



New minimum wage increase that will apply in the Republic of Panama for the next two years.



By means of **Decree No.1 of 10 January 2024** (the “Decree”), the new minimum wage rates per hour are set throughout the national territory, according to the economic activity, occupation and the size of companies.

The minimum wage is defined as the lowest amount of money that the employer must pay the employee, set per unit of time, for the region, activity or profession in question. The monthly wage that each employee must receive, will depend on the number of hours per week that has been agreed in the employment contract.

It should be noted that, we are not facing a general wage increase, but rather aimed at those employees who receive minimum wages, or whose current rate is below the new minimum wage due to such increase.

The Decree will result in an increase based on the following percentages:

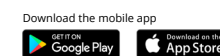
- 4.5% for small businesses
- 6.0% for large companies
- 7.0% for companies in the banana sector

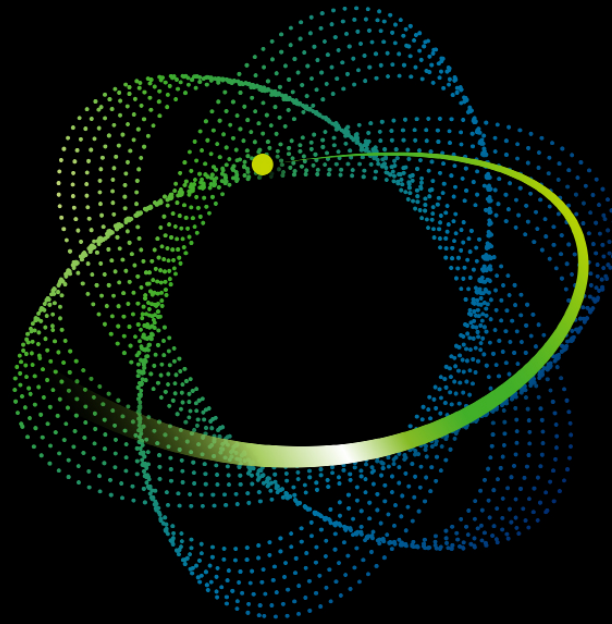
No changes were made in connection with the classification of the country's districts, Region 1 and Region 2. In addition, it is worth mentioning that, some activities have the same rate applicable to both regions.

The specific rate per hour, corresponding to each activity, profession and region can be verified at the following official link:

https://www.gacetaoficial.gob.pa/pdfTemp/29946_A/102409.pdf

Global news, local views
Deloitte tax@hand newsfeed





Contacts

Michelle Martinelli

Partner Tax & Legal
mmartinelli@deloitte.com

Juan Fábrega

Senior Manager Legal
jufabrega@deloitte.com

Eira Herrera de Bello

Director Tax & Legal
eiherrera@deloitte.com

Yira Cobos

Partner Tax
ycobos@deloitte.com

Desiree Esáa

Partner Tax & Foreign Trade
desaa@deloitte.com



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms, and their societies affiliated to a member firm (hereinafter “Related Entities”) (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and Related Entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and Related Entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society, and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 457,000 people worldwide make an impact that matters at www.deloitte.com.

As used in this document, “Deloitte S-LATAM, S.C.” is the member firm of Deloitte and comprises three Marketplaces: Mexico-Central America, Southern Cone and Andean Region. It is comprised of several, separate and independent Related Entities, which have the exclusive legal right to engage in, and limit their business to, providing auditing, consulting, tax consultancy, legal, risk and financial advisory and other professional services, under the name “Deloitte”.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their Related Entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, Related Entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their Related Entities, are legally separate and independent entities.