

## Decree-Law on socialist food tickets for workers



**Decree-Law on socialist food tickets for workers** (hereinafter referred to as “LCSTT”, for its acronym in Spanish), which provides for food benefit types, terms and amounts, was published in Official Gazette number 40773 dated Friday October 23, 2015, by means of Presidential Decree number 2066.

### Effective Date

The LCSTT is effective from the date of its publication in Official Gazette, i.e., October 23, 2015.

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### Different ways to grant the food benefit

Article 4 of the LCSTT establishes that companies may grant the food benefit by any of the following means:

- Canteens at the company's facilities operated either by the company itself or by third parties.
- Food services.
- Canteens.

- Food coupons or tickets.
- Electronic food cards.

### Value of coupons, tickets or electronic food cards

Article 7 of the LCSTT establishes a minimum amount for the food benefit equivalent to ONE AND A HALF TAX UNIT (1.5 T.U) daily, on a 30-day basis, where the worker will receive an amount equivalent to FORTY-FIVE TAX UNITS (45 T.U), as a maximum.

Therefore, based on the current value of the tax unit (Bs. 150), the minimum daily amount for food benefit is Bs. 225, which represents a monthly amount of Bs. 6,750 for each worker.

Employers have a right to make discounts from that amount for any day the worker will be absent from work without justification; the amount to be discounted shall be the daily value of the food benefit per each absence.

The National Government may modify the amounts payable for food benefit based on social interest reasons.

Article 7 derogates the limit set forth in the workers food law not to exceed 40% of the wage of each worker, and eliminates the provision of paying the daily food benefit for each business working day only.

### Non-wage nature of the food benefit

In accordance with the LCSTT and the Organic Labor Law (hereinafter referred-to as the "LOTTT", for its acronym in Spanish), the food benefit is not an integral part of wage; therefore, it shall have no impact on severance indemnities or other labor benefits, unless the employer and the employee will reach an agreement to grant it a wage nature.

### Formalities for coupons, tickets or electronic food cards

Coupons, tickets or electronic food cards shall expressly include the following information:

- The phrase "CESTATICKET SOCIALISTA" (socialist food ticket)
- Corporate name of the company granting the benefit.
- A statement indicating the non-transferable nature of the ticket, which shall be exclusively used to pay for food. The statement shall also indicate that the total or partial trading of the ticket in exchange for money or other goods or services is prohibited and punished by the law. (In Spanish: "*Este cestaticket es intransferible y está destinado exclusivamente al pago de alimentos. Está prohibida y sancionada por la Ley su negociación total o parcial por dinero y otros bienes o servicios*").
- Name of worker.
- Corporate name of the benefit administration company.

### Payment of the food benefit in cash

The exceptional payment of the benefit in cash shall be allowed as a way to grant the food benefit only in the following cases:

- (I) **The employer has less than 20 workers** and finds the different ways to grant the benefit established above highly expensive.
- (II) **The employer has no access to establishments affiliated to** the food benefit.
- (III) If the worker receives the benefit other than through coupons, tickets or electronic food cards, he/she may receive the benefit in cash during vacations, prenatal and postnatal rest, paternity leave, or in case of illness or accident for periods not exceeding 12 months.

For cases I and II above, the company shall notify the Labor Inspectorate of the payment of the benefit in cash within the following 5 business days.

## Infractions and fines

**Infractions by workers:** Workers using the food benefit to obtain money or to pay goods or services other than food shall be fined 200 % of the amount in cash, good or service obtained.

**Infractions by employers:** Companies charging amounts to workers for expenses relating to the issuance of coupons, tickets or electronic food cards, or delaying the delivery of those instruments, shall be fined an amount ranging between 100 and 200 Tax Units.

**Infractions by food sales establishments:** A fine ranging between 100 and 200 Tax Units shall be applied for charging to workers discounts on the value of coupon or ticket or over the amount paid with electronic food cards, as well as for using coupons, tickets or electronic food card use vouchers received from beneficiaries by food sales establishments for purposes other than direct reimbursement by the entity that issues these instruments.

**Infractions by specialized establishments:** A fine ranging between 100 and 200 Tax Units shall be applied for charging to workers the cost of issuance of coupons, tickets or electronic food cards or the cost of replacement of those instruments in case of loss or expiration.

**Fine for non-compliance:** Companies failing to grant the food benefit shall be fined between 10 and 50 Tax Units per each worker affected.

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