



NOBOA, PEÑA & TORRES
ABOGADOS ECUADOR

FLASH LEGAL # 001187

LIVING WAGE FOR 2025 AND REGULATION OF THE PROCEDURE FOR PAYMENT OF THE ECONOMIC COMPENSATION

Dear Clients and Friends:

We hereby inform you that, on March 31, 2026, Ministerial Agreement No. MDT-2026-087 was published in the Fifth Supplement No. 255 of the Official Register, pursuant to which the Ministry of Labor determined the living wage for 2025 and regulated the procedure for the payment of the corresponding economic compensation. The relevant provisions are summarized below:

- The living wage for employees and former employees for the period from January 1 to December 31, 2025, is fixed at **USD 506.99**. Where the person worked for less than the full 2025 calendar year, or was subject to a permanent part-time schedule, the amount shall be calculated on a pro rata basis according to the time worked.
- The living wage must be paid by March 31, 2026
- The economic compensation equals the difference between the living wage and the employee's or former employee's monthly income received during 2025. For this purpose, the employee's monthly income must be calculated taking into account: (i) the monthly salary or wages earned during 2025; (ii) the thirteenth and fourteenth salary payments corresponding to the proportional amount accrued and paid during 2025; (iii) any variable commissions paid by the employer to the employee or former employee during 2025; (iv) profit-sharing attributable to fiscal year 2024 and paid in 2025; (v) any additional cash benefits received by the employee under collective bargaining agreements, provided they do not constitute statutory obligations, as well as any periodic voluntary cash contributions made by the employer to its employees during 2025; and (vi) the reserve fund corresponding to 2025.

We hope that you find this general information helpful. Please note that it is not intended to constitute legal advice. Should you have any specific inquiries, we would be pleased to provide further assistance.

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