



Hire employees in Mexico
simply, compliantly, and hassle-free

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What you need to know for employing in Mexico

Employ remote teams worldwide with Omnipresent's Employer of Record (EOR) service. We combine human expertise with automation to deliver your compliance, payroll, benefits, and HR support needs.



Currency: Mexican peso (\$, MXN)



Language(s): Spanish



Employer costs: Average



Termination: Hard



Onboarding Timeline: ~22 calendar days



Payroll Frequency: Fortnightly

Benefits

What we offer	Mandatory	Supplementary
Healthcare (Public)	✓	
Healthcare (Private)		✓
Dental Insurance		✓
Vision Insurance		✓
Retirement & Pension (Public)	✓	
Disability Insurance	✓	✓
Illness Insurance	✓	
Life Insurance	✓	✓
Workers' Compensation	✓	
Vouchers		✓

Health

In Mexico, health benefits are primarily provided by the Mexican Institute of Social Security (IMSS). While supplementary health insurance is not required, it is common for employers to offer it. Omnipresent offers supplementary Health Insurance through Mapfre. The benefits are 100% covered by the employer. This additional insurance includes dental and vision coverage.

Retirement

In Mexico, employers and employees contribute to the state Retirement Fund called Administradora de Fondos para el Retiro (AFORE) through payroll deductions, with employees choosing their preferred AFORE. While it is not mandatory to offer supplementary retirement benefits, it is common in Mexico, particularly for financing length of service benefits, but Omnipresent does not provide supplementary retirement benefits in the country.

Employment Contracts

We offer indefinite, and part-time contracts in Mexico. Fixed-term are strictly regulated in Mexico, we may only be able to offer this type of contract under certain circumstances.

Contract Requirements

Omnipresent requires a written employment contract to outline the EOR terms and provide clarity for both employers and employees. Omnipresent ensures that all necessary key terms are included in the employment contracts we provide.

Contract language: Spanish and English (bilingual- Spanish version prevail)

Signature requirement: Simple electronic signature

Backdating: Not possible as per Omnipresent's policy

Contract Customisation

We provide optional clauses for customisation when adding an employee to our platform. This allows you to tailor certain contract aspects, such as unlimited time off or extra-legal sick days. However, certain contract elements cannot be customised due to compliance risks or Omnipresent's policy. Examples include overtime, restrictive covenants, and stylistic changes.

Probation

During the probation period, employers evaluate an employee's suitability for the role they have been hired for. It gives the employer an opportunity to assess their performance and determine if they are a good fit for the company. We believe that this process benefits both the employer and the employee.

Here are some key points to know about the probation period:

- The probation period is limited to up to 30 days for regular employees and up to 180 days for executives, managerial positions or to perform a specialized technical or professional job.

Please note that the only exception to our policy is in the case of a transfer of the employment relationship.



Onboarding

Timeline

Our normal onboarding timeline for Mexico is **around 22 calendar days**. The onboarding steps involved are Platform Setup, Right-to-Work Check, Employment Contract, Benefits and Payroll enrollment. This timeline does not include exceptions such as visas and medical & background checks.

Immigration & Visas

We may, under certain circumstances be able to offer visas or work permits in Mexico.

Right-to-Work

We will carry out right to work (RTW) checks on all foreign employees before they are employed. A medical check will also have to be completed.

When moving your employees from another EOR to Omnipresent

If the employee has previously worked for you, whether in another country or through another EOR provider, we can recognise their length of service, unless the employee has received a full severance package from their former employer. This recognition of seniority will need to be mentioned in the employment contract.

Leaves

Annual Leave Entitlement

Minimum annual leave in Mexico is based on seniority and ranges between 12 days to 20 days up to 5 years of service. After 5 years of service the annual leave allowance increases by 2 days every 5 years.

Maternity Leave

Working mothers are entitled to 42 days prior to and 42 days after childbirth as maternity leave, and the Social Security pays them 100% of their registered salary during that leave. The statutory maternity leave may be extended as necessary if work is not possible because of the pregnancy or the delivery. If the maternity leave period is extended, the employee is entitled to 50% of their wages for a period of up to 60 days.

Paternity Leave

Fathers in Mexico are provided with 5 calendar days of paid parental leave for childbirth or adoption.

Sick Leave

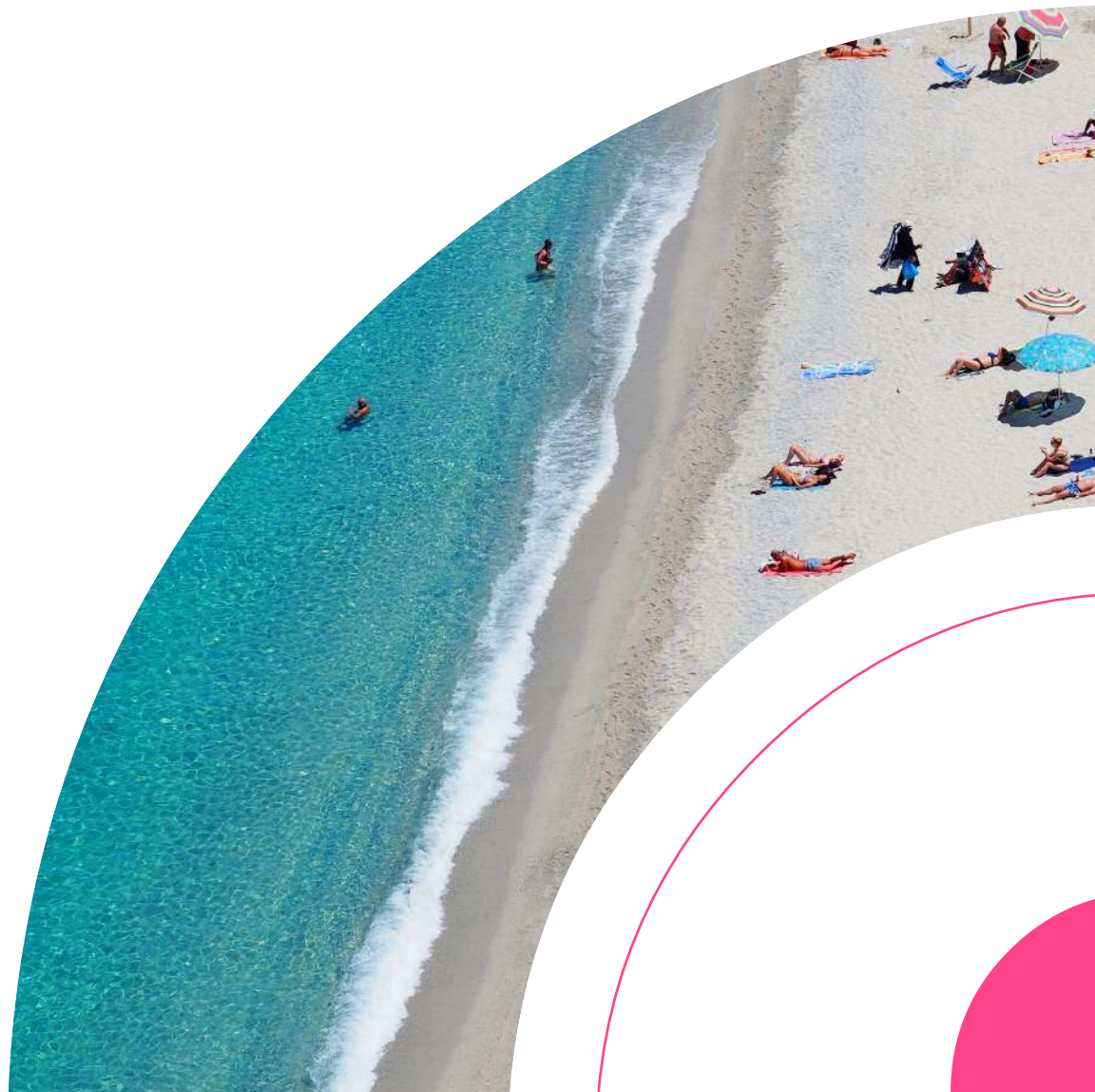
Employees are entitled to paid sick leave in the case of illness or injury, whether or not such illness or injury was work-related. The Social Security pays 60% of total salary starting on the fourth day of the leave and up to a 52-week period, which can be extended for another 26 weeks.

Public Holidays

According to the Mexican Federal Labor Law, the mandatory public holidays are the following:

1. January 1st
2. The first Monday in February (Commemoration of February 5th)
3. The third Monday in March (Commemoration of March 21st)
4. May 1st
5. September 16th
6. The third Monday of November (Commemoration of November 20th)
7. December 1st every six years (Transfer of the Federal Executive Power - Next one: December 1st 2024)
8. December 25th

Other public holidays can be determined by the federal and local electoral laws, in the case of ordinary elections, to conduct the Election.



Payroll & Tax

Payroll Cycle

The payroll cycle in Mexico is semi-monthly/ fortnightly.

- Payroll cut-off date is **6th of the month** (any changes to payroll or variables must be shared with Omnipresent by this date).
- Payment date is every two weeks.

Extra Payments

(Bonus, Commission etc.)*

- Employees are entitled to a share in the company's profits, currently fixed at 10% of the company's pretax income.
- Employees are paid an extra 25% of their usual salary during their vacation.
- Employers must give each employee the equivalent of 15 days' salary by December 20 of each year.
- Employees who render services on Sunday are entitled to a 25% premium over the salary payable for that day.

Additional premiums must also be paid if the employee works on a public holiday.

Hourly Wage

Omnipresent is unable to accept employees on an hourly wage.

Minimum Wage

The general minimum daily wage, which depends on the employee's occupation in some cases, is determined every year by an administrative organization (National Commission to Determine Minimum Wages) and is currently MXN 172.87 (approximately USD 8.5).

Standard Work Schedule

The maximum working hours in Mexico consists of 8 hours per day and 48 hours per week, with the work week running from Monday to Saturday (though it's customary to distribute the workings hours to guarantee Saturday as a rest day).

Employer Costs

The employer costs depend on a variety of employee variables. A guiding number is around **36%** of the employee salary. To get a more detailed estimate based on the employee salary use the [OmniCalculator](#), or contact us for further information

Terminations

Termination Process

Before proceeding with a termination (including verbal discussion with the employee about the risk of termination) you must first get in touch with Omnipresent. We will then provide guidance on next steps. You can read our [full guidance here](#). To initiate a termination, you need to submit a termination request through the OmniPlatform after which our relevant teams will assess the case and plan a compliant termination process.

We cannot process termination on the same day as requested.

Involuntary Termination

In Mexico, unilateral termination is only possible for cause. The potential grounds for dismissal are listed in Article 47 of the FLL and include dishonest or violent behavior, failure to follow safety procedures, reporting to work under the influence of alcohol or nonprescription drugs, etc.

However, demonstrating just cause for termination is hard. Omnipresent's policy is to always pay full severance and execute a mutual termination agreement rather than moving forward with a unilateral dismissal.

Severance Pay

Severance pay is calculated depending on the cause of termination:

- Voluntary resignation: The employer must pay all due benefits, including commissions, on a prorated basis until the date of termination. An employee with at least 15 years' seniority is also entitled to a seniority premium of 12 days' salary for each year of service (but with a cap of twice the minimum salary).
- Termination with cause: The employer has to pay all due benefits, including commissions, on a prorated basis until the date of termination.
- Termination without cause: When dismissed, the employee may appeal the termination and request either: (1) reinstatement to the employee's previous job; or (2) a constitutional indemnification equivalent to 3 months' full salary, 20 days per year worked, current benefits, as well as seniority premium.

Notice Period

There is no notice period and therefore no payment in lieu of notice. However, within 30 days of discovering the facts that justify or form the basis for the dismissal, the employer must notify the employee with a written notice about the causes for the termination and the effective date of the termination. Otherwise, the dismissal may be deemed unjustified regardless of the cause.



Invoice Schedule

Setup Fees:

Once Terms are signed, Omnipresent begins deploying resources for the setup process.

Trigger [*Employee Details Added*]

Deposits:

Payable when the local employment contract is ready for signature. The deposit enables Omnipresent to move forward securely to sign the local employment contract with the employee.

Trigger [*Employee Details Added*]

Initial Salary Prepayment:

The first month's estimated labour costs are invoiced on the first day of employment.

Trigger [*Employment Start Date*]

Ongoing monthly Employment Costs and Fees:

Thereafter, we invoice monthly in arrears for labour costs - once the final payroll, taxes, insurance, social security contributions, expenses and deductions have been calculated. Each monthly invoice will include our monthly service fee, deposit insurance (if applicable), and an FX fee (if applicable).

Trigger [*Payroll Date*] Typically the last working day of the month, but varies by country.



Explore how Omnipresent simplifies global team growth.

Explore the effortless solution for your global hiring, payment, and management needs with Omnipresent. We simplify complex processes like onboarding, legal contract drafting, expense management, benefits allocation, and a whole lot more. Start your journey towards compliant international business practices.

TALK WITH AN EXPERT

