

Amendments to the Mexican Labor Law

May 7, 2019 Alberto de la Peña

PRACTICES Mexico, Mexico Energy Reform, USMCA, International

On May 1, 2019, the Mexican Federal Labor Law and other laws regarding labor justice were amended (the “Amendments”). The Amendments entered into force on May 2, 2019, although certain provisions are subject to specific time periods to enter into force.

The Amendments were enacted pursuant to Articles 107 and 123 of Mexico's Constitution previously amended as well as Mexico's commitments under the United States-Mexico-Canada Agreement (USMCA), which is still subject to ratification.

The Amendments (i) protect the freedom of association of employees in unions, as well as the democratization of their leaders' election, (ii) prohibit employers to exercise control over unions, (iii) include provisions to prevent discrimination in the workplace, (iv) replace the Labor Conciliation and Arbitration Board as part of the Executive Branch with the Labor Courts which will be integrated into the Judicial Branch to hear and resolve labor disputes, (v) contain regulations intended to eliminate corruption and unethical acts in labor legal procedures, and (vi) create the Federal Conciliation and Labor Registry Center which will be responsible for the mediation in labor disputes as well as for the registration of collective bargaining agreements (“CBA”), unions and internal labor regulations of employers.

The new rules will have an impact on the relationship among employers, unions and employees, including outsourcing arrangements. Some of the most relevant rules include the following:

- Employers will have to provide employees with a hard copy of the CBA executed by the employer within 15 days following its filing with the Federal Conciliation and Labor Registry Center
- Current CBAs must be reviewed at least once every four years as of the entry into force of the Amendments
- CBAs and their amendments shall be approved by a majority of the employees covered by the agreement
- Employees may refuse in writing to be subject to any deductions of union dues from their salaries in which case the employer may not make such deductions
- Employers who force employees to join a union, or in any way commit acts that limit the rights of employees to freely join a union may be subject to fines that range from approximately US\$1,000 to US\$22,000
- Employers must create a policy to prevent gender discrimination, violence and sexual harassment with agreement by employees
- Documents which contain labor conditions must include the designation of beneficiaries in the event of death or disappearance of an employee due to criminal acts

If you have any questions, please contact one of the lawyers listed below.