

## **FEDERAL LABOR LAW**

### **Art.8- Definition of a “Worker”.**

A worker is any individual who personally performs subordinate work for another individual or legal entity.

For the purposes of this provision, “work” shall be defined as any human, intellectual, or manual activity, independently of the degree of technical training required for each occupation or trade.

### **Art.9- Definition of a “Confidential Employee”.**

The category of confidential employee shall depend on the nature of the work performed and not on the title given to the position.

Confidential employment shall include any administrative, inspection, and supervisory duties if they are of a general nature, and those connected with duties of a personal nature carried out for the employer in the enterprise or establishment.

### **Art.10- Definition of an “Employer”.**

An employer is any individual or legal entity that uses the services of one or more workers.

If a worker makes use of the services of other employees under a contract or by virtue of custom or usage, the employer of the first employee shall be deemed to be the employer of the others.

### **Art.11- Employers’ Representatives.**

The following shall be deemed to be representatives of employers, and as such shall bind employers in their relations with other employees: administrators, directors, managing directors, managers, and in general all persons who exercise administrative or managerial functions in the enterprise or establishment.

### **Art.12- Agents.**

An agent is any person who contracts or intervenes in the contracting of services of another person or other persons for the performance of work, for an employer.

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**Art. 42- Temporary Suspension of Obligations.**

The following shall be grounds for the temporary suspension of the obligation to perform the service and pay the wages, without liability on the part of the worker or the employer:

- I. If the worker contracts an infectious disease;
- II. Temporary incapacity due to an accident or sickness other than employment injury;
- III. Remand of the worker in custody followed by acquittal. If the worker acted in the defense of the employer's person or interest, the latter shall be bound to pay off any wages which the worker did not receive;
- IV. The worker's imprisonment;
- V. Completion of the services and performance of the duties referred to in Art. 5 of the Constitution and fulfillment of the obligations laid down in Art. 31F III, thereof;
- VI. The worker's appointment as representative to any state body, Conciliation Board, Conciliation and Arbitration Board, the National Wage Committee, the National Board for Worker's Profit Sharing in Enterprises of any similar body; and
- VII. Default of any document required for employment by laws and regulations, where such default is due to the worker's negligence.

**Art.43- Terms under which suspension shall take effect.**

The suspension shall take effect:

- I. In the cases referred to in items I and II of the preceding article: as from the date on which the employer is informed of the infectious disease or on which the incapacity for work commences, up to the end of the period fixed by the Mexican Social Security Institution (or earlier if the incapacity for work ceases); Provided that such suspension shall not exceed the period fixed by the Social Security Law for the treatment of sickness other than on occupational disease;
- II. In the cases referred to in items III and IV: as from the moment when evidence is furnished to the effect that the worker is remanded in custody by a judicial or administrative authority, until the date on which the judgement acquitting him becomes executable or he is released from custody;
- III. In the cases referred to in items V and VI: as from the date on which the worker takes up office or commences his duties, up to a period of six years;
- IV. In the case referred to in the item VII: as from the date on which the employer becomes aware of the fact, for a period not exceeding two months.

**Art. 44- Service of the National Guard.**

When employees are called upon to enlist or serve in the National Guard in accordance with the provisions of article 31F III of the Constitution, any such period of

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service shall be taken into account in determining their length of service in the enterprise.

**Art.45- Return to Work after suspension.**

The employee shall return to work:

- I. In the cases covered by items I, II, IV and VII of Art. 42: on the day following the date on which the cause for suspension ceases to exist;
- II. In the cases covered by items III, V and VI of Art. 42: within fifteen days following the date on which the cause for suspension ceases to exist.

**Art.46- Justified Termination.**

The labor relationship may be cancelled at any time by a worker or an employer having sufficient justification, without thereby incurring in liability.

**Art.47- Causes for 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;
- 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;
- 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.
  
- 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;

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- VII. If the worker by his inexcusable imprudence or carelessness endangers the safety of the establishment or the persons therein;
- VIII. If the worker is guilty of immoral conduct in the establishment or workplace;
- IX. If the worker reveals manufacturing secrets or communicates matters of a private character to the detriment of the enterprise;
- X. 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;
- XI. If the worker refuses to obey the employer or his representative without sufficient reason in matters connected with the work under contract;
- XII. If the worker refuses to adopt preventive measures or follow the procedure laid down for the prevention of accidents or disease;
- XIII. 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;
- XIV. An executable judgement sentencing the worker to a term of imprisonment preventing him from fulfilling his obligations under the labor relationship;
- XV. 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.

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.

**Art.48- Obligatory 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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**Art.58- Definition of Hours of Work.**

“Hours of Work” shall mean the time during which the worker shall be available at the employer’s service for the performance of the work.

**Art.59- Duration of the Work Day.**

The worker and the employer shall fix the hours of work, which shall not exceed the statutory maximum.

The workers and the employer may so arrange the hours of work as to enable the workers to have Saturday afternoon off or some similar arrangement.

**Art.60- Shifts.**

Work performed between 6 A.M. and 8 P.M. shall be deemed to be the day shift.

Work performed between 8 P.M. and 6 A.M. shall be deemed to be the night shift.

Mixed Shift shall mean hours of work containing both day and night work, provided that the period of night work shall be less than three and a half hours; if it amounts to three and a half hours or more the entire working period shall count as night work.

**Art.61- Maximum daily shifts.**

The maximum daily hours of work shall be: eight for day shift, seven for night shift, and seven and a half in the case of mixed hours.

**Art.62- Establishment of the work day.**

In fixing the daily hours of work the provisions of Art. 5, item III shall be observed.

**Art.63- Rest Period.**

In the course of continuous daily hours of work the worker shall be granted a rest period of a least half an hour’s duration.

**Art.64- Rest periods and meal times in the workplace.**

If the worker is unable to leave his workplace during the rest periods and meal times, such periods shall be deemed to be hours actually worked, and shall be included in the daily hours of work.

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**Art.65- Cases of Danger.**

In the event of a catastrophe or if imminent danger in which the worker's life, the lives of his fellow workers, or of the employer or the very existence of the enterprise is in peril, the daily hours of work may be extended for the time strictly indispensable to combat such dangers.

**Art.66- Overtime work.**

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 or three times a week.

**Art.67- Overtime Pay.**

The hours of work referred to in Art.65 shall be paid at the same rates as ordinary hours of work.

Otherwise, overtime work shall be paid for at double-time rates.

**Art.68- Illegal Extension of Overtime Exceeding Nine Hours Weekly.**

No worker shall be compelled to work for longer hours than those permitted in this Chapter.

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.

**Art.69- Weekly Rest.**

The worker shall be entitled to at least one rest day with full pay every six days.

**Art.70- Weekly Rest Days in Continuous Work Environments.**

In occupations which require continuous work. The employees and the employer shall fix by mutual agreement the days on which the weekly rest day shall be taken by the workers.

**Art.71- Additional Premium of 25% when the weekly rest day is not Sunday.**

The regulations under this Law shall prescribe that the rest day shall fall on a Sunday.

Workers obliged to work on a Sunday shall be entitled to an extra 25%, or time and a quarter, at least.

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**Art.72- Proportional Calculation of the Rest Day Wage.**

If the worker does not have to work on all the week-day working days or if he works for more than two employers on the same day or the same week, he shall be entitled to proportional period payment of the wage in respect of the rest day, calculated on the wage for the days on which he worked or on the wage which he would have received from each employer.

**Art.73- Wages to be paid for work on rest days.**

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.

**Art.74- Compulsory rest days.**

The following shall be compulsory rest days:

- I. January 1<sup>st</sup>.
- II. February 5<sup>th</sup>.
- III. March 21<sup>st</sup>.
- IV. May 1<sup>st</sup>.
- V. September 16<sup>th</sup>.
- VI. November 20<sup>th</sup>.
- VII. The first day of December every six years, when the new Federal Executive takes office;
- VIII. December 25<sup>th</sup>.
- IX. Election days, which shall be determined by the Federal Laws and Local Electoral, in the case of ordinary elections.

**Art.75- Wages paid on compulsory rest Days.**

On the days referred to in the preceding article, the workers and the employers shall decide how many workers shall be obligated to work. If no agreement can be reached, the matter shall be submitted to the Permanent Conciliation board or, failing this, the Conciliation and Arbitration Board.

Workers who are obliged to work shall be entitled to receive, in addition to the normal wage payable in respect of the rest day, double wages in respect of the work performed.

**Art.76- Annual Vacation Leave.**

Workers who have been in the service of an employer for more than one year shall be entitled to paid annual vacation leave, which shall in no case be less than six working days, and shall be increased by two working days (up to a maximum of twelve) for each subsequent year of service.

After the fourth year, the vacation period shall be increased by two days for every five years of service.

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**Art.77- Annual Vacation Leave for Casual or Temporary Workers.**

Workers who perform casual or temporary work and seasonal workers shall be entitled to an annual vacation period in proportion to the number of days worked in a given year.

**Art.78- Uninterrupted Vacation Leave.**

Employees shall be allowed to take at least six days of their annual vacation leave in one uninterrupted period.

**Art.79- Compensation in lieu of Vacation Leave.**

It shall be unlawful to pay compensation in lieu of vacation leave.

If the labor relationship is terminated before one year's service is completed, the worker shall be entitled to remuneration in proportion to his length of service.

**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.

**Art.82- Wage.**

"Wages" shall mean remuneration, which must be paid by the employer to the worker for his work.

**Art.83- Establishment of wages.**

Wages may be fixed according to unit of time, on piecework or commission basis, the form of a lump sum, or in any other manner.

If the wage is fixed on piecework basis, the nature of the work shall be specified, as well as the quantity and quality of the material, the state of any tools and implements which the employer may provide for executing the work, and the time assigned to the employee for completion of the work; no payment shall be required from the employee of any normal wear and tear to the tools and implements as a result of the work.

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**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.

**Art.85- Sufficient Wage.**

The wage shall be sufficiently rewarding, and in no case less than the amount fixed by this Law as a minimum. In fixing the amount of the wage, the quantity and quality of the work shall be taken into consideration.

In the case of wages paid on a piecework basis, the remuneration paid shall be such that the amount paid for normal work performed during a working day of 8 hours shall be equal to at least to the minimum wage.

**Art.86- Equal pay for equal work.**

Equal pay shall be given for equal work performed in equal posts, hours of work and conditions of efficiency.

**Art.87- Annual Bonus.**

Workers shall be entitled to an annual bonus to be paid before the 20<sup>th</sup> 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.

**Art.88 Intervals between pay days.**

The intervals between paydays shall in no case exceed one week (in the case of persons engaged in manual work) or 15 days (in the case of all other workers).

**Art.89- Grounds for determining the amount of wage supplements (benefits).**

To determine the amount of the wage supplements payable to workers the wage in respect of the day on which the right to such benefit commences shall be taken as a basis, including therein the remuneration in cash at the daily rate and proportional amount of the payments referred to in Art.84.

In the case of payment on a piecework basis, and in general when the remuneration is variable, the average received during the thirty days actually worked prior to the

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date on which the entitlement commences shall be taken as the daily wage. If there was a wage increase during the said period, the worker's average pay as from the date of such increase shall be taken as a basis.

Where the wage is fixed on a weekly or monthly basis, it shall be divided by 7 or 30, as the case may be, for the purpose of determining the daily wage.

**Art.90- Definition of Minimum Wage.**

Minimum Wage means the smallest cash payment which a worker shall receive for services performed during the hours of work.

The minimum wage shall be sufficient to meet the normal requirements of a head of a family of a material, social and cultural order, and to meet the obligatory educational requirements of his children.

The establishment of institutions and measures that protect the salary-earning capacity and facilitate the workers' obtaining payments shall be considered of social utility.

**Art.91- Minimum wages by geographic areas.**

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 or more geographic areas.

**Art.92- General Minimum Wages.**

The general minimum wages shall be valid for all the workers in the geographic areas concerned, irrespective of the branch of economic activity, occupations, trades, or special work.

**Art.93- Minimum Wages by Occupation.**

The minimum occupational wages shall be valid for all the workers in the branches of economic activity, occupations, trade or special work, which shall be determined within one or more geographic areas of application.

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