

Events, developments, and opportunities in the international marketplace.

BRAZIL INTRODUCES MEASURES TO COMBAT COVID-19



The Brazilian Government has issued federal measures to help combat the ongoing economic troubles caused by the COVID-19 pandemic. For example, MP-936 is a measure that allows employers to reduce salaries and hours for employees for up to a 90-day period. However, the employer is required to preserve the pay rate, hours, and tenure for each employee when they are reinstated to return to work. The measure also includes provisions for employees who have their employment agreements suspended (e.g., furlough). The legislations would grant employment to furlough employees for a period of up to 60 days, and the Brazilian government will cover 100% of the employer's unemployment insurance costs. For companies that earned a gross revenue in excess of R\$4,800,000 in 2019, the government will pay a benefit of 70% of the employment insurance that employees are entitled to, provided that during the suspension period, employers pay to employees financial support equal to 30% of employees' salary.

SOUTH AFRICA IMPOSES EMPLOYEE PROTECTIONS AMID COVID-19

The South African government announced measures to assist employees of companies in distress due to the COVID-19 pandemic. With a large number of small business owners unable to pay their workers' salaries during the 21-day national lockdown, the government introduced the Temporary Employer-Employee Relief Fund Scheme. Eligible employers that had to close its operations or part of its operations for a period of three months or less as a direct result of the COVID-19 pandemic would qualify for the benefit, which would pay for the cost of salary for the employees during the temporary closure of the employer's business operations. The benefit would be calculated in terms of the income replacement rate sliding scale of 38% (for high earners) up to 60% (for low earners) as provided in the Unemployment Insurance Act of 2001. The salary to be taken into account in calculating the benefit will be capped at a maximum amount of R17,712.00 per month, per employee.



INDIA LOOKS TO IMPLEMENT EMPLOYEE PROTECTIONS DUE TO COVID-19



In response to the COVID-19 pandemic, the Indian government has imposed broad legislation intended to protect and support employees during the national lockdown. Under special provisions within the 2005 Disaster Management Act, it prohibits employers from terminating any employees or contract laborers during the lockdown, except for disciplinary reasons. Additionally, employers are restricted from reducing employees' wages. Employers would have the authority to temporarily halt non-statutory benefits, defer or suspend bonuses and annual increments for employees, and postpone incentives until the business normalizes. In addition, employers are prohibited from requiring employees to use paid time off during the lockdown. Employees, however, are entitled to use their accrued annual leave at their discretion, subject to internal policies. Employers cannot mandate that employees take unpaid leave. Employers may encourage, but not require, employees who have contracted COVID-19 to use their accrued sick leave. If necessary, employers may require COVID-19-positive employees to continue to take leave until such employees medically certify that they may return to work, during which time employers should continue to pay employees' full wages and benefits.

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