

Skudad's guide to hiring compliantly in Argentina



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Skudad Welcomes You to Argentina!



This comprehensive employment guide is intended to provide you with detailed information on the employment processes and other relevant data for hiring full-time employees and contractors in Argentina.



Since there are frequent changes to annual statistics and employment laws, we suggest you take notes of the time stamps documented in this guide.



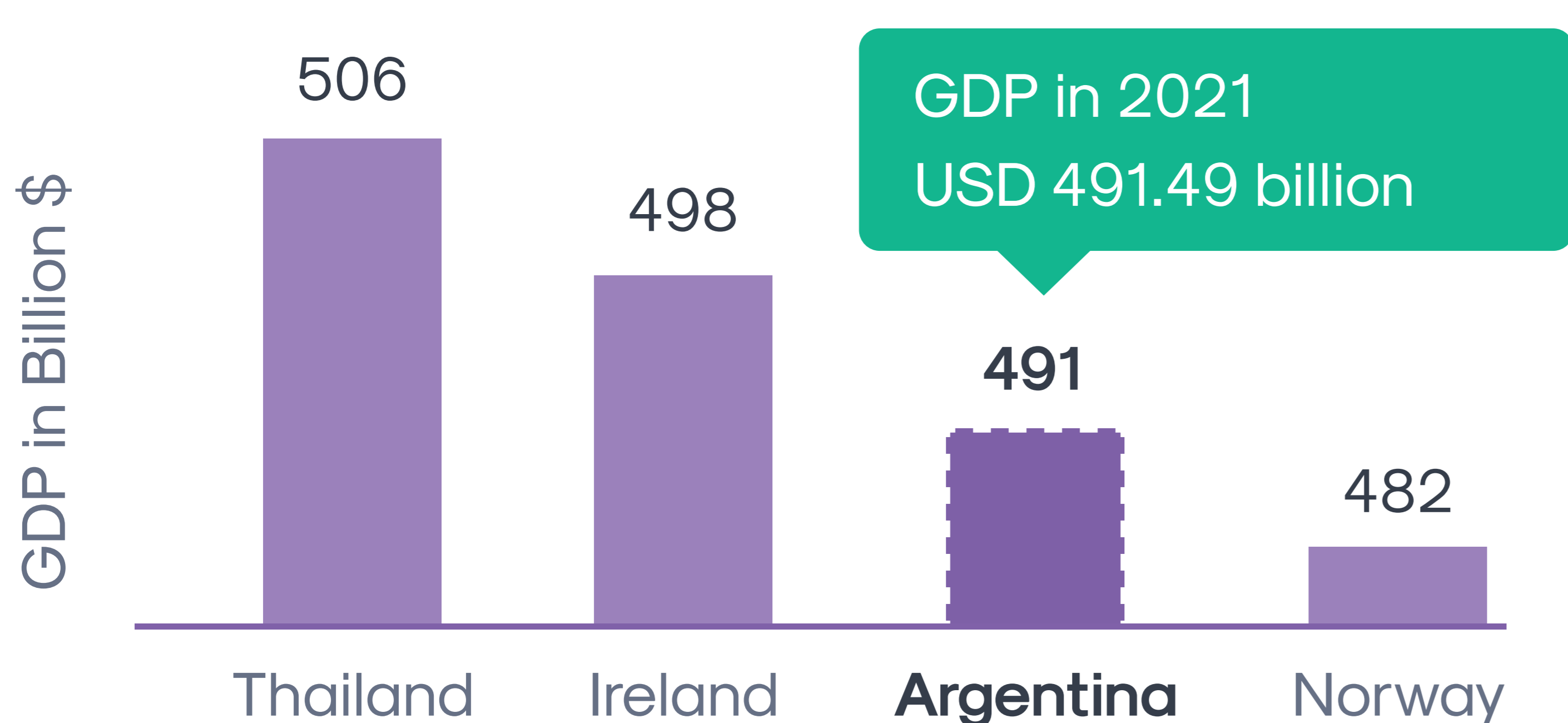
The South American country of Argentina is officially named the Argentine Republic. It is one of the largest economies in South America. It is rich in natural resources and boasts a large agricultural industry.

The Gross Domestic Product (GDP) in Argentina was worth USD 491.49 billion in 2021, according to official data from the World Bank. The GDP is expected to reach USD 430.00 Billion by the end of 2022, according to Trading Economics. The country ranks “very high” on the Human Development Index, which considers health, education and income.

The top three sectors in Argentina are software and data, social & leisure and e-commerce & retail. It's impressive how many talented software engineers are coming out of the tech landscape in Argentina. A highly educated workforce and a growing middle class make Argentina an ideal location for expanding into South America.

Therefore, hiring compliantly in Argentina is crucial for any organization planning to tap into the vast talent pool.

Get deep insight into what is required to hire and build a team in Argentina in this guide.



Argentina at a Glance

Capital

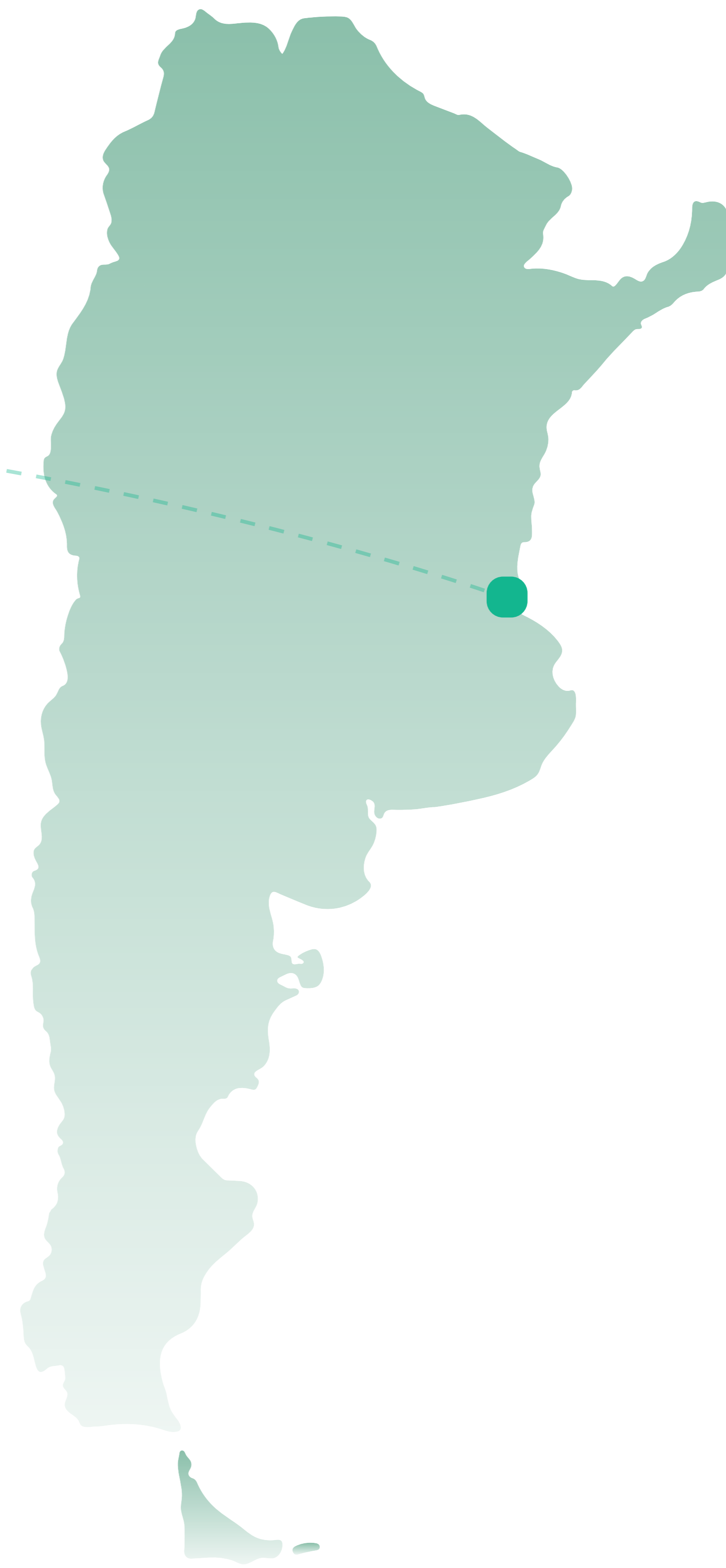
Buenos Aires

Official Language

Czech

Estimated population

44,938,712 (2019 Estimate)



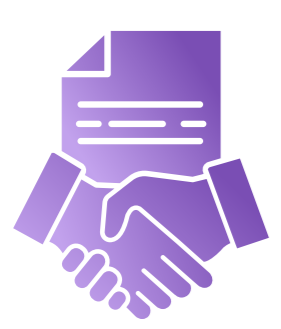
Financial Details (2022)

Currency	GDP	Income Tax
Argentine Peso (ARS)	<u>\$444.458 billion (2019)</u>	5% - 35%

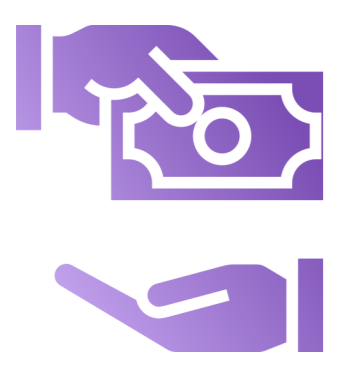
Employment Details (2022)

Work Hours	Holidays	Salary Cycle	13th-Month Pay
48 hours/week	14 holidays (annually)	Monthly	Required

1 Good to know...



Argentina is a developing economy that ranks 2nd highest in Latin America on the Human Development Index.



Argentines enjoy an Aguinaldo (SAC - Sueldo anual complementario), otherwise known as a 13th-month salary.

2

Everything You Need to Know About Hiring Employees in Argentina

Argentina boasts some of the world's most skilled professionals. This makes it easy for employers across the globe to discover, hire and tap into an extensive talent pool.



Employer Payroll Tax

38.56% including insurance and mandatory bonus.



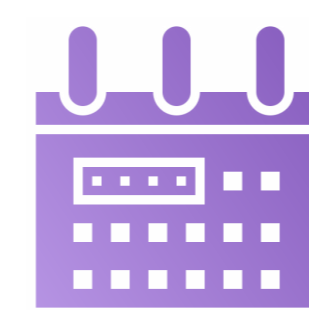
Employee Income Tax

Social Security 17%
Employee Income Tax 5% - 35%



Salary Cycle

Monthly. For hourly employees, wages are paid either weekly or every 2 weeks.



Probation Period

3 months



Overtime Pay

Overtime is paid at the rate of 150% of the regular pay. And at 200% during the night.



Max OverTime Allowed

Overtime is capped at 3 hours per day, 30 hours per month, and 200 hours per year.



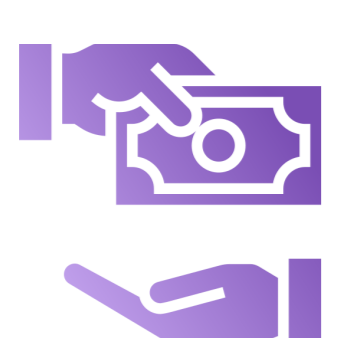
Leave Policies

Privilege Leave

Under 5 years of employment, 14 days leave. 5 - 10 years of employment, 21 days leave. Over 10 years of employment, 28 days leave.

Sick Leave

Employee with less than 5 years of employment are entitled to 3 months paid sick leave. Over 5 years employment receive 6 months of paid sick leave.



13th Month Pay

13th salary is paid in two installments, one before June 30th and the other before December 18th.



Work Hours

48 hrs per week or 8 hrs per day for a full-time workweek.

Maternity Leave

Female employees are entitled to 90 days leave with 45 days before the birth, this can be extended to six months if they have a year of service.

Paternity Leave

Fathers are entitled to 2 days paid paternity leave.

National Holidays

14 Public Holidays





Termination

- When terminating an employee, the employer must provide written notice with the cause and date of termination.
- Employees cannot be dismissed without cause, and when terminating pregnant employees and recently married employees, the burden of proof is with the employer.
- The notice period is 15 days and rises to a month for up to five years of service or two months beyond this. Severance pay is 15 days for up to a year of service and then two weeks for every year served.



Like most nations, Argentina has systems that ensure organizations entering the market carry out their processes with due diligence. The laws provided below guide employment processes and ensure employees are protected.

2.1 Employment Laws

Argentina labor laws are pro employee, designed to protect the rights of employees and workers, by setting rules governing working conditions. Argentine labor law is comprised of public order rules and thus cannot be ruled out, or waived by any agreement, or applicable law, or jurisdiction clauses eventually included in any agreements.

The Law on Contract of Employment (Ley de Contrato de Trabajo, LCT), is a very detailed regulation (around 300 sections); it deals with the following subjects: contract of employment, rights and obligations of employers and employees, special contracts of employment (such as part-time, fixed-term contracts, seasonal employment), remuneration and protection of wages, hours of work, public holidays and paid leave, maternity protection, minimum age and protection of young workers, suspension and termination of the contract of employment, transfer of enterprises.

2.2 Benefits

Every Argentine employee must receive certain benefits. As an employer, you need to remain compliant with the country's benefits requirements. Failing to offer these provisions can lead to government penalties.



Health Insurance

Employees are eligible for public healthcare after they register and have contributed to social security.



Other Benefits

Employees receive a monthly tax-free allowance for their spouse and children if their family income is less than ARS 129,190 and no individual earns more than ARS 64,595.

2.3 Termination

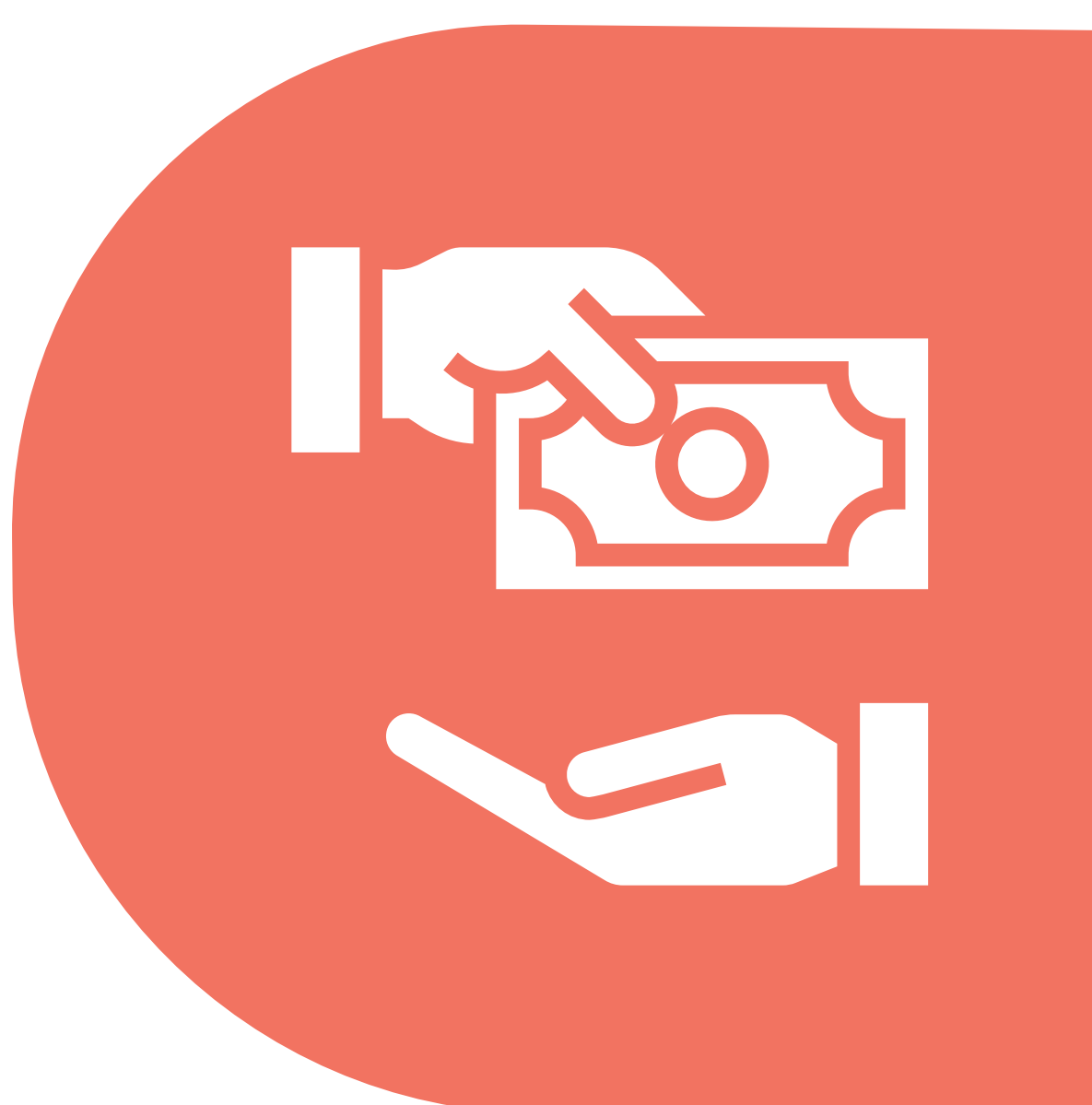
Wrongful termination or terminating an employment contract without following due processes exposes employers to a number of legal and reputational risks in Argentina.



Notice Period

In Argentina, the duration of the notice period depends on the period for which the employee has been working for the company. During the three-month probationary period, the notice period is 15 days.

- The employee will have to serve a notice period of one month if they have been with the company for less than five years.
- The notice period increases to three months if the employee has been associated with the company for more than five years.



Severance

Severance pay in Argentina depends on the tenure of the employee and the conditions of dismissal. Severance pay is 15 days for up to a year of service and then two weeks for every year served.



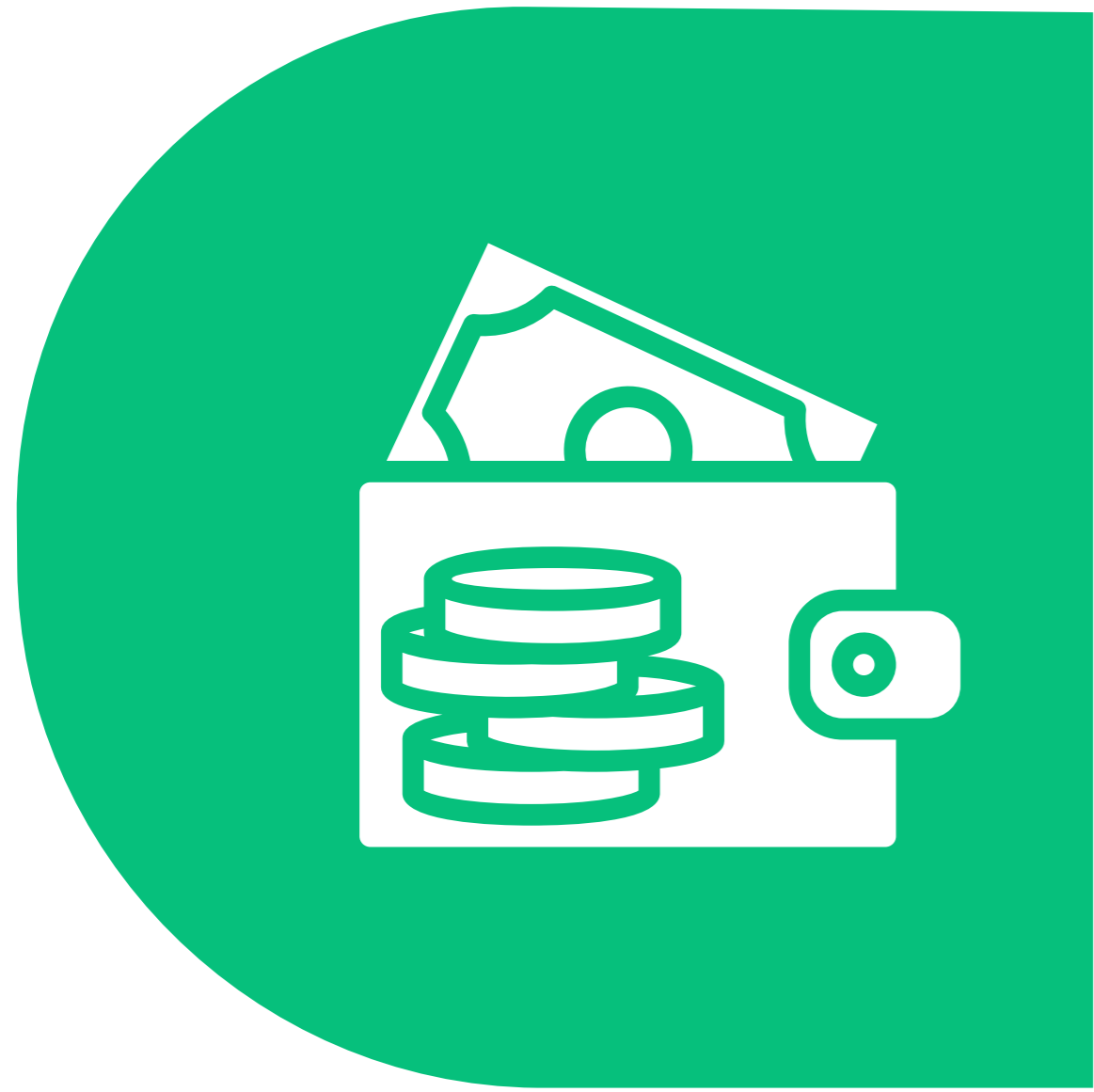
Conditions For Termination

The termination of the employment contract can be both voluntary and employer-driven. Once the employee is terminated or decides to part with the organization, they will have to serve a notice period. The duration of the notice period depends on the period for which the employee has been working for the company.

- When terminating an employee, the employer must provide written notice with the cause and date of termination.
- Employees cannot be dismissed without cause, and when terminating pregnant employees and recently married employees, the burden of proof is with the employer.

2.4 Payments and Taxes

Paying your workers accurately is essential, but the most crucial aspect is to make payments without making any deductions apart from the authorised deductions put forward by the government.



Minimum Wage Requirements

The minimum wages in Argentina is ARS 54550 monthly i.e, USD 365.658 monthly.



Bonuses

Argentines enjoy an Aguinaldo (SAC - Sueldo anual complementario), otherwise known as a 13th-month salary. This is statutory, and typically paid in two instalments, one in June and one in December. Each instalment must be half of the highest monthly wage the employee received in the previous six months.

Individual Income tax

The income tax slab is as follows in ARS (Argentinian pesos):

Taxable Income (ARS)	Tax rate (%)
0 - 33,039	5
33,040 - 66,079	9
66,080 - 99,119	12
99,120 - 132,159	15
132,160 - 198,238	19
198,238 - 264,318	23
264,318 - 396,477	27
396,477 - 528,636	31
528,636 and above	35

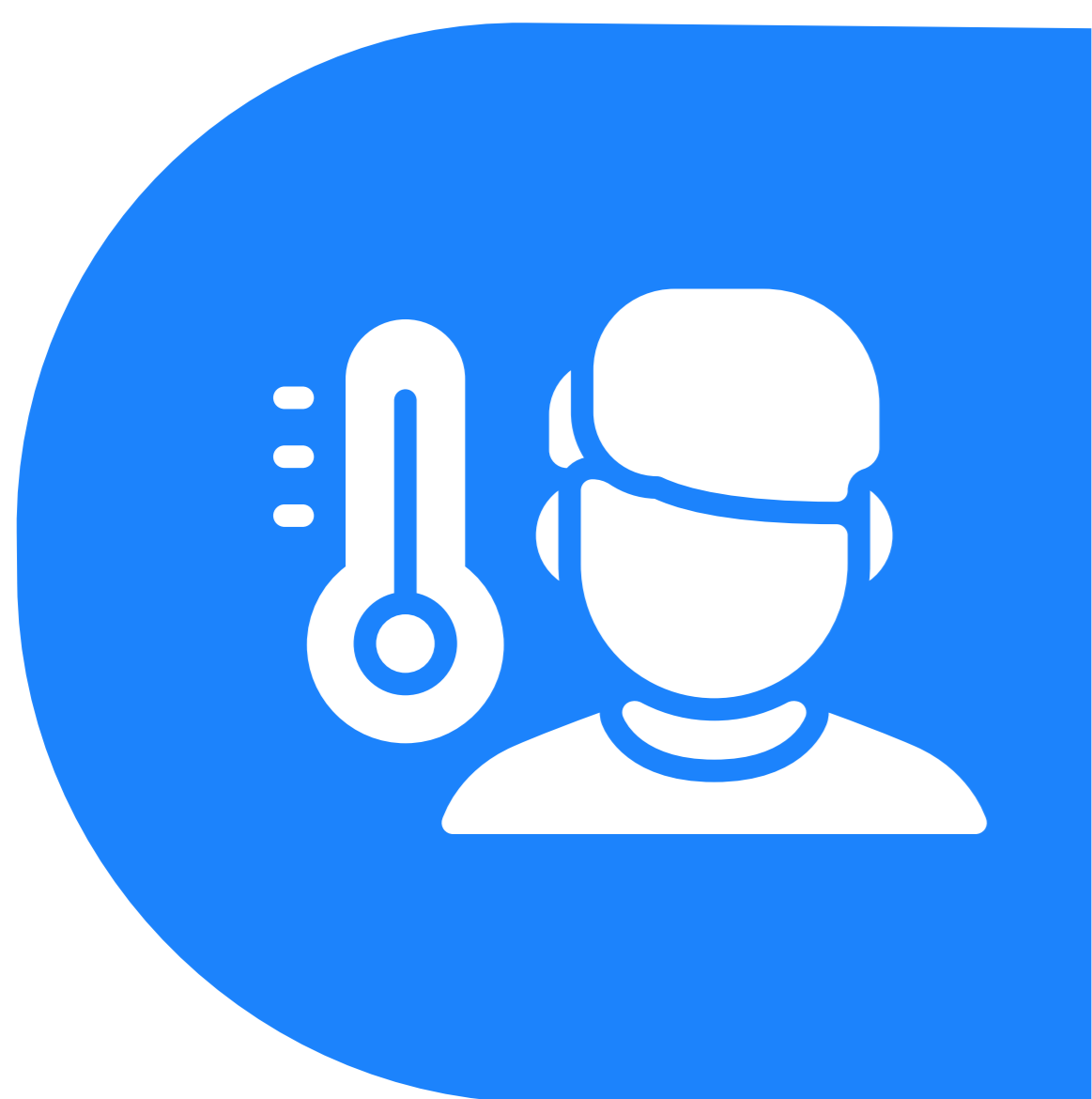
2.5 Leave Policy and Holidays

Leave Policy



Maternity & Paternity Leave

Female employees are entitled to 90 days leave with 45 days before the birth, this can be extended to six months if they have a year of service. Fathers are entitled to 2 days of paid paternity leave.



Sick Leave

Employees with less than 5 years of employment are entitled to 3 months of paid sick leave. Over 5 years employment receive 6 months of paid sick leave.



Privilege Leave

Employees under 5 years of employment receive 14 days of paid annual leave, five to ten years of service have up to 21 days, and more than ten years of service get 28 days of paid leave.

Public Holidays

The table below shows the public holidays for 2022

January 1	New Year's Day
February 28	Carnival
March 1	Carnival
March 24	Truth and Justice Day
April 2	Malvinas Day
April 15	Good Friday
May 1	Labor Day
May 25	Revolution Day
June 17	Martin Miguel de Guemes Day
June 20	Flag Day
July 9	Independence Day
August 15	Death of San Martin
October 10	Day of Respect for Cultural Diversity
November 21	National Sovereignty Day
December 08	Immaculate Conception
December 25	Christmas Day

January

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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

February

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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

March

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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

April

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24	25	26	27	28	29	30

May

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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June

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			1	2	3	4
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July

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					1	2
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August

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	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September

S	M	T	W	T	F	S
				1	2	3
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

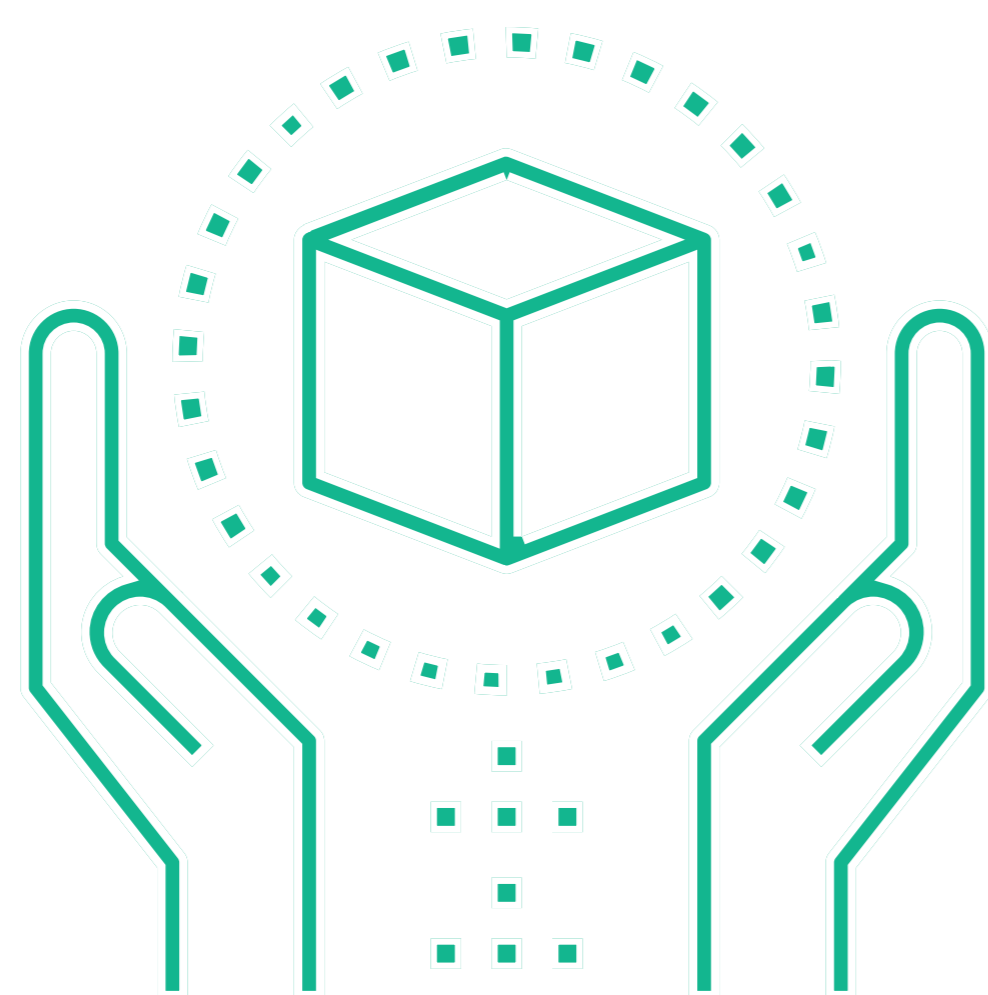
December

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

3

What is an Employer of Record and Do You Need One?

An Employer of Record enables organizations to compliantly hire employees and contractors without setting up a local entity in Argentina. An EOR handles the legal risks associated with hiring internationally, thereby protecting the company from any risks, fines or penalties.



Choosing an EOR has numerous advantages such as tapping new markets without opening subsidiaries, saving time and money by automating HR processes to focus on other aspects of your business expansion and simplifying legal complexities. Hence, partnering with an EOR is the best way to enter the Argentine market.

Some of the Employer of Record services in Argentina include

-  Talent Discovery
-  Compliant hiring and automated onboarding processes
-  Creating, sending and signing compliant contracts
-  Administering comprehensive benefits
-  Ensuring compliance with Argentina's employment laws and tax regulations

If the services listed above fit your hiring requirements, then you need an Employer of Record service like Skuad.

Skudad is a Global Employment and Payroll Platform, powered by automation that makes it easy for employers to handle employee management processes without setting up entities cost-effectively.

To know more about Skudad, [book a demo](#) today.



Checklist for Hiring Independent Contractors in Argentina



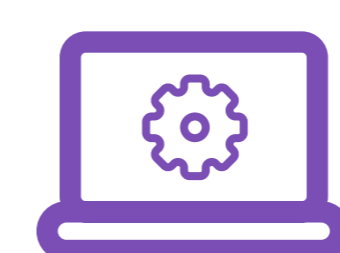
Create a Detailed Job Description

Begin your search for the right contractor with a well-written job description that specifies what you're looking for in an ideal candidate. Also provide information about your company in the listing.



Independent Contractor Agreements

An independent contractor agreement sample includes information on the contractor and the customer, as well as services, payment, and the due date. It's also a good idea to have an independent contractor contract that specifies the worker's position as well as tax and payment designations.



Employee Misclassification

When hiring contractors, complying with clauses, schedules and deliverables are essential to creating an equitable work environment. Companies are advised to classify their employees and contractors accurately, and failure to do so will result in expensive fines, penalties, lawsuits and double severance if you misclassify a contractor.



Payment for Services

Employers must ensure that the independent contractors hired are paid accurately and on time to avoid legal penalties.



Tax Concerns

Contractors based in Argentina must file their own taxes and pay for their own social security.



Termination

An independent contractor's working terms will conclude on a set date or operate on a project basis. Termination cases are typically straightforward because you and independent contractors are free to set your own terms for ending or extending the contract. Similarly, it is advised to mention the termination protocol in your contract. That way, you can address any conflicts that might arise with a contractor without legal complications.



Benefits

Independent contractors are not entitled to any workplace benefits, such as minimum wage, 13th and 14th-month salary benefits, holiday and annual leave entitlements, paid vacations, maternity and paternity leaves, hourly protections, health insurance, retirement benefits, or overtime for extra work. Independent contractors must attend to their own Social Security obligations.



Flexibility to Work

Contractors can choose their working hours without being subjected to a timetable. Also, an independent contractor can work for one or multiple companies simultaneously unless and otherwise discussed and mentioned in the agreement.

Learn how **Skudad** can help you build your **global team** on one unified platform

Skudad is a fast-growing global employment and payroll platform, enabling companies like yours to employ and pay exceptional talent anywhere in the world, seamlessly and compliantly. Our vision is to elevate lives by democratizing talent and opportunities globally.

To learn more about Skudad's platform, write to us at: sales@skudad.io

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