

LABOR MEMORANDUM
Bogotá D.C., December 30th, 2015

Reference: Minimum Legal Monthly Salary Wage Transportation Allowance Modification.

- **Minimum Legal Salary:**

The National Government has ordered by decree the new minimum legal monthly salary for next year in the amount of SIX HUNDRED EIGHTY NINE THOUSAND FOUR HUNDRED FIFTY FIVE COLOMBIAN PESOS (COP \$689.455.00), which relates to the currently effective minimum legal salary for 2016 plus a 7% increase.

In light of the above, it will be compulsory to increase from January 1, 2016 the salaries of all those employees earning the minimum legal salary, as well as the salary of the staff earning an integral salary, which may not be less than EIGHT MILLION NINE HUNDRED SIXTY TWO THOUSAND NINE HUNDRED TWO COLOMBIAN PESOS (\$8.962.902) monthly.

- **Transportation Allowance:**

Likewise, the transportation allowance was set at COP\$ 77.700 for the year 2015, which is to be paid to those employees earning up to two minimum legal salaries.

- **Most Important Effects on Labor Matters:**

The following table provides equivalences intended to help our clients, specifically the human resource departments, estimate labor costs in integral salaries, baselines for contributions, Sunday and night time work pay surcharges, supplemental work, and economic support to be paid to apprentices.

Concept	Amount (in COP)
Minimum Salary	
Minimum Legal Monthly Salary	\$ 689.454
Minimum Legal Hourly rate	\$2.873
Clothing and Transportation Allowances	
Transportation Allowance	\$77.700
Daily Transportation Allowance	\$2,590
Employees entitled to Clothing Allowance	With regular salary of up to \$1.378.908

Employees entitled to Transportation Allowance	With regular salary of up to \$1.378.908
Minimum Integrated Salary	
Minimum Integral Salary	\$8.962.902
Minimum Daily Integral Salary	\$298.764
Minimum Integral Salary as Baseline for Contributions	\$6.274.032
Economic support for apprentices	
Economic support for apprentices (non University Students – Productive Stage)	\$689.454
Economic support for apprentices (non University Students – Learning Stage)	\$344.727
Economic support for apprentices (University Students)	\$689.454
Surcharges	
Hourly work rate plus night time surcharge	\$3.879
Hourly work rate plus daytime overtime	\$3.592
Hourly work rate plus night time overtime	\$5.028
Hourly work rate plus Sunday work surcharge	\$5.028
Hourly work rate plus Sunday night work surcharge	\$6.034
Hourly work rate plus Sunday daytime overtime surcharge	\$5.746
Hourly work rate plus Sunday night time overtime surcharge	\$7.183
Contributions to the Social Security System	
Employers Contributions to pension system (8,5%)	\$58.604
Employees Contributions to health system (4%)	\$27.579
Contributions to pension system Employers (12%)	\$82.735
Contributions to pension system Employees (4%)	\$27.579
Special Contributions to pensions	
Minimum pension payment	\$689.454
Compulsory additional payment to workers for the Solidarity Pension Fund (1%)	\$2.757.816
Compulsory additional payment to workers for the special pension account (from 0.2 to 1%)	\$11.031.264

We remain at your disposal in connection with any further assistance you may require.

Sincerely yours,

SANCLEMENTE FERNANDEZ ABOGADOS
Labor Law and Migratory Department.