

Global Benefits Compliance News

Lockton Benefit Group



November 2018

Global Benefits Compliance News provides you with the latest insights on international benefits issues affecting you and your business. Our experts focus on legislation affecting social insurance and employee benefits around the world, including life, disability, accident insurance, health insurance, retirement, leave and perquisites.



Denmark

Danish annual leave accrual changing in 2019.



France

France to implement pay-as-you-earn income tax withholding.



Hungary

Hungary reduces tax advantages for many benefits in kind.

Australia

Victoria long service leave changes

Changes to Victoria's long service leave (LSL) statutes take effect 1 November 2018. The changes provide greater flexibility to women, families and employees transitioning to retirement. The service period for entitlement to LSL has been reduced from ten years to seven years, and employees can take LSL in increments as small as one day. Unpaid parental leave of up to 52 weeks will count towards the accrual of LSL. (See Victoria State Government informational website [here](#).)

Bahrain

Compulsory health insurance law

The government of the Kingdom of Bahrain has enacted a new health insurance law (Bahrain Law No. 23 of 2018) establishing a compulsory health insurance program known as Sehati (My Health). The law, which entered into force 7 June 2018, makes health insurance coverage compulsory for all citizens, residents and visitors beginning 1 January 2019.

The law requires employers to enroll their employees and pay the health insurance subscription fees for their non-Bahraini workers to cover the benefits listed under the compulsory health package for residents. Employers must also pay for worker dependents if this is part of the employment agreement; otherwise, the employee would be responsible for paying for the coverage of his or her dependents. Employers are prohibited from obtaining compensation in any form from the worker in exchange for enrolling him or her in health insurance. Proof of insurance will be required

for the renewal of employment and residency permits. Health insurance subscription costs for Bahraini citizens will be paid by the government. Implementing regulations and a list of approved health insurance providers are expected to be released soon. (See [Global Update](#).)

Value-added tax law

On 9 October 2018, the government of the Kingdom of Bahrain published the Value-Added Tax (VAT) Decree, Law No. 48, implementing VAT on 1 January 2019, for businesses with annual turnover above BHD 37,700 (USD 100,000). Implementing regulations are expected to be published shortly, and it is anticipated that a VAT rate of 5 percent will apply to non-life insurance coverage, including premiums associated with accident, health and critical illness. The law fulfills Bahrain's commitment under the Gulf Cooperation Council (GCC) Common VAT Agreement that member states would implement domestic VAT rules. Saudi Arabia and the UAE implemented their VAT systems on 1 January 2018.

Personal Data Protection Law

Bahrain's new Personal Data Protection Law (PDPL), Law No. 30 of 2018, will come into force 1 August 2019. It regulates how personal data is collected, processed and stored, and it gives data owners specific rights to know what data is being collected and how it is being processed. Businesses will have new obligations to keep data secure and must obtain authorization from the government data protection authority to automatically process specific types of data, such as sensitive personal data, biometric data, genetic data and video monitoring data.

Like the European Union's General Data Protection Regulation (GDPR), the PDPL requires that businesses have a legitimate and specific need for the data, that they obtain fully revocable consent, that the data collected is limited to those specific purposes, and that personally identifiable data is not retained after meeting the purpose. Data may only be transferred to countries with sufficient data protection laws that are listed in the Official Gazette. Transfers to other countries require the data owner's consent or should be limited to executing a contract for the benefit of the data owner. Violations can incur criminal penalties of up to one-year imprisonment and fines of BHD 1,000 to BHD 20,000.

Brazil

New data protection law

Beginning 15 February 2020, Brazil's new data protection law, Lei Geral de Proteção de Dados (LGPD), will require companies to comply with strict requirements related to the processing of personal data. The law is similar in many respects to the EU's GDPR and extends extraterritorially to foreign domiciled corporations with processing operations affecting Brazilian domiciled individuals. The Brazilian data protection authority can impose fines for noncompliance with the LGPD of up to 2 percent of a company's gross revenues in Brazil from the previous year, or BRL 50 million (approximately USD 12 million), whichever is greater, per violation. In addition, the data protection authority can totally or partially suspend any activities related to a company's data processing activities.

Canada

Ontario may amend Employment Standards Act (again)

The new Ontario government has introduced a bill that would unwind many of the employment law changes implemented at the beginning of this year by the previous government under Bill 148 (2017). The proposed legislation, Making Ontario Open for Business Act 2018 (Bill 47), would, among other things, introduce the following changes: freeze the minimum wage at CAD 14 per hour until 2020, repeal the employee work scheduling provisions of Bill 148, repeal the personal emergency leave entitlements of Bill 148, repeal the prohibition on requiring a doctor's note for personal illness leave and remove the equal pay for equal work requirements that apply to employment status (part-time, casual, temporary and temporary assignment). Employers should monitor the progress of the legislation.

Hong Kong

Paternity leave increased to five days

Hong Kong's Legislative Council voted to increase paternity leave from three days to five days as part of the Employment (Amendment) Bill 2018, which is expected to come into effect prior to the Lunar New Year holiday in February 2019. Proposals to increase the leave to seven days were defeated.

Paternity leave is paid by the employer to qualifying employees at four-fifths of the employee's daily average wages for the 12 preceding months.

New Zealand

Equal pay amendment bill

The government introduced legislation on 19 September 2018, that would provide a specific process for employees to make a pay equity claim against an employer or group of employers. The previously proposed process required that claimants demonstrate that their claim had "merit," whereas the new legislation requires only that their claim be "arguable." Upon receiving a claim, an employer would have 20 working days to give notice to employees performing the same or substantially similar work and would then have 65 days from the date of the claim to determine whether the claim is arguable. An arguable claim would be handled through pay equity bargaining under existing dispute resolution provisions of the Employment Relations Act. Employers should monitor the bill as it makes its way through the legislative process.

Oman

Compulsory health insurance proposal

Oman's Capital Market Authority issued a statement detailing the government's plans to make health insurance compulsory for private sector employees and visitors. Employers would be required to provide health insurance to their employees and visitors would be required to obtain visitor coverage as part of the immigration process. A work plan is in development to establish a unified insurance policy for all private sector employees and their families. A timetable has not yet been set for implementing the proposed requirements.

Poland

12 November exceptional holiday

With little notice, the Polish parliament passed a law declaring 12 November 2018, a nonworking holiday to commemorate the 100th anniversary of Polish independence. The exceptional holiday will only apply in 2018 and will not be commemorated with a nonworking holiday in future years. The law

requires that employers grant employees paid time off on 12 November 2018. If any employees are required to work for business essential reasons or under an exemption provided in the law, they must be compensated at the rate of pay that applies to working on Sunday or a public holiday.

Employers will need to quickly address any related staffing issues. Exempted businesses, which include pharmacies, some medical providers, retail sales outlets and activities related to selling, must pay employees the Sunday or holiday rate of pay. The legislation was signed by the president on 7 November, leaving little time for employers to prepare. There was some initial uncertainty that the law would be enacted because the parliament did not give the president 21 days' notice as required by the Polish constitution. The Polish press has, however, been widely reporting the holiday as if it were a certainty since it was proposed by the lower house on 23 October.

Thailand

Maternity leave extension in process

Thailand's Department of Labour Protection and Welfare is increasing the statutory maternity leave entitlement by eight days, from the current 90 days to 98 days. The proposed changes will also separate the leave into a separate prenatal leave period of eight weeks and a postnatal leave period of six weeks, for a total of 14 weeks. It is still unclear at what rate of pay employers would be required to fund the additional maternity leave. The changes are part of a draft bill before the national assembly to amend the Labour Protection Act, which is expected to become law in early 2019.

United Arab Emirates

Abu Dhabi generic medication circular

Abu Dhabi's Department of Health (DOH) has issued a circular requiring all pharmacies to dispense generic medications listed on a DOH formulary beginning 1 September 2018. Patients will be able to choose between brand name or generic medicine, but they will be responsible for paying the difference in price between the DOH's reference price and the price of the selected branded medicine or generic drug. Single source medicines and narrow therapeutic window medicines are excluded from the DOH's generic formulary list.

The DOH will be evaluating the success of the initiative and make necessary changes to the policy in the coming months. Medical insurers will implement the changes on programs renewed after 1 September 2018. On existing policies that renewed prior to that date, members can continue to request branded medication without having to pay the price difference.

United Kingdom

Minimum wage increase

The United Kingdom will increase the National Living Wage on 6 April 2019, from GBP 7.83 per hour to GBP 8.21 per hour for employees age 25 and older. The 4.9 percent increase was announced in the Autumn Budget 2018. The minimum wage will also increase for those age 21 to 24 from GBP 7.38 to GBP 7.70 per hour, for those age 18 to 20 from GBP 5.90 to GBP 6.15 per hour, and for those age 16 to 17 from GBP 4.20 to GBP 4.35 per hour.

Lifetime allowance

The Autumn Budget 2018 increases the lifetime allowance in line with the consumer price index, lifting the maximum pension accumulation from GBP 1,030,000 to GBP 1,055,000 on 6 April 2019. The maximum annual savings contribution to an Individual Savings Account remains GBP 20,000 in 2019.

Subscribe to:

[Lockton's Global Benefits Compliance News](#)

For global risk management news, subscribe to:

[Lockton's International Insights](#)

Not Legal Advice: Nothing in this publication should be construed as legal advice. Lockton may not be considered your legal counsel, and communications with attorneys in Lockton's Global Benefits practice are not privileged under the attorney-client privilege.