**Edited Text**

**COVID-19 Cases in Mexico**

The Mexican Ministry of Health announced that confirmed COVID-19 cases in the country had jumped from 164 to 203, according to their latest report issued on March 20, 2020, and that there are 606 suspected cases. The agency also reported that 64 percent of confirmed infected cases are men and the remaining 36 percent are women.

In this vein, the General Health Council recognized on March 19, 2020, that COVID-19 is a "serious disease that requires priority attention." Hugo López-Gatell, Mexico's undersecretary of Prevention and Health Promotion, indicated that he has decided to advance phase 2 recommended measures, such as the rescheduling and cancellation of massive events, along with the suspension of school and non-essential government activities.

**Possible Labor Scenarios for Employers in Mexico**

In response to the new coronavirus (COVID-19), and the immediacy and uncertainty of the fast-developing global crisis, employers have started to implement the first preventive measures that are being carried out in Mexico to reduce infections caused by the virus. Among these measures, “social distancing” requires new rules and policies in work centers, quarantine, remote work and possibly the statement of a health contingency. Mexican employers may face the following two scenarios regarding work suspension in the country:

**1. If the Mexican government, through the health authorities, issues a labor suspension:**

The Federal Labor Law establishes that if the health authorities issue a suspension of labor relationships, employers will be released from their obligation to pay wages and benefits for the entire duration of the contingency, and employees will not be obliged to provide services – a health contingency is expressly foreseen as an employment relationship suspension under the LFT. Suspension may vary and be limited according to each region and industry. Employers will be obliged to pay a general minimum wage for each day the suspension lasts as compensation to employees, with the measure not to exceed one month. The general minimum wage in Mexico is 123.22 pesos per day (approximately US$5.04), so the total compensation would be 3,696.60 pesos (about US$151.27).

In view of the actions endorsed by other countries and the pressure that the World Health Organization (WHO) is exerting on Mexico, such a suspension seems likely to be enforced by the federal government in the next few days.

**2. If the employer, as preventive measure, suspends labor activities without a government notice:**

a. the company must pay full salary to employees

b. in case of disease or incapacity, employees must obtain a certificate of illness or incapacity issued by the Mexican Social Security Institute; in this case, employers will not be obliged to pay those employees' salaries because the Mexican Social Security Institute will subrogate this obligation

**Other COVID-19 Labor Measures**

Temporary measures that employers may adopt to help employees cope with COVID-19 include financial and/or in-kind aid (e.g., medicine reimbursement, free medical exams), or modification of working conditions (e.g., shortening and/or making working hours more flexible). These measures should not negatively impact the employer, and will expire once the pandemic ends. If employers choose to carry out such measures, it is recommended that they thoroughly document these measures, as well as expressly inform employees of their purpose and duration.

It is recommended that employers share with employees the preventive health measures issued by the Mexican government: [Health Messenger](https://www.hklaw.com/-/media/files/insights/publications/2020/03/mensajerocoronavirus.pdf?la=en) and [Prevention Process of Infections for People with COVID-19](https://www.hklaw.com/-/media/files/insights/publications/2020/03/prevencioncovid19.pdf?la=en).

To learn more about how COVID-19 is affecting the labor industry in Mexico, contact [Leslie Palma](https://www.hklaw.com/en/professionals/p/palma-leslie), head of Holland & Knight's Labor, Employment and Benefits Group in the Mexico City office.