

Social Assistance Fund “Christmas For Employees”

● Assistance Fund for employees in FASE I

Pursuant to the **Decree No. 685-20** dated November 30, 2020, the **Social Assistance Fund “Christmas for Employees”** is created, enabled for December of 2020 with the purpose of paying the Christmas salary proportion to employees suspended and registered in the **FASE I** modality of the **Solidary Assistance Fund for the Employee (FASE)** established by the Decree No. 143-20 dated April 2, 2020 as amended.

In this regard, the amount to be paid by means of this program will be the twelfth part of the total amount of funds that were monthly deposited in the bank accounts of employees registered in FASE I, having the Ministry of Finance to perform this payment in coordination with the Ministry of Labor. In this order of ideas, the process is the following:

- The **Ministry of Labor** will prepare the information of the amounts to be paid to each employee suspended and registered in FASE I, proceeding to send the payment request to the Ministry of Finance.
- This payment will be performed on **December 15, 2020** at latest, in the registered accounts of the employee registered in FASE I.
- Said payment is established notwithstanding any other **voluntary** payment of each employer to its employees with the purpose of extending their year ending incomes.
- Additionally, on **December 20** at the latest, as established in the Labor Code, the employer shall pay the **Christmas salary proportion** with respect to the months of the year 2020 during which the employee was not suspended.
- Said voluntary payments will be qualified as **expenses** by the General Directorate of Internal Revenue, (DGII, for its acronym in Spanish) and will be deducted from the Income Tax (ISR, for its acronym in Spanish) of the year 2020.



- These **bonuses or voluntary payments** will not be considered, from a labor perspective as ordinary or extraordinary salary, nor will be considered for the calculation labor benefits or acquired rights; but from a fiscal point of view, as it is not considered as Christmas Salary –which is exempted-. Shall be considered for Income Tax purposes, as applicable.

● Provisions related to employees in FASE II

Employees whose employer have been placed under the program **FASE II** will receive their Christmas salary pursuant to provisions of **article 219 of the Labor Code**, that is, the twelfth part of the ordinary salary received by the employee in the calendar year, to be fully paid by the employer; notwithstanding the use and practices of the Company, what is convened in the collective agreement or the right of the employer to grant a higher amount for this purpose.

In this case, to calculate the **Christmas salary** amount, employers must consider the monthly DOP\$5,000.00 advanced by the government for FASE II, amount that is part of the salary of these employees pursuant to the aforementioned Decree No. 143-20 as amended; form a fiscal point of view, the amount paid to the employee is exempted of Income Tax, as established in the Labor Code.



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