



NOBOA, PEÑA & TORRES
ABOGADOS ECUADOR

FLASH LEGAL # 001126

“DIGNIFIED SALARY FOR THE YEAR 2024 AND PAYMENT OF ECONOMIC COMPENSATION”

Dear Clients and Friends:

We inform you that on March 27, 2025, Ministerial Agreement No. MDT-2025-044 was published in the 3rd Supplement of Official Registry No. 7. Through this agreement, the Ministry of Labor determined the value of the dignified salary for the year 2024 and regulated the procedure for the payment of economic compensation. The relevant sections of this agreement state the following:

- The dignified salary for workers and former workers for the period from January 1 to December 31, 2024, is set at US\$498.90. For those who worked for less than the full year 2024 or had a permanent part-time schedule, the proportional amount for the time worked will be calculated.
- The dignified salary must be paid by March 31, 2025.
- The economic compensation equals the difference between the dignified salary and the monthly income received by the worker or former worker during the year 2024. To calculate the worker's monthly income, the following must be considered: (i) The monthly salary or wage for the year 2024; (ii) The thirteenth and fourteenth remunerations corresponding to the proportional value of the time worked in 2024; (iii) The variable commissions paid by the employer to the worker or former worker in 2024; (iv) The profit-sharing from the 2024 fiscal year paid in 2025; (v) Additional benefits received in cash by the worker under collective agreements that are not legal obligations, and voluntary periodic contributions made in cash by the employer to their workers in 2024; and (vi) The reserve fund corresponding to the year 2024.
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We hope this information, which is not intended as legal advice but is of a general nature, will be useful to you. Should you have any specific questions, we will be happy to assist you.

NOBOA, PEÑA & TORRES ABOGADOS

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