



# LOOKING AHEAD

*Our vision for employers*

## A New Cycle, New Challenges

The beginning of the government transition will bring the renewal of key labor authorities, such as the Ministry of Labor and Social Security, the Labor Directorate, and the National Migration Service for the 2026–2030 period. This renewal will imply new guidelines in the application, interpretation, oversight, and compliance of legal standards affecting employers, workers, and unions. This is especially relevant considering recent labor and data protection reforms that will partially come into effect next year, requiring a strategic and flexible approach capable of anticipating trends and adapting to institutional changes.

### Legislative Context

We leave behind a year marked by significant administrative rulings impacting labor relations management, issued by the Labor Directorate, the Social Security Superintendence, and the Office of the Comptroller General. At the legislative level, the main changes this year were defined by the entry into force of the Pension Reform, beginning with the first adjustment in social security contributions. It is possible that next year will see a broader discussion on severance pay and the legal grounds for termination of employment relationships. New case law may also emerge to unify criteria on issues such as misuse of medical leave, harassment, and anti-union practices.

Labor Trends for 2026:

01.

### *Reduction of Working Hours – Implementation of the 40-Hour Law*

On April 26, 2026, the second stage of the '40-Hour Law' will take effect, requiring companies to reduce the standard workweek from 44 to 42 hours. This reduction must not result in lower wages, so internal adjustments should focus on efficiency. Employers must agree—or at least attempt to agree—with workers or unions on how to adjust schedules. If no agreement is reached, the reduction will apply by hours (for five-day weeks) or by 50 minutes per day (for six-day weeks). Non-compliance may lead to fines of up to US\$4,000 per violation.

02.

### *Entry into Force of the Personal Data Protection Law*

On December 1, 2026, the Personal Data Protection Law will come into force, establishing a new supervisory authority: the Personal Data Protection Agency. The regulation expands legal bases for data processing, strengthens informed consent, incorporates principles such as transparency and proactive responsibility, and grants new rights to data subjects, including portability and the right to object to automated decisions. Organizations must appoint a data protection officer, maintain activity records, implement security measures, and report breaches. Non-compliance may result in fines of up to US\$1.5 million, 4% of annual revenue, or even suspension of operations.

03.

### ***Pension Reform: Increase in Employer Contributions***

Employer-funded pension contributions will gradually increase. Starting July 1, 2026, the employer contribution will be 3.5% of the employee's taxable salary, representing a 2.5% increase over the current rate. This coincides with the implementation of the Autonomous Pension Protection Fund (FAPP) and a unified collection system for unpaid pension contributions.

04.

### ***Strategic Analysis of Regulatory Trends and Institutional Changes***

The implementation of Law No. 21.561 has generated administrative interpretations that may be reviewed under new leadership. Current criteria allow agreements on overtime in exceptional work systems and new methods for calculating additional rest days, which have been criticized for deviating from the literal text of the Labor Code. Authorities have modernized the concept of 'immediate superior oversight,' allowing technological monitoring to limit workers' schedule flexibility. A change in leadership could signal a return to traditional doctrines requiring physical presence for supervision or adjustments to payment formulas for rest days, impacting operational flexibility and compliance costs. Regarding Law No. 21.643 (Karin Law), the current regulatory framework imposes investigation protocols that, in some aspects, exceed legal provisions. Sensitive points, such as the obligation to refer complaints against senior executives directly to the Labor Directorate or the inability to conduct admissibility reviews to dismiss inconsistent complaints, could be adjusted. Finally, Law No. 21.719 and Decree 44 present compliance challenges. High standards for biometric data use and active union participation in risk management are currently required. It is foreseeable that new authorities will adjust consent criteria for data processing and define dialogue spaces more precisely, ensuring that employer protection duties do not result in loss of control over production processes.



05.

### ***Publication of Amendments to the Inclusion Law Regulation***

Amendments to the Inclusion Law Regulation are expected this year under Law No. 21.690, requiring companies with 100 or more employees to prepare and annually communicate a Workplace Environment Protocol.

# OUR LABOR *EXPERTS*

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