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Progress on Mexico's workweek reduction Labor Reform

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Six months have passed since the constitutional reform on the reduction of the workweek in Mexico entered into force (the "Reform"), and four months since the corresponding amendments to the Mexican Federal Labor Law were enacted. This stage provides an appropriate opportunity for clients to evaluate the Reform's initial effects. This includes reviewing the measures implemented, assessing the costs and challenges encountered, and identifying the actions that remain necessary to achieve an effective and sustainable implementation of this major change to Mexican labor law.

In short, the general terms of the Reform include:

a) Gradual reduction of the current maximum working week by two hours per year, beginning in 2027, until reaching a maximum of 40 hours per week for any shift in 2030.
b) Beginning in 2028, a gradual annual increase of one hour to the current 9-hour limit on overtime, until reaching a maximum of 12 hours in 2030.
c) As of May 1, 2026, the extension of overtime (triple-paid overtime hours) is limited to 4 hours per week; previously, there was no such limit.
d) As of May 1, 2026, the combined regular and overtime working hours may not exceed 12 hours per day.
e) Individuals under 18 years of age may not work overtime.
f) The reduction of the workweek may not result in a reduction of wages.
g) Employers are required to electronically record each employee's working hours, including starting and ending times, Mexico's Department of Labor and Social Welfare ("STPS") has not yet issued the rules applicable to such records.
h) The workweek continues to consist of 6 working days and 1 day of rest.
i) Payments for overtime will be considered part of wages; and
j) A second paragraph has been added to Article 58 of the Mexican Federal Labor Law, establishing that working hours "may be distributed by mutual agreement between employers and employees."

Based on the foregoing, the main Business Challenges are as follows:

a) Economic Sustainability. Maintaining productivity with fewer working hours, without reducing wages or benefits, while assuming additional payroll, timekeeping system, and other related costs.
b) Operational Adjustment / Updating. Redesigning work organization and restructuring working hours and shifts.
c) Effective Communication / Social Dialogue. Managing employee expectations and strengthening individual and collective communication.

At CCN, we are prepared to support our clients at every stage of this Reform: assessing its economic, operational, and financial impact; identifying the necessary adjustments to ensure efficient and sustainable implementation; promoting ongoing communication with leaders across different areas and, where applicable, union representatives, to strengthen dialogue with employees; and providing support in updating employment documentation, internal policies, and procedures to ensure regulatory compliance and business continuity.