

MEXICO

- **Increase in annual vacation days:** This law was implemented in January 2023 - employees can now enjoy 12 days' paid leave (previously six days) during the first year, increasing two days per year by the fifth work anniversary. After the sixth anniversary, vacation entitlement increases by two days every five years.
- **Teleworking compliance:** The Labor Ministry issued a new Mexican Official Standard, requiring employers to implement a list of teleworkers, as well as policies related to teleworking, and to provide employees with the necessary supplies and training to carry out their work.
- On July 7, 2023, the Social Security Institute issued a communication that all profit sharing awards paid with a delay of more than 90 days or not paid by the date established by the law (90 days after payment of the company's income tax) should be considered by the Social Security authority as a bonus and not as profit sharing, which therefore forms part of the integrated salary for the purpose of social security contributions.
- **Annual Inspection Program:** The government is expected to conduct around 40,000 inspections focused on subcontracting regulations, profit sharing, and health and safety matters in the coming year.
- **New work-related illnesses:** This new roster is under review at the Mexican Senate; it includes anxiety, insomnia, depression, and stress as work-related illnesses. If this initiative is approved, it will impact the work risk insurance and Social Security contributions.
- **Initiatives under discussion:** work shift, paternity leave, Christmas bonuses, seniority premiums and platform work.

BRAZIL

- **Reforms:** The new Federal Government is expected to further advance the tax reform and to revisit certain labor laws.
- **Collective terminations:** The 2017 Brazilian Labor Law does not detail the process of collective terminations for employers. However, the Brazilian Supreme Court recently ruled that union intervention in the process is essential.
- **Union contributions:** The government is planning to revise the union structure, their scope of representation and funding.
- **ID&E:** Recently, there have been important developments regarding race and gender in the workplace. Employers must now register racial and ethnic data of employees to comply with the obligation to collect the data. In relation to gender, on July 3, 2023, the Brazilian President approved a new law aiming to ensure equal pay for women and men who perform the same activities. The new regulation also creates greater sanctions for employers.
- **Health and safety focus:** The scope and requirements for the Internal Commission on Accident Prevention (CIPA) were recently broadened and must now include sexual harassment training and reporting channels.

CHILE

- **New Constitution:** Chile is currently in the process of preparing a new Constitution. The new Constitution will likely have a significant impact on labor and employment matters.
- The government just announced a new bill it will introduce on work and life balance. The specifics of the bill have not as yet been presented and we await a full announcement for more details.

ARGENTINA

- **Daycare and maternity rooms for employees' children:** This regulation became effective in July 2023 and requires employers to have a safe space for daycare for children up to four years old or the employee must have the related costs reimbursed, considering a couple of restrictions such as the number of employees to use this provision, reimbursement caps and further regulation through collective negotiation with the union.
- **New Registry for employers who engage teleworkers:** This registry is currently active and every employer must update the information of employees working under this system. Enrolling in the registry allows employers to grant statutory benefits to employees, reducing administrative burdens for the employer.

COLOMBIA

- **Reduction of working hours:** As of July 2023, employers must implement a gradual reduction of the weekly working hours from 48 hours to 42 hours by 2026. From July 15, 2023 to July 14, 2024, the new maximum number of working hours per week is 47 hours. Impacted employers should adjust their workplace regulations to reflect the new working scheme applicable.
- **Reinforcement of labor stability:** The Supreme Court has ratified its new thesis on protection against dismissal for employees with health issues. The Court states that, in order to be entitled to the protection, employees should have a medical condition that prevents them from performing their labor tasks and activities; the condition must be known by the employer and the dismissal should have been done on a discriminatory basis. Keep in mind the Constitutional Court has a different thesis (pro-worker) which does not take into account if the health condition actually prevents the employee from performing their work-related activities and in many cases, generally protects employees with any health condition. Thus, these cases must be analyzed carefully and on a case-by-case basis.
- **ID&E:** The statute of limitations for filing harassment claims was modified from six months to three years (the general term for employment-related judicial claims). Also, same-sex couples who adopt a child must be granted the same childcare time as heterosexual couples. Couples must decide who will take the maternity leave of 18 weeks and who will take the paternity leave of two weeks.
- **Occupational health and safety:** Reincorporation of employees with health issues may be coordinated among all parties involved (employee, employer, Labor Risks Administrator and medical doctors) who have responsibilities and obligations towards the full recovery and successful reincorporation of the employee. In addition, employers are required to implement periodic surveys to assess the mental health of employees inside and outside of the work environment.

PERU

- **National holidays:** During the last year, the Congress has approved new holidays, which could reduce labor productivity. June 7th, July 23rd, August 6th and December 9th have been added to the list of holidays. This increases the total to 16 holidays per year.
- **New licenses:** Congress has approved new leave entitlement in favor of workers, such as leave for the death of a family member (five days) and leave for cancer examinations (one day).
- **Outsourcing:** The Commission for the Elimination of Bureaucratic Barriers of INDECOPI has declared the prohibition of outsourcing activities that are part of the core business of the employer as an illegal barrier. It is pending judicial resolution in order to establish firm criteria for the prohibition. For now, the Labor Authority will not be able to inspect or sanction employers that have outsourced their activities related to their core business.
- **Working time:** There is a proposed new bill to modify working time: (i) Incorporation of meal time into the working day: Currently, meal time (which cannot be less than 45 minutes) is not part of the maximum working day established by law. This bill proposes to include meal time when the working day is at least 45 hours per week. The bill is still under review. (ii) Only management personnel would be excluded from the employer's working hours, so personnel not subject to direct supervision could be entitled to receive compensation for overtime work.

VENEZUELA

- **Minimum Monthly Income / Food benefit:** Effective May 1, 2023, the National Executive ordered the increase of the employees' food benefit (Socialist "Cestaticket") was increased to VEB 1,000 per month, thereby increasing the employees' Minimum Monthly Income. The value of this food benefit may be further increased in any given month in the future, at the discretion of the National Executive. This food benefit is not considered part of the employee's salary and, consequently, does not have an impact on the calculation of the employee's Venezuelan labor rights. An economic war bonus was also introduced, to supplement the minimum income of public sector employees and that of retirees who receive the old age pension from the Venezuelan Social Security Institute (IVSS).
- **Payments in foreign currency:** On March 15, 2022, the Social Cassation Chamber of the Supreme Court of Justice (SCS-TSJ) established that employment benefits and indemnities may be paid in foreign currency, or may be set in foreign currency and paid in local currency. On April 12, 2023, the SCS-TSJ ruled that payments in foreign currency must be explicitly agreed upon. In the absence of an agreement, it is assumed that payments must be made in local currency.
- **Joint and several liability of the hiring party for payment of labor obligations:** On May 11, 2023, the SCS-TSJ established that this joint and several liability only applies if the contractor provides services or activities that are connected and inherent in the contracting entity's business. If the contractor's services or activities are not directly related to the contracting entity's business, they cannot be considered as connected or inherent.

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**Trench Rossi Watanabe and Baker McKenzie have executed a strategic cooperation agreement for consulting on foreign law.*

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