



EMPLOYMENT IN DOMINICAN REPUBLIC



Dominican Republic is the second largest country in the Antilles and third most populous in the Caribbean. Tourism is the largest industry in the country. Dominican Republic has the eighth largest economy in the Central American and Caribbean region. Services contribute to 60% of the countries GDP employing 63% of residents. Employment in Dominican Republic is governed by the Labour Code, which has strong protection of the rights of employees. Below is some key information regarding employment in Dominican Republic, intended to provide a brief overview of employment law in Dominican Republic. It is not intended as substitute for professional legal advice and counsel.



WORKING TIME AND OVERTIME

Standard working hours in Dominican Republic should not exceed 44 hours per week. Part time employees should not work over 29 hours per week. Overtime hours are paid at 135% of the standard salary. Hours in excess of 68 per week are paid at 200% of the standard salary. Overtime pay may not apply to company directors, managers, and employees in trust positions. An employee that works for more than 6 consecutive hours is entitled to a break of one hour. Full-time employees are entitled to a minimum uninterrupted rest period of 36 hours per week.

ANNUAL LEAVE

Full-time employees who have been employed for at least one year are entitled to 14 days annual leave. After working at a company for 5 years this increases to 18 days. Annual leave should not be split into periods of less than one week and can't be replaced by another form on compensation. There are 12 public holidays. In addition to annual leave, employees are entitled to 5 days off for marriage and 3 days for the death of an immediate family member.

TRIAL PERIOD

Probation periods are not statutory in Dominican Republic. However, one should not last longer than 3 months.

RESIGNATION AND DISMISSAL

The employee may unilaterally terminate the employment contract by providing notice in writing. Notice periods depend on length of service. If an employee has been working for less than 3 months no notice is required, service of 3 to 6 months 7 days notice will be required, service of 6 to 12 months 14 days notice will be required, and over 12 months 28 days will be required. The same notice periods will apply to employers terminating employment without just cause. Additionally, if an employer terminates without just cause they must pay the employee severance pay as per the below.

Time Employed	Severance
3 - 6 months	6 days salary
6 - 12 months	13 days salary
1 - 5 years	21 days for each year employed
5+ years	23 days for each year employed

Employees will also be entitled to severance pay if it is found that they have just cause for resigning from their position.

Employers may terminate employment with just cause alleging one or more of the specific causes listed within the labour code, article 88. Employers will need to provide evidence of the grounds for the termination. Employers will also need to provide written notice to the Department of Labour within 48 hours of



RESIGNATION AND DISMISSAL CONT...

dismissing the employee. Failure to prove the cause or provide notice within 48 hours will mean the employer is liable to pay severance to the employee. If an employee is resigning with cause they must also provide evidence. Employers are not able to terminate the employment of a pregnant employee and for up to 3 months following the birth. If termination takes place without providing a just cause, the employee will be entitled to 5 months' salary in addition to severance pay.

RESTRICTIVE COVENANTS

There are no specific laws on restrictive covenants after termination of employment, which means an employee can challenge any restrictive covenants after the termination of employment. The following are recognised and may be enforceable under law; non-solicitation of employees, non-solicitation of clients/customers, and non-compete clauses. Restrictive agreements such as the three previously mentioned after termination of employment must meet specific requirements to be applicable. In particular, they will need to be reasonable and must be signed after the employment contract has ended.

CONTRACT OF EMPLOYMENT

The Dominican Republic labour law does not require a written contract of employment for permanent employees. However, it is best practice for a written contract to be provided. Any written contract must be provided in Spanish. Fixed term or temporary contracts must be provided in writing and include the length of the contract.

MATERNITY AND PATERNITY LEAVE

Expectant mothers are entitled to 12 weeks maternity leave, this is usually taken 6 weeks before the expected due date and 6 weeks after. The cost is split between the employer and social security. Fathers are entitled to 2 days paternity leave to be taken after the birth.

SICKNESS LEAVE

There is no statutory law on sick leave in the Dominican Republic. It is at the employer's discretion whether they choose to pay sick leave to employees.

SOCIAL SECURITY

Social security in the Dominican Republic is a pay as you go system that covers employees within the private sector. Both the employer and employee contribute, this includes to the state pension fund (AFP) and public health insurance fund (SFS).

HEALTHCARE AND INSURANCE

The quality of healthcare in the Dominican Republic varies in different parts of the country and between private and public hospitals. There are three tiers to healthcare in the Dominican Republic as below:

- Subsidised - This is for the unemployed, poor, and disabled residents that are eligible for funding from the state.
- Contributive - Healthcare that is financed by employer and employee contributions.
- Contributive Subsidised - For example self-employed and technical workers. This is generally for residents whose salary exceeds the national average income.

Many foreign employees and companies choose international private healthcare policies, so they are able to access the best quality healthcare.



EMPLOYMENT OF FOREIGN NATIONALS

Most foreign nationals will need a visa to work in the Dominican Republic. Below are the two most common visas. Generally, the visa will need to be applied for in the consulate or embassy in the applicant's home country once they have a signed contract with a local company. All supporting documents must be translated into Spanish. At least 80% of a company's workforce must be Dominican.

BUSINESS VISA

This visa is known locally as Visa de Negocios. It is valid for 60 days with a single entry, or one year with multiple entries. The multiple entry visa will not allow holders to remain in the Dominican Republic for longer than 2 months at a time

BUSINESS VISA FOR EMPLOYMENT PURPOSES (NM1)

This visa is known locally as Visa de Negocios con Fines Laborales.

The visa is for foreign nationals who will be employed by either public or private companies based in the Dominican Republic.

The visa is valid for one year and can be renewed if the applicant will still hold a valid contract of employment. Employees that will be working for a company in the Dominican Republic on a long-term basis will also need to apply for a residence permit.

Requirements for a work visa will include but are not limited to a valid passport, visa application, medical certificate and police check from the applicant's home country, job offer letter from a Dominican company letter to the consular section from the employing company in the Dominican Republic.





SALARY AND SALARY TAXES

MINIMUM WAGE

The national minimum wage in the Dominican Republic is 8,310 Dominican Peso (DOP) per month in Free Trade Zones. Outside of Free Trade Zones it is between 7,843 - 12,873 DOP per month depending on the size of the company. For public sectors it is 5,884 DOP per month.

INCOME TAX

The Dominican tax year runs from January to December. It is the employer's responsibility to ensure taxes are paid from salaries before payments are made to employees. The general personal income tax rates are listed below as a guidance and is based on annual income.



0%	Up to 416,220.00 DOP
15%	416,220.00 - 624,329.00 DOP
20%	624,329.00 - 867,123.00 DOP
25%	867,123.00+ DOP



SALARY PAYMENTS

Salaries in the Dominican Republic are generally paid on a monthly basis. Employees are also entitled to a Christmas Bonus which is equal to 1/12 of their regular salary, this is also exempt from income tax.

SOCIAL SECURITY CONTRIBUTIONS

Social security contributions in the Dominican Republic are the responsibility of the employer to deduct from an employee's salary before payment. Both the employer and employee are subject to social security contributions. Below are approximate contribution rates for employers and employees, please note that these can vary.

	Employer Percentage	Employee Percentage
Pension (AFP)	7.10%	2.87%
Medical Insurance (SFS)	7.09%	3.04%
Labour Risk Insurance (ARL)	1.10%	N/A
Employee Trainings (INFOTEP)	1%	N/A



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