

NEW CAPS OVER SOCIAL SECURITY CONTRIBUTIONS

On January 10th, the Chilean Superintendence of Pensions (“Superintendencia de Pensiones”) published the caps applicable to social security contributions valid for year 2020, which were afterwards published in the Official Gazette on January 15th.

a) In case of contributions for pension funds (AFP); health insurance (Isapre/Fonasa); work-related accidents and professional diseases compensation (mutual aid fund); insurance for the accompaniment of children with serious illnesses (mutual aid fund); disability and survival insurance (AFP), the new cap is of 80.2 Unidades de Fomento (USD 2,950 approximately).

b) On the other hand, the contribution for unemployment insurance (AFC) will be subject to a cap of 120.3 Unidades de Fomento (USD 4,420 approximately).

Notwithstanding the above, in accordance with the policy for “Rectification of Figures of the Monthly Survey of Remuneration and Workforce Cost” of the National Statistics Institute, these figures could be adjusted during the month of February, in which moment the definitive caps over social security contributions applicable in 2020 will be established. In any case, even if there is an adjustment to these figures during the month of February, the above said caps will still be applicable over the remunerations corresponding to the month of January 2020.

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