

April 12, 2024



# Supreme Court of Justice's Ruling on the Constitutionality of the Established Limit for Profit Sharing Payments

On April 4, 2024, an amendment to Section III of Article 994 of the Federal Labor Law was published in the Official Gazette of the Federation, to include an economic sanction of from 50 to 1,500 units of measurement (UMA) and update (\$108.57MXN per day), currently between \$5,428.50MXN and \$168,855.00MXN for those work centers that do not affiliate with INFONACOT.

The foregoing became effective the day after its publication in the Official Gazette, that is, on April 5, 2024.

By the Federal Labor Law, for the application of the economic sanctions that may be established by the Secretary of Labor and Social Welfare, the intentionality of the action or omission constituting the infraction will be considered, as well as the seriousness of the infraction and the damages that may have been caused. When a single act or omission affects several workers, the penalty will be imposed for each of the workers affected, and if a single act or omission involves several violations, the penalties corresponding to each of them will be applied independently.

Economic fines can increase exponentially as a result of non-compliance with the different labor provisions, which is why it is of particular importance to ensure that the workplace complies with all the obligations established in the Federal Labor Law, its regulations, and official Mexican standards.

Sánchez Devanny's Labor, Social Security, and Immigration Practice Group's team of professionals has the knowledge and experience to assist in compliance with the obligations under the Federal Labor Law, as well as to generate the supporting documentation.

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# **Labor, Social Security and Immigration Practice Group**

This practice advises clients on compliance with labor and social security laws, and in the design and implementation of labor structures to avoid risk. We assist in processing immigration documentation for top-level executives and their families, with employment agreements, terminations, and fringe benefit planning, and represent clients in employment litigation.

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