

Perspectives for Mexico in 2025

The year 2024 marked a turning point in Mexico's history, with significant changes in the political and social landscape. Claudia Sheinbaum was elected as the country's first female president, a historic milestone. Her election, along with the commitments made during her campaign, promises to drive profound legislative reforms for Mexico's citizens and social policies.

Additionally, her party, MORENA, along with its allies, managed to secure a qualified majority in both chambers of Congress. This grants them the ability to pass reforms swiftly and without the need for extensive negotiations, potentially accelerating changes in the country's legislative agenda.

Challenges and Opportunities for 2025

The year 2025 is shaping up to be one filled with challenges and critical decisions for Mexico. Among the priorities is the **implementation of the judicial reform**, which will transform how judges, magistrates, and Supreme Court justices are selected, introducing popular vote as the selection mechanism.

On the other hand, Mexico must confront structural issues such as the **rise in insecurity rates** and **migration challenges** at both the northern and southern borders. Additionally, the **renegotiation of the United States-Mexico-Canada Agreement (USMCA)** is approaching.

I- Adopted Reforms

A. Constitutional Reform for Gender Equality

This reform amended seven articles of the Political Constitution and seven secondary laws. It incorporates into the Constitution the obligation of the state to guarantee the enjoyment and exercise of the right to substantive equality for women.

No new obligations were added for companies, which must continue ensuring equal pay between men and women. However, emphasis has been placed on the need to implement actions to eliminate unequal pay practices.



B. Reform on Adoption

Employees who adopt a child will be entitled to the maternity and paternity leave provided by law.

C. The "Chair Law"

On December 18, 2024, a reform to the Federal Labor Law known as the "Chair Law" was published. It focuses on guaranteeing the right to rest during the workday and promoting the health and well-being of employees. Key provisions include:

- **Mandatory seating**: Employers must provide chairs with backrests for all employees to use during their tasks or for periodic breaks during the workday.
- **Prohibition of standing-only shifts**: Employers cannot require employees to remain standing throughout their entire workday or prohibit periodic seating while performing their duties.
- **Update to Internal Work Regulations (RIT)**: These regulations must include rules ensuring employees' right to use chairs with backrests during the workday.

This reform will take effect in June 2025.

D. Increase in Minimum Wage

As of January 1, 2025, the general minimum wage has increased from \$248.93 MXN to **\$278.80 MXN** per day. The government's objective is to gradually and annually raise the minimum wage to the equivalent of 2.5 basic food baskets, as it currently corresponds to 1.6 basic food baskets (1 basic food basket is approximately \$888.00 MXN).

E. Reform Regulating Telework

On January 12, 2025, the reform on telework and home office came into effect, establishing rights and obligations for both workers and employers. These provisions apply to labor relationships where more than 40% of the work is carried out at the worker's home or a location of their choice under the telework modality. For more information, we recommend our October 2023 newsletter.



II- Potencial Reforms Ahead

A. Reform to Reduce Working Hours

Under the new administration of President Claudia Sheinbaum, Mexico is modernizing and aligning itself with international labor standards. A proposal seeks to reduce the standard workweek as follows: from 48 to 40 hours for daytime shifts, from 45 to 37.5 hours for mixed shifts, and from 42 to 35 hours for nighttime shifts.

This change has significant implications due to the recent reform to the Law to Prevent Human Trafficking, published in June 2024. This reform establishes that exceeding the legal limits of working hours is considered labor exploitation and, therefore, constitutes a criminal offense. In this context, by 2025, companies must implement rigorous measures to avoid exceeding the allowed overtime limits.

B. Reform to Increase the Year-End Bonus

Currently, employees are entitled to 15 days of salary, but this initiative proposes raising the minimum to 30 days.

C. Reform on Hiring People with Disabilities

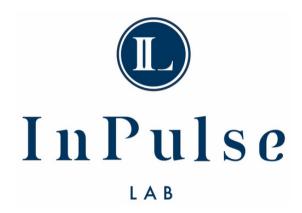
The proposal states that companies with more than 50 employees must allocate at least 5% of their workforce to individuals with disabilities. Otherwise, the employer will face penalties in the form of fines.

D. Increase in Seniority Premium

Currently, this benefit applies to employees who resign with 15 or more years of service in the company or those terminated with or without cause. It corresponds to 12 days of salary for each year worked. The proposed reform seeks to increase this benefit from 12 to 15 days of salary per year of service.

E. Increase in Paternity Leave

The proposal aims to extend paternity leave to 20 working days with full pay. This reform has been sent to the Senate for review and approval. Once approved and published in the Official Gazette of the Federation, it will come into effect. Until then, the current paternity leave remains at five working days.



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