

Employment & Labour Law 2026

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Some relevant modifications in Chilean labour law

Abstract

The purpose of this chapter is to highlight that in recent years a significant number of labour laws have been passed in Chile, and to emphasise among them some that have had a significant impact on working conditions, particularly the reduction of working hours and the aim of reconciling work obligations with the private life of workers.

Keywords

Some keywords are: harassment; work–life balance; family; working hours; minimum wage; and violence.

Introduction

This chapter examines a series of labour laws covering various matters that have been enacted in Chile. Among these, and of particular importance, are Laws No. 21,561, No. 21,578, No. 21,643, and No. 21,645,¹ which have gradually reduced the length of the working day, increased the minimum monthly wage, established regulations to prevent and punish workplace harassment, sexual harassment, and violence, and sought to reconcile the work, family, and personal lives of workers.

Presentation

Between 2022 and 2025, a relatively short period, several laws have come into effect that affect different aspects of the lives and activities of workers, such as: the creation of an extraordinary winter bonus and the extension of parental postnatal leave (Law No. 21,474); the establishment of the National Day of Health Workers (Law No. 21,475); the establishment of regulations for the transportation of workers in the event of elections and plebiscites (Law No. 21,476); the regulation of remote work for pregnant women (Law No. 21,498); the temporary extension of parental postnatal leave (Law No. 21,510); the readjustment of salaries for the public sector (Law No. 21,526); regulations on rest periods for health workers (Law No. 21,530); the creation of the universal guaranteed pension (Law No. 21,538); the regulation of leave in case of death of the worker and/or family members (Law No. 21,441); and economic insurance measures for the most vulnerable people and family groups in the country (Law No. 21,550).

Among the set of laws enacted during this time, apart from those already mentioned, we are interested in highlighting, due to their impact on the relationship between workers and employers, Laws No. 21,561, No. 21,578, No. 21,643 and No. 21,645, which: gradually reduce the working day; increase the minimum monthly income (MMI); establish rules to prevent and punish workplace harassment, sexual harassment and violence at work; and establish rules on reconciling the work, family and personal life of workers, respectively.

I. Law No. 21,561, published in the Official Gazette on April 26, 2023, known as the “40-Hour Law”, gradually reduces the workweek in Chile from 45 to 40 hours over a five-year period, beginning April 26, 2024. The first stage reduces it from 45 to 44 hours per week, to 42 hours per week in April 2026, and to 40 hours per week from April 2028.

This law aligns with the trend among developed Organisation for Economic Co-operation and Development (OECD) countries towards shorter work weeks of less than 40 hours,² seeking to balance working hours with longer rest periods for workers.

In addition to establishing the gradual reduction of the workweek, it introduces other modifications that allow for the compensation of overtime with time off: flexible work schedules for working mothers and/or fathers who have custody of children up to 12 years old; part-time work for those who have agreed to a work schedule of no more than 30 hours per week; new measures for domestic workers; and, in particular, it expands the obligation to agree upon and comply with a daily and weekly work schedule, exempting only senior management and those who work without immediate supervision due to the nature of their duties from this obligation.

It also allows companies that choose to implement a 40-hour workweek to agree with their employees on a distribution of workdays over four days with three days off.

The law is categorical in establishing that the reduction of working hours cannot imply a decrease in the monthly salary of workers.

II. Law No. 21,578, published in the Official Gazette on September 30, 2023, adjusted the MMI and other benefits effective May 1, 2023, raising it to CLP\$440,000 for workers aged 18 to 65. This amount increased in January 2026 to CLP\$539,000 (approximately US\$596), as stipulated in Law No. 21,751, which also established a lower, differentiated minimum income for workers under 18 and over 65.

The minimum wage in Chile was established on June 3, 1970 with the signing of Convention No. 131 and Agreement No. 134 of the International Labour Organization (ILO),³ which established a minimum wage system for all salaried workers. This wage has been increased over time through various laws, primarily considering the country’s inflation.

Currently, the monthly minimum wage of CLP\$539,000 represents a significant increase compared to May 2022 when it was CLP\$380,000.⁴ This places it among the highest in South America⁵ but below OECD⁶ economies.

In this regard, minimum wages vary significantly among OECD countries. In Luxembourg, France, and Portugal, the annual minimum wage in 2023 was US\$34,024, US\$28,213, and US\$19,526, respectively, compared to Latvia, which had an annual minimum wage of US\$12,743. In Chile, the annual minimum wage was US\$10,021 in 2023.⁷

III. Law No. 21,643, published in the Official Gazette on January 15, 2024, known as the “Karin Law” amended the Labor Code and other legal instruments regarding the prevention, investigation, and punishment of workplace harassment, sexual harassment, and violence in the workplace. Specifically, it strengthened prevention, investigation, and punishment in these areas to guarantee safe work environments by incorporating mandatory preventive measures for companies, as well as measures regarding violence perpetrated by third parties.

This Law incorporates the guidelines of Convention 190 of the ILO on violence and harassment at work and establishes, as an obligation for companies and Chilean government agencies, the requirement to have

a protocol for the prevention of workplace harassment and/or sexual harassment, as well as violence in the workplace, reinforcing a preventive approach that was not included in national regulations. It also advances the improvement of investigation processes for sexual harassment and incorporates this type of conduct into the legal framework.

Similarly, it establishes that labour relations must be based on violence-free treatment, compatible with human dignity and with a gender perspective, that is, promoting the adoption of measures aimed at facilitating equality and eradicating discrimination based on the gender of people.

The Law considers, contrary to its regulation, sexual harassment to be any conduct by a person, improperly and by any means, involving unwanted sexual advances that threaten or harm the recipient's employment situation or opportunities.⁸

Workplace harassment, on the other hand, is defined as any conduct constituting aggression or harassment perpetrated by the employer or by one or more employees against another employee or employees, by any means, whether it occurs once or repeatedly, and that results in the affected employee(s) being diminished, mistreated, or humiliated, or that threatens or harms their employment situation or opportunities.⁹

Workplace violence perpetrated by third parties unrelated to the employment relationship includes conduct affecting employees in the course of providing services, by clients, suppliers, or users, among others.¹⁰

Similarly, acts of discrimination are contrary to the principles of labour laws and are defined as distinctions, exclusions, or preferences based on race, colour, sex, maternity, breastfeeding, age, marital status, union membership, religion, political opinion, nationality, national origin, socioeconomic status, language, beliefs, participation in trade unions, sexual orientation, gender identity, parentage, personal appearance, illness or disability, social origin, or any other reason, that aim to nullify or alter equality of opportunity or treatment in employment and occupation.¹¹

It is established that companies' internal regulations¹² must identify the hazards and assess the psychosocial risks associated with sexual harassment, workplace harassment, and violence in the workplace, as well as the measures to prevent and control such risks, with measurable objectives that allow for determining their effectiveness and ensuring their continuous improvement and correction.

The investigation into these events must be confidential, ensuring that both parties are heard and can substantiate their claims. Its conclusions must be submitted to the Labor Inspectorate,¹³ which must rule on the legality of the procedure and the measures adopted. This may lead the employer to implement and apply the corresponding measures or sanctions for sexual and/or workplace harassment and may even result in the termination of the accused employee's contract without entitlement to the compensation provided by law. Regarding violence in the workplace, the employer must adopt protective measures for its employees.

This law is consistent with the legal standards of other countries, such as France with its legislation against "*harcèlement moral*"¹⁴ and Colombia with "Law 1010" of 2006. These standards define harassment as conduct that undermines the dignity of the worker.¹⁵

IV. Law No. 21,645, published in the Official Gazette on December 29, 2023, establishes the right to remote work or telework for all workers who have children under 14 years of age, a person with a disability, or a dependent person in their care, regardless of age. It allows all or part of the workday to be performed remotely, to the extent that the nature of the work permits.

It also allows for the temporary modification of shifts or the distribution of daily and weekly working hours during the school vacation period defined by the Ministry of Education, in order to allow workers to spend time with their student children during the academic break, provided that the employee's duties allow it and the employer operates on a schedule compatible with the proposed shifts or work schedule.

This law does not apply to workers who have the power to represent the employer, such as managers, assistant managers, agents, or representatives.

Workers who are entitled to benefits must submit documentation proving their status as caregivers in accordance with legal regulations. The employer must respond to the request, offering alternatives or rejecting the proposal. In the latter case, the employer must justify the refusal by explaining the reasons, which may include stating that the nature of the worker's duties does not allow for teleworking or that the service requires their presence to work with other employees.

The application of this law implies the need to adopt remote work policies without affecting business continuity, aiming to establish more flexible work environments that meet the needs of the worker's family.

Both national and international legislation on teleworking is characterised by equating the right to work remotely with in-person work, requiring the employer to provide equipment and cover the costs of services. Internationally, the voluntary and reversible nature of teleworking is regulated, with an emphasis on the right to disconnect. Specific rules are also established for cross-border teleworking, where the law of the place where the service is performed applies.¹⁶

Comments

Legal reforms implemented since 2022 has brought about a significant change in labour relations, particularly those laws discussed at length in this chapter (reduction of working hours, increased wages, workplace harassment, sexual harassment and violence, and work-life balance). These reforms have been controversial, with both proponents and detractors. Regarding the reduction of working hours, there is agreement that shorter hours mean more free time for workers to dedicate to rest and personal and family activities, thus improving their quality of life. Similarly, the sustained increase in wages for those earning the MMI is a clear benefit.

The law on workplace harassment, the Karin Law, in memory of Karin Salgado, a healthcare worker who committed suicide in 2019 after being a victim of workplace harassment, provides greater protection for workers. It includes explicit regulations to prevent, investigate, and punish such conduct, representing a substantial advance in labour protection by bringing visibility to situations of harassment and physical or emotional abuse,¹⁷ which has resulted in a considerable number of complaints on this matter.

The website of the Superintendency of Social Security¹⁸ indicates that, according to records submitted by the Labor Directorate,¹⁹ 44,212 complaints were registered between August 2024 and June 2025. The most frequently applied protective measure in response to these complaints was Early Psychological Care, present in 71% of cases. Other measures included physical separation, remote work, and suspension of duties.²⁰

The report on complaints filed with the Labor Directorate between August 1, 2024 and June 30, 2025²¹ indicates that of the 44,212 complaints received by this public agency, 18,367 were pre-classified as Karin Law cases, while 17,980 were not. Most complaints, 66.4%, were filed by women, 31.4% of the complaints were filed by men, and in 2.2% of cases, the gender was not declared.

This legislation has clearly introduced a new standard in prevention protocols and mechanisms for how companies should address situations of harassment and violence, contributing to a cultural shift that emphasises prevention and the creation of dignified work environments that respect fundamental human rights.²²

Regarding the law on work-life balance, it has been valued as a step forward towards co-responsibility and gender equality, facilitating teleworking and hybrid work schedules for caregivers of children under 14 or dependent persons, seeking to overcome inequalities and allow workers, mostly women, to combine work with unpaid caregiving.

However, some voices warn of risks of professional isolation due to remote work, the blurring of boundaries between work and personal life, and the need for a cultural shift within companies, generating policies, benefit plans, and best practices that allow caregivers the option of remote work or teleworking.²³

All the above represents progress in the world of work, but since 2022 the Chilean labour market has shown signs of deterioration. Thus, the National Institute of Statistics²⁴ indicates that unemployment in the moving quarter of December 2025–February 2026 stood at 8.3% for men and 9% for women, marking 38 consecutive months with unemployment above 8%,²⁵ a historically high level considering that between 2010 and 2019 the average unemployment rate in Chile was 6.9%, the highest in the OECD.²⁶

The labour market is showing a slowdown in job creation, which some specialists²⁷ believe is influenced by recent public policies, such as the reduction of the workweek to 40 hours, scheduled to take effect in April 2028, and the significant increase in the minimum wage. While this increase benefits the quality of life of workers with existing contracts, it has had negative effects on the hiring of new employees.

The Central Bank of Chile, in its Monetary Policy Report²⁸ from September 2025,²⁹ indicates that the recent evolution of the labour market shows mixed signs, with weak job creation and an unemployment rate above its pre-pandemic levels, but also with real labour costs growing above their historical average.

Administrative records – the number of contributors to the AFC³⁰ (*Administradora de Fondos de Cesantía*) (Unemployment Insurance Fund) – show that the net rate of formal job creation has been mostly negative or close to zero since 2023. Job creation and loss, variables related to labour turnover, are also at historic lows. Similarly, the time spent searching for formal employment has been increasing since 2023. On the other hand, labour costs have been growing above their pre-pandemic average.³¹

In summary, it is noted that the behaviour of the labour market responds to multiple factors, including the impact of legislative measures – such as the minimum wage and the 40-hour workweek law, as mentioned – and the adaptation to technological change processes, which may have accelerated in the face of increased labour costs and greater regulations. The report adds that these results explain labour market movements in the short and medium term, and in the long term its behaviour will depend on factors such as productivity, population growth, and new configurations of production processes in the context of the adoption of new technologies.

Conclusions

A review of labour regulations enacted since 2022, especially those analysed in detail, demonstrates that significant modifications have been made to labour relations in Chile. These reforms incorporate into national legislation standards found in comparative law that aim to reduce working hours, improving corporate culture and preventing workplace harassment and violence. Also, these changes reconcile work life with the workers' leisure time and private life, while raising the minimum wage to levels above its historical average.

However, this regulatory framework has contributed to a prolonged period of abnormally high unemployment levels. Measures adopted to promote employment, such as hiring subsidies,³² the reduction of the workweek to 40 hours to incentivise the hiring of new workers, and the labour inclusion law,³³ have not reversed these unemployment levels. This is a critical concern as the 8.3% national unemployment rate mentioned in this chapter represents approximately 862,510 unemployed individuals at the beginning of 2026, in a labour force of over 10 million, according to World Bank data.³⁴

In conclusion, the labour reforms discussed above represent both positive and negative aspects for Chilean workers.



Endnotes

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- Law No. 21,474, Official Gazette of May 26, 2022.
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- Law No. 21,476, Official Gazette of August 2, 2022.
- Law No. 21,498, Official Gazette of November 15, 2022.
- Law No. 21,510, Official Gazette of November 24, 2022.
- Law No. 21,526, Official Gazette of December 28, 2022.
- Law No. 21,530, Official Gazette of February 2, 2023.
- Law No. 21,538, Official Gazette of January 26, 2023.
- Law No. 21,550, Official Gazette of March 25, 2023.
- Law No. 21,561, Official Gazette of April 26, 2023.
- Law No. 21,578, Official Gazette of May 30, 2023.
- Law No. 21,614, Official Gazette of September 28, 2023.
- Law No. 21,628, Official Gazette of October 31, 2023.
- Law No. 21,643, Official Gazette of January 15, 2024.
- Law No. 21,645, Official Gazette of December 29, 2023.
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 - 3 As a historical precedent for the minimum wage, we can cite Decree with Force of Law No. 178, dated May 13, 1931, from the then Ministry of Social Welfare.
 - 4 Law No. 21,456, Official Gazette of May 26, 2022.
 - 5 Minimum wages in Latin America vary from country to country. Costa Rica continues to have the highest minimum wage in the region, at US\$725–\$737, while Venezuela continues to have the lowest, at less than US\$3 per month. ([https://www.deel.com/es/blog/salario-minimo-latam/autor, Talin Terzakyán, March 10, 2026](https://www.deel.com/es/blog/salario-minimo-latam/autor,Talin_Terzakyán,March_10,_2026)).
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 - 7 *Ibid.*
 - 8 Article 2 of the Chilean Labor Code.
 - 9 *Ibid.*
 - 10 *Ibid.*
 - 11 *Ibid.*
 - 12 Labour law requires that companies employing 10 or more workers create internal regulations on order, hygiene, and safety, which regulate life within the companies.
 - 13 Administrative body dependent on the Ministry of Labor and Social Welfare, responsible for monitoring and interpreting labour regulations.
 - 14 https://arretonslesviolences.gouv.fr/besoin-d-aide/harcelements#ce_que_dit_la_loi2
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- 34 <https://datos.bancomundial.org/indicador/SL.TLF.TOTL.IN?locations=CL>

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