

National Free Zone Council



MAIN LABOR ASPECTS IN THE FREE ZONE SECTOR

**SANTO DOMINGO, DOMINICAN REPUBLIC
STATISTIC AND COMMERCIAL INFORMATION DEPARTMENT**

LABOR ASPECTCS IN THE FREE ZONE

A. LAW 8-90

The Law 8-90, who rules and promotes the establishment of enterprises and free zone parks, establish in the Chapter 10 and articles, among others, the following:

In **Article 41**, the law establish: "The Operators and the enterprises installed in the Free Zone under the protection of this Law, should obey all the laws, rules and current dispositions of the Work Code and labor laws. Likewise should satisfy the established duties drawn by the Social Insurance Law, Law No. 116 which creates the National Institute for Technical Professional Education (INFOTEP), the international agreements subscribed and rectify by the Dominican government and the Sanitary Laws for the industrial infrastructures.

Article 42 establish: the minimum salary for the apprentices under the Work Code will be applicable to the Free Zones in the following way:

- a) By three (3) months in most of the free zones;
- b) By six (6) months in the Free Zones located in the borders of the country.

Article 43: If a worker is dismiss after the period of his/her apprentices, and subsequently hired by the same enterprise, he/she will not be able to qualify again as an apprentice, and if he/she has partially done the apprenticeship, only will be able to qualify as it, by the time of completion the above mentioned enterprise in each case.

Article 44: The Operators and Free Zone Enterprises which decides to end their operations in the country, should notify with three (3) months prior to the Free Zone National Council and the Council will reveal it for the appropriated matters to: Central Bank of the Dominican Republic, State Secretaries of Finances, of Industries and Commerce and Work, National Institute of Social Insurance and General Custom Direction.

B. MIMIMUN WAGE AND MARGINAL BENEFITS

Under of the special dispositions for the Free Zone is the appointment of the minimum wage to pay, which is determined by National Wage Committee.

The last wage arrangement for the Free Zone Sector was done by Resolution No. 1-2001 and ratified by Resolution 5-2001 of March 5, 2001 by such Committee. This Resolution establish as a minimum salary the amount of RD\$2,490.00 in a monthly base = US\$150.00 (at the rate of RD\$1.00 = US\$16.66)

MIMIMAL WAGE

MONTHLY:	RD\$2,490.00	= US\$150.00
WEEKLY:	RD\$574.70	= US\$35.00
PER HOUR:	RD\$13.06	= US\$0.78

The Work Code has drawn the following in respect to the marginal benefits and other labor costs.

TOTAL OF WEEKLY WORKED HOURS

44 HOURS

EXTRA HOURS PAYMENT

- More than 44 hours 35% of the basis salary
- More than 68 hours 100% of increase
- Night work 15% over the established salary for the Daily Work, for the work executed from 7:00 A.M. to 6:00 P.M.

HOLIDAYS

The employees with one year and no more than five years of services: **14 days of ordinary salary**

The employees with more than five years of services: **18 days of ordinary salary**

Holidays and weekends will not be counted.

In the event of the end of the work of the employee, the holidays will be calculated in the following way:

- Five months of services six days
- More than six months Seven days
- More than seven months Eight days

- In respect of dismiss, the woman can not be remove of her employment for the reason of pregnancy. All dismiss by this fact is voided.
- The prenatal and postnatal brake will never be less than 12 weeks.
- If the worker requires the concession off heir holidays, immediately after of the postnatal brake, the employer is not obligated to consent to this solicitude.
- In addition she has during the first year of the birth of the child, the worker will be able to have a partial day off each month, at her discretion, to take the child to the pediatrician.

INFOTEP

The enterprises will pay by month 1% of the total amount of the ordinary salaries paid to their permanent staff. This obligation is for the free zone enterprises in the Article 41 of Law 8-90.

C. MINIMUM WAGE

MINIMUM SALARY:	RD\$2,490.00
SOCIAL SECURITY:	RD\$ 174.30
INFOTEP (1%):	RD\$ 24.90
ACCIDENTAL INSURANCE (2.5%):	RD\$ 62.25

MINIMAL MONTHLY COST PER WORKER: \$2,751.45

D. LABOR OBLIGATIONS

Under Law 8-90 the Free Zone enterprises are subject almost to all labor and social security dispositions of the Dominican Republic that rules, among others, work contract matters, labor conditions, unions, economical conflicts, strikes and salaries and marginal benefits.

The Work Code and the Bylaws No. 7676, establish the obligatory use of the following labor forms for all enterprises executing operations in the country, these are:

- a) Schedule of work and holidays poster (Form. DGT-3), which shows the hours from the beginning to he end of the journey of each worker, intermediate periods of brakes during the day and weekly days off, as the holidays period of each worker. The form is for sale in the State Secretary of Labor and Industry and, should be called by the enterprise within fifteen (15) first days of January of each year or the beginning of the operations of the enterprise and send it to the Labor Department of such Secretary to be sealed, and the Secretary will return one of the forms duly sealed to be affixed in a visible place in the enterprise.

- b) Extraordinary hours poster (Form. DGT-2): Is for sale in the Labor State Secretary , and should be filled in two originals and send it each month to the Labor Department of such Secretary, reporting the numbers of extra worked hours by the employee during that month. The department will return one of the originals duly sealed to be posted in a visible place in the enterprise.
- c) Payroll of the Fixed Staff (Form DGT-3). Is for sale in the Labor State Secretary. This form should be filled in two originals and send it to the Work Department of such Secretary in the first fifteen (15) days of the month of January of each year, or the first fifteen days of the beginning of the operation of the enterprise, which will return one of the originals, duly sealed to be posted in a visible place in the enterprise.
- d) Visitors Book (Form DGT-8). Is for sale in the Work State Secretary and has a file to be filled by the employer and to return to the National Director of Inspection of such secretary in a period of time of 72 hours after the acquisition the correspondent book.

There are some particularities of the labor regime established in the Law 8-90 that should be remarked:

- i) There is a particular regime for the apprenticeship in the free zones.
- ii) The free zone operators and enterprises are free of payments of the annual participation of the workers in the 10% of the enterprise benefits, usually established by the regular Dominican labor laws.
- iii) In the event of closing of the activities of the free zone parks and enterprises they should notify to the Free Zone Council and the labor authorities, at least with three (3) months before, to assure the execution of the workers rights for the compensation payments.



Member,
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Interpreters & Translators

Jethel Fiallo Pellerano
Intérprete Judicial

I hereby, Jethel María Fiallo Pellerano, Dominican citizen, of age, married, with Identification and electoral card number 001-0196326-2, Judiciary Interpreter of the First Instance Court of the National District, duly sworn, with registered number 17350 of date 10/13/1992.

CERTIFY that the precedent document, **Main Labor Aspects in the Free Zone**, originally written in Spanish and translated to English, to the best of my knowledge and belief, has faith in accordance with the original and nothing was omitted. In Santiago de los Caballeros, Dominican Republic, on this fourth (4) day of the month of May of the year two thousand one (2001).-----

Jethel Fiallo Pellerano



