

EXECUTIVE SUMMARY

Continuing with reforms...

The proposal to reform the Labor Code of the Dominican Republic, officially presented on October 10, 2024, is based on the need to adapt the labor legal framework to the social and economic changes that have transformed the context of work in the country. With the aim of modernizing and strengthening the protection of workers' rights, as well as ensuring greater efficiency and clarity in the resolution of labor disputes, this reform seeks to incorporate provisions that respond to the current demands of the productive sectors. By reorganizing and updating the functions of labor courts, and establishing more agile and specific mechanisms, the proposal aims to guarantee a more equitable labor system in line with international standards, fostering a fair and competitive labor environment that can respond to the challenges of globalization.



Proposed Changes to the Dominican Republic Labor Code

Category	Modification type	Impact	Proposed Change and Reference
Non-Discrimination Principle	Modification	All employees	Principle VII proposes to prohibit any discrimination based on gender, age, race, color, national descent, social origin, political opinions, trade union membership, or religious beliefs. Exceptions are situations only justified by specific requirements of the job. Currently, the Code prohibits discrimination without specific details. (Principle VII)
Worker's Rights	Modification	All employees	Principle XII expands basic rights, integrating freedom of association, collective bargaining, non-discrimination, fair wages, professional training, and respect for the personal integrity of the worker. (Principle XII)

Category	Modification type	Impact	Proposed Change and Reference
Working Conditions	Modification	All employees	Article 45 introduces new prohibitions for employees, such as a ban on the use of electronic devices for non-work purposes and carrying weapons during working hours. These restrictions were not clearly specified. (Art. 45)
Employer Obligations	Modification	All employees	Article 46 imposes new responsibilities on employers, including maintaining safe working conditions and providing preventive medicines in the event of epidemics. Current security obligations do not include these specific details. (Art. 46)
Suspension of the Employment Contract	Modification	All employees	The causes for suspension of the employment contract are expanded in Article 51, including leave due to epidemics and other legal obligations of the worker. This adds additional causes and flexibility in the face of unforeseen situations, such as health emergencies. (Art. 51)
Rest Periods	Modification	All employees	Article 157 redefines breaks within the working day, requiring at least one hour of total rest, with breaks of 30 and 15 minutes. This change promotes a better balance between work and rest regime. (Art. 157)
Working days	Modification	All employees	Article 162 allows extended working days of up to 12 hours, as long as it is agreed between employer and employees. In addition, it prohibits overtime in this type of extended working day. Also provides clarification on how extraordinary hours will be paid and working on weekends for specific workers. (Art. 162)
Vacation	Modification	All employees	The update in Article 177 increases vacation time based on seniority, with a maximum of 15 days for five years of service. The change brings additional benefits in the long term, exceeding the previous scale of up to 14 days on the days enjoyed by the workers. (Art. 177)
Maternity Protection	Modification	Female Employees	Article 232 strengthens the protection for pregnant workers, prohibiting their eviction from pregnancy, during maternity leave and up to three months after childbirth (Art. 232).

Category	Modification type	Impact	Proposed Change and Reference
Working Conditions and Safety	Addition	Employers	It includes maintaining the workplace in adequate sanitary conditions and providing first aid kits. It also establishes the obligation of the employer to provide workers with preventive medications in case of epidemics and ensure safety measures to prevent accidents. Certain elements come from accessory provisions to the current Labor Code. (Art. 46)
Remote Work	Addition	Teleworkers	It includes express provisions on telework, currently regulated by resolution of the Ministry of Labor, including provisions aimed at establishing, among others, the definition of this modality, minimum conditions, the obligation of the employer to provide the equipment and tools necessary for remote work, cover the costs of teleworking and equipment maintenance, guarantee training in new technologies, respect the worker's right to disconnect outside working hours and regulate the reversibility of teleworking (Art. 115)
Grounds for termination of the employment contract without liability	Addition	All Workers Employers	The proposed amendment to the Labour Code addresses article 68, establishing that the employment contract may be terminated without liability for either party in the following cases: By mutual consent; For the execution of the contract; Due to the impossibility of execution; and, For the granting of an old-age, disability or survivor's pension. The element of the pension is added as a cause for termination without liability of the employment contract, which goes hand in hand with elements of our social security legislation. (Art. 68)
Domestic Workers	Modification	Domestic Workers	Article 263 redefines working conditions for domestic workers, establishing a maximum of 8 hours per day and 44 hours per week, with mandatory breaks. This change creates specific rights that were not clearly spelled out in the previous version of the Code for this special employee's category. (Art. 263)

Category	Modification type	Impact	Proposed Change and Reference
Workers Union Rights	Modification	Unionized Workers	Article 337 grants legal personality to workers unions, allowing them to acquire property, including real estate, and to file lawsuits without administrative authorization. Current legislation places restrictions on the acquisition of real estate by workers' unions, based on its use. (Art. 337)
Judicial Proceedings	Addition	All employees	Amendments to Articles 520-526 specify a more detailed conciliation process, including the judge's ability to suspend hearings and new rules to facilitate agreement between the parties. In addition, it will be possible to make agreements in part with the conciliation judge on undisputed elements and exclude the agreed points from the dispute. This addition clarifies and extends the current judicial procedures. (Art. 520-526)
Enforceability of labor judgments	Modification	All employees	Modification of the enforceability of labor judgments to the third day of notification, extending their enforceability to the eighth day of notification, except for the right of the party that has succumbed to deposit a sum equivalent to the amount of the sentences pronounced (Art. 539)

We answer the big question:

The proposed amendment to the Labor Code of the Dominican Republic does not mention specific changes regarding the existing regime related to the payment of unemployment severance rights in cases of termination of the employment contract. But rather it focuses on other aspects of the employment contract, such as the causes of termination without liability, working conditions, and provisions for rest and vacations, as well as labor law procedural rules, but does not explicitly address modifications to the calculation, concept, configuration or payment of severance pay at the termination of the employment contract.

Derogations:

The proposed amendment to the Labour Code includes the repeal of certain articles and sections of the current code:

- It is proposed to repeal Title III of Book Three (Articles 166 to 176): These articles were related to the provisions of working hours, weekly rest, and conditions on night and shift work. The proposal seeks to modify and update these provisions, incorporating them into other chapters with more detailed and appropriate adjustments to the new labor regulations.

- It is also proposed to repeal Articles 718, 719, and 721: These articles addressed aspects of the disciplinary procedure for employees and employers and sanctions in case of violations of the code. The proposal suggests eliminating these articles to integrate and reformulate these provisions into sections that detail administrative procedures and labor sanctions more broadly.
- Likewise, those general articles and contrary provisions: Article 119 specifies that, in addition to the aforementioned articles, the new law will repeal any other provision that is of similar or inferior hierarchy and that contradicts the new proposed modifications.

In addition, it establishes:

- The prescriptions in progress will continue to be governed by the previous laws.
- The new law will not affect rights acquired by workers before its entry into force.
- Labor lawsuits and enforcement of judgments initiated before the new law will be governed by the procedure of the current Labor Code.

This summary provides an overview of the most significant elements of the proposed reform, while noting that it does not encompass every detail included in the full proposal. It is important to remember that this is still a proposal, which must undergo review and approval by the legislative chambers before it can be enacted. We will remain attentive to its progress and development throughout the legislative process.

For more information and assistance, please contact us via info@uliscabrera.com / 809.566.7111