

Mexico's Minimum Wage Increase for 2025

By: Pablo Sáenz y Santiago González

Article 123, Section A, Paragraph VI of the Mexico Constitution establishes the basis for Mexico's federal minimum daily wage.

The Council of Representatives of the National Commission on Minimum Wages (CONASAMI) unanimously approved a 12% increase in the general daily minimum wage, effective as of January 1, 2025. With this adjustment, the daily minimum wage for the "General Minimum Wage Zone" (ZSMG) will go from \$248.93 to \$278.80 pesos per day. As for the Northern Border Free Zone (ZLFN), the increase will be from \$374.89 to \$419.88 pesos per day. In addition, professional daily minimum wages, which cover 61 professions, trades and special jobs, will also have a 12% increase.

The increase in the daily minimum wage is not only based on a percentage adjustment, but rather it is set based on: (i) the minimum wage in force in 2024; plus (ii) the sum of the Independent Recovery Amount (MIR), intended to recover the lost purchasing power; plus (iii) an additional 6.5%. These adjustments are part of a broader initiative that seeks to sustain the purchasing power of Mexican employees.

Under Mexico's Federal Labor Law ("LFT"), paying less than the established daily minimum wage can lead to significant penalties, including fines, and, in extreme cases, incarceration, as stipulated in Article 1004 of the LFT.

Companies must timely comply with the new salary framework. As a first step, it is essential to review and adjust salaries not only for those who earn the minimum wage, but also for those whose salaries are based on the minimum wage.

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The Decree also includes a modification to the IMMEX Decree, in order to include within Annex I "Goods that cannot be temporarily imported under this Decree" various tariff fractions of chapters 61, 62, 63 and 94 (in this last case only tariff fractions 9404.40.01 and 9404.90.99) of the General Import and Export Tax Law.

These modifications have the effect that the goods added in Annex I of the IMMEX Decree classified in the aforementioned chapters may not be temporarily imported under an IMMEX Program.

It is important to note that this Decree will enter into force the day after its publication, meaning December 20, 2024, so IMMEX companies must consider the effects that this Decree may have on the development of their daily operations. CCN is at your disposition in case you have any questions regarding the changes described here.