

# APAC employment forecast 2025



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# Overview

DLA Piper's APAC Employment Team has prepared the annual employment law forecast, summarising the major legislative changes and top trends in 2024 that impacted the region. This forecast also explores important trends in APAC that employers should consider for 2025.

This publication covers 16 jurisdictions in the Asia Pacific region, including Australia, Cambodia, China, Hong Kong, India, Indonesia, Japan, Macao, Malaysia, Myanmar, New Zealand, Singapore, South Korea, Taiwan, Thailand and Vietnam.

This guide does not contain any legal advice but instead is intended to be a general overview and discussion of the subjects dealt with. If you require employment-related advice, please contact the DLA Piper professionals listed in this guide.



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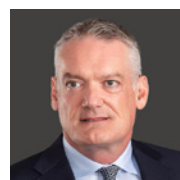
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- Trilegal
- VDB Loi
- VNA Legal

# Australia

Significant changes will impact all employers with employees in Australia in 2025.

## Wage theft

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- As at 1 January 2025, wage theft (i.e., intentionally underpaying employees) is now a criminal offence.
- The maximum penalty for an individual is ten (10) years' imprisonment, while the maximum fine for an offence is the greater of:
  - three (3) times the amount of the underpayment, if the court can determine that amount; or
  - for an individual, AUD1,650,000, or for a body corporate, AUD8,250,000.
- Genuine mistakes or miscalculations are unlikely to be captured by the new laws. Rather, the new laws are primarily focused around intentional underpayments by an employer.

## Paid parental leave

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- Starting 1 July 2025, the Paid Parental Leave coverage that is available will increase from 22 weeks to 24 weeks. This increase forms part of the Federal Government's plan to increase the amount of leave to 26 weeks by July 2026.

## Restraints of trade

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- Restraints of trade, including non-compete, non-solicitation, and non-disclosure clauses, are commonly used in employment contracts to protect business interests.
- The Competition Task Force of the Federal Government Treasury Department released an Issues Paper on 4 April 2024, examining the impacts of these restraints on jobs, business, and productivity.

- The Issues Paper notes growing concern with the prevalence of non-competes and other restraint of trade clauses in Australia, citing evidence that these terms of employment negatively impact job mobility, innovation, and wage growth.
- Given these findings, there is a risk that the Federal Government may announce legislation in 2025 to regulate or restrict post-employment restraints.
- While we do not expect that non-competes would be banned, we expect that, given broader global trends, there is a real risk of limits being placed on non-competes. For example, it may be the case that non-competes are limited to only those above who earn above a particular statutory amount.

## Same job, same pay

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- The "same job, same pay" measures, effective from 1 November 2024, were implemented to enable labour hire workers to be able to receive the same pay as employees engaged by the host employer who are doing the same work where a "regulated labour hire arrangement order" is in place.
- We expect that over the course of this year, the Fair Work Commission (Australia's national workplace relations tribunal) will hear and decide on a number of cases relating to when a "regulated labour hire arrangement order" should be made. These cases will be particularly significant for employers that traditionally rely on labour hire arrangements, as they will test the scope of this novel framework.



# Cambodia

## Increase in the minimum wage for 2025

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- Starting 1 January 2025, the minimum wage for workers in the garment, textile, footwear, travel product, and bag industries has increased by USD4 (approximately 2%) compared to 2024. The new rates are as follows:
  - regular workers: USD208 per month
  - probationary workers: USD206 per month
  - piece-rate workers: If productivity exceeds the minimum wage, the higher amount will be paid. If productivity is below the minimum wage, the minimum wage will apply.<sup>1</sup>

## Change in labour dispute re-conciliation

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- In late 2024, the Ministry of Labour and Vocational Training (“**MLVT**”) clarified the labour dispute re-conciliation process, effective in 2025. If initial conciliation fails, parties have two days to request re-conciliation. A new conciliator may be appointed, but if no settlement is reached, further re-conciliation requests are not allowed, though other dispute resolution options remain available.<sup>2</sup>

## First nationwide National Social Security Fund (“**NSSF**”) enterprise inspections

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- Starting 1 February 2025, the NSSF will launch a nationwide inspection campaign to ensure worker welfare and benefits under the social security regime. Enterprise owners must:
  - pay NSSF contributions as required
  - declare accurate wages
  - report the correct number of employees
  - comply with withdrawal provisions in the Social Security Law

Failure to meet these obligations may result in legal action, including fines and/or imprisonment.<sup>3</sup>

## First opening of small-scale businesses (informal economy) registration

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- The informal economy includes small-scale businesses, freelancers, and self-employed individuals. Recently, registration for micro-enterprises and workers in the informal sector has opened to collect data and support their growth and integration into the formal economy in an environmentally sustainable way. Registration is voluntary, free of charge, and does not carry penalties for non-registration. Approved applicants receive a digital registration certificate.<sup>4</sup>

## Introduction of a new virtual labour anonymous complaint box

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- The complaint box is available at all ministries, with the MLVT now offering an online service for easier access by both Cambodian and foreign nationals to file labour-related complaints. The MLVT has introduced an anonymous complaint box, allowing workers and employers to submit concerns without revealing their identity. This platform enables individuals to voice complaints, make requests, ask questions, or report issues, with responses provided while ensuring confidentiality.<sup>5</sup>

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<sup>1</sup> Prakas No. 211/24 dated 20 September 2024 on the Determination of Minimum Wage for Workers in the Garment, Textile, Footwear, Travel Product and Bag Sectors.

<sup>2</sup> Instruction No. 154/24 dated 01 November 2024 on the labour dispute re-conciliation procedures.

<sup>3</sup> Notification No. 004/25 dated 14 January 2025 on Inspection Visits to Enterprises/Establishments Nationwide to Strengthen the Implementation of the Law on Social Security Schemes and Related Regulations.

<sup>4</sup> Sub-Decree No. 289 dated 14 December 2024 on Informal Economy Registration.

<sup>5</sup> Notification No. 030/24 dated 09 October 2024 on Launching of Anonymous Complaint Box

# China

## China officially approves proposal to raise retirement age

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- China is gradually raising the statutory retirement age starting from 1 January 2025. For men, it will rise to 63 from 60, and for women, it will rise to 55 from 50 for non-managerial positions and to 58 from 55 for managerial positions. This change will be carried out over 15 years.
- Employees who have reached the statutory retirement age can, with the agreement of their employer, choose flexible delayed retirement, with a maximum delay period of no more than three years.
- Employees who have fulfilled the minimum contribution period may opt for flexible early retirement, subject to a maximum early retirement period of three years. However, the retirement age must not fall below the original statutory thresholds: 50 or 55 years for female employees and 60 years for male employees.
- The minimum years of basic pension contributions required to receive a pension after retirement will be gradually raised from 15 years to 20 years, starting from 2030, such that by 2040 the minimum years of contribution will be 20 years for everyone.

## Statutory holiday increase

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- Starting from 2025, the public holiday entitlement has been increased to 13 days from 11 days.
- The newly added two public holidays are Chinese Lunar New Year's Eve to celebrate Spring Festival and 2 May to celebrate Labour Day. Overtime shall be payable at a rate of 300% of the employee's daily wages if the employee is arranged to work on Lunar New Year's Eve or 2 May.
- The annual working days have been 248 days. The average quarterly working days have been 62 days and the average monthly working days have been 20.67 days.
- The number of working days used to calculate average daily wages shall remain unchanged as 21.75 days per month because the number of public holidays is not required to be excluded when calculating the average daily wages.



# Hong Kong SAR

## **Abolishment of the MPF offsetting mechanism**

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- The abolition of mandatory provident fund (“MPF”) offsetting arrangement will take effect on 1 May 2025. When effective, it will abolish the longstanding arrangement which allows employers to use the accrued benefits derived from employers’ mandatory MPF contributions to offset employees’ statutory severance or long service payment (“SP/LSP”). That said, accrued benefits derived from employers’ voluntary MPF contributions as well as gratuities based on length of service will generally still be able to be used to offset SP/LSP. The offsetting arrangement will not have retrospective effect, as such, employers will generally be able to continue to use the accrued benefits derived from their MPF contributions (whether such contributions are made before or after the effective date and irrespective of whether the contributions are mandatory or voluntary) to offset employees’ SP/LSP in respect of any employment commenced before the effective date.
- The Government will be assisting employers with the transition by implementing a 25-year Government subsidy scheme, which will permit employers to apply for a disbursement from the Government to share their expenses resulting from a payment of SP/LSP following the effective date.

## **Statutory holiday increase**

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- Easter Monday, Good Friday and the day following Good Friday will be added as a statutory holiday in 2026, 2028 and 2030 respectively.

## **Review of the “continuous contract” definition under the Employment Ordinance**

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- The Government has been reviewing the definition of “continuous contract” under the Employment Ordinance, which is currently defined as continuously employed by the same employer for four or more weeks and working 18 hours or more each week. Currently, employees who are employed under a “continuous contract” are entitled to further benefits such as paid statutory holidays, statutory annual leave, statutory sickness allowance, statutory maternity/paternity leave and statutory severance payment and statutory long service payment.

- According to the Chief Executive’s Policy Address made in October 2024, the Government will work on changing the definition to the aggregate of 68 working hours over four weeks. The Government will commence the relevant legislative amendment work on this basis and will aim to introduce an Amendment Bill into Legislative Council in the first half of 2025.

## **Other employment related initiatives**

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- According to the Chief Executive’s Policy Address made in October 2024, the Government will work on an array of employment related initiatives in 2025, some of the key initiatives include but are not limited to:
  - continuing to reform various visa schemes in order to address projected shortage of workers, such as implementing arrangements to allow certain experienced young workers who do not hold degrees to apply for employment visas to join the skilled trades which are facing manpower shortages and introducing measures to assist non-local students or graduates in job seeking within Hong Kong;
  - continuing to finalise details for implementing the “Full Portability” proposal, under which employees will be able to transfer the accrued benefits derived from their employers’ mandatory MPF contributions to a scheme of their choice via eMPF Platform, with the view to encourage employees to proactively manage their MPF investments, promote market competition and create room for fee reductions;
  - continuing a focus on initiatives on occupational safety enhancements;
  - implementing a new annual review mechanism for the statutory minimum wage. The first statutory minimum wage rated derived under this new review mechanism will take effect on 1 May 2026; and
  - reviewing the coverage of ex-gratia severance payments under the Protection of Wages on Insolvency Fund to enhance protection for employees.



# India

## Evolving POSH jurisprudence and compliance challenges

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- With companies implementing return-to-work arrangements, there has been a noticeable rise in workplace sexual harassment cases. As the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 marks its 12th year in force, cases have become increasingly complex, and there has been an upsurge in the number of appeals against the findings of the Internal Committee (“**IC**”).
- A recurring theme is the interplay of personal and workplace relationships leading to sexual harassment complaints. In such cases, delineating the ICs jurisdiction is essential given that certain acts (although egregious) may not legally fall within the scope of the workplace and are therefore, beyond the IC’s mandate. Additionally, procedural lapses in inquiries have become a key concern, with common issues comprising failure to provide parties with all material evidence and failing to facilitate cross examinations. Ensuring procedural rigor remains critical to minimising grounds for a successful appeal.
- Recent high court (“**HC**”) rulings have underscored evolving and often conflicting interpretations of what constitutes sexual harassment. In *XXX v. Gender Sensitisation and Internal Complaints Committee (WPA No. 26677 of 2023)*, the Calcutta HC ruled that terms like ‘baby’ and ‘sweetie’ do not automatically constitute sexual harassment. Conversely, the Madras HC in *Srinivas Rajan v. the Director of Matriculation Schools ((2012) 02 MAD 0112)* applied a stricter standard, holding that referring to a woman as a “b\*\*\*h” constitutes sexual harassment by virtue of the inherently demeaning and sexually derogatory nature of the term.
- The juxtaposition of these judgments highlights the need for a nuanced, context-driven analysis of what constitutes sexual harassment. ICs must carefully assess the specific language and context around the remarks in question to determine whether the remark constitutes sexual harassment while conducting inquiries.

## Provident fund liability for ‘international workers’ under judicial scrutiny

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- As India cements its role as a global manufacturing and outsourcing hub, the rise of Global Capability Centres (“**GCCs**”) and Global In-house Centres (“**GICs**”) has led to an increase in the number of secondment arrangements and the engagement of international workers (“**IWs**”). A key area of concern for multi-national corporations has been remitting provident fund (“**PF**”) contributions (a social security benefit) for IWs.

- Unlike with respect to Indian passport holders, contributions for IWs must be made on their entire ‘basic wages’ – which includes all universally paid salary components without the ability to cap the contributions at 12% of the wage ceiling of INR15,000. Additionally, IWs face practical challenges in withdrawing their accumulated PF corpus, as withdrawals are only permitted under limited circumstances, such as retirement at the age of 58 along with a need to have an active bank account. Short term assignments often result in IWs leaving India before qualifying for withdrawal – making contributions a contentious issue.
- Against this backdrop, the Karnataka HC in *Stone Hill Education Foundation v. Union of India (2024 SCC OnLine Kar 49)* ruled that the differential treatment of IWs for the purposes of PF contributions is arbitrary and unconstitutional. The decision has been appealed and is currently under review by a larger bench. In response, PF authorities have been cautious in enforcing IW related demands. However, multinational companies engaging IWs have largely refrained from overhauling their PF contribution practices while the matter is pending appeal. Given the evolving legal landscape, organisations employing IWs should closely monitor developments in this area to ensure compliance and mitigate potential financial exposure.

## Maharashtra implements mandatory insurance for shops and commercial establishments

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- The Maharashtra Government has amended the Maharashtra Shops and Commercial Establishments (Regulation of Employment and Conditions of Service) Act, 2017 (“**Maharashtra S&E Act**”), introducing a requirement to furnish details of an insurance policy in key forms including applications for registration, renewal and in their annual return filings. This mandate effectively makes insurance coverage a prerequisite for key compliances under the statute.
- However, the amendment lacks clarity on critical aspects, such as the type of insurance required or the minimum coverage thresholds. Given the scope of the statute, it is expected that the insurance pertains to employee health and safety, potentially encompassing workplace accident but there continues to be no clarity on the exact nature and scope of coverage. As a result, businesses are keeping an eye on further developments in this area, deferring action until further clarity emerges.

## Renewed focus on engagement of Apprentices

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- While apprenticeship programmes share similarities with internships, the Apprentices Act, 1961 mandates specific compliance requirements for engagement of apprentices. Traditionally, only manufacturing companies appeared to be covered under the statute, however subsequent amendments have clarified that every establishment having 30 or more workers is required to (within a financial year) engage apprentices in a band of 2.5% to 15% of the total headcount (including contract workers).
- Ahead of and following India's 2024 general elections, authorities have intensified enforcement efforts across industries, actively issuing compliance notices to companies. As a result, companies are increasingly prioritising apprenticeship engagement, making this a critical area of focus in the coming months.

## Buzz around the implementation of the labour codes

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- The long-anticipated labour codes—set to replace 29 existing central labour laws—continues to be a focal point of discussion. High-level meetings with state representatives are ongoing to track the progress of states that have yet to finalise rules under the codes. Parallely, key industry stakeholders, including trade unions, have pushed back against the adoption of the codes in their current form. While no official date for implementation has been announced, it is expected that the codes will be implemented in the next financial year i.e. after 31 March 2025.



# Indonesia

Revisions to Law No. 13 of 2003 on Manpower (the “**Manpower Law**”) following the Constitutional Court Decision No. 168/PUU-XXI/20231 (the “**Decision**”):

## Priority for Indonesian workers

- The Decision now mandates that Indonesian workers be prioritised over foreign nationals for job positions. Employers must comply with this requirement, though the mechanism to determine the unavailability of local candidates is yet to be clarified.

## Outsourcing

- The Decision grants the Minister of Manpower authority to define permissible types of outsourced work. While this provides flexibility, implementing regulations will be essential to ensure clarity and compliance.

## Wage adjustments

- The Decision reinstates proportionality as a guiding principle in wage structures. Additionally, agreements on wages above the minimum wage now require involvement from labour unions where applicable.

## Termination of employment

- The Decision emphasises a structured approach to employment termination. Bipartite negotiations must be prioritised, and if unresolved, disputes must follow the legal settlement process through the Industrial Relations Court or higher courts.

## Severance pay

- The Decision sets the severance pay formula under the Manpower Law as a minimum threshold of severance payment calculation upon employment termination.

## Obligations during dispute resolution

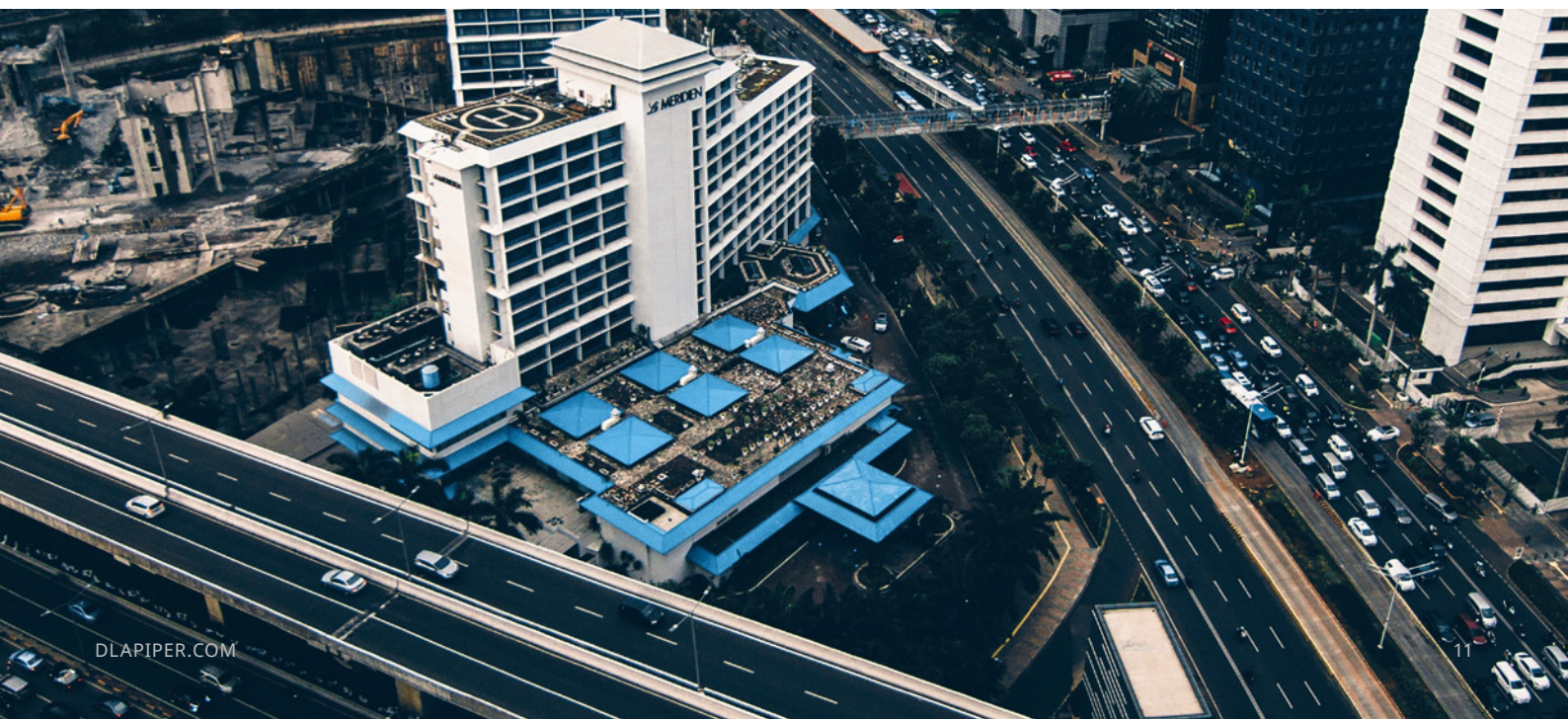
- The Decision emphasises that both employers and employees must fulfill their obligations during the Industrial Relations Dispute resolution process until (i) a mutual termination agreement is reached; or (ii) a final and binding court ruling is issued. Employers may suspend employees during this process while continuing to pay their wages and entitlements. Challenges may arise in applying the “no work, no pay” principle.

## National public holidays

- On 14 October 2024, the Indonesian Government announced that in 2025 Indonesia will have 17 days of public holidays and ten (10) days of collective leave.

## Minimum wages

- Minister of Manpower Regulation No. 16 of 2024 increases 2025 Minimum Wages (provincial and municipality/regency) by 6.5%, effective January 2025. The calculation now considers economic growth, inflation, and a specific index for fair and decent wages.
- Governors may also set sectoral Minimum Wages for industries with unique characteristics, aligning with the timeline for regular Minimum Wages of provincial and municipality/regency.
- Effective from 1 January 2025, an increase of 6.50% has applied to the minimum wage in DKI Jakarta province, so it is now IDR5,396,791.



# Japan

After several significant changes or updates to labour and employment laws in 2024, 2025 will see fewer significant changes. As summarised below, the changes that are coming in 2025 are meant to enhance parental leave and help prevent employees who need to take care of ailing family members from leaving the labour market.

## Amendments to the childcare and family care leave regulations

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There are several changes that will become effective on 1 April 2025 expanding employee rights related to childcare and family care leave regulations. The changes will very likely require that employers' work rules and/or childcare and family care leave regulations be amended in order to be compliant. The most significant of the coming changes are:

- For employees raising a child who is three years old or older and the child has not entered elementary school, the employer needs to provide flexible working options and notify the employee of the options. The options available include the following:
  - change to start/end times
  - allowing teleworking
  - shorter working hours
  - leave entitlements
  - other measures to help employees raising children while working
- Allow more workers to be exempted from overtime or other unscheduled work for children who have not started elementary school (it is currently for workers with children up to three years old).
- Parents will be able to take short-term leave to care for an injured or sick child up to the child entering the third grade of elementary school. This is expanded from pre-school aged children. In addition, employers were previously able to exclude employees with 6 months or less of service from the short-term childcare leave if they entered into a labour-management agreement providing for this. That will be abolished.
- There are some other technical changes with respect to notices to employees regarding support systems that are available and monitoring the use of childcare leave by employees.



# Macao SAR

2024 was a key year in the recovery of Macau's economy. With the intention of recovering quickly from the pandemic years, coupled with increasing incentives for economic diversification, manpower (or lack thereof) played a central role for the economy.

## Maternity leave extension:

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- The Legislative Assembly is considering a proposal to extend maternity leave from the current 70 days to 90 days. This change, which is being considered in the context of encouraging an increase in the birth rate, aims to provide better support for working mothers and promote the well-being of families.
- In addition, Administrative Regulation 34/2024 was introduced, which provides for a temporary subsidy for employers who offer paid maternity leave. This additional subsidy scheme allows employers who grant 70 days of paid maternity leave to their employees to claim a subsidy equal to the employee's basic salary for up to 14 days.
- The aim of these measures is not only to support working mothers, but also to help employers adapt to the increased demands of maternity leave and to promote harmonious industrial relations and stability in the workforce.

## Work accident compensation:

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- Amendments to Decree-Law no. 40/95/M, which establishes the regime applicable to compensation for damages arising from accidents at work and occupational diseases, are under discussion, in order to increase the compensation due as a result of accidents at work.

- The main changes under discussion include:
  - **increased compensation:** compensation levels for accidents at work and occupational diseases will be reviewed and increased to provide better financial support to affected workers, and
  - **simplifying the claims process:** the changes also aim to simplify the process of claiming compensation, making it more accessible and efficient for workers.
  - **improved enforcement mechanisms:** measures will be taken to improve enforcement and ensure that employers meet their compensation obligations.

## Severance pay increase

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- The Legislative Assembly has approved an amendment to the Labour Relations Act that increases the monthly ceiling for calculating redundancy payments from MOP21,000 to MOP21,500.
- This amendment aims to improve the financial compensation for workers made redundant, ensuring that they receive a fairer and more up-to-date amount in relation to current economic conditions. The increase in the monthly ceiling is an important measure to protect workers' rights and provide adequate financial support during the transitional period following the loss of a job.
- In addition, the amendment includes provisions to simplify the process of calculating and paying compensation, making it more efficient and accessible for affected workers. This amendment reflects the Government's commitment to improving working conditions and supporting workers in vulnerable situations.



# Malaysia

## New minimum wage for 2025

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- Pursuant to the Minimum Wages Order 2024 (“**MWO 2024**”) which came into force on 1 February 2025, the national minimum wage was increased for all employees.
- The MWO 2024 provides for a staggered implementation of the revised minimum wage.
- The revised minimum wage will be effective 1 February 2025, but there will be a temporary exemption granted for employers with less than five employees (however, this exemption does not apply to employers carrying out professional activities, regardless of number of employees).
- The temporary exemption expires on 31 July 2025, and therefore the revised minimum wage will apply to all employers from 1 August 2025.
- The revised minimum wage is:
  - monthly rate: RM1,700
  - daily rate: RM98.08 (four (4) days per week), RM78.46 (five (5) days per week), RM65.38 (six (6) days per week)
  - hourly rate: RM8.72

## Mandatory statutory EPF contributions for foreign workers

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- In October 2024, the Malaysian Prime Minister announced that the Government would be introducing mandatory employer contributions towards the Employees Provident Fund (“**EPF**”) for foreign workers.
- In February 2025, the Prime Minister announced that the proposed contribution rate would be 2%. This is significantly lower than the contribution rate for Malaysian employees, which is 11% for employees and 12-13% for employers, which will alleviate the concerns of employers who were worried about the financial burden of the new statutory contribution obligations.



# Myanmar

## New minimum wages

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- In October 2023, the National Minimum Wages Committee (“**Committee**”) adjusted the previous minimum wages. The Committee previously set at MMK4,800, with an additional 1,000 kyats daily allowance introduced in October 2023. Starting from 1 August 2024, a further 1,000 kyats have been added, raising the total daily wage to 6,800 kyats (approximately USD3.24). This applies to both private sector workers and day labourers in Government departments but excludes small businesses with fewer than ten workers and family-owned businesses.

## Employment-related legal requirements under the Military Service Law and rules

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- The People’s Military Service Law 2010 (the “**Military Service Law**”), which outlines the requirements and responsibilities for compulsory military service in Myanmar, is set to come into force on 10 February 2024, as established by Notification No. 27/2024. During their service, employment protections are in place to ensure that individuals can return to their jobs with their original or similar positions. According to the Military Service Law, the township-level summoning body will summon and register eligible citizens for military service. Males aged 18 to 35 years (up to 45 years for experts) and females aged 18 to 27 years (up to 35 years for experts) can be called for military service for up to two years, extendable to five years during the State of Emergency.

From an employment perspective, the law stipulates that the employer must appoint the employee to the original position or similar one upon completing the military service term. Failure to appoint an employee who has completed the period for military service may result in punishment, including imprisonment for a term not exceeding three years, with a fine, or both.

- The Ministry of Defense recently issued the People’s Military Service Rules (the “**Rules**”) on 23 January 2025, which include a small number of clauses addressing employment-related provisions. According to the Rules, employers are required to pay wages to employees serving in military service in compliance with the laws, rules, notifications, and procedures specified by the relevant Ministry. When a worker who has completed his military service reports back to his former employer, the Central Body for Summoning People’s Military Servants (“**Central Body**”) shall coordinate with the Ministry of Labour (“**MOL**”) to ensure that the employer can reassign the worker to his original job or, if it is difficult to reassign him to his original job, to a similar job. However, the Rules are still unclear on whether the employer must reinstate the employee with continuity of benefits and seniority, particularly in relation to the reassignment process upon return. We expect further guidance from the Central Body or MOL on how employers should arrange such a reassignment.

# New Zealand

## Holidays Act reform

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- The Government has progressed an update to the Holidays Act 2003, which would include significant changes to the way that holiday pay is calculated and paid. Although a bill had been anticipated to be introduced in 2024, the Government recently directed officials to change the direction of the bill following feedback received in targeted consultation. Therefore, we do not anticipate a bill will be prepared for some months, and this would likely not come into force until 2026.

## Pay secrecy and voluntary pay gap calculator

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- In March 2024, a bill was introduced which would restrict the ability of employers to require employees to keep their pay confidential. The bill had its first reading on 6 November 2024 and is currently before the Education and Workforce Committee with a report due on 6 May 2025.
- In November 2024, the Government also launched a new toolkit to combat the gender pay gap. The voluntary gender pay gap calculator is part of the toolkit that is available on the Ministry of Women website. <https://www.women.govt.nz/gender-pay-gaps/gender-pay-gap-toolkit>

## Exit discussions

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- In November 2024, a members' bill was introduced which would allow an employer to seek to terminate the employment relationship with mutual consent, enabling the employer to request an employee execute a settlement agreement in return for specific compensation in full and final settlement of any cause of action arising out of the employment relationship.
- The intent of the bill is to allow such conversations and negotiations to occur on a basis that does not give rise to a personal grievance. Currently these discussions, in the absence of an employment dispute, can create risk for an employer. If the bill is enacted, exit discussions would become a more accessible tool for employers looking to terminate employment by mutual agreement.

## Employment disputes

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- In November 2024, the Government announced the proposed introduction of an income threshold of NZD180,000 per annum, above which unjustified dismissal personal grievances cannot be pursued. The proposed change would not exclude an employee from raising





other types of personal grievance, such as unjustified disadvantage. The proposed income threshold refers to regular base salary and does not include other income such as incentive payments or other benefits. Further evidence of progress on the income threshold is supported by Ministry of Business, Innovation and Employment's ("MBIE") release of cabinet papers and other documents on 31 January 2025.

## Assessment of remedies

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- In December 2024, the Government announced a proposed change to give more consideration to an employee's behaviour when awarding remedies as a result of a personal grievance, including:
  - removing remedies for employees where their behaviour amounts to serious misconduct;
  - removing eligibility for an employee to be reinstated into a role, and compensation for hurt and humiliation when the employee's behaviour has contributed to the issue;
  - allowing remedy reductions of up to 100% where an employee has contributed to the situation which gave rise to the personal grievance; and
  - requiring the Employment Relations Authority and Court to consider if the employee's behaviour obstructed the employer's ability to meet their fair and reasonable obligations.

Further evidence of progress on the changes to awarding remedies is also supported by MBIE's release of cabinet papers and other documents on 31 January 2025.

## Pay deductions for partial strikes

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- In December 2024, the Government introduced a bill that would allow employers to make pay deductions in response to partial strikes. The bill will allow employers to reduce an employee's pay by a proportionate amount or make a deduction of 10% on the salary or wages payable to the employee for the period of the partial strike.

## Increase to minimum wage

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- The statutory minimum adult wage will increase to NZD23.50 gross per hour from 1 April 2025.

## Modern Slavery

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- The Government has recently stated that the introduction of Modern Slavery laws proposed by the previous Government are "not a priority".
- New Zealand human rights advocates in late 2024 released a report "*Building Consensus: a Comprehensive Framework for Combating Trafficking in Persons and Modern Slavery in New Zealand*" which introduces the Combating Trafficking in Person and Modern Forms of Slavery Bill. The bill has been proposed through an amendment to the Standing Order of the House of Representatives that allows for non-executive bills with 61 endorsements by non-executive members to go to the first reading stage of the legislative process, bypassing the ballot. A key provision of the proposed bill includes mandatory reporting requirements for reporting entities and proposes establishing an Independent Anti-Slavery Commissioner.



# Singapore

## Immigration

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- **Changes to Employment Pass salary criteria:** From 1 January 2025, the Employment Pass (“EP”) qualifying salary for new applications will be revised to at least SGD5,600, and at least SGD6,200 for the financial services sector, and the salary requirements will increase progressively depending on the candidate’s age. This revised EP qualifying salary will also apply to the renewal of EPs that are expiring from 1 January 2026.

## Diversity & inclusion

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- **Tripartite guidelines on flexible work arrangement requests:** from 1 December 2024 onwards, all employers in Singapore must fairly consider formal requests from employees for flexible work arrangements (“FWAs”). The guidelines will cover the recommended processes to submit and evaluate formal requests for FWAs, but will not govern the outcome of FWA requests. Broadly, the process is as follows: (i) the employee submits a formal FWA request to the employer; (ii) the employer should properly consider the FWA request based on business needs; (iii) the employer should communicate the decision within two months; and (iv) if the request is rejected, the employer is encouraged to engage the employee on alternatives.
- **Workplace fairness legislation:** a new workplace fairness Bill was passed in Singapore Parliament on 8 January 2025. This first bill broadly outlines principles for worker protection, mechanisms for addressing breaches and the dispute resolution process. Discrimination will be statutorily defined as making an adverse employment decision because of any of the following protected characteristics: (i) age, (ii) nationality, (iii) sex, marital status, pregnancy status (including breastfeeding and women who express a desire to bear children), caregiving responsibilities, (iv) race, religion, language ability, and (v) disability and mental health condition. A second bill is expected to be tabled this year and will likely cover claims procedures and other technical details. The legislation is likely to take effect in 2026 or 2027.

- **Increased statutory paternity leave and new shared parental leave scheme:** from 1 April 2025, eligible working fathers with Singapore Citizen children born on or after 1 April 2025 will be entitled to four (4) weeks of Government-Paid Paternity Leave (“GPPL”). Currently, eligible working fathers are entitled to two (2) weeks of GPPL and may take an additional four (2) weeks of voluntary GPPL if the employer allows them to do so. Separately, under the current Shared Parental Leave (“SPL”) scheme, a working mother can share up to four (4) weeks of her Government-Paid Maternity Leave (“GPML”) with her husband. This will be replaced with a new SPL scheme which comprises of ten (10) weeks of paid parental leave, to be shared between both eligible parents. The new SPL scheme will provide statutory leave in addition to GPML and GPPL entitlements, and will be implemented in 2 phases: (i) 6 weeks of SPL from 1 April 2025 onwards; and (ii) 10 weeks of SPL from 1 April 2026 onwards.

## Retirement

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- From 1 January 2025 onwards, there will be amendments to the Central Provident Fund (“CPF”) regime: The monthly salary ceiling (which is the maximum portion of an employee’s monthly wage that is eligible for CPF contributions) will be increased from SGD6,800 to SGD7,400. The contribution rates for senior workers aged above 55 to 65 will be increased by 1.5%. This includes a 0.5% increase from the employer’s share and 1% from the employee’s share.

## Platform workers

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- **Platform Workers Act 2024:** the new Platform Workers Act came into force on 1 January 2025, and applies to platform services such as on-demand delivery and ride-hailing services. This landmark piece of legislation has created a new class of workers for businesses providing platform services. It has also strengthened statutory protection such as mandating that platform workers receive Central Provident Fund contributions and financial compensation arising out of injuries while working.



# South Korea

## Minimum hourly wage for 2025: KRW10,030 (effective from 1 January 2025)

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- The total amount of regular bonuses and cash welfare benefits will be included in the calculation of minimum wage.

## Extension of the period of childcare leave of absence (effective from 23 February 2025)

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- Employees who fall under any of the following categories will be eligible to extend their childcare leave of absence for a maximum of 18 months (currently, 12 months):  
(i) parents where both have taken at least three (3) months of childcare leave for the same child, (ii) single parents, or (iii) parents of a child with a severe disability.
- In such cases, the childcare leave of absence can be taken for a total of four (4) separate periods upon the employees' needs.
- This provision will also apply to employees who have taken or are taking a childcare leave of absence under the current law as of the effective date.

## Extension of the period of paternity leave (effective from 23 February 2025)

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- Paternity leave will be extended from ten (10) days to 20 days.
- For eligible employees working in enterprises eligible for priority support (e.g. small and medium-sized enterprises) (hereinafter "**Priority Support Enterprises**"), the duration of wage support provided by the Government will be extended from five (5) days to 20 days.
- Currently, paternity leave must be requested within 90 days after childbirth. However, under the amendment, paternity leave can be used within 120 days after childbirth, with a maximum of four (4) separate periods whenever the employee wishes to use it.
- This provision will also apply to employees who have taken or are taking paternity leave under the current law, but who still are within the period to request as of the effective date.

## Extension of the period and child's age for reduced working hours for childcare (effective from 23 February 2025)

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- The age of a child to qualify for a reduction in working hours for childcare will be extended from eight (8) years of age or younger (or in 2nd grade or below in elementary school) to 12 years of age or younger (or in 6th grade or below in elementary school).

- Employees who have any unused periods of childcare leave of absence will be eligible to extend the reduction in working hours for childcare for a maximum of three (3) years. In such cases, the unused period of the childcare leave of absence will be doubled and added to the number of reduced working hours. Furthermore, the current minimum usage period of three (3) months at one time will be reduced to one (1) month.
- The reduced working hours for childcare (e.g. two (2) hours per day) were excluded from the calculation of annual leave. However, starting 22 October 2024, these hours are no longer be excluded from the calculation of annual leave.
- The application of double accrual for unused childcare leave of absence will also apply to employees who have taken a reduction in working hours for childcare before the effective date. However, in this case, it will only apply to the remaining period of the childcare leave of absence as of the effective date.

## Extension of the period for reduced working hours during pregnancy (effective from 23 February 2025)

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- In order to protect pregnant employees and their fetuses from the risk of miscarriage and premature birth, the period of a reduction in working hours during pregnancy will be extended from "within the first 12 weeks or after 36 weeks" to "within the first 12 weeks or after 32 weeks".
- In particular, high-risk pregnant employees, such as those with a premature birth or having twins or more, will be eligible for reduced working hours during the entire pregnancy with a doctor's certificate.
- The reduced working hours for pregnancy (e.g. two (2) hours per day) were excluded from the calculation of annual leave. However, starting 22 October 2024, these hours are no longer be excluded from the calculation of annual leave.

## Extension of the period of maternity leave for premature birth (effective from 23 February 2025)

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- For premature birth of the baby requiring hospitalisation in a neonatal intensive care unit, maternity leave will be extended from the current 90 days to 100 days.
- This provision will apply to employees who give birth after the effective date.

## **Extension of the period of subfertility treatment leave (effective from 23 February 2025)**

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- The period of subfertility treatment leave will be extended from three (3) days to six (6) days per year, with at least two (2) of those days required to be paid leave (currently, set as one day).
- Government wage support for the above-mentioned paid leave will be established to mitigate the burden on Priority Support Enterprises.
- The obligation for employers to maintain confidentiality during the processing of subfertility treatment leave has been newly established (effective from 22 October 2024).
- This provision will also apply to employees who have taken or are taking subfertility treatment leave as of the effective date, except for those who have already used two (2) days or more under the current law.

## **Extension of the period of miscarriage or stillbirth leave (effective from 23 February 2025)**

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- In case of a miscarriage or stillbirth within 11 weeks of pregnancy, five (5) days of miscarriage or stillbirth leave will be extended to ten (10) days.
- This proposed amendment will apply to employees who have a miscarriage or stillbirth after the effective date.

## **Strengthening sanctions for habitual wage payment delays (effective from 23 October 2025)**

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- The interest on wage payment delays (20% per annum), which currently applies only to retired employees, will also be expanded to apply to current employees.

- New provisions have been introduced to strengthen punishment for employers listed in the official list published by the Ministry of Employment and Labour (i.e. a list of employers who have been found guilty of at least two (2) cases of delayed wage payments within the past three (3) years and have delayed payments of over KRW30 million within the past year). Such employers may be banned from departing the country, and will be ineligible for the application of the non-prosecution clause (i.e. an option for non-prosecution at the request of the employee).
- If employers fall under any of the following categories, an employee may file a claim with the court seeking payment of an amount not exceeding three (3) times the payable wages: (i) failure to pay all or part of the wages with explicit intent, (ii) wage payment delays of three (3) months or more within one (1) year, or (iii) unpaid wages exceeding three (3) months or more of ordinary wages.
- In determining the amount of damages, the court will consider the duration, circumstances, and frequency of the wage payment delays, as well as the employer's financial status.

## **Protection of workers from extreme heat and cold (effective from 1 June 2025)**

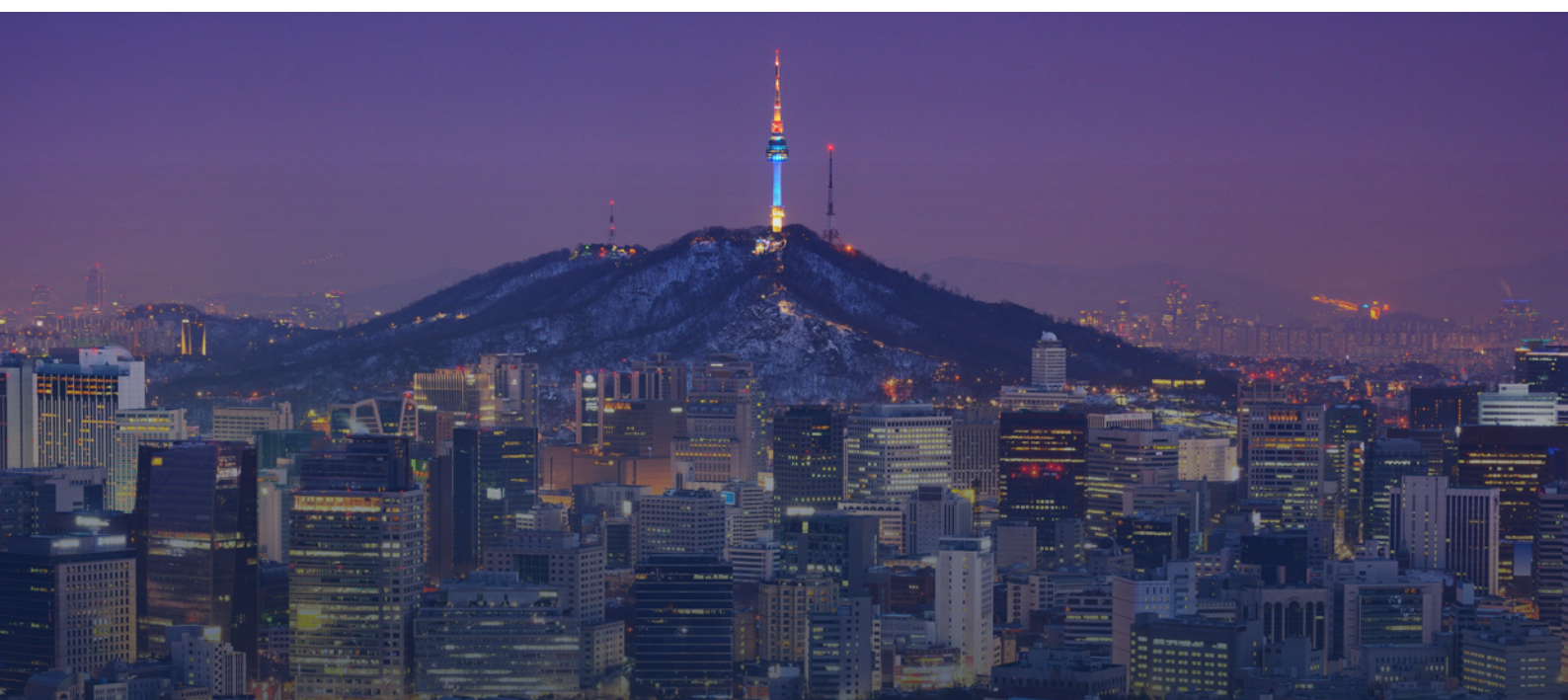
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- Under the amended provision, employers shall take necessary measures to prevent health impairments caused by prolonged work under extreme heat and cold.

## **Designation of Industrial Accident Workers' Day (effective from 1 January 2025)**

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- 28 April of each year will be designated as Industrial Accident Workers' Day, with the week following this date designated as the memorial week for industrial accident workers.





# Taiwan

## Increase in minimum wage

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- Taiwan raised its monthly minimum wage again, effective in January 2025 to TWD28,590 (about USD870 at current rates), up 4.08% from the previous TWD27,470. The hourly minimum wage was adjusted proportionately to TWD190. This is the 9th consecutive year of wage increases since 2016. The measure is expected to affect nearly 2.6 million Taiwan workers.

## Mandatory retirement – don't believe the hype

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- The Labour Standards Act Art. 54 (“**Art. 54**”) provision regarding mandatory retirement has undergone a slight amendment that has not substantially changed its result. Despite numerous news articles saying that the amendment has done away with mandatory retirement, employers before and after the change to the Art. 54 text can still force workers who reach 65 years old to retire. The newly added text states that the employer can negotiate with such employees to extend their employment, but this was something they could have done anyway.

## Launch of 180-day “Digital Nomad” visas

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- Starting in January 2025, Taiwan has launched a six-month “digital nomad visitor visa” programme for foreign nationals of visa-exempt countries. Applicants need to provide information on their experience and academic background with a valid work contract from an employer or contracts for freelance work, and they must submit a form describing their intended activities while in Taiwan. Applicants also must demonstrate annual income based on age – those from 20-29 must have an annual income of at least USD20,000 and those 30 and older need to demonstrate income of USD40,000 or more. Furthermore, applicants must show that they have bank deposits of at least USD10,000 and proof of health and hospitalisation insurance for the duration of their stay in Taiwan.

# Thailand

## **New minimum daily wage rates in Thailand**

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- On 27 December 2024, the Government Gazette published the new minimum daily wage rates, which took effect on 1 January 2025. The new wage rates have been adjusted to increase by THB7 to THB55 per day, depending on the province. Previously, the minimum daily wage ranged from THB330 to THB370. With the new adjustments, the minimum daily wage now ranges from THB337 to THB400.

## **New regulations and compliance requirements for implementation of the employee welfare fund in Thailand**

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- Thailand has rolled out new regulations to activate the Employee Welfare Fund, established under the Labour Protection Act B.E. 2541 (1998) (“LPA”). The Employee Welfare Fund aims to provide financial aid to employees in cases such as employment termination, death, and other situations as defined by the Employee Welfare Fund Committee.
- According to the LPA, employers with more than ten (10) employees must register their employees with the Employee Welfare Fund if they do not offer a provident fund or similar support for employment termination or death. The new regulations now enable employers to fully comply with this requirement.
- The Royal Decree for initiating the collection of savings and contributions to the Employee Welfare Fund was enacted and published in the Government Gazette. Contributions to the fund will start on 1 October 2025.
- The required contribution rates and establishes a five-year initial period with reduced rates. From 1 October 2025 to 30 September 2030, each employer and employee must contribute 0.25% of wages to the fund. Starting 1 October 2030, the contribution rate will increase to 0.5% of wages for both parties.
- Employers who fail to submit the required employee list, notify changes or amendments within the stipulated time, or provide false information may face imprisonment for up to six months, a fine of up to THB10,000, or both.

## **Destination Thailand Visa (“DTV”)**

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- Thailand has introduced the Destination Thailand Visa, effective from 15 July 2024. This visa allows remote workers, including digital nomads, to reside in Thailand for up to five (5) years with multiple entries. Each stay can last up to 180 days, and the visa is extendable once per stay. The DTV is intended for individuals working for companies outside of Thailand who meet specific financial and employment criteria.



# Vietnam

Whilst there were no significant changes to labour laws in 2024 and none are foreseen for 2025, a new Law on Social Insurance was passed on 29 June 2024 by the National Assembly of Vietnam ("**Law on Social Insurance 2024**"), which law will take effect from 1 July 2025, superseding the Law on Social Insurance issued in 2014 ("**2014 Law**"). Notable changes under the Law on Social Insurance 2024 include:

## **Expansion of participants in compulsory social insurance ("SI")**

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- Pursuant to the 2014 Law, compulsory SI applies to Vietnamese employees who work under indefinite term labour contracts or definite term labour contracts of one month or more. However, pursuant to the Law on Social Insurance 2024, compulsory SI will apply even when an employer and employee reach an agreement with some other name (i.e. other than an employment or labour contract) but with contents setting out the paid work, salary and management, executive operation/ administration and supervision by one contracting party.
- Whilst not required under the 2014 Law, pursuant to Law on Social Insurance 2024, compulsory SI will apply to enterprise managers who do not receive salaries, who will need to make contributions to compulsory SI in accordance with the new Law on Social Insurance 2024 – with enterprise managers being defined under the Law on Enterprises to include the owner of a private enterprise, unlimited liability partners, the chairman/ members of the members' council, the chairman of the company, the chairman/members of the board of management, the director or general director or individuals holding other managerial positions as stipulated in the charter of the company.

## **Extension of deadline for SI payments**

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- The Law on Social Insurance 2024 extends the deadline for employers to pay compulsory SI premiums as follows: (i) for monthly payments: until the last day of the subsequent month (instead of the last day of the current month pursuant to the 2014 Law); or (ii) for payments made once every 3 months or 6 months: until the last day of the subsequent month after the end of the payment cycle (instead of the last day of the payment cycle pursuant to the 2014 Law).

## **Shortened SI contribution periods for pension entitlements**

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- Pursuant to the Law on Social Insurance 2024, employees may receive a pension when they reach the retirement age specified at law and have paid compulsory SI premiums for a full 15 years or more (instead of a full 20 years or more pursuant to the 2014 Law).

## **Penalties for late payment or evasion of compulsory SI**

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- Late payment or evasion of compulsory SI is subject to penalties. Pursuant to the 2014 Law, employers must pay the full amount of overdue contributions together with interest at twice the average interest rate on investment activities from the SI fund of the previous year to be calculated on the amount and time of the late payment. Pursuant to Law on Social Insurance 2024, employers must pay the full amount of overdue contributions plus an amount of 0.03% per day on the arrears during the late payment/evasion period. Administrative fines or criminal penalties are also possible.

# DLA Piper in Asia Pacific





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