

## **AGREEMENT ON THE SETTING OF A LIMIT TO THE PAYMENT IN THE COMPANY'S PROFIT SHARING TO THE EMPLOYEES**

### **PTU Payment limit**

As a result of the Bill to reform the Federal Labor Law ("FLL") on outsourcing matters, the private sector and the Ministry of Labor and Social Welfare ("STPS") began negotiations to limit the effects that will derive from the prohibition of outsourcing. These negotiations were delayed because there was no agreement on the ceiling regarding the payment of the workers' participation in the company's profits ("PTU"); however, on March 19<sup>th</sup>, 2021, it was reported that an agreement was reached.

According to the information provided, for the payment of the PTU there will be a maximum limit of 3 months of the worker's salary, or the average of the profit received in the previous 3 years, having the right to the amount that is higher. This agreement requires that section VIII be added to article 127 of the FLL.

This modification will be included in the Bill sent by the Federal Government to the Congress in November 2020, through which it is proposed to eliminate outsourcing through the reform of the FLL, the Social Security Law, the Law of the National Fund Institute for Workers' Housing, the Federal Tax Code, the Income Tax Law and the Value Added Tax Law.

As a result from the above, it is estimated that the discussion in the Congress will begin in the next few days and, as happened with other Bills sent by the Federal Government, and expected to be approved by both Houses in the subsequent weeks. Unofficially, it has been reported that the intention is to publish the decree on May 1<sup>st</sup>, 2021, a representative date for workers when Labor Day is commemorated.

### **Immediate action**

Due to the imminent reform, it is necessary for all companies to carry out a diagnosis of their operations, in order to identify outsourcing schemes, provision of specialized services, among others, in order to design the necessary measures to adapt their operations to the new regulatory framework that will surely be approved in the following weeks and that, as a main characteristic, implies the prohibition of outsourcing.

**Farell y Yañez, S.C.**, together with its allies in corporate, tax and business planning matters is at your service to answer your doubts and questions about the Bill, therefore, if you require additional information on the subject and / or about other legal services in labor, social security and immigration matters, please contact the attorneys Arsenio Farell Martínez and / or Mario Alberto Yañez Cariño at the email [contacto@fyabogados.mx](mailto:contacto@fyabogados.mx)



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