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Global Tax Alert

News from EY Americas Tax

Panama's Ministry of Labor and Workforce Development issues regulations with temporary actions to stem the spread of COVID-19 in the workplace

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In light of the national emergency due to the COVID-19 pandemic, Panama's Ministry of Labor and Workforce Development has issued regulations with temporary actions to prevent further spread of the virus in workspaces.

The actions must be applied immediately and must continue until the Executive Branch lifts the national emergency.

Public sector regulations

The regulations require officials over 60 years of age or with chronic illnesses to be sent home with early vacations, compensatory time or special permits, as they are people at higher risk.

Officials diagnosed with coronavirus or in epidemiological surveillance must present to the Social Security Administration a certificate from the Health Authority indicating that they are incapacitated for the length of the recovery time or preventive surveillance.

The regulations also require the implementation of teleworking for officials who, given the nature of their responsibilities, can work from home as established in Law 126 of 2020, which regulates teleworking in Panama. Additionally, the regulations establish that occupational health, safety and hygiene committees must be formed to determine safe ways of working in the offices. The new rules will apply to those who, due to the nature of their work, must be physically on the premises.

Private sector regulations

The regulations establish that occupational hygiene, health, and safety committees must be formed by workers and employers who will carry out the hygiene plan in the workplace in accordance with their job functions.

The regulations also require telework for functions that do not require an employee to be physically in the office. Law 126 establishes the procedures and responsibilities of each party in the employment relationship.

Additionally, the regulations authorize the use of accumulated or advanced vacation time, and compensatory time so that workers over 60 years old or those with chronic diseases do not have to be at work. Employees with COVID-19 and those under epidemiological surveillance for COVID-19 will receive a certificate from the Health Authority indicating the amount of time they need to recover. The Social Security Administration will process claims for incapacity due to recovery time or preventative surveillance.

The regulations authorize the Ministry of Labor and Workforce Development, the Ministry of Health, and representatives of workers and employers to work together to establish the necessary hygiene, health and safety protocols that must be implemented for the three main sectors of Panama's economy.

The regulations allow working hours to be reduced, if necessary, in accordance with the provisions of Article 159 of the Labor Code and its regulatory legislation (i.e., Executive Decree 171 of 13 March 2020).

The regulations also require companies, in agreement with their workers, to duly formalize any of the measures described in the regulations.

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