

**Employments Protection Law. Covid-19. Interpretation by the
Department of Labor**

As we have already reported, due to the Covid-19 emergency, Chile implemented a special legal statute to suspend labor contracts, allowing employees to receive contributions from the Unemployment Insurance System.

During several weeks, it was not clear if during the suspension period, companies were allowed to grant benefits or complements to employees, to diminish the impact arising from lower incomes coming from the Unemployment Insurance.

On June 22, 2020, the Department of Labor issued a Statement, interpreting the above, establishing that it is legally appropriate that during periods of suspension of employment contracts, either because of a mandatory quarantine or by temporary suspension agreements, the employer provides benefits to the suspended employees, in order to contribute to supplementing the amounts not covered by the Unemployment Insurance.

This ruling is a relevant interpretation tool. However, it is important to set forth that any Department of Labor interpretation is not binding on Courts, which would rule on a case by case basis, according to the context and situation of the corresponding company.

Ricardo Tisi
rtisi@cariola.cl