Alliant Global Services

Global Knowledge Center – Legal & Regulatory Updates

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December 2024

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Australia

Deliberate non-compliance that affects employee pay or mandatory benefits becomes a criminal offense starting 1 January 2025

Published 16 December 2024

Effective 1 January 2025, intentional engagement in conduct that results in failing to provide employees with full and timely payment as required under the Fair Works Act (FWA), a modern award or a company agreement. becomes a criminal offense. In addition to wages, such payments include, superannuation contributions, leave payments, leave loading, salary sacrifice arrangements, allowances; overtime pay, penalty rates, and redundancy pay.

The offence does not apply to underpayments that are only contractual entitlements, such as bonus payments or other employer incentive and perquisites.

Penalties apply

Employers are subject to fines of up to AUD 7,825,000, or when the court can determine the underpaid amount, a fine equal to the greater of three times the underpaid amount and AUD 7,825,000.

Individuals involved in the offense, i.e., those who intentionally cause underpayments or are aware that underpayments will occur (these may include CEO, Finance Manager, or Payroll Manager), are subject to a maximum prison sentence of 10 years or a fine of up to AUD 1,565,000, or when the court can determine the underpaid amount, a fine equal to the greater of three times the underpaid amount and AUD 1,565,000.

The penalties apply to intentional underpayments occurring on or after 1 January 2025, but also applies to previous approach that is part of a course of conduct.

Employer protections

Small employers have the option to comply with the Voluntary Small Business Wage Compliance Code – a set of good practice steps compiled by the national labor enforcement body, i.e., the Fair Work Ombudsman. Compliance with the Code may serve as a protection against prosecution.

Large employers can self-report by entering into a "cooperation agreement" with to Fair Work Ombudsman. In which case the Ombudsman may agree not to refer the employers conduct for prosecution.

It is important to note that the above actions do not fully protect employers from being issued a compliance notice by the Fair Work Ombudsman requiring payment of amounts due to employees, or from labour unions seeking civil penalties or repayment of amounts owed.

Employer Actions

In light of the new criminal offense and the substantial penalties, employers are advised to:

- Carry out an internal or privileged compliance review of their obligations in terms of full and timely payment of wages and benefits that are mandated by the FWA, applicable modern awards, or a company agreement, and address any irregularities.
- Communicate the new offense to management to ensure potential underpayment issues are immediately addressed.

Additionally, employers should comply with the employer protections afforded to them by the Fair Work Ombudsman, namely:

- Compliance with the Voluntary Small Business Wage Compliance Code for small employers; and
- Self-reporting of underpayment practices by entering into a "cooperation agreement" with the Fair Work Ombudsman.

Underlying legislation

The above changes which come ingot effect 1 January 2025, are provided for by the Fair Work Legislation Amendment (Closing Loopholes) Act 2023, which was published in the Federal Register of Legislation on 14 December 2023.

Resources

Fair Works Ombudsman:

- Voluntary Small Business Wage Compliance Code
- Guide to paying employees correctly and the Voluntary Small Business Wage Compliance Code

Belgium

Reference emission rates to evaluate employer-provided vehicle benefits set by decree

Published 13 December 2024

Effective 1 January 2025, new CO_2 emission rates apply for evaluating employees' taxable in-kind benefits resulting from the use of a company vehicle for private purposes.

The CO_2 emission values decrease as compared to last year, meaning that value of the in-kind benefit increases for income tax and social contribution purposes.

This change affects all private sector employers providing a company vehicle as an in-kind benefit, and all employees who receive such benefit for income year 2024. According to data released by the Ministry of Mobility and Transport 15% of employees receive a company car as a benefit in 2024, and some 8.9% of the total number of vehicles in the country are employer-provided.

2025 Reference CO2 emission rates

To determine the CO_2 emissions rate, the CO_2 emission content of the vehicle is compared to the 2025 reference CO_2 emission rates, which are:

- 71 g/km for vehicles with engines fueled by gasoline, LPG, or natural gas, down from 78 g/km in 2024; and
- 59 g/km for vehicles with engines fueled by diesel, down from 65 g/km in 2024.

Evaluation of company vehicle benefits

Tax authorities' evaluation of in-kind benefits received in the form of private use of a company vehicle is based on the vehicles gross list price and its CO_2 emission. The formulas applied depend on the type of fuel and are detailed below.

Gasoline, LPG, or natural gas

The following formula is used to evaluate in-kind benefit amounts for vehicles with engines fueled by gasoline, LPG, or natural gas:

[List price x (5.5% + (0.1% x (CO2 emissions – 71] x 6/7

Diesel

The following formula is used to evaluate in-kind benefit amounts for vehicles with engines fueled by diesel:

[List price x (5.5% + (0.1% x (CO_2 emissions – 59] x 6/7

Employer Actions

Employers must ensure that the value of in-kind benefits for income tax and social contribution purposes are calculated and reported in accordance with the 2025 CO_2 emission rates for the 2024 tax year.

Underlying legislation

The change was introduced by the Royal Decree amending, AR/CIR 92 with regard to in-kind benefits resulting from the use for personal purposes and at no charge of a company vehicle (*Arrêté royal modifiant, en ce qui concerne les avantages de toute nature, l'AR/CIR 92 résultant de l'utilisation à des fins personnelles d'un véhicule mis gratuitement à disposition*) which was published in the Official Journal (*le Moniteur belge*) of 12 December 2024.

Belgium

Threshold for the validity of employees' contractual training clause increased

Published 27 December 2024

Effective 1 January 2025, a contractual training clause (*clause d'écolage*) is subject to a minimum annual remuneration threshold of EUR 43,106 to be valid in most cases, up from previously EUR 41,969.

A well-drafted contractual training clause protects both the employer and the employee while ensuring a mutual commitment to the employee's professional development.

It is important that all conditions of validity and form, including the minimum employee remuneration threshold be complied with to avoid any legal issues.

These conditions remain unchanged and are detailed in the sections below for information.

Definition and rationale

The contractual training clause is a voluntary clause in an indefinite-term employment contract clause that entitles the employee to specific training at their employer's expense, provided the employee reimburses the employer for (part of) the training expenses after its completion in the event they leave the employer before the expiry of an agreed period.

The contractual training clause reimbursement requirements only apply if the employee resigns or is terminated for serious reasons. They do not apply in the event of termination without serious reason, in the event of the employee's resignation for serious reasons, or in the event of a restructuring.

The contractual training agreement allows employers to invest in employees' training with some certainty that the investment will not be lost.

Main conditions of validity

The conditions outlined below must be met for a contractual training clause to be valid and have legal effect.

Employee remuneration

The employee's annual remuneration must be greater than EUR 43,106, as of 1 January 2025. This threshold is pro-rated for part-time employees.

The threshold does not apply if the contractual training clause pertains to training for a trade or position appearing on the lists of professions in shortage or positions that are difficult to fill in the Regions (Brussels, Wallonia, Flanders).

Type and duration of training

The training must enable the employee to acquire new professional skills that can be used outside the current company.

The training must comprise at least 80 hours or have a value that is greater than twice the guaranteed minimum monthly earnings (*le revenu minimum mensuel moyen garanti*), i.e. EUR 4,140.96, as of 1 May 2024.

Voluntary in nature

Training provided under a contractual training clause cannot be within the regulatory or legal framework required for the exercise of the profession for which the employee was hired.

However, exceptions apply if the training relates to a trade or occupation that is on the lists of professions in shortage or difficult to fill functions of the country's geographic regions.

Other mandated features of the clause

The contractual training clause must be agreed to in writing before the start of the training.

The agreement must be individual and cannot ensue from the general provisions of, for example, the employer's work regulations or a collective labor agreement.
The contractual training clause must include the following essential specifications:

- The description of the training, its duration, and the location where the training is provided;
- The cost of the training or, if the cost cannot be determined in its entirety, an estimate of the value of the training. This is the actual cost of the training, excluding transport and accommodation expenses for the duration of the training and the remuneration due to the employee;
- The start date and the period of validity of the clause. The start date corresponds to the end date of the training, to be set by mutual agreement except when the training involves a certificate. In this case, the start of the validity of the clause coincides with the date of issue of this certificate;
- The regressing portion of the total tuition cost that the employer agrees to reimburse from the end of the training. Reimbursements must decrease over the period of validity of the clause.

Employee reimbursement

The amount to be reimbursed by the employee may vary but may not exceed 30% of the employee's annual remuneration.

The employee reimbursement may be up to:

- 80% of the cost of training in the event they leave the employer before one-third of the agreed period has elapsed;
- 50% of the cost of training in the event leave the employer between one-third and two-thirds of the period has elapsed; and
- 20% of the cost of training in the event leave the employer after two-thirds of the agreed period has elapsed.

Employer Actions

Effective 1 January 2025, employers must ensure that their contractual training clauses (*clause d'écolage*) comply with the increased minimum annual remuneration threshold of EUR 43,106 (up from previously EUR 41,969) for the employer-paid training agreement to be valid. This threshold is pro-rated for part-time employees.

The threshold does not apply if the contractual training clause pertains to training for a trade or position appearing on the lists of professions in shortage or positions that are difficult to fill in the country's three regions.

Underlying legislation

The change was introduced by Article 131 of the Adaptation as of 1 January 2025 of the remuneration amounts provided for by the Law of 3 July 1978 relating employment contracts to the general conventional index of employee salaries (*Adaptation au 1er janvier 2025 des montants de rémunération prévus par la loi du 3 juillet 1978 relative aux contrats de travail à l'indice général des salaires conventionnels pour employés*), which was published in the Official Journal (*le Moniteur belge*) on 5 December 2024.

Belgium

Occupational pensions'minimum guaranteed rate of return increases to 2.5%

Published 23 December 2024

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

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

The statutory minimum guaranteed rate of return is annually adjusted on 1 June of each year to be applied as of the following calendar year. The annually adjusted rate as of 1 January 2025 is equal to 85% of the average return on 10-year government bonds (*Obligation de l'État belge, OLO*), as calculated over the latest 24 months and rounded to the nearest 25 basis points.

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

Occupational pension plan types

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

Branch 21 pension plans

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

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

Branch 23 pension plans

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

markets. Branch 23 plans are riskier for employers. Nevertheless, some employer pension plans are managed through Branch 23 contracts.

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

Employer actions to consider

Effective 1 January 2025, the minimum guaranteed rate of return that applies to supplemental pension plans increases to 2.5%.

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

Employers are advised to ensure that their pension plan administrators or providers assess the implication of the change in terms of risks and administration costs.

Employers are also advised to produce communication materials announcing the change and its impact for their employees, and be prepared to respond to employee questions.

Background

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

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

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

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

Underlying legislation

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

Belgium

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

Published 2 December 2024

Effective 1 January 2025 through 31 March 2025, employers' tax-exempt flat-rate reimbursement ceiling for employees' use of a private vehicle for professional purposes (*l'indemnité kilométrique*) increases from EUR 0.4290 per kilometer traveled to EUR 0.4415 per kilometer.

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

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

Employer actions to consider

Starting 1 January 2025 through 31 March 2025, employers may need to adjust flat-rate reimbursements to employees for their use of a private vehicle for business purposes to remain below the maximum tax-exempt limit of EUR 0.4415 per kilometer traveled; or be able to justify the actual travel expenses incurred and reimbursed, for higher reimbursements to be exempt from the employee's income tax, and from both employer and the employee social contributions.

Background

Starting 1 October 2022, periodic adjustments of the tax-exempt flat-rate reimbursement ceiling for employees' use of a private vehicle for professional purposes are no longer being carried out annually but quarterly, to align in a timely manner with fluctuations in fuel prices.

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

Underlying legislation

The increase in the flat-rate reimbursement of employees' use of a private vehicle for work purposes was introduced via the updated Annex of the Ministry of Finance Circular No. 737 Circular 2024/C/84 on kilometer allowance for business travel (Annex) (*Circulaire 2024/C/84 relative à l'indemnité kilométrique pour des déplacements de service (Annexe)*).

Brazil

Employers must identify and manage psychosocial risks

Published 4 December 2024

Effective 26 May 2025, all employers will have to include psychosocial risk assessments as part of their Occupational Safety and Health management process. Psychosocial risks, such as stress, bullying, and excessive mental load, will now have to be identified and managed by employers as part of measures to protect employees' health.

As a reminder, the Ministry of Labor and Employment requires that all employers draw up and keep occupational risk management documents and risk management programs available for inspection. These documents must be available when requested, whether by the Labor Inspectorate, or employee union representatives.

As of 26 May 2025, occupational risk management documents and programs must incorporate factors that affect employees' mental health, such as stress, anxiety, and depression, which must be identified and managed. In addition, employers are required to carry out continuous self-assessments and develop strategies and action plans to prevent situations of harassment and violence at work.

During inspections, the Ministry of Labor and Employment will review aspects related to work organization, look for data on sick leave due to illnesses such as anxiety and depression, interview employees, and review documents to identify possible psychosocial risk situations.

Employer Actions

As of 26 May 2025, employers must carry out psychosocial risk assessments as part of their occupational health and safety management obligation, and occupational risk management documents and programs must incorporate factors that affect employees' mental health.

Furthermore, employers are required to carry out continuous self-assessments and develop action plans to prevent workplace harassment and violence.

Employers are advised to take preventive actions and implement internal policies to:

- Minimize risks,
- Promote a healthy working environment, and
- Ensure the well-being of employees.

Furthermore, employers' obligation to maintain documents on occupational risk management and related programs for an eventual inspection, must now also include documents related to psychosocial risk management and programs.

Underlying legislation

The change was introduced by a Ministry of Labor and Employment Ordinance No. 1,419, of 27 August 2024 (*Portaria MTE nº 1.419, de 27 de agosto de 2024*), which was published in Official Journal (*Diário Oficial da União*) on 28 August 2024.

Canada

Manitoba extends the period of unpaid leave for serious illness or injury

Published 4 December 2024

Effective 8 November 2024, the duration of unpaid statutory leave for serious injury or illness is increased from 17 weeks to 27 weeks.

Consequently, all employees taking serious injury or illness leave, or who give their employers notice of their intention to take such leave, are entitled to up to 27 weeks of employment-protected leave in a 52-week period.

Payment during the leave

The changes do not entail mandatory employer payments but allow eligible employees to apply for up to 26 weeks of Employee Insurance (EI) sickness benefits, which currently amounts to 55% of their weekly pay up to CAD 668, after a one week waiting period.

Eligibility criteria

All employees who have worked for the same employer for at least 90 days and have a serious injury or illness that prevents them from being at work for at least two weeks are entitled to serious injury or illness leave under the provisions of the Employment Standards Code (ESC).

Requesting the leave

To request the leave, an employee must provide a certificate issued by a physician with evidence that the employee is expected to be incapable of working for at least two weeks.

Employer Actions

Effective 8 November 2024, employers must grant eligible employees up to 27 weeks of leave for a serious illness or injury over any 52-week period, up from previously 17 weeks.

Employers are advised to revise their short-term disability policies, procedures, and practices, as well as all relevant employee communication materials to reflect the changes.

Underlying legislation

The changes were introduced by Bill 9, The Employment Standards Code Amendment Act which received Royal Assent and came into force on 8 November 2024.

Background

In 2022, as part of a reform of the federal Employment Insurance (EI) program, the government amended the Employment Insurance Act and the Canada Labour Code. The Budget Implementation Act, 2021 extended EI short-term disability benefits from 15 weeks to 26 weeks. and increased the maximum duration of unpaid medical leave for federally regulated employees from 17 weeks to 27 weeks.

Consequently, Manitoba's ESC fell out of alignment with federal EI entitlements, preventing its employees from fully taking advantage of the short-term disability EI benefits at their disposal.

Canada

Federal government proposes public disclosure requirements of pension plan investment features

Published 15 December 2024

On 2 November 2024, the Department of Finance Canada released proposed amendments to the Pension Benefits Standards Regulations, 1985. The amendments would affect federally regulated private sector pension plans with assets under management (AUM) of CAD 500 million or more by requiring detailed disclosures of plan investment information to the Office of the Superintendent of Financial Institutions (OSFI).

Affected plans would be required to disclose the distribution of their investments by geographic location and asset class (i.e. public equity, private equity, bonds, infrastructure, real estate, and short-term assets), with data published in a standard OSFI format that would be publicly accessible. Geographic location other than Canada would include the United States, Latin America, Europe, China, Asia-Pacific region (other than China), and others.

OSFI would report the market value and percentage of total assets for each location and asset class on a per plan basis. The information that would be publicly disclosed and presented are:

- Defined benefit plan and defined contribution plan assets in aggregate,
- Employer names for single-employer plans, and
- Plan names for multi-employer plans.

Background

The proposed amendments would implement certain provisions of the Budget Implementation Act, 2024, No. 1, which introduced the legislative foundation for OSFI to publish prescribed information for prescribed plans.

Canada

Universal single-payer pharmacare program established for contraceptives and diabetes treatment

Published 14 December 2024

On 10 October 2024 the Pharmacare Act came into force, requiring the Minister of Health to advance universal, single-payer, first-dollar coverage for select contraception and diabetes medications, devices, and supplies.

The changes will come into effect in each province or territory after the Minister of Health negotiates and signs an agreement with each one.

Contraceptive medication

Available on Health Canada's website is the full list of contraceptive medication to be universally covered under the Pharmacare Act, which includes:

- oral contraceptives,
- copper and hormonal IUDs,
- injections,
- implants,
- rings, and
- morning-after pills.

Diabetes medication

Available on Health Canada's website is the full list of diabetes medication to be universally and fully covered under the Pharmacare Act, including Insulin, Metformin, and medications often used in combination with them by patients with type 2 diabetes (including Sulfonylureas and SGLT-2 inhibitors).

Diabetes devices and supplies

Available on Health Canada's website is the full list of diabetes devices and supplies to be publicly provided under the Pharmacare Act, including syringes, insulin pens and pen tips, insulin pumps and supplies, glucometers, test strips and lancets, and continuous glucose monitoring devices (CGM).

Employer Actions

Employers are advised to closely monitor provincial agreements with the Federal government and adjust their supplemental health benefits to account for 100% government coverage of the above contraceptives, and diabetes medications, devices, and supplies.

Underlying legislation

The changes were introduced by Bill C-64, An Act respecting pharmacare, which received Royal Assent on 10 October 2024, coming into force immediately.

Canada

Ontario opens consultation on regulatory framework for variable life benefits

Published 4 December 2024

On 12 November 2024, the Ontario Ministry of Finance issued a consultation paper on a future framework for variable life benefits (VLB). Stakeholder comments are due by 10 January 2025.

The Ministry seeks input from employers and employees on a proposed legislative and regulatory framework that would govern VLBs and allow them to be offered as a pension payout option.

Eligible plans

Under the proposed framework, VLBs, also known as variable payment life annuities, may be issued from a pooled registered pension plan (PRPP), defined contribution (DC) pension plan, or a pension plan that allows for additional voluntary contributions (AVC).

Variable life benefits

Employees would be able to allocate some or all of their DC, PRPP, or AVC into a VLB. In exchange, they would receive monthly payments from the VLB fund. Employees opting for a VLB would receive monthly payments for life, with the amounts adjusted based on the fund's investment performance and the mortality rates among its members.

Currently, employees who are retiring from one of the eligible pension plans, may:

- Move their retirement savings to a locked-in account with a financial institution, where they manage the investment strategy and determine the withdrawal amounts;
- Utilize their pension plan funds to purchase an annuity from an insurer, which provides lifetime income based on the prevailing market rates at the time of purchase; or
- Leave their retirement funds within the pension plan, if permitted by the plan.

A plan administrator would oversee the VLB fund's investments to ensure a lifetime stream of payments to all members, with plan sponsors being responsible for the VLB's design including investment strategy, administration fees, and compliance.

Requests for comments

The consultation paper requests for feedback on fee regulation. It notes that fees are a prominent consideration for a framework that would effectively govern VLBs, since they represent a lifelong commitment and the fees charged could impact the amount of the benefit a member receives, whereas traditional annuities do not charge annual fees and benefits are guaranteed.

In addition to fee regulation, the consultation paper specifically requests input on:

- effective disclosure to plan members,
- permitted frequency of VLB benefit changes,
- whether there should be limits on funds' expected return rates,
- portability options, and
- rules around termination.

Resources

- Comments by email
- Variable Life Benefits Consultation Paper

Colombia

Employees receive paid foster family-related leaves, social benefits, and protections

Published 14 December 2024

Effective 26 July 2024, foster children and families are entitled to the same constitutional recognition and protection as biological or adopted children and their families. The changes entitle qualifying foster parents to certain benefits provided by their employers and to statutory employment-protected employer-paid bereavement leave.

Foster family definitions

The changes introduced a formal definition of a foster family as one where a child has been voluntarily cared for, protected, and educated by a family or persons who are not their biological parents for a period of at least five years.

Bereavement leave

Effective 26 July 2024, all employees are entitled to up to five days of employer-paid bereavement leave in the event of the death of their recognized foster child or parent at their normal rate of pay. Previously, only biological or adoptive families were entitled to the leave.

Survivor's benefits

Effective 26 July 2024, legally recognized foster children are entitled to the status of beneficiary for receiving social security survivor's benefits in the event of their parent's death, provided they are:

- under 18 years of age;
- over 18 years of age with a disability; or
- aged 18 to 25 and financially dependent on their parent due to their studies.

Previously, only biological or adopted children could qualify for survivor's benefits in the event of their parent's death.

Procedure for legal recognition

To establish recognized status as a foster family, foster parents are required to present several pieces of evidence to their employer and to a family judge, including:

- The foster child's birth certificate;
- Evidence of a non-existent or precarious relationship between the foster child and their biological parents;
- Evidence that the foster child has been voluntarily cared for, protected, and educated by a family or persons who are not their biological parents for a period of at least five years;
- Any existing statements from the foster child and other close relatives, including the child's biological parents; and
- Evidence of the foster child's total or partial economic dependence on the foster parents.

Employer Actions

Effective, 26 July 2024 employers must grant up to five days of bereavement leave to qualifying employees for the death of a member of their foster family, paid by the employer at their normal rate.

All employers are advised to review their bereavement leave policies, practices, and employee communication materials to account for the new legal recognition of foster families, and their statutory entitlement to bereavement leave.

Underlying legislation

The changes were introduced by Law 2388 of 2024, which establishes provisions on the foster family (*Ley 2388 de 2024, por medio de la cual se dictan disposiciones sobre la familia de crianza*) which came into effect on the date of its publication in the Official Gazette (*Diario Oficial de Colombia*) 26 July 2024.

Ireland

Maternity leave entitlement may be postponed due to serious health condition

Published 11 December 2024

Effective 20 November 2024, new legislation allows pregnant employees or employees on maternity leave to postpone their leave entitlement by five to 52 weeks in the event of a physician-certified serious health condition, such as cancer or mental illness. In other words, eligible employees will no longer lose the benefit of their statutory maternity leave while under treatment or serious illness.

Previously, maternity leave could only be postponed in the event of the newborn's hospitalization.

Postponing maternity leave for a serious health condition

The new legislation provides that a pregnant employee or an employee on maternity leave who has a serious health condition can notify their employer of their intent to postpone all or part of their maternity leave entitlement by five to up to 52 weeks from the date on which the postponement is to start.

A serious health condition is defined as a health condition that:

- entails a serious risk to the life or health, including the mental health, of an employee, and
- requires necessary and ongoing medical intervention.

An employee having already postponed their maternity leave may submit one more notification to postpone their leave by up to 52 weeks.

However, the new legislation prohibits postponing maternity leave related to the same birth both for a serious health condition and for the child's hospitalization.

Employee notification

An employee's notification must be made at least two weeks before the postponement is due to start, and must include:

- the start date of the postponement,
- the proposed end date, which must be at least five weeks from the start date, and
- a medical certificate signed by a relevant medical practitioner specifying the proposed start and end dates.

Upon submission of the notification to their employer, the employee becomes entitled to take maternity leave (or any remaining portion of the leave) in one continuous period starting on the day immediately following the end date of the postponement.

The employee must indicate their intention to resume maternity leave in writing as soon as reasonably practicable, but no later than the date on which the leave resumes.

Employer Actions

Employers must comply with the new provisions governing the timing of maternity leave entitlements in the event an employee experiences a serious health condition and notifies the employer of their intent to postpone their maternity leave entitlement by between five and 52 weeks, when supported by a medical certificate.

Employers are advised to update their maternity leave policies and procedures to reflect the new sickness related provisions.

Employers should ensure that their human resources staff are informed of the underlying requirements, e.g., notification and certification requirements, and that leave management systems are designed to process employee requests.

Finally, employers should update employee handbooks and other relevant communication materials to include this new entitlement.

Underlying legislation

The Maternity Protection, Employment Equality and Preservation of Certain Records Act 2024, was signed by the President and published in the Irish Statute Book (*Iris Oifigiúil*) Number 37 on 28 October 2024.

Netherlands

Proposal to pause maximum pensionable salary indexation for two years to result in pension accrual reduction

Published 16 December 2024

On 14 November 2024, an amendment to the government's Tax Plan was introduced and is under under parliamentary review. If approved, the maximum pensionable salary, which sets the maximum pension accrual would remain unchanged in 2025 and in 2026 at its current level of EUR 137,800 for full-time employment. In the case of part-time employment, this amount is *pro rata* reduced.

Specifically, the amendment would pause for a period of two years the maximum second pillar pensionable salary indexation that is provided for in Article 18ga, paragraph 1, Wage Tax Act 1964 (*Wet op de loonbelasting 1964*).

The same would apply to the maximum basis for determining the so-called "annual space" (*jaarruimte*) or third pillar pension gap-related premiums, which is referred to in Article 3.127, paragraph 1, Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

The "annual space" or pension gap is the difference between the maximum tax-exempt amount that an individual can save towards retirement and the amount they have already accrued through their pension fund. It therefore changes each year because it depends on various factors, such as earnings and pension accrual of the year.

Underlying amendment to the proposed Tax Plan

The proposal is part of the Amendment of some tax laws and some other laws (Tax Plan 2025) No. 90 (*Wijziging van enkele belastingwetten en enige andere wetten (Belastingplan 2025) No. 90*).

Background

The Tax Plan is announced every year on Budget Day, which in 2024 was on 17 September. Proposed legislation underlying the government's plans are then discussed by the House of Representatives and the Senate. If approved, their provisions typically enter into effect on 1 January of the following year.

Portugal

2025 retirement age and pension discount factor for early retirements set by decree

Published 4 December 2024

Effective 1 January 2025, the normal retirement age under the social security regime increased to 66 years and seven months (up from 66 years and four months in 2023, but the same as in 2022).

Each year, the normal retirement age for access to old-age retirement benefits varies and is based on what is referred to as the sustainability factor(*fator de sustentabilidade*). The sustainability factor is used to calculate early retirement pension amounts. It is a pension reduction factor that is equal to the average life expectancy of an employee at age 65 in the year 2000, divided by the average life expectancy of an employee at 65 in the year before retirement.

The sustainability factor for calculating the amount of pension in cases of early retirement in 2025 is set at 0.8420.

Both the statutory retirement age and the sustainability factor affect the timing of employees' retirement and serve as indicators for employers' workforce planning and budgeting.

Background

According to Section 3, Article 20 of Decree-Law No. 187/2007, of 10 May 2007, the normal age for access to old-age retirement benefits varies based on life expectancy at the age of 65 years reached between the second and third year prior to the start of the retirement.

The normal age to access old age pension must be published by decree, two years in advance.

The Decree-Law provides for a sustainability factor for calculating social security old-age pensions, which depend on the change in life expectancy at age 65 in the year 2000 and at age 65 in the year before the start of retirement.

Life expectancy at the age of 65 years in 2023 was estimated and published by the National Statistics Institute, allowing the government to set the 2024 sustainability factor, and the normal age for access to the old-age pension applicable in 2025.

Underlying legislation

The normal retirement age applicable as of 1 January 2025 was set by Ministerial Decree No. 414/2023 sets the normal age for accessing the old-age pension in 2025 (*Portaria n.º 414/2023 Determina a idade normal de acesso à pensão de velhice em 2025*) was published in the Official Gazette (Diário da República) nº 236/2023,

Series I of 7 December 2023), and rectified by Declaration of Rectification no. 8-B/2024, published in the Official Gazette on 5 February 2024.

Singapore

Mandatory paternity leave duration increases and voluntary parental leave entitlement introduced

Published 10 December 2024

Effective 1 April 2025, the new provisions of the enhanced parental leave schemes and the enhanced Government-Paid Paternity Leave apply.

The changes comprise:

- An increase of paternity leave from currently two weeks to four weeks; and
- A phased introduction of a new parental leave of 10 weeks without any reduction in maternity leave entitlements will replace the current four weeks of sharable maternity leave entitlement.

These are detailed below.

Mandatory paternity leave

Since 2023, the government-paid paternity leave had potentially doubled, from two weeks to currently up to four weeks, with the added two weeks being granted at the discretion of employer.

Effective 1 April 2025, the current voluntary part of the paternity leave entitlement of up to two additional weeks becomes mandatory, resulting in a total of four weeks of mandatory government-paid (or more accurately, government-reimbursed) paternity leave for eligible fathers of Singapore citizen children born on or after 1 April 2025.

Increase in shared parental Leave

Effective 1 April 2025, the current shared parental leave scheme (SPL) will be replaced by a new scheme. The new Scheme comprises 10 weeks of government-paid shared parental leave (shared between the parents) and will be implemented in two steps, as follows:

- Six weeks of government-paid SPL come into effect, starting 1 April 2025; and
- Starting 1 April 2026, the government-paid SPL will be further increased to reach a total of 10 weeks.

The 10 weeks of government-paid shared parental leave under the new scheme will be provided in addition to the government-paid maternity leave and the government-paid paternity leave.

Currently, an employee can apply to share up to four weeks (drawn in weeks) of their wife's 16 weeks of Government-Paid Maternity Leave, subject to their wife's agreement. The pay is capped at SGD 2,500 per week.

The new legislation clarifies that the reimbursement limit of SGD 2,500 per week will apply on a per-parent basis for parents with multiple employments. Parents with multiple jobs can take paid leave with each employer, but the total reimbursement a parent receives across all employments cannot exceed SGD 2,500 per week.

Drawing on the new SPL

The SPL can be drawn within the first 12 months of the child's life. Leave arrangements are to be mutually agreed between employees and their employer. In the absence of a mutual agreement, parents will be able to take SPL in a continuous block after taking their maternity or paternity leave entitlements within the first 26 weeks of the child's birth.

Allocation of SPL between parents

Unless otherwise agreed, the SPL entitlement will be equally distributed between parents.

Changes to leave sharing arrangements will have to be made within four weeks after the child's birth. Any changes thereafter will require mutual agreement between parents and their employers.

Government SPL payments

The SPL will be government-paid up to SGD 2,500 per week.

Employees under irregular employment agreements, such as part-time employees, will also be eligible under the new SPL program.

Employment Protections

Currently, employers are prohibited from terminating or giving a notice of termination to an employee on maternity leave. Employers who contravene this protection may face prosecution and, upon conviction, fines or imprisonment.

Effective 1 April 2025, the same employment protection applies to fathers and adoptive parents taking paternity leave and adoption leave.

The new legislation does not provide the same protection to parents taking SPL. Employees who consider themselves wrongfully dismissed may seek recourse under the Employment Act 1968. The upcoming workplace fairness legislation will also strengthen protections against workplace discrimination.

Employer Actions

Effective 1 April 2025, employers must comply with new family-related leave provisions.

Specifically, paternity leave increases from currently two weeks to four weeks, with the two weeks no longer being at the discretion of the employer.

Furthermore, a phased introduction of a new parental leave of 10 weeks without any reduction in maternity leave entitlements will replace the current four weeks of sharable maternity leave entitlement. The new SPL will be implemented in two steps, as follows:

- Effective 1 April 2025, six weeks of government-paid SPL apply; and
- Effective 1 April 2026, the government-paid SPL will further increase to 10 weeks.

Employers are advised to:

- Plan ahead in terms of workforce changes and budgeting, especially if government paid benefits are topped up;
- Align their leave policies with the new statutory provisions; and
- Update their employee communication materials to inform their employees of their forthcoming entitlements.

Underlying legislation

The enhancements were introduced by the Child Development Co-Savings (Amendment) Act 2024 (Act 46 of 2024), which was published in the Official Journal on 6 December 2024.

Resources

- Frequently Asked Questions
- Infographics

United Kingdom

Most advisory fuel rates for use of company car decrease

Published 3 December 2024

On 25 November 2024, the UK government updated its Guidance on Advisory Fuel Rates. Accordingly, effective 1 December 2024, advisory fuel rates applicable to employees using a company vehicle are modified with, decreased rates in most cases.

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

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

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

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

New advisory fuel rates

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

Advisory rates for Gas and LPG-fueled vehicles

The new rates applicable as of 1 December 2024 for Gas and LPG-fueled vehicles are presented in the table below.

Engine Size	Gas (pence per mile)	LPG (pence per mile)
1400 cc or less	12 pence (down from 13)	11 pence (unchanged)
1401 cc to 2000 cc	14 pence (down from 15)	13 pence (unchanged)
Over 2000 cc	23 pence (down from 24)	21 pence (unchanged)

Advisory rates for diesel-fueled vehicles

The new rates applicable as of 1 December 2024 for diesel-fueled vehicles are presented in the table below.

Engine Size	Diesel (pence per mile)
1600 cc or less	11 pence (down from 12)
1601 cc to 2000 cc	13 pence (up from 14)
Over 2000 cc	17 pence (down from 18)

Advisory rate for electric vehicles (EV)

As of 1 December 2024, the advisory fuel rate for electric vehicles are 7 pence per mile (unchanged).

Employer reimbursement business travel fuel expenses

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

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

Employees reimbursements fuel used for private travel

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

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

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

Employer actions to consider

With some advisory fuel rates being reduced, employers offering company vehicles to their employees may inadvertently subject themselves or their employees to unintended taxes and NI contributions.

Employers will need to consider the tax and NI contribution implications of undocumented company vehicle fuel reimbursements that would be based on previously applicable advisory fuel rates.

To avoid undesired tax and NI contribution implications stemming from these changes, employers should ensure that all relevant departments or service providers (e.g., payroll, benefits, finance) are informed.

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

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