statute.

Separately, existing TEAs would be required to complete the adaptations necessary to comply with the revised framework, including any required amendments to their statutes, by 31 December 2027. Until the competent authority approves those statutory amendments, TEAs would generally continue to apply their existing statutory provisions. These requirements would apply only if the proposed law is enacted.

Tax treatment of contributions and benefits

Under the current rules, occupational pension contributions to TEAs and premiums paid under group pension insurance contracts are subject to a combined annual tax-favorable limit of 20% of gross employment income for employees and EUR 20,000 for self-employed individuals.

The proposed law would increase these limits to:

- 35% of annual employment income for employees; and
- EUR 35,000 annually for self-employed individuals.

Under the proposal, contributions within the applicable tax-favorable limits would be fully deductible for tax purposes. The proposed law would increase the annual contribution limits to 35% of annual employment income for employees and EUR 35,000 for self-employed individuals.

The proposed law would also change the taxation of retirement benefits. Currently, tax rates are based on the number of years an individual has participated in the arrangement. Periodic pension benefits and lump-sum benefits are taxed, respectively, at:

- 10% and 20% for participation of up to five years;
- 7.5% and 15% for participation exceeding five years and up to 10 years;
- 5% and 10% for participation exceeding 10 years and up to 20 years; and
- 2.5% and 5% for participation exceeding 20 years.

Current tax rates are increased by 50% in cases of early withdrawal.

An additional tax-rate adjustment may also apply to an individual who first participates in a TEA or group pension insurance contract after age 55 and does not complete the minimum participation period under the proposed law minimum participation period. Under the proposed law, the tax rate would instead depend on the individual's age when receiving the benefit. Specifically, a periodic pension benefit would be taxed at 5% and a lump-sum benefit at 10% where payment begins from age 62 through age 67. Where payment begins after age 67, the respective rates would be 2.5% and 5%.

The proposed law would remove the current tax penalty associated with entering an occupational pension arrangement later in life. Early withdrawals would be treated as ordinary taxable income without the current additional 50% tax-rate increase.

Broader pension portability

The current framework does not provide the same standardized cross-provider transfer mechanisms provided for by the proposed law, which would allow collective transfers:

- From one TEA to another TEA;
- Between a TEA and an OAPES; and
- From one OAPES to another OAPES.

It would also introduce standardized individual portability without transfer fees when an employee changes employers or professional status. Subject to the applicable conditions, an individual could maintain occupational pension participation during a period of unemployment. Transfers would be subject to Central Bank safeguards, and further implementation decisions would be needed to prescribe operational procedures.

Supplementary benefits

In addition to retirement benefits, TEAs would be permitted to offer supplementary benefits such as health programs, provided the relevant risk is fully covered by an insurer, reinsurer or qualifying health care provider. Coverage could also extend to family members.

Employer implications

The proposal does not currently impose a new general obligation on employers to establish or contribute to an occupational retirement plan. If enacted, however, it would broaden the voluntary plan structures available to employers, particularly smaller employers that may find establishing a standalone TEA impractical.

Employers considering occupational retirement benefits could have additional design choices between establishing a TEA, joining an Open TEA or using an OAPES arrangement. The higher proposed contribution ceilings could also increase the scope for tax-favored employer retirement contributions, while the proposed portability rules may make occupational retirement benefits more useful for recruitment and retention.

Employers that already sponsor or participate in occupational retirement arrangements may need to assess plan design, funding and administration if the proposed law is enacted, particularly where they wish to use the new portability mechanisms, supplementary benefits or revised tax limits. Until the parliamentary process is completed, the existing framework continues to apply.

Proposed legislation

The changes are contained in the proposed law titled Strengthening occupational insurance: more opportunities for employees and businesses, expanding supplementary retirement savings options (*Ενίσχυση της επαγγελματικής ασφάλισης: περισσότερες δυνατότητες για εργαζόμενους και επιχειρήσεις, διεύρυνση των επιλογών συμπληρωματικής συνταξιοδοτικής αποταμίευσης*), which the Ministry of Labor and Social Security submitted to Parliament on 27 July 2026. As of 26 August 2026, the draft law is under consideration by the Standing Committee on Social Affairs and has not been enacted.

Ireland

Employees can now oppose contractual retirement ages below State Pension age

Published 5 August 2026

Effective 29 June 2026, employees who have completed probation and whose contracts specify a retirement age below the State Pension age of 66 may notify their employer in writing that they do not consent to retire at that age. An employer that proposes enforcing the contractual retirement age must reply within one month and demonstrate that retirement of the specific employee is objectively and reasonably justified by a legitimate aim and that the means of achieving that aim are appropriate and necessary. Employers may not penalize employees for proposing to exercise or exercising this right.

29 September 2026 is the earliest contractual retirement date to which the new entitlement applies. Indeed, the updated Workplace Relations Commission Code of Practice on Longer Working also took effect on 29 June 2026. It explains the new statutory process, provides templates, and sets out a separate procedure for employees aged 66 and older who request to continue working. Because employees must provide at least three months' notice, 29 September 2026 is the earliest contractual retirement date to which the new right can apply.

Employees covered and notice requirements

The Act applies where an employee has completed any probationary period and the employment contract specifies a contractual retirement age below 66. It does not apply where the contractual retirement age is 66 or higher, or where legislation imposes a maximum retirement age or maximum service limit.

To invoke the new entitlement, the employee must notify the employer in writing at least three months, but not more than one year, before the contractual retirement date. If the written contract requires more than three months' notice to terminate employment, the employee must give that contractual period or six months, whichever is shorter. The notification must refer to section 5(1) of the Employment (Contractual Retirement Ages) Act 2025 as its legal basis. An employee may withdraw a notification and submit another notification later but may not notify the employer more than twice in any six-month period.

Prior to this entitlement, an employer could enforce a contractual retirement age below 66 where the retirement age was objectively and reasonably justified by a legitimate aim and the means were appropriate and necessary under employment equality law. Before 29 June 2026, under the 2017 Code of Practice on Longer Working employees could request to work beyond the contractual retirement age, but employers were not subject to a statutory deadline to respond, and the request did not prevent enforcement of the contractual retirement age.

Employer response and individual justification

An employer must consider a valid notification. If the employer proposes to enforce the contractual retirement age, it must first provide a written justification within one month of receiving the notification. The reply must

explain the legitimate goal that is being relied upon and why retiring that specific employee at the contractual age is an appropriate and necessary means of achieving the goal.

The 2026 Code of Practice on Longer Working lists possible legitimate goals such as intergenerational fairness, promotion opportunities, health and safety in safety-critical work, a balanced workforce age structure, personal and professional dignity, and succession planning. These examples do not automatically justify retirement: the employer must assess the individual employee and support the stated aim with evidence.

Before 29 June 2026, employers remained subject to the objective-justification requirement under employment equality law, but there was no statutory one-month written-reply requirement or separate process requiring justification of the retirement of the employee concerned following a non-consent notification.

Where an employer accepts the notification, the employee's continued employment should be documented. The Act protects continued employment until a later date accepted by the employee or until age 66, whichever occurs first.

Protection, remedies, and penalties

Employers may not penalize or threaten to penalize an employee for proposing to submit or submitting a non-consent notification. Prohibited detriment includes termination or threat of termination, demotion, reduced pay or hours, transfer of duties or location, discipline, harassment, discrimination, withholding training, and a negative performance assessment or employment reference.

Before 29 June 2026, employees retained protection under employment equality and general employment law, but there was no specific statutory prohibition against penalization for proposing to exercise or exercising the new notification right.

An employee may bring a complaint to the Workplace Relations Commission. The adjudication officer may require specified action, including reinstatement or re-engagement, and may award compensation of up to 104 weeks' remuneration or EUR 40,000, whichever is greater. The same conduct cannot result in relief under both the Act and the Employment Equality Acts.

An employer that, without reasonable cause, fails to provide the required reasoned written reply commits a criminal offense and may be liable to a Class A fine of up to EUR 5,000, imprisonment for up to 12 months, or both. Where a corporate offense occurs with the consent or connivance of a director, manager, secretary, or other officer, that individual may also be liable.

Updated Code of Practice and employees aged 66 or older

The 2026 Code replaces the 2017 Code of Practice on Longer Working. It is not legally binding, but it is admissible in proceedings before a court, the Labour Court, or a Workplace Relations Commission adjudication officer. It includes model employee notifications, employer replies, and a company retirement policy.

The Act does not create a statutory non-consent right for employees whose contractual retirement age is 66 or higher. The Code retains a separate longer-working procedure for employees aged 66 and older: the employee should submit a written request at least three months before the intended retirement date, the parties should meet, and the employer should communicate the decision promptly. If the request is refused, the employer should explain the grounds and provide access to an appeal mechanism, such as the organization's grievance procedure. These requests remain subject to the existing age-discrimination framework.

Employer implications

Employers operating contractual retirement ages below 66 now face a formal, time-limited decision process and a higher risk of Workplace Relations Commission claims and criminal enforcement if notifications are not handled correctly. A general retirement policy or succession rationale is not sufficient on its own; the employer must be able to justify retirement of the individual employee.

The change may also affect workforce planning, succession, retention, benefit coverage, and retirement communications. Employers that accept a notification may need to agree and document the employee's continued employment terms, review pension and insured-benefit eligibility, consider flexible working arrangements, and plan for the employee's eventual retirement. An employer's acceptance does not create an automatic right to remain employed beyond age 66.

Employer Actions

Effective 29 June 2026, employers with contractual retirement ages below 66 must establish a compliant process for receiving, assessing, and responding to employee notifications. The following actions should be part of this process:

- Identify employees who are due to reach a contractual retirement age below 66 within the next 12 months and record the applicable employee-notification window;
- Update retirement policies, employment documentation, handbooks, and notification channels to reflect the statutory process and one-month response deadline;
- Acknowledge and assess each valid notification, and do not enforce the contractual retirement age before issuing the required reasoned written reply;
- Document the legitimate aim, evidence, alternatives considered, and reasons why retiring the specific employee is appropriate and necessary where the employer proposes to enforce retirement;
- Prevent termination, adverse treatment, or other penalization connected with an employee's proposed or completed notification;
- Document agreed continuation in employment and address any resulting contract, benefit, workforce-planning, and retirement-transition matters;
- Apply the separate Code procedure to longer-working requests from employees aged 66 or older; and
- Train HR personnel and managers and retain records of notifications, meetings, decisions, evidence, advice, and employee communications.

Underlying legislation

The changes were introduced by Employment (Contractual Retirement Ages) Act 2025 (No. 16 of 2025), which was published in the Irish Statute Book on 16 December 2025.

The Act was brought into operation by S.I. No. 247/2026, Employment (Contractual Retirement Ages) Act 2025 (Commencement) Order 2026, notice of which was published in *Iris Oifigiúil* on 12 June 2026.

Resources

Workplace Relations Commission: Code of Practice on Longer Working 2026 (S.I. No. 246/2026)

Mexico

Maternity and paternity leave features under legislative review

Published 19 August 2026

On 10 March 2026, a proposed decree amending the Federal Labor Law (*Ley Federal del Trabajo*) was introduced in the Chamber of Deputies. The proposed changes would increase and align maternity and paternity leave entitlements, strengthen employment protections for women during pregnancy and postpartum, and increase pay entitlements during eligible leave extensions for employees who are unable to work due to pregnancy or childbirth.

The proposed changes are detailed below.

Maternity leave

The proposed legislation would increase the leave entitlement from 12 weeks to 20 weeks; with 10 weeks to be taken before childbirth and 10 weeks after. Employees would be permitted to split the leave as they see fit before or after childbirth, or as directed by their physician.

In the case where a child is born with a disability or requires medical care, the leave would be extended from up to eight weeks to up to 12 weeks after childbirth with appropriate medical certification.

In the case of adoption of an infant, employees would be entitled to 12 weeks of paid leave after the day they receive the infant, up from currently six weeks of leave.

Currently, employees are entitled to 12 weeks of government-paid maternity leave to be taken six weeks before and six weeks after childbirth. Up to four of the six prenatal weeks may be transferred to the postnatal period at the employee's request, with required medical authorization.

Paternity leave

The proposed legislation would replace the current five-day entitlement with 10 weeks of paid leave before and after the birth of their child or adoption of an infant, for a total of 20 weeks of paid paternity leave. The proposed decree does not specify whether the extended leave would be employer-paid or partially or fully paid by social security.

Currently, male employees are entitled to five days of employer-paid paternity leave following the birth or adoption of a child.

Employment protections

The proposed legislation would add a prohibition on pregnant employees working or remaining connected through telework outside their normal working hours, in addition to the existing restrictions on work that poses

a risk to pregnancy (i.e., lifting, pulling or pushing heavy weight, standing for long periods of time, or work that may alter their mental state).

Additionally, under the Federal Labor Law, employees currently retain the right to return to their previous position for up to one year following childbirth. The proposed legislation would extend this employment protection for up to one and a half years.

Pay during extended leave

Currently, when an employee remains unable to work due to pregnancy or childbirth, the statutory rest period is extended for the necessary time required. During this extended leave period, an employee is entitled to 50% of their salary for a maximum of 60 days.

The proposed legislation would increase the benefit from 50% to 80% of salary and extend the maximum payment period from 60 days to 90 days.

Proposed legislation

The changes are proposed by the Initiative that amends various provisions of the Federal Labor Law, regarding maternity and paternity leave, under the responsibility of Deputy Ariana del Rocío Rejón Law, of the PRI Parliamentary Group (*Iniciativa que reforma diversas disposiciones de la Ley Federal Del Trabajo, en materia de licencia de maternidad y paternidad, a cargo de la Diputada Ariana Del Rocío Rejón Lara, del grupo Parlamentario del PRI*), which was presented in the Chamber of Deputies on 10 March 2026.

Netherlands

Greater security for flex employees enacted

Published 26 August 2026

Effective 1 January 2028, new provisions to strengthen protections for employees working under fixed-term and on-call employment arrangements apply.

Selected rules for agency workers will take effect earlier on 31 December 2026 and 1 January 2027.

Key changes concern the use of successive fixed-term contracts, replacement of zero-hours arrangements with minimum-hours band contracts, and the employment conditions and duration of temporary agency work. These are detailed below.

Fixed-term contracts

Effective 1 January 2028, the statutory break required before a new chain of fixed-term contracts can begin will increase from currently six months to 36 months. In practice, after the statutory limit on successive fixed-term contracts is reached, employers would have to wait three years before entering into a new fixed-term contract with the same employee.

The Law retains shorter-break rules of six months for qualifying students working no more than a weekly average of 16 hours and allows for limited collective bargaining exceptions for specified seasonal work.

On-call contracts

Effective 1 January 2028, zero-hours contracts will be prohibited and replaced by band contracts specifying a minimum and maximum number of working hours. The maximum number of hours may not exceed 130% of the minimum. Employees may refuse work that would cause them to exceed the agreed maximum.

Previously, employers could use zero-hours contracts under which employees had no guaranteed minimum number of working hours and were paid were paid according to the hours for which they were called to work. Min-max on-call contracts could also be used without the new statutory 130% limit.

Existing protections for on-call employees require employers to provide at least four days' notice of work, subject to a collective bargaining agreement reducing the notice period to no less than 24 hours. If scheduled work is cancelled or changed within the applicable notice period, the employee remains entitled to pay for the originally scheduled hours.

Employers are already required, after an on-call contract has lasted 12 months, to offer the employee fixed working hours at least equal to the employee's average working hours during the preceding 12 months. Under the new band-contract framework, this requirement will continue to provide for an adjustment where the employee has worked more hours.

Temporary agency workers

Effective 31 December 2026, temporary agency workers must receive at least equivalent employment conditions to employees performing equal or equivalent work for the client organization. The new provisions permit deviations by a collective bargaining agreement (CBA) applicable to the agency, provided employment conditions remain at least equivalent.

Previously, statutory equal-treatment requirements applied to specified core employment conditions, including pay and other prescribed working conditions. The new framework broadens comparison to other employment conditions and assesses equivalence based on overall employment conditions.

Effective 1 January 2028, the initial phase of temporary agency employment, known as Phase A, will be limited to 52 worked weeks. During this period, the temporary employment agency may enter into multiple fixed-term agency contracts with the employee. The 52-week period cannot be extended by CBA.

After Phase A, a maximum of six successive fixed-term agency contracts may be entered into during a 24-month period. Successive agency contracts remain part of the same chain where the interval between them does not exceed 60 months. If the 24-month limit is exceeded or more than six successive fixed-term agency contracts are entered into, the latest contract becomes an indefinite-term employment contract from the point at which the applicable limit is exceeded. The 24-month period and six-contract maximum cannot be extended by CBA.

Previously, the initial phase of temporary agency employment could be extended by CBA from 52 to 78 worked weeks, while the subsequent phase could extend to three years and permit up to six fixed-term agency contracts.

For employers using temporary agency workers, the broader equivalence requirement may increase agency worker costs where the overall employment conditions of agency workers must be enhanced to align with those of comparable employees of the client organization. The shorter agency-employment phases may also reduce flexibility for employers relying on long-running temporary agency assignments.

Underlying legislation

The changes were introduced by:

- The Law of 8 July 2026 amending Book 7 of the Civil Code, the Placement of Personnel by Intermediaries Act and the Social Insurance Financing Act in order to provide flexible workers with greater security regarding work and income (Law on Greater Security for Flexible Workers) (*Wet van 8 juli 2026 tot wijziging van Boek 7 van het Burgerlijk Wetboek, de Wet allocatie arbeidskrachten door intermediairs en de Wet financiering sociale verzekeringen teneinde aan flexibele arbeidskrachten meer zekerheden te verschaffen over werk en inkomen (Wet meer zekerheid flexwerkers)*); and
- Decree of 13 July 2026 determining the date of entry into force of the Law on Greater Security for Flexible Workers (*Besluit van 13 juli 2026 tot vaststelling van het tijdstip van inwerkingtreding van de Wet meer zekerheid flexwerkers*).

Both were published in the Official Journal (*Staatsblad*) on 15 July 2026.

New Zealand

Employment Leave Act enacted, replacing Holidays Act 2003 and requiring payroll transition

Published 24 August 2026

On 6 August 2026, the Employment Leave Bill received Royal Assent and became the Employment Leave Act 2026. The Act will replace the Holidays Act 2003 and substantially change how employers accrue, calculate, pay, record, and communicate statutory leave. Most employer-facing provisions will take effect on 6 August 2028, with a separate parental leave payment change taking effect on 1 July 2027.

Until the relevant provisions commence, employers must continue to administer annual holidays, public holidays, sick leave, bereavement leave, family violence leave, and related payments under the Holidays Act 2003. The enacted Act therefore creates a staged implementation rather than an immediate replacement of the current leave system.

Compliance timeline

The final Act establishes three relevant implementation dates for employers:

- From 7 August 2026, provisions allowing regulations for an optional remediation process for past Holidays Act 2003 underpayments came into force. These provisions do not change current statutory leave entitlements or payroll calculations by themselves;
- From 1 July 2027, amendments to the Parental Leave and Employment Protection Act 1987 and related regulations change the earnings information and calculation used for parental leave payment applications received on or after that date; and
- From 6 August 2028, the core Employment Leave Act framework takes effect and the Holidays Act 2003 is repealed, subject to transitional and savings provisions.

For employees already employed immediately before 6 August 2028, employers do not have to apply the new entitlement and payment rules until the employee's first pay period that starts on or after 6 August 2028. Existing employment agreements may continue temporarily, but employers must comply with both the agreement and the Act from commencement; where an agreement provides a more favorable equivalent term, the more favorable term prevails. By 6 August 2029, employment agreements entered into before commencement must comply with the Act.

Parental leave payment changes from 1 July 2027

For parental leave payment applications received on or after 1 July 2027, the payment calculation will use the employee's average gross weekly earnings over specified recent pay periods rather than the current ordinary weekly pay concept. The relevant pay periods are the four most recent regular weekly pay periods, two most recent fortnightly or half-monthly pay periods, the most recent monthly or four-week pay period, or approximately four weeks of regular pay periods for other pay frequencies.

The related employer information requirement is also amended. For applications received on or after 1 July 2027, the information provided for parental leave payment purposes must include the employee's average gross weekly earnings for the relevant pay period, or average weekly income from work where that amount is greater.

The parental leave payment itself is government-funded. The employer-facing change is therefore administrative and payroll-related: employers must be able to provide the earnings information required under the amended calculation for qualifying applications from 1 July 2027.

The protected-earnings amendments referenced in the earlier draft do not commence on 1 July 2027. Those consequential provisions form part of the wider changes commencing with the core Act on 6 August 2028.

Hours-based annual and sick leave from 6 August 2028

From the applicable first pay period starting on or after 6 August 2028, employers must move from the Holidays Act 2003 anniversary-based framework to hours-based accrual for standard hours. The core accrual rules are as follows:

- Annual leave accrues from the first standard hour worked at a minimum rate of 0.0769 hours of annual leave for each standard hour worked;
- Sick leave accrues from the first standard hour worked at a minimum rate of 0.0385 hours of sick leave for each standard hour worked;
- Accrued sick leave is capped at 160 hours; and
- Bereavement leave and family violence leave become available from the first day of employment, subject to the Act's qualifying conditions.

Under the Holidays Act 2003, employees become entitled to four weeks of annual holidays after 12 months of employment and to 10 days of sick leave after six months of qualifying employment. Bereavement leave and family violence leave also require six months of qualifying employment. The new Act replaces those service-based entry points with the hours-based and day-one framework described above.

Standard, additional, and casual hours

The new system distinguishes between standard hours, additional hours, and casual hours because the category determines whether leave accrues or a Leave Compensation Payment (LCP) applies. Employers will need employment agreements, rosters, payroll rules, and records that correctly identify the category of hours worked.

Standard hours are the hours an employee is required to work under the applicable employment agreement, roster, or notional roster. Additional hours are hours worked beyond standard hours where the employee receives additional payment for those hours. Casual hours are hours that are neither standard hours nor additional hours under the Act.

This classification is operationally important because annual and sick leave accrue on standard hours, while an LCP applies to relevant additional and casual hours instead of annual and sick leave accrued on those hours.

Leave Compensation Payments

For relevant additional and casual hours, employers must pay an LCP of at least 12.5% of the employee's ordinary hourly rate for each relevant hour in the pay period. The LCP must be paid in addition to other pay due for those hours and recorded as a distinct component in the employee's leave record.

The LCP replaces the current Holidays Act 2003 pay-as-you-go annual holiday pay mechanism, which permits an 8% payment in specified circumstances. The new 12.5% payment is broader because it compensates in advance for both annual leave and sick leave that do not accrue on the relevant additional or casual hours.

Leave payments and fixed allowances

The core Act replaces the Holidays Act 2003's multiple annual holiday and other leave pay calculations with a single hourly leave payment framework. For employees paid wages, the hourly leave rate is generally based on the lowest hourly rate payable under the employment agreement for the shift during which the leave is taken. For salaried employees, the rate is based on the salary attributable to one standard hour, subject to the Act's specific rules.

Employers must also continue paying fixed allowances that the employee remains entitled to receive during the leave or public holiday. Variable or contingent amounts that are payable only when specified circumstances occur, reimbursement of expenses not incurred during leave, productivity-based payments, commissions, and other excluded elements are not treated as part of the leave hourly rate merely because they form part of total remuneration.

The final Act differs from the Bill as introduced by applying the wage-rate test to the relevant shift rather than the whole calendar day. This avoids a lower hourly rate from one shift automatically determining the leave rate for a separate shift on the same day.

Annual leave cash-up and public holiday administration

Employees will be able to request in writing to cash up to 25% of their annual leave balance for the applicable 12-month period. Employers may decline a request and may adopt a policy under which cash-up requests will not be considered for all or part of the employer's operations.

Under the Holidays Act 2003, annual holiday cash-up is limited to up to one week of the employee's four-week annual entitlement in each entitlement year. The new Act therefore changes the limit from a fixed one-week concept to 25% of the applicable annual leave balance.

Public holiday entitlements continue to depend on whether the day is an otherwise working day for the employee. The Act introduces a revised statutory test for employees whose work pattern does not make the answer clear, so employers will need rostering and payroll processes that can determine and record whether a day is otherwise working under the new framework.

Parental leave and annual leave pay from 6 August 2028

The core Act also removes the Holidays Act 2003 rule that can reduce annual leave pay after parental leave. Once the relevant provisions commence, annual leave taken after parental leave will be paid under the same Employment Leave Act payment rules that apply to other annual leave.

Currently, annual holidays that become due during parental leave or during the 12 months after an employee returns can be paid using average weekly earnings only, which can produce a lower payment because periods of unpaid parental leave affect the average. That parental-leave-specific annual holiday pay treatment will end when the core Act commences.

Pay statements, leave records, and transition of existing balances

From the core commencement date, employers will have enhanced recordkeeping and pay-statement obligations. Employers must keep the leave records required by the Act, including leave balances and payments, and the Employment Relations Act 2000 amendments require a pay statement for each pay period.

Existing annual holiday, sick leave, and alternative holiday balances do not simply disappear on 6 August 2028. Schedule 1 contains rules for converting and preserving pre-commencement entitlements, including conversion of qualifying annual holiday, sick leave, and alternative holiday balances into the new hours-based framework. Employers should therefore migrate historical balances using the statutory transition rules rather than resetting balances.

Employer Actions

Employers should use the Act's staged commencement dates to sequence implementation as follows:

- Before 1 July 2027, update parental leave administration and payroll procedures so that earnings information for parental leave payment applications received on or after that date can be provided using the amended recent-pay-period calculation;
- Before 6 August 2028, configure payroll and HR systems to distinguish standard, additional, and casual hours; accrue annual leave at a minimum rate of 0.0769 hours per standard hour; accrue sick leave at a minimum rate of 0.0385 hours per standard hour subject to the 160-hour cap; and pay the 12.5% LCP on qualifying additional and casual hours;
- Before 6 August 2028, configure leave payment rules to apply the new hourly framework, continue qualifying fixed allowances during leave, and apply the shift-based rate rule for employees paid different hourly rates;
- Before 6 August 2028, establish processes to convert and preserve existing annual holiday, sick leave, and alternative holiday balances under Schedule 1 rather than resetting employee balances;
- From each existing employee's first pay period starting on or after 6 August 2028, apply the new leave entitlement, payment, LCP, public holiday, recordkeeping, and pay-statement requirements;
- From 6 August 2028, grant bereavement leave and family violence leave as day-one statutory entitlements and apply the new annual and sick leave accrual framework from the employee's first standard hour worked; and
- By 6 August 2029, amend or replace pre-commencement employment agreements so that any terms addressing annual leave, public holidays, alternative leave, sick leave, leave payments, and related statutory matters comply with the Employment Leave Act 2026, while preserving any more favorable contractual entitlement that continues to apply.

Underlying legislation

The changes were introduced by the Employment Leave Act 2026, Public Act 2026 No. 48, which received Royal Assent and was published by New Zealand Legislation on 6 August 2026. The Act is the direct triggering legislation for the changes described in this Alert.

Resources

- Employment Leave Act 2026 – New Zealand Legislation
- MBIE – Holidays Act reform: Employment Leave Act

Oman

Mandatory end-of-service provident scheme for non-Omani employees due by July 2027

Published 19 August 2026

As of 14 July 2025, Royal Decree No. 60/2025 extends the implementation window for the mandatory defined-contribution (DC) savings system for non-Omani employees. The Social Protection Fund (SPF) Board must set the commencement date for mandatory employer contributions, which may be no later than 19 July 2027. The previously applicable deadline was 19 July 2026.

Once the contribution provisions commence, employers will be required to fund the scheme at 9% of each covered non-Omani employee's monthly basic wage. The scheme will replace employer-paid end-of-service gratuity for service after the contribution start date, while employers remain responsible for gratuity accrued for service before that date.

Mandatory provident scheme

The Social Protection Law establishes the savings system as a DC arrangement. It applies compulsorily to non-Omani employees up to the mandatory savings amount and is intended to fund their end-of-service entitlement. The SPF administers the system.

Previously, the Social Protection Law required the mandatory 9% contribution provision to begin on a date set by the SPF Board no later than three years after the Law was issued, i.e., no later than 19 July 2026. Royal Decree No. 60/2025 extended that outside date to four years after issuance, i.e., no later than 19 July 2027.

Employer contributions and registration

From the commencement date set by the SPF Board, employers must contribute 9% of each covered non-Omani employee's monthly basic wage. The Social Protection Law also permits additional voluntary savings amounts to be paid by the employer, the employee, or others.

The Executive Regulation requires employers to register non-Omani employees in the savings system within 30 days after they join work. Registration is automatic after employment contracts are approved by the competent authorities, and a non-Omani employee registered in another social insurance branch under the Law is also treated as registered in the savings system.

Employers must remit mandatory contributions within the contribution-payment deadlines applicable to employers under the social insurance branches. If an employer fails to pay contributions based on the employee's actual wage, or fails to remit contributions by the applicable deadline, an additional amount equal to 8% per year of unpaid contributions may apply, calculated cumulatively until payment, subject to the force-majeure rules established by the SPF Board.

End-of-service gratuity transition

The savings system replaces the end-of-service grant or gratuity payable by employers to non-Omani employees for service after mandatory contributions commence. For service before that date, the employer remains responsible for the accrued end-of-service grant or gratuity under the Labor Law or other applicable employment system when employment ends, unless the accrued amount is settled into the savings system or with the employee in accordance with the Labor Law.

This creates a split transition under which legacy gratuity liability remains with the employer for pre-commencement service, while post-commencement end-of-service savings are funded through the mandatory provident scheme.

Employee savings and access

Each member employee has a personal account into which mandatory contributions and any voluntary savings are deposited. The Executive Regulation provides a minimum annual investment return of 2%.

For a non-Omani employee, savings may be paid when the employment relationship ends and the employee leaves Oman. If the employee remains in Oman, payment may be requested after three months from the end of employment, provided the employee is not employed under another contract when applying. The Social Protection Law also provides for access in specified circumstances, including permanent disability, death, and after at least 180 months of monthly contributions or deposits.

Employer implications

The scheme will convert future end-of-service costs for covered non-Omani employees from an unfunded gratuity liability into a recurring monthly employer contribution. Employers should therefore assess the cash-flow impact of a 9% contribution on monthly basic wages and separately preserve and track accrued gratuity liabilities for service before the scheme commences.

Payroll and HR processes will also need to distinguish basic wage from other remuneration components, support SPF registration and contribution remittance, and maintain records needed to reconcile pre- and post-commencement service. Employers with compensation structures that do not clearly identify basic wage should review those arrangements before contributions begin.

Employer Actions

Before the SPF Board-set commencement date, employers should:

- Identify all non-Omani employees who will be covered and verify their SPF registration status;
- Confirm the monthly basic wage recorded for each covered employee and align payroll data used for the 9% employer contribution;
- Configure payroll and finance systems to calculate and remit the mandatory contribution from the commencement date;
- Calculate and separately track end-of-service gratuity accrued for service before the mandatory contribution start date;
- Budget for the recurring employer cost equal to 9% of covered employees’ monthly basic wages; and

- Update employment, payroll, and end-of-service administration procedures so pre-commencement gratuity and post-commencement provident savings are handled separately.

Underlying legislation

Royal Decree No. 60/2025 amending certain provisions of Royal Decree No. 52/2023 issuing the Social Protection Law (المرسوم السلطاني رقم ٦٠ /٢٠٢٥ بتعديل بعض أحكام المرسوم السلطاني رقم ٥٢ /٢٠٢٣ بإصدار قانون الحماية الاجتماعية) was issued and published in Official Gazette No. 1604 on 13 July 2025.

Resources

- Social Protection Fund – Provident Scheme
- Social Protection Fund – Social Protection Law
- Social Protection Fund – Executive Regulation of the Social Protection Law

Oman

Sick and extraordinary leave insurance extended to non-Omani employees

Published 19 August 2026

Effective 19 July 2026, the Social Protection Fund (SPF) extended compulsory Sick Leave and Extraordinary Leave Insurance to non-Omani employees in private-sector establishments subject to the Labor Law. Covered employers must pay a monthly contribution equal to 1% of each covered employee's gross monthly wage and administer insured leave payments through the SPF reimbursement process. Before 19 July 2026, these employees had statutory sick leave and certain paid special leave entitlements under the Labor Law but were not compulsorily covered by SPF's Sick Leave and Extraordinary Leave Insurance branch. Employers were therefore responsible for paying statutory sick leave and special leave expressly designated as paid under Article 84 of the Labor Law, including paternity, marriage, bereavement, and Hajj leave.

The change shifts part of the cost of Sick Leave and Extraordinary Leave from direct employer funding to the social insurance system. It also gives covered non-Omani employees an insured patient-accompaniment leave entitlement that was previously limited to Omani employees.

Coverage and employer contributions

From 19 July 2026, the insurance branch applies compulsorily to non-Omani employees in private-sector establishments who are subject to the Labor Law. Previously, the Social Protection Law allowed the SPF Board to determine which categories of non-Omani employees would be compulsorily covered, but no compulsory coverage applied to this private-sector group until the SPF issued Decision No. R/13/2026.

Employers must pay a monthly contribution equal to 1% of each covered employee's gross monthly wage, with no contribution ceiling. The SPF issues a monthly contribution notice based on registered wage data. Previously, employers did not pay this insurance contribution for non-Omani employees.

Employers must verify employee and wage data and pay contributions by the applicable deadlines. SPF opened its electronic process for employer reimbursement and settlement requests on 1 August 2026, including settlement of amounts relating to July 2026.

Sick leave funding

Covered employees continue to be entitled to up to 182 days of sick leave per year. The applicable payment percentages remain 100% of gross monthly wages for days one through 21, 75% for days 22 through 35, 50% for days 36 through 70, and 35% for days 71 through 182. The change is primarily how these payments are funded and administered.

Previously, the employer had to bear the statutory sick leave payments for the full 182-day period. From 19 July 2026, the employer remains responsible for the employee's full wage for the first seven days. The Social Protection Fund's Sick Leave and Extraordinary Leave Insurance program covers the applicable allowance from

day eight through day 182. Under the SPF process, the employer pays the employee and then submits a request to the SPF for compensation of the covered allowance and applicable contributions.

Extraordinary leave funding

The Social Protection Fund's Sick Leave and Extraordinary Leave Insurance program covers specified extraordinary leave. For marriage and specified family deaths, the durations correspond to existing paid special leave under the Labor Law, namely:

- three days for marriage;
- three days following the death of a father, mother, grandparent, brother or sister;
- two days following the death of an uncle or aunt; and
- 10 days following the death of a spouse or child.

A Muslim woman is also covered for 130 days following her husband's death, and a non-Muslim woman for 14 days. The allowance for these periods is 100% of the employee's last wage.

Previously, under the Labor Law, employers directly paid these special leave entitlements. From 19 July 2026, qualifying sick and extraordinary leave is covered by the SPF's Sick Leave and Extraordinary Leave Insurance program and administered through the SPF reimbursement process.

Patient-accompaniment leave

The SPF's Sick Leave and Extraordinary Leave Insurance program provides covered employees with up to 30 days per year to accompany a spouse, parent, child, brother or sister for medical treatment. The first 15 days are covered at 100% of the employee's last wage and the remaining period at 50%. The period may be extended at the employee's request, subject to conditions set by the SPF Board.

Previously, the Labor Law provided 15 days of patient-accompaniment leave only to Omani employees. This creates a new insured entitlement for covered non-Omani employees.

Employer implications

The change creates a recurring employment cost equal to 1% of covered employees' gross monthly wages and requires employers to incorporate the SPF's Sick Leave and Extraordinary Leave Insurance program into payroll, leave and SPF administration. Employers also need sufficient cash-flow planned for paying covered leave amounts before reimbursement by the SPF.

The funding change may reduce employers' ultimate direct cost for longer sick leave and covered extraordinary leave because the SPF reimburses qualifying amounts after the employer pays the employee. Employers should nevertheless distinguish the first seven days of sick leave, which remain fully employer-paid, from later insured sick leave periods and maintain records supporting reimbursement claims.

Employer Actions

Effective 19 July 2026, employers with covered non-Omani employees should:

- Verify that employee records and gross monthly wage data held by the SPF are accurate;
- Configure payroll to calculate the 1% employer contribution on each covered employee's gross monthly wage and remit contributions by the applicable deadlines;
- Update sick and extraordinary leave procedures to distinguish employer-funded and insurance-funded periods;
- Continue paying covered leave amounts to employees and submit supporting reimbursement and settlement requests through the SPF portal;
- Track reimbursement receivables and reconcile SPF settlements against payroll payments; and
- Update leave policies and employee communications to reflect the insured patient-accompaniment leave available to covered non-Omani employees.

Underlying legislation

The change was introduced by Social Protection Fund Decision No. R/13/2026 concerning the determination of categories of non-Omani employees subject to the Sick Leave and Extraordinary Leave Insurance Branch (قرار رقم ر /١٣/ ٢٠٢٦ في شأن تحديد الفئات الخاضعة لفرع تأمين الإجازات المرضية والإجازات غير الاعتيادية من العمال غير العمانيين), which was published in Official Gazette No. 1654 (الجريدة الرسمية) on 28 June 2026.

Qatar

Labor Law amendments introduce new employer obligations

Published 21 August 2026

Effective 25 July 2026, Law No. 9 of 2026 introduced new provisions related to designated vocational occupations, non-compete clauses, joint employer-employee committees, strike procedures, labor dispute resolution, recruitment agency compliance, wage-related enforcement, and Ministry of Labor enforcement powers.

The Law also creates a legislative basis for future regulation of part-time and freelance work. Implementing decisions are still expected for several measures, including the list of occupations subject to training and certification requirements and the detailed framework for part-time and freelance work.

Vocational certification for designated occupations

Employers may only employ employees in certain technical and craft occupations after the employee has obtained the required training and examination certificate from a training center approved by the Ministry of Labor.

The designated occupations will be identified in a list prepared by the competent department in coordination with the relevant authorities, approved by the Minister of Labor, and published on the Ministry of Labor website. Ministerial decisions will set the controls for licensing the practice of covered occupations, the training required to practice them, and the circumstances in which a license may be suspended or cancelled.

Previously, the Labor Law did not include a general statutory requirement that employees in designated occupations obtain Ministry-approved training and examination certification before employment in those roles.

Part-time and freelance work

The amendments establish a basis for regulating part-time and freelance work through future executive decisions. Until implementing rules are issued, employers should not assume that all Labor Law provisions automatically apply to those work models.

The Ministry of Labor has indicated that separate templates and frameworks are expected for part-time work and freelance work, with the aim of defining the rights and obligations of the parties and reducing future disputes.

Non-compete clauses

The maximum permissible duration of a post-termination non-compete restriction has increased from one year to two years. A non-compete restriction must be approved by the competent department at the Ministry of Labor and incorporated into the employment contract through an approved addendum to be enforceable.

A non-compete clause may not be applied where the employment relationship ends during the probation period. Employers should therefore review existing templates and ensure that any non-compete clause is limited to legitimate business interests and supported by the required Ministry approval.

Joint employer-employee committees

Employers with 100 or more employees must establish joint committees that include employer and employee representatives. The committees are intended to support workplace dialogue and labor relations.

Previously, joint committees were not mandatory on the same basis for establishments with 100 or more employees. Employers that meet the threshold should prepare to establish, document, and administer the committee once applicable implementation requirements are confirmed.

Strike procedures and summary termination

The Labor Law continues to recognize the right to strike, but the amendments introduce additional procedural and substantive conditions. A strike may occur only where the employer has breached contractual or statutory obligations and the dispute has not been resolved through amicable settlement or the Labor Law's collective dispute procedures.

Employees must provide written notice to the employer and the Ministry of Labor. The strike period is unpaid, and employers may engage temporary replacement employees with Ministry approval. The amendments also permit termination without notice or end-of-service gratuity where an employee incites other employees to strike for illegitimate reasons and causes disruption to the employer's operations.

Labor dispute resolution and electronic proceedings

Labor dispute settlement procedures have been updated to support faster resolution, including express authorization for labor dispute committees to conduct proceedings electronically where the identities of parties and witnesses are verified.

Recruitment agency compliance and enforcement

The amendments strengthen the regulation of recruitment agencies sourcing employees from abroad. The Minister of Labor may impose administrative financial penalties for recruitment-related violations, supported by a schedule of penalties. Reported penalties range from QAR 3,000 to QAR 25,000 depending on the violation.

The Minister of Labor may suspend all or some Ministry transactions for an establishment that violates the Labor Law. If the establishment repeatedly violates the law during the same year, or if delayed wage payments result in a collective labor dispute, the Minister may also suspend Ministry transactions for affiliated establishments that are connected to the violation or being used to evade compliance with the Labor Law.

The suspension may not deprive unrelated parties of services or affect their rights, and it does not cover authentication of employment contracts or renewal of work licenses and residence permits for employees of the establishments concerned. The suspension is lifted only after the employer corrects the violation and removes its causes within the period specified by the competent department.

Where an employer violates wage payment obligations, an affected employee may request to transfer to another employer or request termination of the contractual relationship, with the non-compliant employer bearing the employee's repatriation costs. Repeat offenders for specified Labor Law violations may also have their names published on the Ministry of Labor website.

Employer Actions

Effective 25 July 2026, employers covered by the Labor Law must take the following steps:

- Review employment contract templates and existing employment contracts to identify non-compete clauses and ensure that any restriction does not exceed two years, is supported by a legitimate business interest, and is submitted for the required Ministry of Labor approval;
- Identify whether the employer has 100 or more employees and, if so, prepare to establish a joint employer-employee committee consistent with the amended Labor Law and any implementing requirements;
- Confirm whether any covered employees work in occupations requiring training or examination certificates and obtain the required certificates before employing them in those roles;
- Review wage payment controls and Wage Protection System compliance, as delayed wage payments may trigger Ministry transaction suspensions, employee transfer or termination requests, repatriation cost exposure, and public identification of repeat offenders;
- Review disciplinary policies and employee communications to reflect the amended strike framework and the new summary termination ground for inciting an unlawful strike that disrupts operations;
- Review recruitment agency arrangements and documentation to ensure compliance with the strengthened recruitment-related obligations and administrative penalty regime; and
- Review applicable implementing decisions on part-time work, freelance work, vocational certification, non-compete approvals, and joint committee procedures when relevant to the establishment.

Underlying legislation

The changes were introduced by Law No. 9 of 2026 amending certain provisions of the Labor Law issued by Law No. 14 of 2004 (قانون رقم (9) لسنة 2026 بتعديل بعض أحكام قانون العمل الصادر بالقانون رقم (14) لسنة 2004), which was published in the Official Gazette (الجريدة الرسمية), Issue No. 11, on 25 June 2026.

Singapore

2027 Statutory holidays must be displayed in workplace

Published 10 August 2026

On 18 June 2026, the Ministry of Manpower (MOM) published the dates of the 11 statutory holidays for 2027. Under the Employment Act employees are entitled to 11 employer-paid statutory holidays. The statutory entitlement and payment rules remain unchanged, but the 2027 calendar requires particular attention because three statutory holidays fall on Saturday and the second day of Chinese New Year falls on Sunday, making Monday, 8 February 2027 a statutory holiday.

2027 statutory holiday dates

The 11 statutory holidays fall on the calendar dates below. The schedule contains 12 calendar dates because the second day of Chinese New Year falls on Sunday, 7 February, and Monday, 8 February is also a statutory holiday.

Statutory Holiday	2027 Dates
New Year's Day	Friday, 1 January
Chinese New Year – first day(2)	Saturday, 6 February
Chinese New Year – second day(1)	Sunday, 7 February Monday, 8 February is also a statutory holiday
Hari Raya Puasa	Wednesday, 10 March
Good Friday	Friday, 26 March
Labour Day (2)	Saturday, 1 May
Hari Raya Haji	Monday, 17 May
Vesak Day	Thursday, 20 May
National Day	Monday, 9 August
Deepavali	Thursday, 28 October
Christmas Day (2)	Saturday, 25 December

(1) Monday, 8 February is also a statutory holiday because 7 February falls on Sunday.

(2) On a typical five-day Monday-to-Friday schedule, a Saturday statutory holiday is a non-working-day holiday: the employer must grant another day off or pay one extra day at the gross rate. Different rules apply if Saturday is a rest day or normal working day.

Payment during statutory holidays

An employee is entitled to a paid statutory holiday at the employee's gross rate of pay when the statutory holiday falls during the period of employment. Holiday pay is not due when the holiday falls during unpaid leave granted at the employee's request. An employee also loses holiday pay if absent without the employer's prior consent or without reasonable excuse on the working day immediately before or after the holiday or substituted day.

Part-time employees are entitled to pro-rated paid statutory holidays. Their annual entitlement is calculated in hours in proportion to the entitlement of a similar full-time employee.

Pay in lieu and substitution

Employers and employees may mutually agree to substitute another day for one or more statutory holidays. Cash is not a general substitute for the holiday entitlement; however, when a statutory holiday falls on a day when the employee is not required to work under the contract of service, the employer may either pay the employee for the holiday at the gross rate of pay or give another day off in substitution.

A part-time employee may agree to relinquish the paid-holiday entitlement in exchange for an allowance incorporated into the employee's hourly gross rate of pay. The allowance must be calculated under the statutory formula in the Employment (Part-Time Employees) Regulations.

Working on a statutory holiday

An employer may require an employee to work on a statutory holiday. By default, the employee must receive the gross rate of pay for the holiday plus an extra day's salary at the basic rate of pay for one day's work. The employer must also pay one day's travelling allowance if the contract of service provides for it.

Overtime pay may also be due where the employee works beyond the employee's normal hours and is covered by Part 4 of the Employment Act. Part 4 generally applies to employees performing mainly manual work who earn a monthly basic salary of SGD 4,500 or less, and to other covered employees who earn a monthly basic salary of SGD 2,600 or less. Managers and executives are not covered by Part 4.

For employees who are not covered by Part 4 of the Employment Act, and managers and executives, the employer may grant time off in lieu instead of an extra day's basic salary or a substitute holiday. The number of hours may be mutually agreed. If there is no agreement, the employer may grant four hours off when the employee worked four hours or less on the holiday, or a full day off when the employee worked more than four hours.

A part-time employee required to work on a statutory holiday is entitled to the applicable part-time holiday amount, one day's basic pay, and any contractual one-day travelling allowance. Modified time-off-in-lieu rules apply to part-time employees outside Part 4.

Statutory holidays that fall on a non-working day

If a statutory holiday falls on the employee's rest day, the next working day is a paid statutory holiday. If it falls on a day when the employee is not required to work under the contract of service, the employer may either pay the employee at the gross rate of pay for that holiday or give another day off in substitution. For a typical five-day workweek, Saturday is a non-working day, and Sunday is the rest day.

In 2027, the first day of Chinese New Year, Labour Day, and Christmas Day fall on Saturday. The second day of Chinese New Year falls on Sunday, making Monday, 8 February a statutory holiday. Employers should map these dates against each employee's actual work schedule rather than assume the Saturday/Sunday treatment is the same for every employee.

Bridging of statutory holidays

The Holidays Act and Employment Act, which govern statutory holidays do not grant an additional bridge day solely because a statutory holiday adjoins a rest day or non-working day. An employer and employee may agree to substitute another working day for a statutory holiday.

Part-time employees

Part-time employees are entitled to pro-rated paid statutory holidays under the Employment (Part-Time Employees) Regulations. If a part-time employee is required to work on a paid statutory holiday, the statutory payment rules are modified for the part-time schedule, and time-off-in-lieu rules may apply where the employee is outside Part 4 of the Employment Act.

Workplace statutory holiday record

During each year, every employer must maintain and conspicuously display at each workplace a record specifying all statutory holidays for that year and any day that the employer and all employees working at that workplace have agreed to substitute for a statutory holiday. The regulations do not prescribe a separate advance-posting deadline.

Employer Actions

Before the 2027 calendar year begins, employers should operationalize the published dates and confirm how the weekend statutory holidays will be treated for each work schedule.

- Update 2027 holiday calendars, HR systems, payroll configurations and employee communications to include the 11 statutory holidays and Monday, 8 February 2027;
- Identify employees for whom Saturday is a non-working day, rest day or normal working day, and configure the correct pay or substitute-day treatment for 6 February, 1 May and 25 December;
- Confirm and document any mutually agreed substituted statutory holidays or time-off-in-lieu arrangements, and ensure employees required to work on a statutory holiday receive the applicable statutory compensation;
- Ensure part-time employees receive pro-rated paid-statutory-holiday entitlement and any additional holiday-work payments;
- During 2027, maintain and conspicuously display at each workplace the required record of statutory holidays and any substitution day agreed with employees.

Resources

- Ministry of Manpower: Public Holidays for 2027 (18 June 2026)
- Ministry of Manpower: Public holidays — entitlement and pay
- Singapore Statutes Online: Employment Act 1968, section 88
- Singapore Statutes Online: Holidays Act 1998
- Singapore Statutes Online: Employment (Part-Time Employees) Regulations, regulation 6
- Singapore Statutes Online: Employment Records Regulations 2016, regulation 10

Spain

Three recent Supreme Court rulings limit sick leave-related bonus reductions

Published 21 August 2026

Recent Supreme Court rulings confirm that employers may not automatically deprive employees of an annual performance-related bonus because they were on sick leave. The rulings do not prohibit reductions in variable pay, but they do require employers to distinguish performance-based remuneration from automatic exclusion or reductions linked to protected leave.

The recent rulings affect bonuses, incentives, and productivity plans that use effective attendance or days worked as a condition for eligibility or payment.

Supreme Court rulings

The Supreme Court has addressed the treatment of sick leave in several recent variable-pay cases.

In its 16 July 2025 ruling, the Supreme Court held that an employee could not have annual sales incentives reduced solely because they had been on sick leave during the accrual period, where the bonus was linked to store-level sales objectives and the employer had no lawful basis for applying the reduction.

In its 12 February 2026 ruling, the Supreme Court distinguished between two types of incentive rules. A proportional reduction may be lawful where the bonus is genuinely linked to individual performance or time actually worked, and the reduction is based on a legitimate, transparent, and proportionate performance criterion rather than the employee's sick leave itself. However, excluding temporary incapacity from a minimum service or retention eligibility criteria may be discriminatory where it turns ordinary sickness into a bonus entitlement barrier.

In its 29 May 2026 ruling, the Supreme Court confirmed that sick leave, certain family-related force majeure leave, and specified protected leave cannot be used as automatic grounds for reducing a performance-related incentive where the calculation does not properly align with the relevant time, objectives, and justification for what the bonus is intended to reward.

Implications for bonus and incentive plans

Employers may still design variable pay around objective performance, productivity, retention, or attendance criteria. However, the plan must be capable of passing an objective justification and proportionality assessment, especially where illness or protected family-related leave may affect eligibility or payment.

The rulings are particularly relevant where an employer's plan includes one or more of the following features:

- A minimum period of effective work or attendance eligibility criteria;
- An automatic deduction for days of sick leave;
- A rule that treats legally protected leave in the same way as ordinary unexcused absence; or

- A payroll practice that reduces the bonus even though the written plan, collective agreement, or objective formula does not expressly support the reduction.

Where a bonus is linked to collective or establishment-level objectives, employees who were on sick leave may challenge their exclusion if the relevant collective objectives are met and the rest of the eligible workforce receives the bonus.

The Supreme Court rulings clarify that employers must consider the source of the bonus criteria, the objective pursued, whether the bonus is linked to individual or collective performance, and whether the outcome of the criteria is discriminatory or disproportionate.

Employer Actions

In light of these recent rulings, employers with performance-related bonus, retention, or productivity incentive plans should:

- Review bonus plan criteria, collective agreement provisions, and payroll practices to identify automatic reductions linked to sick leave or protected leave;
- Confirm whether each variable-pay component is linked to individual performance, collective performance, retention, attendance, or another objective criterion;
- Remove or revise gateway conditions that exclude temporary incapacity from minimum service or attendance thresholds without objective justification;
- Ensure payroll teams do not reduce bonuses based on sickness absence unless the reduction is expressly supported, objectively justified, and proportionate; and
- Update manager guidance and employee communications so that sick leave is not described as an automatic reason for reduced bonus entitlements.

Underlying Supreme Court rulings

Supreme Court Social Chamber Judgment No. 725/2025 of 16 July 2025, Appeal No. 4616/2023, ECLI: ES:TS:2025:3658 (*Sentencia del Tribunal Supremo, Sala de lo Social, núm. 725/2025, de 16 de julio de 2025, recurso núm. 4616/2023*).

Supreme Court Social Chamber Judgment No. 159/2026 of 12 February 2026, Appeal No. 264/2024 (*Sentencia del Tribunal Supremo, Sala de lo Social, núm. 159/2026, de 12 de febrero de 2026, recurso núm. 264/2024*).

Supreme Court Social Chamber Judgment No. 522/2026 of 29 May 2026, Appeal No. 28/2025, ECLI: ES:TS:2026:2494 (*Sentencia del Tribunal Supremo, Sala de lo Social, núm. 522/2026, de 29 de mayo de 2026, recurso núm. 28/2025*).

South Korea

Holiday substitution now permitted for Labor Day at workplaces with five or more employees

Published 24 August 2026

On 15 May 2026, the Ministry of Employment and Labor (MOEL) issued guidance allowing workplaces with five or more employees to substitute Labor Day, 1 May, with a specified working day where the employer and an employee representative agree in writing.

Labor Day remains a paid holiday. A valid substitution changes the day on which the paid holiday is observed. Because Labor Day 2026 had already occurred when the guidance was issued, the first future Labor Day potentially affected by the revised interpretation is 1 May 2027.

Previously, MOEL's administrative interpretation was that Labor Day could not be substituted with another working day because 1 May was established as a specific paid holiday under its own statute. MOEL revised that interpretation after Labor Day was also designated as a public holiday under the Public Holidays Act and the Regulations on Public Holidays of Government Offices.

The MOEL confirmed the revised holiday substitution interpretation as an official response to potentially misleading reporting by a major media outlet published on 21 August 2026.

Holiday substitution

The revised guidance states that workplaces with five or more regularly employed employees, which are subject to the paid public holiday requirements of Article 55(2) of the Labor Standards Act, may apply the same holiday-substitution mechanism to Labor Day that applies to other public holidays. Under Article 55(2), an employer may substitute a paid public holiday with a specified working day through a written agreement with an employee representative.

When the substitution is valid, 1 May becomes an ordinary scheduled working day, and the specified replacement day becomes the paid holiday. Accordingly, work performed on the substituted 1 May is not treated as holiday work solely because it falls on Labor Day; the replacement day carries the paid-holiday status.

Labor Day remains a paid holiday

The guidance does not change Labor Day's status as a paid holiday. It confirms that Labor Day applies to all employees, including employees at workplaces with fewer than five employees and certain employees who are otherwise outside the Labor Standards Act's general holiday provisions.

The holiday substitution mechanism, however, is available only where Article 55(2) applies. The guidance states that workplaces with fewer than five employees and employees excluded from the relevant holiday provisions continue to receive Labor Day as a paid holiday but cannot use the Article 55(2) substitution mechanism.

Underlying legislation

Ministry of Employment and Labor, Labor Day-related Labor Standards Act Application Guidelines (노동절 관련 근로기준법 적용 지침), issued on 15 May 2026 by the Ministry of Employment and Labor.

Resources

MOEL: Clarification regarding the Korea Economic Daily article “Labor Day Becomes Public Holiday, Holiday Substitution Possible... 'Unconditional 2.5x Hourly Wage' Disappears Starting Next Year”—issued 21 August 2026 ((설명) 한국경제, “공휴일 된 노동절, 휴일대체 가능... 내년부터 ‘무조건 시급 2.5배’ 사라져” 기사관련).

South Korea

Paid infertility treatment leave increases to four days

Published 24 August 2026

Effective 27 November 2026, employers must continue to grant employees up to six days of statutory infertility treatment leave (ITL) per year, but the paid portion will double from the first two days to the first four days. The remaining two days of the annual entitlement will be unpaid.

In a 23 August 2026 press release accompanying a new employer and HR guide, the Ministry of Employment and Labor (MOEL) confirmed the 27 November effective date and announced that the maximum Employment Insurance (EI) benefit available for qualifying ITL will increase from KRW 168,000 to KRW 337,000 as the supported paid period expands from two to four days.

The enhanced paid entitlement applies to employees who had used or have started taking ITL when the amendment takes effect. ITL taken before 27 November 2026 counts toward the first four paid days and reduces the employee's remaining paid entitlement.

Leave entitlement and scope

The total statutory entitlement remains unchanged at up to six days per year. Until 26 November 2026, the first two days are paid and the remaining four days are unpaid. From 27 November 2026, the first four days must be paid and the remaining two days will be unpaid.

The existing timing rule also remains unchanged. If granting leave at the employee's requested time would cause serious disruption to normal business operations, the employer may change the timing after consulting with the employee.

MOEL states that ITL covers medical procedures such as artificial insemination and in vitro fertilization (IVF) and the recovery period immediately following treatment. Since August 2025, the scope has also included necessary preparatory stages before treatment, including infertility testing and ovulation induction.

EI support for qualifying paid leave

The employer's obligation to provide the first four days as paid leave will apply regardless of employer size. Separately, a companion amendment to the Employment Insurance Act extends the EI-funded ITL benefit from two days to four days for insured employees working for priority-support enterprises (우선지원 대상기업)—a statutory category covering qualifying smaller employers based mainly on industry and workforce size. The extension takes effect on 27 November 2026.

EI benefit eligibility criteria

To qualify for the EI benefit, the employee must satisfy the statutory conditions, including having at least 180 days of combined insured-unit period before the leave ends. The existing benefit is paid at 100% of ordinary wages, subject to the applicable statutory ceiling. MOEL's 23 August 2026 announcement states that the

maximum benefit for the expanded four-day supported period will be KRW 337,000, up from KRW 168,000 for the current two-day period.

Employer qualification for EI support

Where an employer has already paid the employee an amount corresponding to the EI benefit, the employer may apply to receive the benefit by subrogation, subject to the statutory requirements and supporting documentation. This mechanism can offset the employer's wage cost for the supported paid leave days where the employee and employer satisfy the applicable conditions.

MOEL has also simplified benefit administration. Since May 2026, an employee applying for ITL benefits may submit the Ministry of Health and Welfare's notice confirming eligibility for infertility-couple treatment-cost support in place of a separate medical certificate.

Transition rule

The amendment expressly applies to employees who had already used or are using ITL on 27 November 2026. However, the number of days of leave taken before that date counts toward the first four paid days.

For example, an employee who used two paid ITL days before 27 November 2026 and later uses additional ITL after the effective date may have up to two further paid days remaining within the same annual six-day entitlement, subject to the employee's remaining leave balance.

Confidentiality and protection against unfavorable treatment

Employers must continue to protect the confidentiality of information learned while processing an ITL request and may not disclose that information against the employee's wishes. The Act also prohibits terminating, disciplining, or otherwise treating an employee unfavorably because the employee requests or uses ITL. MOEL confirms that, from 27 November 2026, a statutory penalty provision will apply to violations of the prohibition of unfavorable treatment.

The new MOEL guide highlights privacy-focused practices that employers may consider when administering the leave. Examples include using a more neutral internal leave name, limiting access to leave applications to HR rather than line managers, and allowing the leave to be requested through a generic leave category. These are examples of employer practices highlighted by MOEL and are not additional statutory requirements.

Employer Actions

Before 27 November 2026, employers should complete the following actions:

- Revise leave policies, employee handbooks, and internal rules to state that the annual entitlement remains six days, with the first four days paid and the remaining two days unpaid;
- Configure HR, payroll, and leave-tracking systems to distinguish the four paid days from the two unpaid days and to apply the transition rule correctly to employees who used ITL before the effective date;
- For Priority-Support Enterprises, coordinate payroll and EI administration so eligible employees receive the required paid leave and available EI-paid benefits are claimed through the appropriate process, including employer subrogation where applicable;

- Update benefit-administration procedures to reflect the simplified documentation option available since May 2026 for employees applying for ITL benefits;
- Review leave-request workflows and access controls so information concerning infertility treatment is disclosed only to personnel who need it to administer the leave, and consider privacy-enhancing practices highlighted in MOEL's Employer and HR Guide to Infertility Treatment Leave and Benefit Administration (see Resources section below);
- Train HR personnel and managers not to penalize employees for requesting or using ITL and to consult with employees before changing requested leave timing because of serious operational disruption; and
- Update employee communication materials before the effective date so employees understand the revised paid leave entitlement, the treatment of previously used leave, and the availability of EI support where applicable.

Underlying legislation

The changes were introduced by:

- Act No. 21700, Partial Amendment to the Equal Employment Opportunity and Work-Family Balance Assistance Act (법률 제21700호 남녀고용평등과 일·가정 양립 지원에 관한 법률 일부개정법률), which was published in the Official Gazette (관보) on 26 May 2026; and
- Act No. 21699, Partial Amendment to the Employment Insurance Act (법률 제21699호 고용보험법 일부개정법률), which was also published in the Official Gazette on 26 May 2026.

Resources

- Ministry of Employment and Labor, Press Release: Infertility Treatment Leave, 'Paid Period Expanded to 4 Days' Starting November (난임치료휴가, 11월부터 '유급기간 4일로 확대'), released 23 August 2026
- Ministry of Employment and Labor: Employer and HR Guide to Infertility Treatment Leave and Benefit Administration (사업주와 인사담당자를 위한난임치료휴가 및 급여제도활용 가이드)

Tunisia

Increase in private-sector wages and certain allowances backdated to January

Published 26 August 2026

Effective retroactively from 1 January 2026, private sector employers must apply wage increases introduced under Decree No. 2026-68 and Decree No. 2026-69. The increases apply over 2026, 2027, and 2028.

Employers must first determine whether employees are covered by a sectoral collective agreement because the applicable increase mechanism differs depending on that classification.

Employees covered by sectoral collective agreements

Decree No. 2026-68 applies to non-agricultural sectors governed by the Labor Code and covered by sectoral collective agreements. It provides for an annual 5% increase for 2026, 2027, and 2028 to base salaries and to the separate transport allowance, which supports employees' commuting costs, and attendance allowance, which is linked to attendance at work.

The 2026 increase applies to base salaries for all levels included in the latest salary grids annexed to the applicable sectoral collective agreements. The 2027 and 2028 increases are cumulative because they apply to base salaries and allowances as increased for the preceding year.

The decree also applies to employees whose salaries are higher than the base salaries set in the salary grids annexed to the applicable sectoral collective agreements.

Exceptions apply

Employees in non-agricultural activities covered by sectoral collective agreements are not entitled to an additional 5% increase if their employer granted, during the same year, a general salary increase of at least 5% to base salaries and transport and attendance allowances. This exception does not apply to increases resulting from length-of-service advancement or promotion.

Employees in non-agricultural activities that are not covered by special statutes for public enterprises or by sectoral collective agreements are not entitled to an additional decree-based increase if their employer granted, during the same year, a general salary increase equal to or greater than the applicable increase for their occupational category and working-time schedule. This exception does not apply to increases resulting

from length-of-service advancement or promotion. If the employer's general increase was lower than the required increase, the employer must pay the difference.

Employees paid the guaranteed interprofessional minimum wage are excluded from the execution-employee increases because their wage increases are addressed separately under the minimum-wage provisions.

Treatment of allowances and variable pay

Decree No. 2026-68 expressly extends the annual 5% increase to transport allowances and attendance allowances, in addition to base salaries. These are non-base-salary components of remuneration, and payroll systems should be configured to increase them where the decree applies.

The decrees address base salaries and, for employees covered by Decree No. 2026-68, transport and attendance allowances. Other variable or non-salary remuneration elements, such as performance bonuses, commissions, incentive pay, profit-sharing, overtime premiums, or discretionary allowances, should remain governed by the applicable collective agreement, employment contract, internal policy, or ordinary payroll rules unless a separate legal or contractual source provides otherwise.

Employer Actions

Employers should take the following payroll and compliance steps:

- Determine, effective 1 January 2026, whether each employee works in a non-agricultural activity covered by a sectoral collective agreement and is therefore subject to the annual 5% increases, or works in an activity outside the scope of sectoral collective agreements and is therefore subject to the category-specific increases under Decree No. 2026-69;
- For employees covered by a sectoral collective agreement, recalculate, effective 1 January 2026, base salaries, transport allowances, and attendance allowances using the applicable salary scales, and apply the increases for 2027 and 2028 to the amounts increased in the preceding year;
- For employees outside sectoral collective agreements, identify the applicable occupational category, monthly or hourly pay basis, and 40-hour or 48-hour working-time schedule before applying the relevant increase;
- For execution employees, verify the employee's professional qualification, position, and salary generally received before 1 January 2026 when determining the applicable increase;
- Confirm whether any employee is paid the guaranteed interprofessional minimum wage because those employees are excluded from the execution-employee increases under Decree No. 2026-69 and are subject instead to the separate minimum-wage provisions;
- Apply the separate calculation rules for employees paid by time, piece, or performance, using normal productivity standards where applicable;
- Recalculate payroll retroactively from 1 January 2026 and pay any arrears due after taking account of qualifying general salary increases already granted;
- Configure payroll for the 2027 and 2028 increases, applying cumulative increases only where the applicable sectoral collective-agreement mechanism requires the increase to be calculated on the amount increased in the preceding year, and applying the specified annual amounts under Decree No. 2026-69;
- Record and assess general salary increases granted during each relevant year. No additional increase is due where the prior general increase equals or exceeds the applicable decree-based increase and was not

linked to length-of-service advancement or promotion; where the increase under Decree No. 2026-69 was lower, pay the difference;
- Update employee communications, payroll records, and collective-agreement implementation materials to reflect the applicable increase mechanism and effective date; and
- Maintain records supporting the employee classification, calculations, prior general increases, and paid arrears.

Underlying legislation

The changes were introduced by:

- Decree No. 2026-68 of 30 April 2026, on the increase of base salaries and transport and attendance allowances in non-agricultural sectors governed by the Labor Code and sectoral collective agreements (*Décret n° 2026-68 du 30 avril 2026, portant augmentation des salaires de base et des indemnités de transport et de présence dans les secteurs non agricoles régis par les dispositions du code du travail et des conventions collectives sectorielles*), which was published in the Official Gazette (*Journal Officiel de la République Tunisienne*, JORT) on 30 April 2026; and
- Decree No. 2026-69 of 30 April 2026, on wage increases in non-agricultural sectors governed by the Labor Code that are not covered by special public-enterprise statutes or sectoral collective agreements (*Décret n° 2026-69 du 30 avril 2026, portant majoration des salaires dans les secteurs non agricoles régis par le code du travail et non couverts par des statuts particuliers d'entreprises publiques, ou par des conventions collectives sectorielles*), which was also published in JORT on 30 April 2026.

Ukraine

Full statutory paid annual leave restored for employees under 18 and employees with disabilities

Published 19 August 2026

Effective 19 May 2026, employers must ensure that employees under 18 years of age and employees with disabilities receive their full statutory minimum employer-paid Annual Leave (щорічна відпустка) after the Constitutional Court invalidated a wartime provision to the extent that it allowed Annual Leave above 24 calendar days for these groups to be provided without pay.

The statutory minimum paid Annual Leave under the Law of Ukraine on Vacations is:

- Employees under 18 years of age are entitled to 31 calendar days;
- Employees with disabilities in Groups I and II are entitled to 30 calendar days; and
- Employees with disabilities in Group III are entitled to 26 calendar days.

Wartime rule before the ruling

During martial law, Article 12(1) of Law No. 2136-IX on the organization of labor relations under martial law, allowed an employer to limit an employee's Annual Leave for the current work year to 24 calendar days. If the employee's Annual Leave entitlement exceeded 24 calendar days, the unused days were transferred to the period after martial law; the employer could decide to provide those unused days without pay.

For employees under 18 years of age and employees with disabilities, the wartime arrangement could reduce paid Annual Leave below the statutory minimum entitlements that otherwise apply under the Annual Leave Law (Закон України «Про відпустки). Compared with the 24-calendar-day wartime limit, the statutory minimum entitlement is:

- 31 calendar days for employees under age 18;
- 30 calendar days for employees with disabilities classified as having significant or pronounced limitations; and
- 26 calendar days for employees with disabilities classified as having moderate limitations.

This corresponds to seven, six, and two additional paid calendar days, respectively, above the wartime limit.

Constitutional Court ruling

On 19 May 2026, the Constitutional Court held that paid Annual Leave and its statutory minimum duration are constitutional guarantees of the right to rest. The Court emphasized that enhanced minimum protections for vulnerable groups, including children and individuals with disabilities, must continue to be protected during martial law.

The Court therefore declared unconstitutional the second sentence of the second paragraph of Article 12(1) of Law on the Organization of Labor Relations under Martial Law, No. 2136-IX (Закон України «Про організацію

трудових відносин в умовах воєнного стану) insofar as it failed to ensure that employees under 18 years of age and employees with disabilities receive paid Annual Leave whose statutory minimum duration exceeds 24 calendar days. The invalidated provision ceased to have effect on 19 May 2026, the date the Court adopted its decision.

The ruling has broader implications beyond the treatment of employees with disabilities. The Court invalidated a final provision that would have allowed certain wartime unpaid-leave restrictions to continue after martial law until individual employees had used postponed leave, finding that the resulting different end dates for different employees were inconsistent with legal certainty.

The Court did not invalidate the general rule permitting employers to limit Annual Leave to 24 calendar days during martial law. However, employers may not apply that limit in a way that reduces the higher statutory paid Annual Leave entitlement of employees with disabilities. The ruling also formally applies to employees under 18 years of age.

Employer implications

For employees with disabilities who are entitled to more than 24 calendar days of paid Annual Leave, employers may no longer rely on the wartime rule to provide the portion of the statutory entitlement above 24 calendar days as unpaid leave. Employers that had planned staffing or payroll on the basis of the 24-calendar-day wartime limit may therefore face additional paid leave and workforce-planning costs for these employees.

The Constitutional Court provided that the provisions it declared unconstitutional ceased to have effect on 19 May 2026. The decision does not establish a separate remedy requiring employers to make retroactive payments for leave taken before that date. Employers with historical cases in which employees with disabilities took otherwise statutory paid Annual Leave as unpaid leave before 19 May 2026 should obtain local legal advice before making any retroactive adjustments.

Employer Actions

Employers should take the following actions to comply with the Constitutional Court’s ruling:

- Apply the full employer-paid statutory Annual Leave entitlement for employees with disabilities, including 30 calendar days for employees classified as having significant or pronounced limitations and 26 calendar days for employees classified as having moderate limitations;
- Stop treating the portion of these employees’ statutory Annual Leave entitlement above 24 calendar days as unpaid leave;
- Review outstanding Annual Leave balances for employees with disabilities and correct leave and payroll records so that leave administered on or after 19 May 2026 reflects the applicable paid entitlement;
- Remove from leave policies, HR systems, and payroll processes any provision that would continue the invalidated wartime unpaid-leave restrictions after martial law solely because an employee has postponed leave remaining;
- Update leave policies, HR systems, payroll processes, and manager guidance to distinguish the general wartime 24-calendar-day rule from the higher protected statutory minimums applicable to employees with disabilities; and
- Inform employees with disabilities of their applicable paid Annual Leave entitlement and the process for requesting and scheduling leave.

Underlying Court ruling

Constitutional Court of Ukraine, Decision No. 3-r/2026 of 19 May 2026, in the case concerning the constitutionality of provisions of the Law of Ukraine on the Organization of Labor Relations under Martial Law regarding the right to leave (*Рішення Конституційного Суду України від 19 травня 2026 року № 3-р/2026*). The decision was adopted by the Grand Chamber and is published in the Constitutional Court's official decisions repository.

United Kingdom

Comprehensive equal pay and pay discrimination reforms under consultation

Published 10 August 2026

On 14 July 2026, the Office for Equality and Opportunity launched a 15-week public consultation on a two-phase overhaul of the existing equal pay and pay discrimination framework. The consultation closes at 5 p.m. on 27 October 2026.

The proposals would introduce pay transparency requirements for recruitment, strengthen equal pay audits and job evaluation measures, establish a new Equal Pay Regulatory and Enforcement Unit, broaden protection against race and disability pay discrimination, and impose a new duty across outsourcing arrangements.

The government has stated that it would use phased implementation and an extended preparation period, with the broader Phase 2 measures taking effect only after the Phase 1 reforms.

Two-phase reform approach

Under the Equality Act 2010, contractual pay discrimination on grounds of gender is addressed through the equal pay scheme. Race and disability pay discrimination are currently covered by existing discrimination law rather than specific equal pay provisions. Enforcement generally relies on individuals bringing claims before an Employment Tribunal.

The consultation would proceed in sequence as follows:

- Phase 1 would focus on preventative transparency, targeted audits and job evaluation, claim procedures, and regulatory enforcement; and
- Phase 2 would broadly align the protections and remedies available for gender, race and disability pay discrimination and address pay equality in outsourced work.

Separate reviews of the procedural rules for pay discrimination claims and the independent panel of experts used in equal-value cases are also planned. The government says those reviews would be completed and implemented before new requirements concerning race, disability or outsourced workers.

Phase 1: Pay transparency and stronger enforcement

Pay information in recruitment

Currently, there is no statutory requirement for employers to state pay in a job posting. The proposal would require every employer to publish pay information in the posting or, if no posting is used, provide the information in writing before the interview.

Regulations would determine the required detail. The consultation asks whether this should include a specific salary, salary range or benchmark rate and whether other conditions, such as collective bargaining provisions,

annual adjustments or financial benefits, should be covered. The permitted size of a pay range is also unresolved.

Equal pay audits and job evaluation schemes

An equal pay audit is a systematic review of pay differences among employees performing equal work. A job evaluation scheme systematically compares different jobs based on factors such as the skills, effort, responsibility and working conditions they require.

Currently, after finding an equal pay breach, an Employment Tribunal must order an audit unless one of four statutory exceptions applies, namely:

- a compliant audit was completed within the previous three years;
- the necessary corrective action is already clear;
- the breach gives no reason to suspect other breaches; or
- the disadvantages of an audit outweigh its benefits.

The proposal would remove the latter three exceptions, leaving only the exception for a compliant audit completed during the previous three years. A tribunal finding pay discrimination would also have to order implementation of a non-discriminatory job evaluation scheme if an up-to-date scheme is not in place. Job evaluation schemes are currently voluntary and cannot be ordered by a tribunal.

Separately, the proposed enforcement unit could require an audit or job evaluation scheme during an investigation where that would help determine whether pay discrimination occurred.

Statutory questionnaire and claim procedure

Before 2013, a prescribed statutory questionnaire allowed a potential discrimination claimant to ask an employer questions about matters such as comparators and pay components. That procedure was repealed and no equivalent statutory questionnaire currently applies.

The consultation proposes an optional, redesigned questionnaire limited to pay discrimination disputes. A court or tribunal could draw an inference where an employer did not answer within the prescribed period or provided an evasive or equivocal response. The government also proposes guidance on relevant questions and disproportionate or abusive requests.

Equal Pay Regulatory and Enforcement Unit

Currently, equal pay enforcement relies mainly on individual claims, alongside the Equality and Human Rights Commission’s existing litigation, investigation, and enforcement powers. The government proposes a dedicated Equal Pay Regulatory and Enforcement Unit, potentially located within the Equality and Human Rights Commission, the Fair Work Agency, another government body, or a new independent body.

The consultation proposes that the Unit be able to:

- Require verbal evidence, pay data, and other information before deciding whether to begin a formal investigation;
- Require an employer to carry out an equal pay audit or job evaluation scheme during an investigation, subject to procedural safeguards including reasonable suspicion, an opportunity to make representations, and at least 28 days to comment on a draft report;

- Require organizations subject to inquiry recommendations to respond and provide implementation updates.

The proposed Unit would oversee the equal pay scheme and related protections against gender, race, and disability discrimination.

The consultation also anticipates clearer guidance on the material factor defense, which allows an employer to justify a pay difference by a material reason that is not directly or indirectly discriminatory, and replacement of the current statutory equal pay code of practice.

Phase 2: broader protection

Phase 2 would begin only after the government considers the existing framework to have been improved. It would address differences in the legal protection available for gender, race, and disability pay discrimination and the treatment of outsourced workers.

Race and disability pay discrimination

Claims involving contractual pay differences between men and women are currently governed by the Equality Act 2010's equal pay provisions. Race and disability pay claims are dealt with under separate discrimination provisions, which have different rules on comparators and available remedies. The government does not propose merging the regimes. Instead, it would keep them distinct and broadly align the available protection.

The principal changes under consultation are:

- The proposal would allow a tribunal to require the claimant's contract to be modified after a successful claim. Race and disability pay discrimination claims currently do not directly modify a discriminatory contractual term;
- Successful race or disability pay discrimination claims could also result in an audit and require the employer to introduce a non-discriminatory job evaluation scheme. Current audit requirements apply only to breaches of gender equal pay law;
- The proposal would allow claims involving different work that is rated as equivalent or is of equal value. Race and disability claimants currently face the requirement that there be no material difference between their circumstances and those of the comparator;
- The proposal would allow a limited comparator constructed from a real successor or from a pay correction made after someone without the claimant's protected characteristic was hired on better terms for equal work. Equal pay claimants currently must identify an actual comparator; and
- The proposal would allow an Employment Tribunal to extend the time limit for bringing an equal pay claim where it considers this just and equitable. Equal pay claims currently must be brought within six months after employment ends and the tribunal has no general discretion to extend that period.

Outsourced vs in-house employees

Currently, an equal pay claimant needs an actual comparator employed by the same or an associated employer, or terms set by a single body with power to ensure equal treatment. Outsourced employees employed by independent providers therefore often cannot compare their terms with those of in-house employees.

The proposal would create a duty on all parties in an outsourcing chain to take all reasonable steps to uphold pay equality. It would apply to the principal—the organization that commissions and receives the work—as well

as intermediaries and service providers where the outsourced work meets a minimum threshold and relates to a task lasting more than a short period.

The required steps would be proportionate to each party's size, resources, and control over contractual terms and would be specified by regulations and guidance. The consultation suggests that a medium-sized employer could request pay and demographic data from contractors or other businesses in its supply chain.

The proposed duty would not automatically require wage equalization between different employers. A breach would not, under the current proposal, result in compensation to affected employees. Instead, an Employment Tribunal would direct the reasonable steps each party must take for future pay equality, and the proposed Unit—not individual employees—would enforce the duty. The qualifying threshold, detailed reasonable steps, and implementation rules remain pending.

Employer implications

Because recruitment pay transparency would apply to all employers, the proposal could require employers of every size to establish defensible salary ranges and consistent rules for setting starting pay before recruitment begins. Depending on the final regulations, variable pay, allowances and other financial benefits may also need to be documented and disclosed.

The audit, questionnaire and enforcement proposals would increase the importance of reliable job descriptions, grading records, pay data and written reasons for pay differences. Employers under investigation or found in breach could face the cost of organization-wide analysis, job evaluation, pay corrections, legal support and ongoing regulatory reporting. Broader race and disability equal-value claims limited hypothetical comparators, and flexible time limits could also expand litigation exposure.

For employers that commission or supply outsourced services, the proposed shared duty could affect procurement, commercial contracts, and data governance throughout labor supply chains. Compliance may require pay and demographic information to be requested or exchanged among organizations, with responsibilities allocated according to each party's resources and control over terms.

The government proposes an extended implementation period and indicates that Phase 2 would not apply to pay discrimination occurring wholly before commencement. Continuing discrimination that began before and ended after commencement could be covered. The final scope, transition rules, regulations and implementation dates remain pending.

Consultation

The consultation closes at 5 p.m. on 27 October 2026. Responses may be submitted:

- Online through the government consultation survey;
- By email to equalpayconsultation@cabinetoffice.gov.uk; or
- By post, marked "equal pay consultation response," to:

  Equality Framework Team
  Cabinet Office
  1 Horse Guards Road
  London
  SW1A 2HQ

United Kingdom

Collective defined contribution code extended to unconnected multi-employer schemes

Published 26 August 2026

Effective 31 July 2026, the Pensions Regulator's (TPR) revised Code of practice on the authorization and supervision of collective defined contribution (CDC) schemes applies. The code extends the previous framework for single and connected employer schemes to unconnected multiple-employer CDC schemes, following the commencement of regulations that allow these arrangements to operate.

CDC schemes are occupational pension arrangements, also referred to in legislation as collective money purchase schemes. Contributions are pooled and invested collectively with the aim of providing a target retirement income. Unlike a defined benefit (DB) pension, the target benefit is not guaranteed by the employer and may be adjusted based on scheme experience.

Extended authorization and supervision framework

Before 31 July 2026, the CDC authorization regime applied to single employers and groups of connected employers under the Pension Schemes Act 2021 and the 2022 CDC regulations. Unconnected employers could not participate together in a whole-life CDC scheme, which provides collective pension arrangements during both the savings and retirement phases.

From 31 July 2026, unconnected employers may participate in a multi-employer CDC scheme, provided the scheme is authorized by TPR. The revised code explains how TPR will assess the statutory authorization criteria and supervise schemes on an ongoing basis.

For all CDC schemes, TPR must be satisfied that the relevant authorization criteria are met, including fitness and propriety, sufficient systems and processes, financial sustainability, an adequate continuity strategy, and sound scheme design. Multi-employer CDC schemes are also subject to additional requirements concerning the scheme proprietor, business planning, and promotion and marketing.

Requirements specific to multi-employer CDC schemes

The extended regime introduces additional safeguards reflecting the commercial nature of arrangements open to unconnected employers. In particular, the revised code provides that:

- A multi-employer CDC scheme must have a single scheme proprietor that is legally responsible for specified set-up and running costs and for commercial business decisions relating to the scheme;
- The scheme proprietor must prepare a business plan setting out the scheme's objectives and how they will be achieved, which must be submitted as part of the authorization application and reviewed annually;
- TPR must assess additional individuals for fitness and propriety, including the scheme proprietor and persons responsible for promoting or marketing the scheme;

- The scheme must have adequate systems and processes for promotion and marketing, and promotional material must be clear and not misleading; and
- The scheme must demonstrate sufficient financial resources for set-up, ongoing operation, and costs arising after a triggering event.
- Where a multi-employer CDC scheme is divided into sections, each section providing CDC benefits requires separate authorization. TPR's code states that the standard authorization application fee is GBP 77,000 as of 26 August 2026, while the fee for each additional CDC section is calculated on a cost-recovery basis and cannot exceed the standard fee.

Employer implications

The change expands the occupational pension arrangements available to employers. Employers that are not connected through a corporate group can now participate in the same authorized multi-employer CDC scheme. Under the previous CDC framework, whole-life CDC schemes were limited to single employers and groups of connected employers.

The new regime does not require employers to establish or participate in a CDC scheme. Unconnected employers may participate in an authorized multi-employer CDC scheme, including as a qualifying workplace pension scheme for automatic enrolment purposes where the applicable statutory requirements are met.

The authorization and supervision framework applies to CDC schemes and specifies requirements for trustees, the scheme proprietor, and other persons involved in operating, governing, promoting, or marketing a scheme. Multi-employer CDC schemes are subject to additional requirements concerning matters including the scheme proprietor, business planning, financial sustainability, systems and processes, and promotion and marketing.

Underlying legislation

The change permitting unconnected multiple-employer CDC schemes was introduced by The Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025 (S.I. 2025/1313), which were made on 15 December 2025, published as a UK Statutory Instrument by The National Archives on legislation.gov.uk.

Vietnam

Tax treatment of employee benefits revised

Published 4 August 2026

Effective 1 July 2026, new personal income tax rules revised the tax treatment of several employer-provided benefits and employment-related payments, including cash meal allowances, employer-constructed housing, supplementary pension and insurance premiums, payments for untaken statutory annual leave, and amounts paid above statutory severance and job-loss entitlements. The fixed ceiling for cash meal allowances applies from 1 July 2026; the other provisions apply under the 2026 personal income tax framework.

Annual leave and termination-related payments

Payments for untaken statutory annual leave are exempt from PIT where they are made when the employment relationship ends before the employee has used all accrued annual leave, and the payment does not exceed the statutory entitlement.

Previously, the personal income tax rules contained no specific exemption, and these payments were treated as taxable employment income. The exemption does not apply to contractual cash-outs while employment continues or to amounts exceeding statutory entitlement.

Statutory severance and job-loss payments remain exempt. In addition, any amount paid above the statutory entitlement may now be excluded from taxable income where the additional payment is expressly provided for in the employer's financial or internal rules, the employment contract, or a collective bargaining agreement (CBA). Previously, the exemption ended at the statutory entitlement and any excess was taxable.

Meal benefits

Effective 1 July 2026, a cash mid-shift meal or lunch allowance is excluded from taxable income up to VND 1.2 million per employee per month; any excess is taxable. Meals directly prepared or purchased by the employer and qualifying meal vouchers continue to be excluded in full.

From 15 June 2025 through 30 June 2026, no fixed monthly ceiling applied after the formerly applicable VND 730,000 limit was abolished. A cash payment was excluded only to the extent that its conditions and amount were specified in the employment contract, CBA, or employer rules. The new provision therefore reintroduces a fixed ceiling for cash meal payments.

Employer-provided housing

Employer-constructed housing provided free of charge to employees working for the employer's unit to which the housing relates, including electricity, water, and related services, may now be excluded from taxable income without a geographic restriction. Previously, the exclusion was limited to qualifying housing in industrial parks, economic zones, and areas classified as having difficult or especially difficult socioeconomic conditions.

The expanded exclusion does not apply to all employer-provided accommodation. Rent paid by an employer for leased accommodation remains taxable, but the taxable amount is capped at 15% of the employee's taxable employment income before the housing benefit is added.

Supplementary pension and insured benefits

Employees may now deduct from taxable employment income up to a combined VND 3 million per month in qualifying employer and employee contributions to supplementary pension arrangements under the Social Insurance Law, voluntary pension insurance, and life insurance. Previously, the deduction was limited to VND 1 million per month for qualifying voluntary pension contributions, and life-insurance premiums were not included in the combined deduction.

Employer impact

The revised rules may improve the tax efficiency of qualified meal, housing, termination, supplementary pension, and insurance benefits. They may also allow employers to provide more favorable termination packages without increasing taxable income where the additional payment is documented in the prescribed employment or company instruments.

Cash and directly provided meals must be treated separately; employer-constructed housing must be distinguished from leased accommodation; and additional severance or job-loss payments must be expressly documented. Benefit policies and employee communications should reflect these distinctions.

Employer Actions

Employers providing the affected benefits should review their plan terms, policies, contracts, and supporting records to ensure that each exemption or deduction is applied only to a qualifying arrangement. The review should include the following actions:

- From 1 July 2026, apply the VND 1.2 million monthly ceiling to cash meal allowances and continue treating directly provided meals and qualifying meal vouchers separately;
- Identify employer-constructed housing that qualifies for the expanded exclusion and distinguish it from employer-paid leased accommodation, which remains taxable subject to the 15% ceiling;
- Apply the combined VND 3 million monthly deduction only to qualifying supplementary pension, voluntary pension insurance, and life-insurance contributions, and retain evidence of employer and employee contributions;
- Ensure that any severance or job-loss payment above the statutory entitlement is expressly provided for in the employer's financial or internal rules, the employment contract, or a collective bargaining agreement;
- Distinguish exempt payments for untaken statutory annual leave made when employment ends from contractual leave cash-outs during employment or payments above the statutory entitlement; and
- Update benefit policies and employee communications to explain the revised tax treatment and applicable limits.

Underlying legislation

The reforms were introduced by Personal Income Tax Law No. 109/2025/QH15 *(Luật số 109/2025/QH15 Luật Thuế thu nhập cá nhân)*, which was published in the Official Gazette *(Công báo)* on 22 January 2026.

The implementation rules were introduced by Decree No. 253/2026/ND-CP detailing certain provisions and measures for implementation of the Personal Income Tax Law (*Nghị định số 253/2026/NĐ-CP quy định chi tiết một số điều và biện pháp để tổ chức, hướng dẫn thi hành Luật Thuế thu nhập cá nhân*), which was published in the Official Gazette on 16 July 2026.

The detailed rules were introduced by Circular No. 87/2026/TT-BTC detailing certain provisions of the Personal Income Tax Law and Decree No. 253/2026/ND-CP (*Thông tư số 87/2026/TT-BTC quy định chi tiết một số điều của Luật Thuế thu nhập cá nhân và Nghị định số 253/2026/NĐ-CP của Chính phủ quy định chi tiết một số điều và biện pháp để tổ chức, hướng dẫn thi hành Luật Thuế thu nhập cá nhân*), which was published in the Official Gazette on 20 July 2026.

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