

LABOR REFORM: VACATION TIME INCREASE

On October 12, 2022, a labor reform bill was proposed to increase the paid vacation period for employees in the United Mexican States.

The bill consists on the amendment of articles 76 and 78 of the Federal Labor Law to increase the vacation period of employees and, after several revisions, it was approved by the Mexican Senate on December 14, 2022.

Below is a comparison table of the vacation period indicated by the law currently in force and the one proposed by the reform bill recently approved:

Seniority	Vacation days: (current law)	Vacation days: (reform bill)
1 year	6 days	12 days
2 years	8 days	14 days
3 years	10 days	16 days
4 years	12 days	18 days
5 years	-----	20 days
5-9 years	14 days	-----
6-10 years	-----	22 days
10-14 years	16 days	-----
11-15 years	-----	24 days
15-19 years	18 days	-----
16-20 years	-----	26 days
20-24 years	20 days	-----
21-25 years	-----	28 days
25-29 years	22 days	-----
26-30 years	-----	30 days
30-34 years	24 days	-----
31-35 years	-----	32 days

From the total period that corresponds to each employee according to the previous table, the employee will enjoy 12 (twelve) days of continuous vacation at least; provided that, said period may be distributed in the manner and time required by the employee at his/her discretion.

The aforementioned will apply to all labor agreements, whether individual or collective, in force as of the effective date of the reform, as long as it is more favorable for the employee.

To this date, the reform bill is in the process of review and approval by the Executive Branch and, finally, it will be published at the Federal Official Gazette to be effective.

The reform is expected to become effective as of January 2023 or, in its case, the day after its publication.

It is important to consider that this reform will not only entail an increase in the number of vacation days granted. Employers will also have to consider an increase in the calculation of vacation premiums and applicable severance payments.

Based on the foregoing, once the reform is published, it is recommended to carry out the corresponding amendments to the applicable individual and collective labor agreements.

We will remain at your disposal for any questions, clarifications, or comments you may have regarding the foregoing.

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