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LAW NO. 21,283 READJUSTS THE AMOUNT OF MINIMUM MONTHLY INCOME

On November 7th, 2020, Law No. 21,283 (hereinafter, the "Law") was published in the Official Gazette, which readjusts the amount of the minimum monthly income, the maternal and familiar assignment and the family allowance. This Law will be retroactively in force since September 1st, 2020.

Readjustments of the Law

The Law increases the minimum monthly income to the following amounts:

• For employees over 18 years old and up to 65 years old: Increases to **$326,500**
• For employees under 18 years old or over 65 years old: Changes to **$243,561**
• For non-remuneration purposes: Increases to **$210,458** .

Additionally, the Law readjusts the maternal and familiar assignment of the National Family Allowance System and increases the allowance contemplated in article 1° of law No.18,020 which creates a family allowance for low-resources individuals.

Retroactive effect of the Law

Considering the Law will be retroactively in force (since September 1st, 2020), companies shall settle in November the differences that might be generated over the employees' remunerations corresponding to the months of September and October, reassessing their social security contributions during this process.

Furthermore, it should also be considered that the increase of the monthly minimum income will affect the amount the employees are entitled to as legal profit-sharing on December 31st, 2020.

Next readjustment to the minimum monthly income

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The Law establishes that the Chilean President must present to the Congress, no later than April 2021, a bill that proposes a new readjustment for these concepts, to come into force on May 1st, 2021.

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