



Tax Newsletter

Timely news and information on national tax issues

Relevant payroll aspects for compliance by private entities with the Special Law on the Inclusion of People with Disabilities

The “*Special Law on the Inclusion of People with Disabilities*” (LEIPD per its Spanish acronym) has been in effect since 01 January 2021. Its purpose is to recognize, protect and guarantee for people with disabilities the full exercise and enjoyment of their rights under equal conditions.

Article 2 of the cited law establishes that the inclusion in society of people with disabilities, as well as their participation under equal conditions and opportunities for the exercise of their rights and fulfillment of their duties is declared to be of public interest.

Based on the above, following we present the general aspects for private entities to consider for compliance with the LEIPD:

1. Scope of application

The LEIPD is applicable for the benefit of all people with disabilities in the Salvadorian territory (Art.3 LEIPD).

2. Parties subject to compliance

The parties obligated to comply with and enforce the provisions of the LEIPD are as follows (Art.5 LEIPD):

- Public institutions;
- Public officials and employees;
- **Private entities.**

3. Obligation to hire people with disabilities

Article 63 of Chapter X “*Work and Employment*” of the LEIPD establishes that:

“All private employers have the obligation to hire at a minimum one person with disabilities for every twenty

workers they have at their service, ensuring decent work and gender equality in their hiring. In the case of companies that have less than twenty workers, they shall be exempt from this obligation (...)”.

This provision is applied to the general employee payroll of the hiring private companies or public institutions.

The hiring of people with disabilities should be demonstrated by the employer through the National Registry of People with Disabilities or through the Identification Card for Persons with Disabilities.

It is worth mentioning that article 63 of the LEIPD also establishes that when contracting companies or institutions do not have any applicants for a position, the Ministry of Labor and Social Welfare and the National Council for the Inclusion of People with Disabilities (CONAIPD per its Spanish acronym) shall send candidates that meet the established profile, and if there are no such candidates, the Ministry of Labor and Social Welfare will issue a certification establishing that at the time of the request, there were no applicants in the respective registry that meet the required profile.

It is also important to mention that, in accordance with article 64 of the LEIPD, all individuals or legal entities that due to their line of business or economic activity are unable to meet the quota for the hiring of people with disabilities established in this law, upon previous qualification determined by the Ministry of Labor and Social Welfare, shall be obligated to contribute an amount equivalent to the monthly minimum wage in effect for the commercial and services sector for the number of employees that should have been hired as **student scholarships**. This same obligation is applicable to those employers that have been exempted from the hiring of people with disabilities because they did not find a candidate with the suitable profile performing the work.

Such contribution should be channeled through the Ministry of Education, Science and Technology in order to be used in the financing of student scholarships and technical and vocational training programs for people with disabilities.

4. Tax incentives

Article 99 of the LEIPD establishes that all individuals or legal entities that comply with that established in the LEIPD with respect to the hiring quota stipulated in article 63 of such law, may deduct from the income tax all investments focused on the implementation of reasonable accommodations and universal design, for the optimal performance of the people with disabilities hired.

Notwithstanding the above, according to article 102 of the LEIPD, in order to make use of the tax incentives mentioned in the law, the beneficiary (whether an individual or legal entity) cannot have been penalized for any of the violations included in the cited law during the corresponding tax period.

5. Violations and penalties

The LEIPD classifies the violations as minor, serious and very serious.

Not meeting the quota for hiring people with disabilities is considered as a *“Very Serious Violation,”* with a penalty of 7 to 9 monthly minimum wages of the commercial and services sector, in accordance with article 127 letter h) of Chapter XVIII *“Sanctioning Tribunal, Violations and Procedure”* of the LEIPD.

It is important to mention that article 136 of the LEIPD establishes that despite the fact that the law would go into effect on 01 January 2021, Chapter XVIII *“Sanctioning Tribunal, Violations and Procedure,”* would not go into effect until 01 January 2022, that is, one year after the effective date of the LEIPD.

6. Recent provisions instituted by the Ministry of Labor and Social Welfare

Due to the fact that Chapter XVIII *“Sanctioning Tribunal, Violations and Procedure”* went into effect as of 01 January 2022, during this month of February 2022, the authorities of the Ministry of Labor and Social Welfare announced the *“Job Placement Program to benefit people with disabilities,”* which involves performing inspections focused on verifying

proper compliance with the LEIPD law by the parties subject to it.

Based on the above, it is expected that during the first months of the year 2022, personnel of the Ministry of Labor and Social Welfare will visit companies across the country, verifying compliance with the quota for the hiring of people with disabilities, established in article 63 of the LEIPD. In this respect, individuals and legal entities that have a payroll with 20 or more employees are urged to ensure their proper compliance with the quota for the hiring of people with disabilities, otherwise, if inspected by personnel of the Labor Ministry, they would be subject to the penalty indicated in this document.

BPS Senior Manager

haguirre@deloitte.com



Ghendrex García

Tax and BPS Partner

ggarciaq@deloitte.com



Tax Calendar

February 2022

The updated 2022 tax calendar is now available on the Tax Administration's website, which includes public holidays and deadlines for all tax obligations.

D	L	M	M	J	V	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					



Download the 2022
Obligations Calendar

February 14

VAT

Declaration and payment of the Tax on the Transfer of Movable Goods and the Rendering of Services (F-07).

Financial Income and Transactions

Monthly declaration of Payment on Account, and Tax Withheld on Income, Financial Transactions, and the Special Contribution for Citizen Security and Coexistence (F-14).

Specific and Ad Valorem Taxes

Declaration and payment of Specific Taxes, Ad Valorem Taxes and Special Contribution (F-06).

Other Obligations

- Report on Donations (F-960)

- Report on Specific and Ad Valorem Taxes on Producers and Importers of Alcoholic Beverages, Potable Ethyl Alcohol and Beer, Carbonated Beverages, Isotonic Beverages, Fortified Beverages or Energy Drinks, Juices, Nectars, Soft Drinks and Concentrated or Powder Mixtures for the Preparation of Drinks (F-955).
- Report on Specific and Ad Valorem Taxes on Producers and Importers of Firearms, Ammunitions, Explosives and Similar Items, Producers of Tobacco and Producers, Importers and those that clear fuels through customs (F-988)
- Monthly Report of Sales to Producers, Distributors or Retailers of Tobacco and Tobacco Products (F-956)

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VAT

Monthly Report on Withholdings, Collections, or Payments on Account of VAT (F-930).

Printing Presses

Monthly Report on Documents Printed for Taxpayers Registered under the VAT (F-945)

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Other Obligations

- Annual Report on Sales to Users of Ethyl, Methyl, Isopropyl and Butyl Alcohol and of Sales to Distributors or Intermediaries of Alcoholic Beverages (F-957).

- Report of Financial Institutions, Non-Banking Financial Intermediaries and any other Public or Private Entity, Report on figures reflected in the Profit and Loss Statement or in the Statement of Income, Costs, and Expenses of Loan, Credit or Financing Applicants (F-972).
- Inventory Report (F-983).
- Tax Opinion and Report under the Tax Code on companies that registered in the CNR the respective Dissolution Agreement in the 2021 period, and Tax Opinion and Report that corresponds to the First Tax Opinion and Report under the Tax Code on companies that made merger agreements and that corresponds to the First Opinion and subsequent ones regarding such process. (F-455)

Contacts

Federico Paz
Tax Partner
fepaz@deloitte.com

Ghendrex García
Tax and BPS Partner
ggarciaq@deloitte.com

Mario Coyoy
Transfer Pricing Partner
mcoyoy@deloitte.com

Henry Aguirre
BPS Senior Manager
haguirre@deloitte.com

Cosette Fuentes
Legal Services Manager
cg.fuentes@deloitte.com

Jhonny Flores
Tax Consulting Manager
jflores@deloitte.com

Alvaro Miranda
Transfer Pricing Manager
ajmiranda@deloitte.com

Wilmer García
Transfer Pricing Manager
wsgarcia@deloitte.com

Bryan Antillón
Transfer Pricing Manager
bantillon@deloitte.com

Cristina Hernández
Tax Manager
roshernandez@deloitte.com

Global news, local views
Deloitte tax@hand newsfeed

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