

Compensation and benefits are arguably the two most critical areas for your employees. You'll need to meet or exceed the statutory minimums if you want to bring in the best talent. Plus, if you are found noncompliant, you could face fines or even a business shutdown.

Globalization Partners simplifies the process with our Peru compensation and benefit outsourcing services. We hire employees on your behalf and add them to our payroll, so they get paid the correct amount at the right time. Our Peru benefit management service helps source the best benefits for your employees and dole them out as necessary.

## **Peru Compensation Laws**

In 2018, Peru's compensation laws outlined a minimum wage of 930 Peruvian soles per month, which is currently approximately \$284 in US currency. Employees are allowed to work a maximum of six days per week at either eight hours a day or 48 hours per week. Employers must provide a minimum 45-minute lunch break.

If employees work over these hours, they could be subject to overtime. The first two hours of overtime must be at least 25% of the employee's total remuneration. For every hour afterward, the surcharge cannot be less than 35% an hour.

Guaranteed bonuses are another part of Peru compensation laws. Employees generally get two bonuses — one in July and one in December — that equal one month of salary. They are also entitled to receive an extraordinary bonus of 9% of those two bonuses.

One bonus unique to Peru is the Compensation for Length of Services (CTS). This benefit usually equals 1.16 of an employee's monthly salary. Employers typically pay half in May and half in November. Employers with more than 20 employees have to share profits among those employees.

## **Guaranteed Benefits**

As part of your Peru benefit management plan, you'll need to give guaranteed benefits to all your employees. Start by determining the amount of paid time off to provide. Peru has 12 national holidays, but employees receive 13 paid days off for these holidays since Peruvian Independence Day is a two-day holiday. Employees typically get one month of paid leave each year, but you can offer more time off depending on the employee's position.

Employers must provide maternity and paternity leave based on the statutory minimums. Female employees receive 14 total weeks of paid leave, during which time they can take seven weeks off before birth and seven after. Fathers get 10 consecutive days of paternity leave.

## **Peru Benefit Management**

It's best to build in additional benefits to your Peru benefit management solution. While the law may not require these benefits, employees may expect them when they work for your company. In Peru, employers often provide supplemental health insurance and life insurance after an employee completes four years of service.

## **Benefits and Compensation Restrictions**

Although not common in Peru, keep in mind trade unions or collective bargaining agreements (CBAs) could stipulate different compensation or benefits laws. Any additional requirements and restrictions need to be included in the written employment contract to ensure you and the employee understand the terms of employment.

## **Partner With Globalization Partners**

When you need Peru benefit or compensation outsourcing services, Globalization Partners can help. Contact us today to learn more about our services.