

Pay equity trends in LATAM
Solutions for navigating a
changing legal landscape

November 2023

Introduction

Commitment to inclusion and diversity remains essential in today's business environment. As one of the world's largest law firms operating in 45 countries, we counsel multinational companies on developing, implementing and sustaining effective and compliant inclusion and diversity strategies. Our practical advice is aimed at protecting the corporate brand and reputation, expanding business opportunities and creating a competitive advantage by strengthening relationships with customers, employees, shareholders, regulators and the general public.

As gender, race and ethnicity pay gaps have been slow to close, governments in Latin America have been introducing more stringent requirements to combat pay inequality, including public reporting on pay gaps and other transparency requirements. Failure to comply can lead to significant financial penalties, brand damage, pressure from investors and more.

What follows are some key regulatory developments across the Latin America region. For further compliance support with pay equity laws at home and around the globe, we developed a **Global Pay Equity Compliance Compendium**. This easy to use and comprehensive fixed fee tool shows current, pending and anticipated pay equity compliance requirements in over 70 jurisdictions (of which over 40 currently have transparency or reporting requirements).

Mapping Important Developments



Argentina

Argentina has pending gender pay reporting legislation. Currently, Law No. 25,212 provides for penalties in cases of gender-based discrimination, which is considered serious misconduct that is punishable with a fine of 50% to 2,000% of the value of the Minimum Vital and Mobile Wage (SMVM) in force at the time the infraction is detected, for each worker affected.



Brazil

On 3 July 2023, President Lula signed Law n. 14,611/2023 to ensure equal pay for men and women who are engaged in the same job roles. The law introduces stricter penalties for employers who engage in discriminatory practices. Further, the new law additionally requires employers with 100 or more employees to publish biannual reports with information on pay transparency and remuneration criteria.



Chile

The Labor Code provides the principle of equal functions and equal payment between men and women. However, the law allows differences based on the employee's capacity, qualifications, competence, responsibility or productivity.



Colombia

President Petro recently launched a program within the Ministry of Labor to create the Elite Group of Labor Inspection for Gender Equity. Its objective is to verify compliance with gender equity laws. The Ministry of the Interior and ICONTEC will award a "non-discrimination stamp" to companies that accomplish certain technical criteria.



Mexico

Equal pay principle is established in the Mexican Labor Law, in terms of which all employees performing the same position with the same level of performance should receive equal pay (salary and benefits). There is no further distinctions in connection with the above principle.



Peru

Peru has a special regulation that imposes specific obligations on companies to guarantee equal pay for work of equal value. These obligations includes:

- assigning a value to each position and establishing a table of categories;
- formalizing a salary policy; and
- notifying employees of the policy. Companies failing to comply with equal pay rules may receive fines from the Labor Inspection Authority in an amount depending on the number of impacted employees.



Venezuela

In Venezuela, employers must report to the Ministry of the People's Power for the Social Process of Work, on a quarterly basis, certain information relating to their employees, including their identity, gender, monthly income, main employment conditions and hours of work performed.

In addition, the labor legislation provides the principle of equal pay for work of equal value, and prohibits arbitrary discrimination in employment, among other reasons, by virtue of gender. In addition, a special law protecting the right of women to a life free from violence, considers the infringement of this principle based on gender, a form of labor violence against women.

Your contacts in the region

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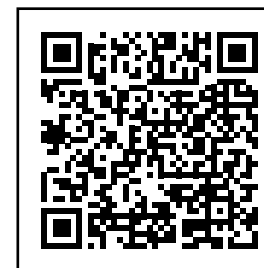
Global Pay Equity Compliance Compendium



Inclusion, Diversity & Equity Hub



Inclusion and Diversity in Latin America



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