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Uniform minimum salary increase

- Minimum salary increase for employees of the private sector from January and February 2020 -

We recall that, on December 23, 2019, the Executive Power (hereinafter "PEN" for its acronym in Spanish) enacted Law No. 27,541 stating the Public Emergency, by which the PEN was delegated with multiple legislative powers to attend the declared public emergency.

Through the following link you may access to further information on the Public Emergency Law: <https://bakerxchange.com/rv/ff005768469ce800d7a58d3b3b4999c4e2baf542/p=4451718>

By means of the delegated powers in labor matters, on January 4, the PEN issued Decree No. 14/2020, which provided for a minimum and uniform salary increase, which covers all private workers in an employment relationship (hereinafter the "Salary Increase").

The salary increase was set on AR\$ 4,000, in two instalments. The first one applicable from January amounts to ARS \$ 3,000, and an additional ARS \$ 1,000 will be added from February.

We highlight the following points in relation to the Salary Increase:

- i. It must be compensated by future collective negotiations.
- ii. It shall not be included in the base for calculation of additional payments set forth in applicable CBAs, or additional payments agreed by means of individual employment contract, unless a different criterion were specifically agreed.
- iii. It shall be depicted in the payslips as a specific item called "Assistance Increase".
- iv. It shall be paid proportionally to those workers who work less than the legal working schedule.
- v. For Micro, Small and Medium Enterprises, the Salary Increase shall not be included in the base for calculating the employer's contributions to the social security system for a three-month term.
- vi. The Salary Increase does not apply to employees of the National Public Sector, Agrarian Employment Regime and Special Employment Contract Regime for Personnel of Private Homes.

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