GLOBAL WORKFORCE ISSUES
Global developments and trends

- Global expansion to new jurisdictions
- Greater competition for talent
- Stronger need to protect the company
- Extra focus on alternative workers
- A more high-tech, mobile office
- Expanding employee data privacy protection
- Updates to social security, benefits and pension regulations
- New discrimination, harassment and gender equality laws
- Eyes on wage and hour and misclassification
- Ongoing workforce evaluation and restructuring
- More cross-border litigation and investigations
- Global focus on anti-corruption and whistleblowing
- Increasingly global M&As
- Unions become more global
Click each country label for detailed updates.
Australia

New, Important Bullying Laws, effective January 1, 2014

• Employers should review policies, implement complaints mechanisms, train employees
• Allows employees to apply directly to the Fair Work Commission for an order to stop bullying

Public Interest Disclosure Act, effective January 14, 2014

• “Public officials” who make prescribed disclosures given protection under Act
Limitations on use of dispatch workers, effective July 1, 2013

- Dispatch workers may be used only for temporary (up to 6 months), auxiliary (supporting the core business, or substitute positions (to replace an employee on leave, training etc.))
- No more than 10% of a hiring company’s total workforce can be made up of dispatched workers, effective March 1, 2014; transitional period of 2 years for companies currently above 10% limit

Exit-Entry Administration Law, effective July 1, 2013

- Altered Chinese entry-exit procedures by creating new visa and work permit categories for foreigners traveling to or working in China
- Increased penalties and enforcement provisions
China

Guidance from Supreme People’s Court, effective February 11, 2013

- Guidance on the topics of severance payments, compensation for non-compete obligations, and requirement to notify labor unions of terminations

New labor policy anticipated under China’s New President, Xi Jinping

- Expected increase in the retirement age (currently, 60 for men and 50 or 55 for women)
- Relaxation of the “one child” policy for couples where one parent is an only child
- Greater emphasis on the role of trade unions, in particular with respect to collective wage bargaining
- Plan to narrow the income gap by limiting excessive salaries, identifying and eliminating sources of illegal income, increasing the minimum wage and tax reforms
- Reduction in employer social security contributions
Hong Kong

Summary dismissal

- Recent case law shows difficulties of summary dismissals in Hong Kong

Secondment arrangements

- Secondees may be entitled to statutory benefits provided to Hong Kong employees

Minimum wage, effective May 1, 2013

- HK $30/hour
India

Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act of 2013, effective December 9, 2013

- Seeks to protect women in the workplace from harassment
- Requires employers to institute an internal complaints committee, organize awareness programs, post information about harassment
Indonesia

Minimum wage increases

• Increased by 40% in most regions in 2013

Restrictions on use of outsourced workers

• Only type of work that can be delegated to a labor supplier must be “supporting services or activities that are not directly related to the main production process”

Two-year limitation on employee claims struck down

• Employers advised to properly document and process employee terminations since employees can file claims for longer than two years
Japan

Reductions in force / performance terminations

- Case law continues to demonstrate the difficulties of terminations in Japan, even where employer documents performance issues

Marked increase in power harassment (bullying) claims

- Survey by Ministry of Health, Labor and Welfare heightened public awareness, resulting in a rise in claims

Retirement age

- Retirement age changing from 60 to 65 years old

2014 Employment Law Briefing
Korea

Invention Promotions Act Amended, effective January 31, 2014

- Requires employers to implement procedures in order to acquire a non-exclusive license to employee inventions
- Exemptions for SMEs

Supreme Court weighs in on expanded scope of ordinary wages

- Regular bonus payments are considered ordinary wages
- Allowances excluded from ordinary wages
Korea

Major upcoming changes in the Labor Laws and Regulations

- New system of substitute holidays
- A new law on fair hiring procedures (the Act concerning Fair Procedures of Hiring) effective date staggered but as of 1 January 2015 dependent on the number of permanent employees in the business
- Longer pre-and post-natal leave (maternity leave) in the event of multiple births effective 1 July 2014
- Employers’ obligation to get training to prevent sexual harassment at the workplace effective 1 January 2014
- Publication of a list of employers who fail to take affirmative action effective 1 January 2015
- Extended scope of childcare leave beneficiaries effective for employees who apply for childcare leave from 14 January 2014
- No discrimination on the grounds of educational background in the recruitment or hiring process effective 22 July 2014
- Minimum wage increase to 5,210 won effective 1 January 2014
Malaysia

Personal Data Protection Act 2010, effective November 15, 2013

- Regulates the collection, processing and transfer of personal data
- Require employers in specific sectors to register with the PDPD

Minimum Wages Order 2012, effective January 1, 2013

- Set minimum wage of RM900 (USD $270) per month or RM4.33 (USD $1.30) per hour for employees in Peninsular Malaysia; RM800 (USD $240) per month or RM3.85 (USD $1.15) per hour in East Malaysia

Minimum Retirement Age Act 2012, effective July 1, 2013

- Minimum retirement age set at 60 for all employees
Amendments to the Employment Act, effective April 1, 2014
- Expands employees protected by Employment Act
- Increases government’s enforcement power and penalties for non-compliance

Personal Data Protection Act, effective January 2, 2013
- Data protection law that governs the collection, use, disclosure and care of personal data

Amendments to Workplace Safety and Health (Incident Reporting) Regulations, effective January 6, 2014
- Changes trigger requirements for the reporting of accidents
- Increases scope of accidents that must be reported
Hourly and monthly minimum wage increases

- Hourly minimum wage increased to NTD 115, effective January 1, 2014
- Monthly minimum wage increased to NTD 19,273, effective July 1, 2014
Europe updates

Click each country label for detailed updates.

Click here for European-wide updates
EU-wide

Gender imbalance in corporate governance

- EU Parliament backed EU Commission’s proposal for 40% female non-executive directors for listed companies by 2020
- Will become law if adopted by the European Parliament and EU Member States

New EU Data Privacy Regulation under discussion

- Proposals include substantial fines for violation
- Safe harbor under scrutiny
Belgium

- Significant changes to various aspects of employment law
- For instance, probationary period abolished, notice periods harmonized, termination of employees now for fair reason

Removes distinction between blue and white collar workers, effective January 1, 2014

Royal Decree providing for salary freezes

- Average wage costs for 2013 and 2014 frozen (exception for indexation)
France

Relaxation of Works Council Collective Redundancy Rules

- Time limits on works council consultation procedures
- Employers in companies with 50 or more employees may enact rules for consultation process

Reducing the risk of litigation

- Reduction in time limits for filing labor claims to two years

Article 21 of the Law for the Financing of Social Security

- Social security contribution imposed on severance payments for mutual termination
French Supreme Court ruling on remunerations for inventors

- Remuneration must be determined when employees demand ownership, but must take into account the “industrial and commercial utility of the invention”

Requirement to create a Single Data Base for staff representatives

- Applies to companies with 50 or more employees; effective June 14, 2014 (300+ employees) and June 14, 2015 (50-299 employees)
- Data Base will provide staff representatives access to information on main economic and labor issues faced by company
Germany

Temporary workers

- Federal Court ruling on "permanent" leasing of temporary workers
- Coalition plans to cap employee leasing at 18 months

Minimum Wage Law proposed, effective in 2015

- Minimum wage would start at €8.50 an hour
Change in state pension entitlement

- Employees with a contractual retirement age of 65 who expect to receive a state pension will no longer receive it until age 66
**Italy**

**New provision in Italian labor law: fixed-term contracts**

- Employers no longer required to provide reasons for hiring FTC employees of no more than 12 months
- National collective agreements may provide different regulations in use of temporary contracts

**Recording employee conversations violation of privacy rights**

- Supreme Court upheld dismissal of employee who recorded colleagues’ conversations without their knowledge
Netherlands

Changes to Dual Dismissal Program expected in 2016
- Dutch government has proposed abolishing the system
- EUR 75,000 cap on severance

Consecutive fixed-term contracts
- Effective January 2, 2015, consecutive contracts of no more than six months entered into within two-year period considered contracts for indefinite period

Clawback of Bonuses Act, effective January 1, 2014
- Enables NVS financial undertakings to adjust or claw back executive bonuses

Taxation of severance pay, effective January 1, 2014
- Severance payments to be taxed at normal tax rate
Labor Code amendment introduces new rules on working time schedules and parental leave, effective June 17, 2014

- Settlement period for flexible working time schedules extended up to 12 months
- Maternity leave increased, new parental leave introduced
Legislature postponed draft bill on temporary work

- Bill addresses lack of regulations regarding temporary workers

Reform of employer assessments of workplace conditions, effective January 1, 2014

- Employers and an accredited organization must jointly carry out a special assessment of work conditions
- Special assessment must be carried out once every 5 years
Spain

Substantial changes in collective bargaining agreements

- Employers can avoid the application of industry-level CBAs in three ways

Retirement age to be raised

- From 65 to 67

Constitutional Court on employee email monitoring

- Monitoring employee email not found an infringement of employee’s privacy in case at issue
New regulations revise rules on reduction of working hours for child care

- Employees who are parents may ask for reduced work schedule to care for a child up to 12 years of age (prior to amendment, maximum age to request reduction in hours was 8)
- Reduction in hours must be between 12.5% to 50% with proportional salary reduction

Additional flexibility for part-time workers and increased Social Security Contributions, effective December 22, 2013

- Employer and employee may now agree on performance of ‘supplementary hours’ and advance notice required when requesting an employee to work supplementary hours
- Companies now required to contribute the entire amount of certain items that were previously fully or partially exempt
Collective redundancy requirements increase burden for employers, effective January 1, 2013

• Employer required to negotiate a social plan if it employs more than 250 employees and intends to effect at least 30 redundancies over 30 days

Electorate votes down imposition of executive pay limit

• Law would have capped executive compensation at 12 times the wage of a company’s lowest earner
• Referendum followed an earlier March 2013 referendum in which majority of voters supported ability of company shareholders to veto executive pay proposals and ban executives receiving compensation “in advance” or “on departure”
United Kingdom

Implications of *Usdaw v. Ethel Austin Ltd.* on collective redundancy consultation

- Employers required to collectively consult when proposing to make 20 or more redundancies over 90 days, regardless of where employees are based
- Court of Appeals referred case to the Court of Justice of the European Union (ECJ)

Rules on collective redundancy relaxed, effective April 6, 2013

- For employers downsizing 100+ employees, consultation period lowered from 90 to 45 days

Unfair dismissal cap the lower of one year’s salary or GBP 74,200

- Cap is now the statutory maximum (currently, GBP 74,200) or 52 weeks' pay, whichever is lower
TUPE reforms due in January 2014

- Employers would have more flexibility in TUPE transfers, such as to change the terms and conditions of employment following a TUPE transfer

Introduction of employment tribunal fees, effective July 29, 2013

- Employment Tribunal started collecting fees from claimants
Click each country label for detailed updates.
Argentina

New Same-Sex Marriage and Gender Identity Law

- Since 2010, same sex marriage recognized
- Since 2012, individuals can choose their own gender identity
- New laws could serve as the basis for employment discrimination
Brazil

New Anti-Corruption Law, effective January 28, 2014

- Establishes comprehensive system of corporate and individual liability for acts of corruption
- Employers should revisit codes of conduct and internal policies and conduct employee training sessions
Canada

Drug and alcohol testing further limited
- Supreme Court of Canada struck down random alcohol testing policy; held that testing of employees requires a balancing of interests

Restrictive covenants: still useful, especially in transactional setting
- Supreme Court of Canada upheld covenant made during negotiations for a sale of a business; emphasized importance of context

Ontario: health and safety awareness training and Accessibility for Ontarians with Disabilities Act
- Health and safety awareness training required effective July 1, 2014
- Accessibility for Ontarians with Disabilities Act, 2005 requirements now in effect, additional obligations for companies with 50 or more employees in Ontario effective January 1, 2014

New Anti-bullying and harassment requirements in British Columbia, effective November 1, 2013
- Employers must take reasonable steps to prevent/minimize, workplace bullying and harassment
- Employers must develop and enforce an anti-bullying/harassment policy

Return to Map
Regulations to implement data protection laws, effective June 27, 2013

- Regulations address privacy notices, consent requirements, collection and processing of personal data, and transfer of data internationally

Employer social security contributions eliminated for some workers, effective January 1, 2014

- Effective January 1, 2014, employers no longer need to make social security contributions for workers earning less than 10 times the minimum wage (approx. US$3.058)

Immigration laws, effective July 1, 2013

- Introduced new visa classifications, including ones for business and temporary work
Mexico

Labor implications: 2013 Tax Reform

- Effective January 1, 2014
- Impacts social contributions for employers and employees and results in taxation of fringe benefits

New privacy guidelines

- Effective April 17, 2013
- Requires employers to implement data privacy notices and obtain consent before collection personal data

Mexican Federal Labor Law: a Reminder

- Took effect December 1, 2012
- For instance, new requirements on outsourcing; expanded hiring methods

New training program requirements, effective September 15, 2013

- Employers must create a joint commission on productivity and training, develop a skills and competency training plan, etc.
Venezuela

Organic Law of Labor and Workers, effective May 7, 2013

- Imposes new restrictions for work hours and days of rest
- Provides for additional parental leave
Click each country label for detailed updates.
Egypt

New special allowance, effective July 1, 2013

- Entitles all employees hired before July 1, 2013 to 10% increase in base salary, and for all new hires, a 10% yearly allowance needs to be planned in

Implementation of maximum and minimum salaries in public sector anticipated in 2014

- Minimum of EGP 1,200 and maximum 35 times the amount, but not exceeding EGP 42,000

Presidential decree No. 79/213 raises pension entitlements, effective August 13, 2013

- Increase of end of service award to 2 months
- Participation in social security scheme raised to 6% (instead of 3%)
- 2014 Anticipated Changes: New labor unions law
Prohibition of employment discrimination on the basis of sexual preference under consideration

- Bill passed by the Ministerial Law Committee; sent to the full Knesset for approval
- If passed, would require all laws against discrimination to include a ban on gender or sexual preference discrimination
Saudi Arabia

**Immigration reform impacts recruitment and immigration procedures**

- Employers required to consider KSA nationals for all vacancies prior to engaging a foreign national (Saudisation); certain roles reserved for KSA nationals
- Employers required to sponsor foreign employees to meet visa requirements or employees face penal measures and deportation

**Introduction of wage protection program, effective December 1, 2013**

- Companies with 3,000+ employees required to submit wage information to Ministry of Labor

**Changes to the working week, starting June 2013**

- Changed to Sunday to Thursday (from Saturday to Wednesday) to be in line with the UAE and other GCC countries
Important amendments to Labor Law approved by Shoura Consultative Council

- Fixed term contracts will convert into unlimited term contracts upon the third renewal or if total length of service is 4 years
- Changes in compensation for unjustified termination
- Changes in termination for unauthorized absence
- Must be approved by the King to go into effect

Unemployment benefit insurance created, to be implemented before July 2014

- Requires employer/employee contributions of 1% of basic salary and housing allowance
South Africa

Threshold for earnings raised under the Basic conditions of Employment Act, effective July 1, 2013

- Raised from R183,008 (approx. $17,643) per year to R193,805 (approx. $18,684) per year

Protection of Personal Information (POPI) Act

- Introduces data protection principles
- President to set effective date; once set, employers will have 12 months to comply
South Africa

Proposed amendments to Labor Relations Act

- Limitations on temporary work and fixed-term contracts
- New rules on strikes, lock-outs

Employment Amendment Act published on January 16, 2014, effective date TBD

- Affirmative action beneficiaries limited to black people, women, and people with disabilities who are citizens of South Africa
- Grounds of unfair discrimination extended to include differential treatment claims because of discrimination on listed grounds
Regulation on Occupational Health and Safety Services, effective June 30, 2012

- Requires every employer carry out risk assessment and hire occupational safety expert, workplace doctor and other health care personnel or outsource those roles
New Health Insurance Law in Dubai

- Employers required to provide employees, spouses, dependents and domestic staff with compulsory health insurance coverage
- To go into effect in phases, starting in 2014

New residency requirements for Abu Dhabi company employees

- Employees sponsored by companies licensed and based in Abu Dhabi are now required to have Abu Dhabi residency