

December 22, 2020

Labor, Social Security and Immigration Practice Group Newsletter



Minimum wage increase for 2021

In a divided vote, the employer sector voted against such a considerable increase to the minimum wage, particularly in these times of high unemployment and a difficult situation for micro and small businesses. On December 16, 2020, the Board of Representatives of the National Minimum Wage Commission (CONASAMI per its name in Spanish) established the general daily minimum wage (MW) and in the border that will govern in our country as of January 1, 2021.

Its was agreed to grant an increase as the following:

- a) For the border an increase of 6.0% plus \$15.75 MXP under a concept known as the Independent Recuperation Amount (MIR per its name in Spanish), raising the minimum wage at the border to \$213.39 MXP.
- b) An increase in the rest of Mexico of 6.0% plus \$10.46 MXP under the MIR, raising the general minimum wage to \$141.70 MXP.

The percentage increase is in line with the current policy of raising the MW above inflation levels and seeking to exceed the wage welfare line.

Even though the information regarding the increases to the minimum wage has been made public by different media sources, it has not yet been published in the Official Federal Gazette, which is mandatory for it to enter into effect.

It is expected that the publication will note that the MIR will not be taken into consideration as part of the increase in the scale of wages in collective bargaining agreement negotiations. However, also in an election year, we believe that there will be announcements on radio, television and social networks, which will handle the total percentage of review, which could have a greater impact on workers and complicate salary reviews.

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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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