

LEGAL NEWS

Executive Decree N° 83 of December 27, 2017 regulates Law N° 27 of May 23, 2017 by means of which the Paternity Leave was established.

Labor and Immigration

ARIFA

With deep understanding of the Panamanian labor law and its ever changing legal framework, as well as the many benefits granted under free zones and special economic zones regimes, the ARIFA labor law team is one of the main providers of legal services in this field in Panama.

Their lawyers address the needs of multinational companies and their expatriate staff in Panama on a wide range of immigration and social security issues.

By teaming with lawyers of the litigation and arbitration practice group, labor lawyers successfully represent the interests of their clients in labor disputes and claims.

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Panama, January 2018. By means of Executive Decree N° 83 of December 27, 2017, published in the Official Gazette of Friday, January 5, 2018, the law that grants paid paternity leave for private sector employees and public servants throughout the national territory is regulated.

The new Executive Decree establishes:

The employee shall be granted with a paid paternity leave of three (3) labor days, counted as effective service time. The employee is entitled to benefit from this paid paternity leave only once a year.

In order to be eligible for this benefit, the employee must declare the name and personal data of wife or cohabiting partner in his work contract or dependents data form.

If the employee finds himself on on authorised vacation, sick leave or short-term disability leave at the time of childbirth, the employer will start counting the three working days corresponding to paid paternity leave once the previous periods have ended; it being understood that the employee has complied with the formality of providing his employer with his spouse's or cohabitant's state of pregnancy and due date.

The beginning of the three-day paid leave granted by the Law will be counted from the date of childbirth. It is not left to the discretion of the employee who avails this right to change the start date.

The employee who avails this right will be required to submit to his employer, after the birth of his child, a Certificate of Parentage, issued by the National Civil Registry Directorate, at the time he returns to his job.

Employee's remuneration under the new Law

Monday to Friday (Employees on a 5-day work week)	In private companies or public entities, with the understanding that the worker's rest day is considered non-working day.
Monday to Sunday (Employees on a 7-day work week)	In private companies or public entities working 7 days a week, with the understanding that the worker's rest day in lieu for working on Sunday is considered non-working day.
To this effect, Public Holidays or days of National Mourning as provided in the Labor Code or decreed by the local Government, are also considered non-working days. The employer will begin to calculate the paternity leave days the next working business day.	

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