

December 18, 2018

## EY LAW Flash

# New General Minimum Wage \$102.68 pesos per day



On December 17, 2018, a resolution by the National Minimum Wage Commission ("CONASAMI", for its acronym in Spanish) was issued, in which the minimum wages effective as of **January 1<sup>st</sup>, 2019** in our country were determined.

The general minimum wage was set in **\$102.68** pesos per day, which was obtained through the procedure of Independent Amount of Recovery ("MIR", for its acronym in Spanish), by adding \$9.43 pesos to the current minimum wage, which is of \$88.36 pesos per day, resulting in an amount of \$97.79 pesos, and adding to such amount the increase of 5% of 2019. The minimum professional wages were increased by 5% with respect to the current amounts.

On the other hand, through the same resolution the Minimum Wage in the Free Zone of the North Border (*Salario Mínimo en la Zona Libre de la Frontera Norte*) was created, which was set in **\$176.72** pesos, with the commitment to provide tax incentives by the federal government, applicable to the municipalities that form the Free Zone of the North Border.

In addition to the above, the minimum professional wages in the Free Zone of the North Border were set in \$176.72 pesos, except for the categories of reporter in daily printed press and graphic reporter in daily printed press.

What are the implications? As of January 1<sup>st</sup>, 2019, the workers earning a salary below the new general minimum wage should be granted a salary increase according to the new minimum. Likewise, the workers earning a minimum professional wage should be granted a salary increase according to the professional minimum wage that corresponds to their profession.

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