

Labor Environment in Mexico



**ERNESTO VELARDE
DANACHE, INC
*MEXICAN & INTERNATIONAL
ATTORNEYS***

LABOR IN MEXICO.

- **CONTRACTS: INDIVIDUAL & COLLECTIVE.**
- **SALARY TABULATOR.**
- **INTERNAL SHOP RULES.**
- **UNIONS.**
- **SOCIAL SECURITY.**
- **HOUSING.**
- **TERMINATION /
SUSPENSION OF
WORKER.**
- **SEVERANCE PAYMENT.**

LABOR CONTRACTS.

- **INDIVIDUAL LABOR CONTRACTS.**
TRIAL PERIOD– 30 DAYS
- **INDEFINITE CONTRACT.**
- **FOREIGN NATIONALS TO SIGN AGREEMENT**
NOT ENTITLED TO MEXICAN LAW BENEFITS.
- **COLLECTIVE LABOR AGREEMENT.**
REVIEWED EVERY 2 YEARS
- **SALARY TABULATOR. REVIEWED EVERY YEAR**
REVIEWED EVERY YEAR

INTERNAL SHOP RULES.

- **DISCIPLINARY MEASURES**
- **CAUSES FOR SUSPENSION**
- **DRESS CODE**
- **USE OF BATHROOM**
- **PLACES AND TIMES TO EAT**
- **BREAKS**
- **BE SIGNED AT SAME TIME AS CONTRACT**

EMPLOYEES.

CONFIDENTIAL:

ADMINISTRATIVE
PERSONNEL

SUPERVISORS

DIRECTORS

UNIONIZED:

MANUAL
LABOR

PRODUCTION

SHIFTS.

- **DAY SHIFT :**
6 A.M. AND 8 P.M.
(8 HRS MAXIMUM)
- **NIGHT SHIFT:**
8 P.M. AND 6 A.M.
(7 HRS MAXIMUM)
- **MIXED SHIFT:**
HOURS OF WORK
CONTAINING BOTH
DAY AND NIGHT
WORK
(7.5 HRS MAXIMUM)



OVERTIME.

- THE DAILY HOURS OF WORK MAY ALSO BE PROLONGED ON ACCOUNT OF EXCEPTIONAL CIRCUMSTANCES, ON CONDITION THAT THEY ARE NEVER ALLOWED TO EXCEED THE NORMAL HOURS BY MORE THAN THREE HOURS A DAY AND THREE TIMES A WEEK.
- THE HOURS OF WORK REFERRED SHALL BE PAID AT THE SAME RATES AS ORDINARY HOURS OF WORK.

OVERTIME.

- OTHERWISE, OVERTIME WORK SHALL BE PAID FOR AT DOUBLE-TIME RATES.
- EXTENSION OF OVERTIME EXCEEDING NINE HOURS WEEKLY.
- NO WORKER SHALL BE COMPELLED TO WORK FOR LONGER HOURS THAN THOSE PERMITTED.

OVERTIME.

- ANY TIME WORKED OVER AND ABOVE NINE HOURS OVERTIME PER WEEK SHALL BE PAID FOR BY THE EMPLOYER AT THE RATE OF THREE TIMES THE ORDINARY RATES PAID FOR NORMAL WORKING HOURS, WITHOUT PREJUDICE TO THE PENALTIES PRESCRIBED IN THIS LAW.

REST DAY.

**ART.69- WEEKLY REST.
THE WORKER
SHALL BE ENTITLED TO
AT LEAST ONE REST DAY
WITH FULL PAY EVERY
SIX DAYS.**

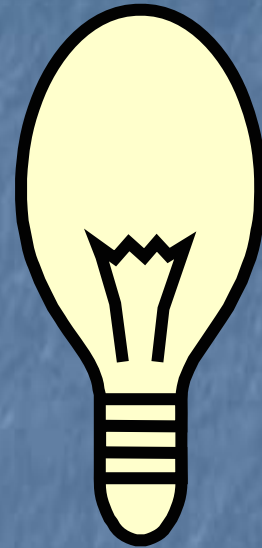


SUNDAY PREMIUM.

- **25% ADDITIONAL**
- **A WORKER SHALL NOT BE OBLIGATED TO WORK ON HIS REST DAYS. IF THIS PROVISION IS NOT OBSERVED, THE EMPLOYER SHALL PAY TO THE WORKER, IN ADDITION TO THE WAGES TO WHICH HE IS ENTITLED IN RESPECT OF SUCH REST DAY, DOUBLE-TIME FOR THE WORK ACTUALLY PERFORMED.**

OBLIGATORY HOLIDAYS.

- JANUARY 1ST.
- FEBRUARY 5TH.
- MARCH 21ST.
- MAY 1ST.
- SEPTEMBER 16TH.
- NOVEMBER 20TH.
- THE FIRST DAY OF DECEMBER EVERY SIX YEARS, WHEN THE NEW PRESIDENT TAKES OFFICE;
- DECEMBER 25TH.
- ELECTION DAYS, WHICH SHALL BE DETERMINED BY THE FEDERAL LAWS AND LOCAL ELECTORAL, IN THE CASE OF ORDINARY ELECTIONS.



VACATION.

ART.76- ANNUAL VACATION LEAVE.

- 1 – 6 DAYS
- 2 – 8 DAYS
- 3 – 10 DAYS
- 4 – 12 DAYS

NOTE: AFTER THE FOURTH YEAR, THE VACATION PERIOD SHALL BE INCREASED BY TWO DAYS FOR EVERY FIVE YEARS OF SERVICE.

- **UNINTERRUPTED VACATION LEAVE.**

EMPLOYEES SHALL BE ALLOWED TO TAKE AT LEAST SIX DAYS OF THEIR ANNUAL VACATION LEAVE IN ONE UNINTERRUPTED PERIOD.



VACATION PREMIUM.

- **ART.80- VACATION PREMIUM.**

THE WORKER SHALL BE ENTITLED TO A BONUS OF NOT LESS THAN 25% OF THE WAGES PAYABLE IN RESPECT OF THE VACATION PERIOD.

- **ART.81- PERIOD FOR GRANTING VACATION.**

THE WORKER SHALL BE ALLOWED TO TAKE HIS VACATION WITHIN THE SIX MONTHS FOLLOWING THE DATE ON WHICH HE COMPLETES THE YEAR OF SERVICE. THE EMPLOYER SHALL ISSUE YEARLY TO EACH WORKER A RECORD STATING HIS LENGTH OF SERVICE AND, BASED ON THAT, THE PERIOD OF LEAVE ENTITLEMENT AND THE DATE ON WHICH THE LEAVE IS TO BE TAKEN.

WAGES.

- **ART.82- WAGE.**

“WAGES” SHALL MEAN REMUNERATION, WHICH MUST BE PAID BY THE EMPLOYER TO THE WORKER FOR HIS WORK.

- **ART. 84- INCLUDED IN WAGES.**

THE WAGE SHALL BE MADE UP OF A REMUNERATION PAID IN CASH AT THE DAILY RATE, TIPS, RECEIPTS, HOUSING, BONUSES, COMMISSIONS, BENEFITS IN KIND AND ANY OTHER SUM OF MONEY OR BENEFIT GIVEN TO THE WORKER ON ACCOUNT OF HIS WORK.

MINIMUM WAGES.



- **MINIMUM WAGES MAY BE GENERAL FOR ONE OR MORE GEOGRAPHIC AREAS WHICH MAY COVER ONE OR MORE STATES, OR OCCUPATIONAL GROUPS FOR A GIVEN BRANCH OF ECONOMIC ACTIVITY OR FOR INDIVIDUAL OCCUPATIONS, TRADES OR SPECIAL WORK, WITHIN ONE OF MORE GEOGRAPHIC AREAS.**

ANNUAL BONUS.

- **WORKERS SHALL BE ENTITLED TO AN ANNUAL BONUS TO BE PAID BEFORE THE 20TH DAY OF DECEMBER AND EQUAL TO AT LEAST 15 DAYS WAGES.**
- **WORKERS WHO HAVE NOT COMPLETED ONE YEARS' SERVICE, REGARDLESS OF WHETHER THEY ARE WORKING OR NOT ON THE DATE OF PAYMENT OF THE CHRISTMAS BONUS, SHALL BE ENTITLED TO THE PROPORTIONAL PART OF THE BONUS, IN ACCORDANCE WITH THE PERIOD THEY HAVE WORKED, WHATEVER THE LATTER MIGHT HAVE BEEN.**

OTHER BONUSES.

- FOOD
- TRANSPORT
- PERFECT ATTENDANCE
- PUNCTUALITY
- PRODUCTIVITY



TERMINATION.

THE FOLLOWING SHALL CONSTITUTE SUFFICIENT JUSTIFICATION FOR THE EMPLOYER'S TERMINATION OF THE LABOR RELATIONSHIP WITHOUT LIABILITY:

I. IF THE WORKER OR THE TRADE UNION WHICH PROPOSED OR RECOMMENDED HIM DECEIVES THE EMPLOYER BY MEANS OF FALSE CERTIFICATES OR REFERENCES ATTRIBUTING TO THE WORKERS ABILITIES, SKILLS OR QUALITIES WHICH HE DOES NOT POSSESS. THESE GROUNDS FOR TERMINATION SHALL CEASE TO BE OPERATIVE AFTER THE WORKER HAS COMPLETED THIRTY DAYS EMPLOYMENT;

TERMINATION.

- II. IF THE WORKER IN THE COURSE OF HIS EMPLOYMENT IS GUILTY OF A DISHONEST OR DISHONORABLE ACTION, VIOLENCE, THREATS OR ILL-TREATMENT TOWARDS THE EMPLOYER'S FAMILY, THE TOP MANAGEMENT, OR MANAGERIAL PERSONNEL OF THE ENTERPRISE OR ESTABLISHMENT, EXCEPT IN THE CASE OF PROVOCATION OR SELF-DEFENSE;

- III. IF THE WORKER IS GUILTY OF ANY OF THE ACTS MENTIONED IN THE PRECEDING ITEMS TOWARDS ANY OF HIS FELLOW WORKERS AND THE DISCIPLINE OF THE WORKPLACE IS AFFECTED AS A CONSEQUENCE OF SUCH ACTS;

TERMINATION.

IV. IF THE WORKER IS GUILTY, OUTSIDE HIS EMPLOYMENT, OF ANY OF ACTS MENTIONED IN ITEM II ABOVE, TOWARDS THE EMPLOYER, ANY MEMBER OF THE EMPLOYER'S FAMILY, THE TOP MANAGEMENT OR MANAGERIAL PERSONNEL, AND THE SAID ACTS ARE OF SUCH A SERIOUS NATURE AS TO RENDER THE FULFILLMENT OF THE LABOR CONTRACT IMPOSSIBLE;

V. IF THE WORKER, IN THE PERFORMANCE OF HIS WORK OR IN CONNECTION THEREWITH, WILLFULLY CAUSES MATERIAL DAMAGE TO THE BUILDINGS, WORKS, TOOLS, RAW MATERIALS, OR OTHER OBJECTS CONNECTED WITH THE WORK.

TERMINATION.

VI. IF THE WORKER CAUSES DAMAGE AS IN THE PRECEDING ITEM OF A SERIOUS NATURE, ACTING WITHOUT MALICIOUS INTENT BUT WITH NEGLIGENCE WHICH IS THE SOLE CAUSE OF THE DAMAGE; IF THE WORKER BY HIS INEXCUSABLE IMPRUDENCE OR CARELESSNESS ENDANGERS THE SAFETY OF THE ESTABLISHMENT OR THE PERSONS THEREIN;

VII. IF THE WORKER IS GUILTY OF IMMORAL CONDUCT IN THE ESTABLISHMENT OR WORKPLACE;

TERMINATION.

VIII. IF THE WORKER REVEALS MANUFACTURING SECRETS OF COMMUNICATES MATTERS OF A PRIVATE CHARACTER TO THE DETRIMENT OF THE ENTERPRISE;

IX. IF THE WORKER IS ABSENT FROM WORK MORE THAN THREE TIMES IN A PERIOD OF THIRTY DAYS WITHOUT THE EMPLOYER'S PERMISSION OR WITHOUT SUFFICIENT REASON;

X. IF THE WORKER REFUSES TO OBEY THE EMPLOYER OR HIS REPRESENTATIVE WITHOUT SUFFICIENT REASON IN MATTERS CONNECTED WITH THE WORK UNDER CONTRACT;

TERMINATION.

XI. IF THE WORKER REFUSES TO ADOPT PREVENTIVE MEASURES OR FOLLOW THE PROCEDURE LAID DOWN FOR THE PREVENTION OF ACCIDENTS OR DISEASE;

XII. IF THE WORKER ATTENDS FOR WORK IN A STATE OF INTOXICATION OR UNDER THE INFLUENCE OF A NARCOTIC OR HARMFUL DRUG UNLESS (IN THE LATTER CASE) HE HAS A MEDICAL PRESCRIPTION. BEFORE COMMENCING HIS SERVICE THE WORKER SHALL INFORM THE EMPLOYER OF THE FACTS AND SUBMIT SUCH CERTIFICATE SIGNED BY A MEDICAL PRACTITIONER;

TERMINATION.

XIII. AN EXECUTABLE JUDGMENT SENTENCING THE WORKER TO A TERM OF IMPRISONMENT PREVENTING HIM FROM FULFILLING HIS OBLIGATIONS UNDER THE LABOR RELATIONSHIP;

XIV. ON GROUNDS SIMILAR TO THOSE LAID DOWN IN PRECEDING ITEMS, IF THEY ARE OF EQUAL GRAVITY AND ENTAIL SIMILAR CONSEQUENCES AS FAR AS THE WORK IS CONCERNED.

TERMINATION NOTICE.

- THE EMPLOYER SHALL SERVE WRITTEN NOTICE ON THE EMPLOYEE INDICATING THE DATE OF TERMINATION OF HIS CONTRACT AND THE REASON OR REASONS THEREFORE.
- THE NOTICE MUST BE MADE FOR THE WORKER, AND IF HE REFUSES TO RECEIVE IT, THE EMPLOYER MUST LET THE RESPECTIVE BOARD KNOW WITHIN THE FIVE DAYS FOLLOWING THE DATE OF TERMINATION, FURNISHING THE SAME TO THE REGISTERED DOMICILE AND REQUESTING ITS NOTIFICATION TO THE WORKER.
- FAILURE TO NOTIFY THE WORKER OF THE BOARD, SHALL BE SUFFICIENT GROUNDS TO CONSIDER THAT THE DISMISSAL WAS NOT JUSTIFIED.

REINSTATEMENT.

- THE WORKER MAY APPLY TO A CONCILIATION AND ARBITRATION BOARD FOR HIS REINSTATEMENT IN THE POSITION HE OCCUPIED, OR FOR COMPENSATION IN THE FORM OF THREE MONTHS WAGES, AT HIS CHOICE.
- IF THE EMPLOYER FAILS TO FURNISH PROOF OF CAUSE FOR DISMISSAL AT THE HEARING THE WORKER SHALL BE FURTHERMORE ENTITLED (IRRESPECTIVE OF THE TYPE OF ACTION INSTITUTED) TO PAYMENT OF HIS WAGES IN ARREARS FROM THE DAY OF DISMISSAL UNTIL THE DAY ON WHICH THE AWARD IS GRANTED.

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THANK YOU!