Employment Law in Colombia : Part I

Insights
5.08.15

Colombia, a country located in the Northwest portion of South America, with a population of approximately 46 million, has started to overcome its reputation for drug trafficking and violent crime and has transitioned to a place many large international employers, such as Facebook, Starbucks, Google and Microsoft, are flocking to do business. According to the International Monetary Fund, Colombia's economic growth is expected to triple in size from a decade ago and has become the fourth largest economy in Latin America. It is the only country in South America with two seacoasts and has developed a free market economy thereby attracting a wide range of markets in the United States, Asia, Europe and Latin America. It is also known as providing among the best protections relevant to personal security and private property. Any employers currently doing business in Colombia or considering doing business there should be familiar with the laws governing the employment relationship in order to protect the company and facilitate success. This article will be the first in a series providing an introduction to employment law in the country.

I. Sources of Law

There are several sources of labor and employment law in Colombia including the following: (1) The Constitution which establishes core labor principles and obligations; (2) the Substantive Labor Code which establishes the laws applicable to employment agreements, wage and hour, collective bargaining agreements, vacation and sick time, and employment benefits; and (3) the regulations and decisions issued by the Ministry of Labor, labor courts and the Constitutional Court.

II. Employment Agreement

Employment Agreements in Colombia, known as "Contrato de Trabajo," can be written or oral; however, certain provisions including any trial period, the designation of a fixed duration employment, and designation of fair termination causes, other than those set forth by law, will only be valid if in writing and signed by both the employer and employee. At a minimum, all employment agreements should include the nature of the work, the place of work, the hourly rate or salary, and the duration of the job, whether the term is fixed or indefinite. Fixed term agreements cannot exceed a period of three years. Additionally, fixed term agreements providing a term of employment of less than one year can only be renewed for three equal or lesser terms. Fixed term agreements that provide for a term of one to three years can be renewed indefinitely.

III. Wage and Hour Requirements

In Colombia, no employee can earn less than 644.350 pesos in monthly salary. Working hours are

Copyright © 2024 Fisher Phillips LLP. All Rights Reserved.

limited to forty-eight hours per week, eight hours per day for a maximum of six days per week. Employees are only permitted to work overtime if the employer obtains authorization from the Colombian Ministry of Labor. Overtime pay for hours worked during the period of 6 am and 10 pm is compensated at a rate of 25% higher than the employee's regular rate of pay. Overtime pay for work performed during the hours of 10 pm and 6 am is compensated at a rate of 75% higher than the employee's daytime regular rate of pay. Employers are required to provide a minimum of 15 holidays per year and Sundays and national holidays constitute mandatory rest periods.

Copyright © 2024 Fisher Phillips LLP. All Rights Reserved.