

GOVERNMENT ANNOUNCES EXTENSION OF LABOR BENEFITS IMPLEMENTED DUE TO THE COVID-19 PANDEMIC

On March 8th, 2021, the government announced that, due to the current status of the Covid-19 pandemic in Chile, it was decided to extend the enforcement of the benefits and entitlements of the employment protection law, protected parenting law and law that temporarily amends the requirements to access to the unemployment insurance. Additionally, the coverage and amounts of the benefits of the Employment Subsidy will be increased.

Among the announced measures, the main announcements were:

1. The enforcement of the benefits and entitlements established in the **employment protection law** (law No.21,227), **protective parenting law** (law No.21.247) and **law that temporarily amends the requirements to access to the unemployment insurance** (law No.21,263) will be extended until **June 6th, 2021**.

Furthermore, **3 additional payments** will be granted to employees whose employment contracts have been suspended by order of authority and whose provisions have been depleted.

2. The term to apply for the Employment Subsidy will be extended **until April 30th, 2021**. The latter will be applicable both to the **Subsidio Regresa**, which incentivizes the return of the employees whose employment contracts were suspended under the Employment Protection Law, and to the **Subsidio Contrata**, which aims to the employment of new employees, specially focused on women, youth, people with different capacities and people who are entitled to a disability pension.

In the case of Subsidio Contrata, the duration of the benefit will be extended in 2 months, reaching a total of 10 months for small and medium-sized companies and of 8 months for large companies.

3. Regarding the Subsidio Contrata, the payments will be increased from CLP270,000 to CLP290,000 for employers who hire women, youth, people with different capacities and people who are entitled to a disability pension.
4. Finally, regarding the Subsidio Regresa, the benefit will be increased from CLP160,000 to CLP200,000, for employers that reinstate employees whose contracts have been suspended under law No.21,227.

It should be noted that the information contained in this News Alert is based on public announcements made by the corresponding authorities, its content is subject to the publication of the respective Supreme Decree.



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