



Venezuela Increases the National Minimum Wage and Meal Benefit

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The Venezuelan administration issued on March 15, 2022, Decrees No. 4,653 and 4,654 in the Extraordinary *Official Gazette* No. 6,691, which establishes increases to the Mandatory National Minimum Wage and the Meal Benefit. Both Decrees became effective on March 15, 2022.

The most relevant aspects of both Decrees are the following:

1. Minimum Wage Increase

- A new mandatory monthly minimum wage was established for the entire Venezuelan territory, effective as of March 15, 2022, in the following terms:

Category	(Day Shift)	
	Monthly	Daily
Female and Male Employees of the Public and Private sectors	130.00 bolívares soberanos	4.33 bolívares soberanos
Teenagers / Apprentices	97.50 bolívares soberanos	3.25 bolívares soberanos

- If the work performed by teenagers or apprentices is carried out in the same conditions as full-time employees, their minimum wage will be adjusted to 130.00 bolívares soberanos per month as set forth in Article 1 of the Decree.
- The minimum wage shall be paid in cash and shall not include any payment in kind.
- The Minimum Wage Increase Decree also amended the annuitants' and retirees' pensions of the National Public Administration and the Venezuelan Social Security Institute (IVSS) to 130.00 bolívares soberanos per month.
- If the employment relationship is on a part-time basis, the salary established as minimum wage may be paid in proportion to the work schedule, as outlined in Article 172 of Venezuela's Organic Labor Law (LOTTT).



- If an employer does not comply with this minimum wage increase, the employer will be obliged to pay the corresponding difference in labor benefits according to Article 130 of the LOTT. In addition, the employer will also be sanctioned with a fine of no less than 120 Tax Units (UT) and no more than 360 UT, pursuant to Article 533 of the LOTT.

Many of the benefits and obligations outlined in the labor legislation are based on the national minimum wage. Below is an analysis of the variations and effects that this increase will have on some of the most significant labor benefits and obligations in the Venezuelan labor legislation.

Benefit for Comprehensive Care of Employees' Children

Employees who earn a wage higher than 650.00 bolívares soberanos, the equivalent of five current minimum wages, will not be entitled to the benefit in question.

In the event that there is no daycare or early education center at the workplace, the employer will be required to pay 52.00 bolívares soberanos, the equivalent of 40 percent of the minimum wage, for registration and each month's payment.

Contributions to the Social Security System

This Decree also adjusted the minimum contribution amount for the social security system to 130.00 bolívares soberanos, the equivalent of one minimum wage, and the maximum contribution limit to 650.00 bolívares soberanos, the sum of five minimum wages.

Contributions to the Employment Benefit System

The maximum contribution limit for the employee benefits system was adjusted to 1,300.00 bolívares soberanos, the sum of 10 minimum wages.

Contributions to the Housing and Housing Benefits System

The minimum contribution limit for the housing and housing benefits system was adjusted to 130.00 bolívares soberanos, the equivalent of one minimum wage.

2. Meal Benefit

- The Decree also modified the meal benefit to 45.00 bolívares soberanos per month for employees in the public and private sectors.
- With the adjustment of the meal benefit, employees providing services for the public and private sectors will receive 1.50 bolívares soberanos per day.
- This food benefit will not be considered as salary, in accordance with the LOTT, unless it is outlined as such in the collective bargaining agreements, collective employment agreements or individual employment agreements.

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