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Major Labor Law Reforms

Published DOF on May 1, 2019

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**Article 123 A, of the Mexican Constitution
was reformed February 24, 2017**

Elimination of the Juntas de Conciliación y Arbitraje

- The elimination of the Juntas de Conciliación y Arbitraje
- The establishment of Conciliation and Labor Registration Centers
- The establishment of Federal and State Labor Courts
- New union procedures – elimination of white unions
- Social Security for Domestic workers
- Discrimination – sexual harassment
- Health and Safety – higher fines

- Juntas de Conciliación y Arbitraje
- **STPS** – Secretary of Labor and Social Welfare
- Conciliation
- Arbitration
- Registration of Union Contracts
- Registration of Unions
- Registration of Internal Work Regulation

What happens when a worker is fired without cause?

Or

There is a dispute between the employer and worker?

Conciliation or lawsuit

The reform requires an obligatory conciliation hearing between the employer and worker.

If the dispute is not resolved, then the Conciliation Center issues a document that says an agreement cannot be reached.

The Conciliation and Labor Registration Centers

- STPS
- An obligatory conciliation between the Employer and Worker
- If an agreement cannot be reached in Conciliation only then can a lawsuit be presented to the Labor Courts

Time table for the reform

- **A series of changes over 4 years**
- **Federal and State Centers for Conciliation and Labor Registration** (Centro Federal de Conciliación y Registro Laboral)
- **Federal and State Labor Courts** (Tribunales Laborales)

Federal Center for Conciliation and Labor Registration

(Centro Federal de Conciliación y Registro Laboral)

- Within 6 months the Federal Congress must issue the Organic Law of the Federal Center for Conciliation and Labor Registration
- Within 2 years from May 2, 2019 the Federal Centers for Conciliation and Labor Registration will initiate their functions to register Unions and Union contracts
- State Conciliation Centers and State Labor Courts within 3 years
- The Conciliation Centers must initiate operations in every State on the same date as the State Labor Courts.
- The Federal Conciliation Center and the Federal Courts will initiate functions within 4 years

The Conciliation and Labor Registration Centers

- Conciliation
- Register Unions
- Register Union Contracts
- Register Internal Labor Regulation

UNION CONTRACTS

- To register a Union
- An authorized copy of the statutes
- An authorized list or lists with the number, names, CURPs and addresses of its members, signed by workers
- Published call for elections
- Elections to be supervised and certified by the STPS
- The ballots and results

UNION CONTRACTS

- Union contracts will be reviewed at least once during the 4 years after this Decree takes effect
- If they do not have a majority support, they will be cancelled
- Until the Conciliation and Labor Registration centers begin functioning, the STPS will establish a protocol to verify the Union requirements within 3 months after this Decree takes effect (11th transitional article)

Federal and State Labor Courts

- The Courts will be administered and integrated by the Judicial Branch of government
- The Court procedures will be transparent, open to the public
- Video recorded
- Presided over by a Judge
- Both sides represented by attorneys
- Evidence rules favor the workers
- A lawsuit can be accepted even when the worker does not know the name of the employer
- Workers can be provided with an attorney

Domestic Workers – Workers in the Home

- Change of name from Domestic Workers to Home Workers
- (Trabajadores Domésticos - Trabajadores del Hogar)
- Article 337, IV requires enrolling Home workers in Social Security – Social Security has a new obligatory program for Home workers

Discrimination

- New Employer obligation added to Article 132,
- To implement a protocol to prevent discrimination based on gender and prevention of sexual harassment
- (Acoso sexual – Hostigamiento Sexual)

SOCIAL SECURITY

Article 49. Under the terms established by the Federal Labor Law, when the insured worker suffers a work accident due to an inexcusable fault of the employer in the judgment of the Federal Labor Courts, the benefits in money that this chapter establishes in favor of the insured worker, will be increased in the percentage that the Courts themselves determine in their resolutions. The employer will have the obligation to pay the Institute the capital for the corresponding increase.

HEALTH AND SAFETY

- A reform to Art 527 of the Labor Law gives the Federal STPS authority over Health and Safety compliance and training in the workplace
- A reform to Article 994, V. A fine of 250 to 5000 UMA for lack of a Health and Safety program.

The UMA = 84.49 pesos
(\$21,122.50 to \$422,450.00 pesos)



Questions?

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