

LABOR & IMMIGRATION BULLETIN

Legislative Decree 488, 2020



POSSE | HERRERA | RUIZ



LEGISLATIVE DECREE 488, 2020

Last Friday, March 27th, was issued the Decree 488, 2020, whereby the National Government established the following measures in order to promote the job retention and protect employment during the Economic, Social and Ecologic Emergency faced by the country:

●● As long as the circumstances that generated the Economic, Social, and Ecologic Emergency State remain, the employee who suffers a reduction of his/her monthly income will be able to withdraw a monthly amount from his/her severance account to compensate the income reduction, presenting a certificate from the employer. The Severance Funds Administrators cannot demand any additional requirements.

●● As long as the circumstances that generated the Economic, Social, and Ecologic Emergency State remain, the employer is allowed to give minimum a one-day prior notice to the employee, informing the starting date of the accrued, anticipated or collective vacations.

●● The Labor Risks Administrators must distribute the resources of the labor risks contributions, following these rules:

●● 5% of the contributions will be destined to prevention and promotion activities, for employees that, due the nature of their activities, are directly exposed to the Coronavirus COVID 19 contagion.

●● 1% in favor of the Labor Risks Fund.

●● At least 10% of the 92% of the contributions total will be intended to the development of the minimum activities for protection and prevention.

●● 2% for emergency and intervention activities, acquiring personal protective equipment, medical checkups, and direct intervention for Coronavirus COVID 19 related actions, in favor of the employees of their registered companies, that due to the nature of their activities, are directly exposed to contagion.

●● As long as the Economic, Social, and Ecologic Emergency State remains, and until resources are available, dependent and independent employees of categories A and B, currently unemployed, that paid payroll taxes to the respective Family Compensation Fund for one year during the last 5 years, will receive an allowance of two minimum monthly legal wages, that will be granted in three monthly payments.

●● Finally, there will be a suspension of the six (6) months term established by the article 36 of the Law Decree 2106, 2019, for the accreditation of the survival attest before the entities of the Social Security System.

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