LEGAL ALERT

January 2025

Adjustment of the Minimum Monthly Income from January 1, 2025 and its implications

Dear customers,

We inform you that, in accordance with the provisions of Law No. 21,578, as of January 1, 2025, the Minimum Monthly Income (IMM) for workers over 18 years of age and up to 65 years of age will be adjusted according to the accumulated variation of the Consumer Price Index (CPI) between July 1 and December 31, 2024. This adjustment will be determined and reported by the National Institute of Statistics (INE).



The content of this information does not, and cannot, be considered, in any case legal advice from its authors, which has been written for purely informative purposes.

This new adjustment complements the increases established by law, which raised the IMM gradually:

- $440,000 from May 1, 2023.
- $460,000 from September 1, 2023.
- $500,000 from July 1, 2024.

Implications of Increasing the IMM:

1. Impact on Remunerations and Related Concepts:

The increase in the IMM not only directly impacts minimum wages, but also affects concepts such as:

- Payment of overtime: These are calculated on the salary agreed for the regular workday. If the agreed salary is lower than the current IMM, the latter will be the basis for calculating the 50% surcharge.
- Legal bonus: For companies that opt for the formula of article 50 of the Labor Code (25% of what is earned with a cap of 4.75 IMM), the amount of the IMM in force as of December 31, 2024 will be $500,000.

2. Prevention of Sanctions and Recommendations

It is crucial that companies carefully review compliance with these adjustments to avoid errors in the payment of wages, bonuses and overtime, thus avoiding possible administrative sanctions. In this regard, we recommend:

- Update payment systems to reflect the new IMM.
- Stay tuned to the CPI variation reported by the INE for 2025.

We are at your disposal to answer any questions related to these changes and to support you in implementing the necessary measures to ensure regulatory compliance.

Pay attention to these changes to start 2025 with everything in order!

Please do not hesitate to contact partner Juan Pablo Prieto and/or attorneys Daniel Cortes and Javiera Barria at the following email addresses: jpprieto@dnpv.cl, dcortes@dnpv.cl and jbarria@dnpv.cl to schedule a meeting and review your case in detail.

Without further ado, I say goodbye sincerely,

dnpv abogados