Labor Regulations and Standards - Colombia

Working Hours, Leave Policies, and Contract Termination

This document provides a detailed overview of the core labor regulations in Colombia, as established by the Substantive Labor Code (Código Sustantivo del Trabajo) and supplementary decrees. It is intended to guide employers on compliance with standards concerning working hours, employee leave, and the procedures for contract termination.

Working Hours

The regulation of working hours in Colombia is designed to ensure employee well-being while providing flexibility for business operations. All standards are enforced by the Ministry of Labor.

Maximum Weekly Hours

As per Law 2101 of 2021, Colombia is in a progressive reduction of the standard workweek. The maximum ordinary workweek is currently set at **46 hours**, which will be gradually reduced to 42 hours by 2026. These hours can be distributed over five or six days a week, ensuring at least one mandatory day of rest, which is typically Sunday.

Employers and employees can agree on flexible work schedules, provided that the daily working hours do not exceed 9 hours and the weekly total remains within the legal limit.

Overtime (Limits, Compensation)

Work performed beyond the ordinary daily or weekly limit is considered overtime and is subject to specific compensation rates and limits.

- Maximum Limit: Employees are permitted to work a maximum of 2 hours of overtime per day and 12 hours per week. Any agreement for overtime work must be explicit and is subject to authorization by the Ministry of Labor.
- Daytime Overtime Surcharge: Work performed beyond the ordinary schedule during the day (6:00 AM to 9:00 PM) must be compensated with a surcharge of 25% over the ordinary hourly wage.
- Nighttime Overtime Surcharge: Work performed beyond the ordinary schedule during the night shift (9:00 PM to 6:00 AM) must be compensated with a surcharge of 75% over the ordinary hourly wage.

Night Work and Weekends

Work performed during specific times, such as nights or official rest days, carries a premium compensation rate.

- **Night Work Surcharge:** Any ordinary work performed during the night shift (9:00 PM to 6:00 AM) is subject to a **35%** surcharge over the ordinary daytime hourly wage. This is separate from overtime compensation.
- Sunday and Holiday Work: Employees who work on a mandatory rest day, such as a Sunday or a national public holiday, are entitled to a surcharge of 75% over their ordinary hourly wage. In addition to the surcharge, they are entitled to a compensatory paid day of rest during the following week.

Probation Period

The probation period allows both the employer and the employee to assess the suitability of the employment relationship. Its terms are strictly regulated.

Maximum Legal Duration

The maximum duration of a probation period is **two (2) months**. This period must be stipulated in writing in the employment contract. For fixed-term contracts with a duration of less than one year, the probation period cannot exceed **one-fifth (1/5)** of the contract's total term.

Conditions and Rights During the Period

During the probation period, the employee is entitled to all legal rights and benefits, including affiliation to the social security system (health, pension, and occupational risks), payment of salary, and all other contractual benefits. The work performed during this time counts towards the employee's total length of service for calculating social benefits like severance and vacations.

Termination During Probation Period

Either the employer or the employee may terminate the employment contract unilaterally and without notice during the probation period. If the employer terminates the contract, no severance pay is due for the termination itself, but all earned salary and vested social benefits must be paid to the employee.

Annual Leave

Paid annual leave, or vacation, is a fundamental right for all employees, designed to provide rest and recuperation.

Minimum Mandatory Days

Employees who have completed one year of service are entitled to 15 consecutive

business days of paid annual leave. The salary paid during this period is the employee's ordinary salary at the time of taking the leave.

Accumulation and Usage

By mutual agreement, annual leave can be accumulated for up to **two years**. Employers can also require employees to take their vacation. Colombian law allows for the employee to request that half of their vacation days be compensated in money, requiring them to take a minimum of six continuous business days of rest.

Financial Compensation

If the employment contract is terminated before the employee completes a full year of service, they are entitled to a pro-rata payment for accrued vacation time. This is calculated based on the number of days worked during the accrual period.

National Public Holidays

Colombia has a significant number of official public holidays, which are mandatory paid rest days for employees.

List of Official Holidays

The following is a representative list of official public holidays in Colombia. Many are observed on the Monday following the actual date under the "Emiliani Law" to create long weekends.

- 1 New Year's Day (January 1)
- **2 Epiphany** (First Monday after January 6)
- 3 Saint Joseph's Day (Third Monday of March)
- 4 Maundy Thursday (Variable date)

5	5	Good Friday (Variable date)
6	6	Labor Day (May 1)
7	7	Ascension Day (Seventh Monday after Easter)
8	8	Corpus Christi (Tenth Monday after Easter)
9	9	Battle of Boyacá Day (August 7)
10	10	Independence of Cartagena (Second Monday of November)
11	11	Immaculate Conception Day (December 8)
12	12	Christmas Day (December 25)

Compensation for Working on Holidays

If an employee is required to work on a national public holiday, they must be compensated with a **75% surcharge** over their ordinary hourly wage, in addition to their regular salary for that day.

Special Leave

The law provides for several types of special paid leave for specific personal and family circumstances.

Sick Leave

In case of a non-occupational illness or injury, an employee is entitled to paid sick leave. The leave is certified by a physician affiliated with the employee's Health Promoting Entity (EPS). The employer pays the first two days of leave at 100% of the salary, and from the third day onward, the EPS provides a subsidy equivalent to 66.67% of the base salary.

Maternity/Paternity Leave

- Maternity Leave: Female employees are entitled to 18 weeks
 of paid maternity leave, fully covered by the social security system.
- Paternity Leave: Male employees are entitled to 2 weeks of paid paternity leave, paid by the employer and subsequently reimbursed by the EPS.

Bereavement Leave

Employees are entitled to **five (5) business days** of paid leave in the event of the death of a spouse, permanent partner, or a relative up to the second degree of consanguinity (parents, children, grandparents, grandchildren, siblings).

Contract Termination

The termination of an employment contract must adhere to the causes and procedures established in the Substantive Labor Code.

Justified Causes

An employer may terminate a contract with just cause for reasons including, but not limited to:

- Serious misconduct or acts of violence by the employee.
- Intentional material damage to company property.
- Disclosure of confidential information or trade secrets.
- Poor performance evaluated over a reasonable period and after feedback has been provided.
- Systematic failure to comply with contractual or legal obligations.

Notice Periods

For terminations with just cause, no notice period is legally required. However, the employer must inform the employee in writing of the specific causes for the termination. For unilateral termination *without* just cause, there is no notice period, but the employer is obligated to pay a severance indemnity.

Severance Pay

If an employer terminates a contract without a legally justified cause, the employee is entitled to severance pay. The amount depends on the contract type and the employee's salary and tenure. For an indefinite-term contract, it is typically calculated as a set number of days' salary for the first year and a reduced number of days for each subsequent year.

Benefits Settlement

Upon termination of the employment relationship for any reason, the employer must pay the employee a final settlement (liquidación). This settlement must include:

- All outstanding wages.
- Pro-rata payment for accrued annual leave.
- Pro-rata payment for the mandatory service bonus (Prima de Servicios).
- The final calculation and deposit of severance funds (Cesantías) and the corresponding interest.

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