



**Global Employment  
Compass  
Costa Rica**

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# 1. Summary of applicable rights for different categories of workers

	Employees (part-time or full-time)	Independent contractors/ service providers	Volunteers
<b>Employment laws and regulations</b>	Yes	No	No
<b>Employees' compensation/ remuneration requirements</b>	Yes	No	No
<b>Minimum wage requirements</b>	Yes	No	No
<b>Mandatory provident fund/retirement benefit fund contributions</b>	Yes	Yes	Yes
<b>Immigration requirements including the right to work in your country</b>	Yes	Yes	Yes
<b>Personal Data (Privacy) laws and regulations</b>	Yes	Yes	Yes
<b>Anti-discrimination laws and regulations</b>	Yes	Yes	Yes



## 2. Legal requirements/rights/ practices for different categories of workers

### a. Employees

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#### *Definition of an employee*

According to the Costa Rica Labor Code, article 4, an employee is any person who provides material and/or intellectual services to others under the virtue of an explicit or implicit contract, verbal or written, individual or collective.

### 1 Contracts of Employment

**What types of employment contracts are available? E.g. fixed term, part time, zero hour contracts, other? Are there any specific employment contracts available for non-profit organizations?**

In Costa Rica there are several types of employment contracts; if the contract involves only one worker, it is called an individual contract; but if the contract involves several workers, it is called a collective employment contract.

The most important classification in practice is made according to the duration of the employment contract:

- Definite-term contracts: which are subdivided into:
  - Fixed-term contracts, as they have a fixed term of termination.
  - Contracts for specific work, because the services are contracted for the performance of a specific work. This type of contracts are entered into to meet the needs that may eventually arise in a company, and in which, without a prior fixed period, the object of the provision of personal subordinate services is the same work produced.
- Contracts for an indefinite or indeterminate term.





### **What are the key terms of employment contracts?**

An employment contract exists within the framework of Costa Rican labor law when the following three elements are present:

- **Personal rendering of the service:** this means that the work must be done exclusively by the hired worker and not by another person. The worker will always be a natural person.
- **Salary or remuneration:** This is the amount of money received by the worker from the employer in exchange for the work performed.
- **Subordination:** The employing person has a general power of direction in all matters relating to the work and the company. This subordination allows the employer to have the power of command to issue instructions, orders, and circulars in to issue instructions, orders and circulars during the time and place of work, within the limits of the law.

According to article 24 of the labor code, the written employment contract shall contain at least:

- The names and surnames, nationality, age, sex, marital status and domicile of the contracting parties;
- The number of their identity cards.
- The precise designation of the worker's residence when he/she is hired to render his/her services or to execute a work in a place different from the one where he/she habitually works;
- The duration of the contract.
- The length of the working day and the hours during which the work is to be performed;
- The salary, wage, daily wage or participation to be received by the worker; detailing whether it is to be calculated per unit of time, per unit of work or in some other manner, and the form, period and place of payment;
- The place or places where the service is to be supplied;
- The other stipulations agreed upon by the parties;
- The place and date of execution of the contract; and
- The signatures of the contracting parties.

### **Is it acceptable to have a probation period for employees? If yes, for how long?**

In Costa Rica there is no explicit law that determines the probation period, but by interpretation of precedents it has been understood that the probation period consists of the first 3 months of labor, and 3 months only, as it is prohibited to extend or shorten it. During this period either party (employer or employee) may terminate the employment relationship without prior notice and without penalty. It is not necessary to include information regarding the probation period in the contract of employment, as it is understood as mandatory due to existing precedents, although it is recommended to discuss this during the employment process.

### **Are fixed term employment contracts permissible? Are there any limitations on fixed term contracts? Are there any requirements to have a fixed term contract?**

Yes, they are permitted; however, the employment contract may only be stipulated for a fixed term if the services to be provided are of a temporary nature. It is essential for fixed-term





contracts to establish this in the employment contract. For these contracts to be effective, they must state that they are fixed-term contracts. Also an important topic is that fixed term should never extend of a total of 12 months (renewal included) as after 12 months, if a renewal is made that employee will automatically be change to an “indefinite contract” and be enforceable of all labor rights after termination of contract (severance and prior-notice), therefore companies need to be careful prior renewal or extension of fix-term contracts.

If after the expiration of the term the original causes and the matter of work subsist, it shall be considered as a contract for an indefinite period of time.

**Do employment contracts have to be in writing? Are there any signatory requirements for employment contracts? For example, could they be signed in-person or electronically, etc.)?**

The labor contract can be verbal only in 2 cases:

- agricultural or farming work.
- accidental or temporary work not exceeding ninety days.

In all other cases, the employment contract must be drawn up in writing.

In Costa Rica there is no regulation that refers to digital signatures in employment contracts; however, our recommendation is that contracts should be signed physically or by using a digital signature issued by the Central Bank of Costa, digital signatures such as DocuSign are not allowed.

**Do employees have to be issued with a written employment contract before they start work?**

The employment contract can be signed after the beginning of work, but it is necessary to establish a clause stating the initial date of the work relationship and therefore it is effective from that same date (retroactively).

**Can you provide a simple template of the contracts mentioned above?**

Please, see templates in the Addendums 1-3:

- [Addendum 1 - The template of Labor Contract \(Indefinite\)](#)
- [Addendum 2 - The template of Labor Contract \(fixed term\)](#)
- [Addendum 3 - The template for part time employment agreement.](#)

**Is there an obligation for an employer to run a criminal record check to the extent that any individual they hire will be working with children or vulnerable people?**

It is not mandatory to request a criminal record, but if the employer wishes to do so, he is entitled to request it, since the legal system does not contain an express provision prohibiting it.

**Can employers request references from former employers for new hires?**

Yes, companies can request references.

**Is an employer required to set up any form of employee representative body? If so, what is the trigger for this?**

No, they are not obligated to.





### **Is it common to have collective agreements in your jurisdiction that apply to all employers in a particular region or sector?**

It is possible, but it is not common in private companies, as this is more common in agricultural or public sector companies.

## **2 Conditions of employment**

### **What is the minimum age requirement for employment?**

In order for a minor to be hired, he/she must be 15 years of age or older. The employment of persons under 15 years of age is absolutely forbidden.

### **What type of work may a child undertake? For example, are there any specific restrictions?**

In the case of minors, the workday rules apply differently. The authorized working day for minors is 6 hours per day and 36 hours per week, while the mixed working day for minors must not extend beyond 10:00 p.m. Night work between 7 p.m. and 7 a.m. is forbidden for minors, as well as working extra hours. Minors are not allowed to work after 10pm.

Adolescents are forbidden to work in unhealthy and dangerous places, where they sell alcoholic beverages, work as security guards and transfer money. In the case of minors working in domestic work, they are not allowed to sleep in the workplace.

### **Wages**

### **What is the minimum wage requirement for employees? Are there any exceptions in minimum wages for young persons or people with disabilities?**

In Costa Rica there is a list of minimum wages in the private sector which establishes the salary that each profession must-have, these apply to everyone (adults and minors, people with and without disabilities).

This list can be found here.

### **Are there any conditions which warrant a pay raise or extra pay? If yes, what are they?**

The salary increase will only apply to those minimum salaries established by the Ministry of Labor.

### **When are wages due? For example, is there any obligation to pay wages weekly, or monthly?**

Wages may be paid per unit of time (month, fortnight, week, day or hour); per piece, per task or piecework; in cash; in species; and by participation in the profits, sales, or collections made by the employer. The periodicity in which the wages are paid is to be decided by the employer, but the employee must receive at least one payment monthly, before the 30th of every month.

It can be defined by the company, as long full payments are canceled at least once per month. It means the employee can choose the periodicity in which the wage is paid, but it must be at least monthly, for example, it can be every week, every two weeks or once a month, but it can't be bimestrial, or every six weeks.

### **Are employers obliged to provide employees with paid leave on public holidays?**

There are two types of holidays in CR:





- Mandatory payment holidays.
- Non-mandatory payment holidays.

It is worth mentioning that all employees are entitled to enjoy public holidays, regardless of whether they are paid monthly, biweekly or weekly. In general, employers are prohibited from forcing employees to work on public holidays, whether they are paid on a mandatory or non-mandatory basis.

The payment of holidays in Costa Rica will depend on the salary payment model. If the salary is weekly and it is not a commercial activity, mandatory holidays must be paid even if they have not been worked, while non-mandatory holidays are not paid if they have not been worked.

On the other hand, if the form of payment is monthly or biweekly in any activity, or weekly in commercial activities, all holidays must be paid, whether they are of obligatory payment.

### **Are employers obliged to provide employees with annual leave?**

Every worker is entitled to two weeks of vacation for every fifty weeks of continuous work at the service of the same employer.

### **Are employees entitled to receive their usual salary during their annual leave?**

Yes, this is paid leave, so during these days the employee's salary is integrally paid.

### **Is there a requirement to pay overtime? How is overtime compensated?**

Overtime shall be paid at the rate of one regular hour plus fifty percent (time and a half) for the number of overtime hours worked. In the case of holidays, each hour of overtime shall be paid double.

Overtime is compensated starting when the person is required outside of their hired schedule.

### **Are there any extraordinary circumstances that could be relied on to temporarily cease paying employees for the hours worked?**

Only in cases of suspension of the employment contract, this must be requested by the employer to the General Labor Inspectorate.

### **Are employees entitled to an end-of-year payment?**

In Costa Rica there is a figure called "aguinaldo", which is an "additional salary" that must be paid by any employer to its employees, within the first twenty days of December. It is obtained from the sum of the salaries and divided by twelve, considering the "ordinary hours" and "overtime", as well as any other payment made during the period and "salary in species".

### **Are employees entitled to payments when their employment contract is terminated, such as notice or notice pay, accrued or untaken holiday and/or statutory severance?**

In Costa Rica there are 2 types of terminations, the worker's rights will depend on the type of termination:

**With employer liability:** Due to the will of the employer, meaning that the employer is not obligated, and it is also not recommended, to give further explanations if they take responsibility of the liability payment, in this case, the employer must recognize the following rights:







- **Notice:** the notice period will depend on the time worked by the employee:
  - One week's notice must be given if the period of service is more than 3 months and less than 6 months;
  - 15 days' notice must be given if the period of service is more than 6 months and less than 1 year;
  - and 1 month's notice must be given if the period of service is more than 1 year.
  - If the employee has worked less than 3 months, no notice is provided.
- **Severance:** The employer shall pay a severance payment as follows
  - After continuous employment of not less than three months nor more than six, an amount equal to seven days of salary.
  - After continuous employment of more than six months but less than one year, an amount equal to fourteen days' salary.
  - After continuous employment of more than one year, in the amount of days of salary as follows:
    - YEAR 1: 19.5 days per year worked.
    - YEAR 2: 20 days per year worked or fraction of more than six months.
    - YEAR 3: 20.5 days per year worked or fraction thereof exceeding six months.
    - YEAR 4: 21 days per year worked or fraction thereof exceeding six months.
    - YEAR 5: 21.24 days per year worked or fraction thereof exceeding six months.
    - YEAR 6: 21.5 days per year worked or fraction thereof exceeding six months.
    - YEAR 7: 22 days per year worked or fraction greater than six months
    - YEAR 8: 22 days per year worked or fraction of more than six months.
    - YEAR 9: 22 days for each year worked or fraction thereof exceeding six months.
    - YEAR 10: 21.5 days for each year worked or fraction thereof exceeding six months.
    - YEAR 11: 21 days per year worked or fraction thereof exceeding six months.
    - YEAR 12: 20.5 days per year worked or fraction thereof exceeding six months.
    - YEAR 13: and following years: 20 days per year worked or fraction thereof exceeding six months.
  - In no case may this severance benefit compensate more than the last eight years of employment.
- **Aguinaldo/ Christmas bonus:** must be paid by any employer to its employees, within the first twenty days of December. It is obtained from the sum of the salaries and divided by twelve, considering the "ordinary hours" and "overtime", as well as any other payment made during the period and "salary in species".





- **Vacations:** It is calculated based on the average of ordinary and extraordinary salaries received during the last 50 weeks, counted from the moment the worker acquires the right to rest.

The payment will depend on the method of payment applied by the work center:

- **Weekly payment:** you must be paid twelve (12) days, because in this modality the rest day is not paid rest day. The calculation is made by taking the weekly salary divided by 6 and multiplying the result by 12.
  - Monthly or biweekly payment: fourteen (14) days are paid, because the two days of rest are included in the payment.
  - (14) days. The calculation is made by taking the monthly salary, dividing it by 30 and multiplying the result by 14.
  - In the case of domestic service: 15 days of vacation for every fifty weeks of continuous work (1.25 days for each month worked).
- **Without employer liability:** due employee misconduct, in this case, the employer must recognize the following rights:
    - **Aguinaldo/ Christmas bonus:** must be paid by any employer to its employees, within the first twenty days of December. It is obtained from the sum of the salaries and divided by twelve, considering the "ordinary hours" and "overtime", as well as any other payment made during the period and "salary in species".
    - **Vacations:** It is calculated based on the average of ordinary and extraordinary salaries received during the last 50 weeks, counted from the moment the worker acquires the right to rest.

The payment will depend on the method of payment applied by the work center:

**Weekly payment:** you must be paid twelve (12) days, because in this modality the rest day is not paid rest day. The calculation is made by taking the weekly salary divided by 6 and multiplying the result by 12.

**Monthly or biweekly payment:** fourteen (14) days are paid, because the two days of rest are included in the payment.

(14) days, The calculation is made by taking the monthly salary, dividing it by 30 and multiplying the result by 14.

**In the case of domestic service:** 15 days of vacation for every fifty weeks of continuous work (1.25 days for each month worked).

## Working hours

### What is considered a full time working week? If the employee is contractually required to work less than this amount are they considered a part time employee?

What is known as a full-time job in CR will depend on the type of workday. There are 3 types of workdays:





- **Day shift:** the work is performed between 5am and 7pm. This workday may not exceed 8 hours per day and 48 hours per week, except in jobs classified as non-dangerous or unhealthy work, which may be up to 10 hours per day, but not more than 48 hours per w
- **Night shift:** The work is performed between 7:00 p.m. and 5:00 a.m. the following day. The maximum working hours on this workday is 6 hours per day and 36 hours per week.
- **Mixed:** Part of the work is performed between 5:00 a.m. and 7:00 p.m. and part between 7:00 p.m. and 5:00 a.m. Within this workday a maximum of 7 hours per day and 42 hours per week is allowed. In non dangerous or unhealthy jobs it can be up to 8 hours per day and 48 hours per week.

The employee will be considered as a part-time worker as long as he/she is hired to work half of the maximum hours that the type of workday allows.

**Are there fixed public/statutory holidays each year? Can employees be required to work on public/statutory holidays? Are employees entitled to any other type of leave besides public/statutory holidays?**

In Costa Rica are two types of holidays:

- he following are mandatory paid holidays: January 1 (Circumcision-New Year's Day), April 11 (Juan Santamaría Day), Maundy Thursday and Good Friday, May 1, May 1 and May 3. Day), Maundy Thursday and Good Friday, May 1st (International Labor Day), July 25th (Christmas Day), July 25 (International Labor Day), July 25th (Annexation of the Nicoya Party to Costa Rica), July 25th (Annexation of the Nicoya Party to Costa Rica), August 15 (Mother's Day and Assumption of the Mother's Day and Assumption of the Virgin), September 15 (National Holiday National Holiday Commemorating the Independence of Costa Rica) and on Independence of Costa Rica) and December 25th (Nativity of Jesus Christ).
- These are non-mandatory paid holidays: August 2 (day of the Virgin of the Angels) and October 12 (Day of the Cultures).October 12 (Day of Cultures).

All workers are entitled to enjoy public holidays; all employers are prohibited from forcing workers to work on public holidays, whether they are mandatory or non-mandatory.

Employees who practice a religion other than Catholic, in addition to the 11 holidays are entitled to celebrate their religious holidays. For this purpose, they may request the employer to grant them a maximum of four days off per year, as long as such days are registered with the Ministry of Foreign Affairs. Such days will not be paid; but they may be deducted from the vacation, by agreement between the employer and the employee.

In Costa Rica, pregnant women are entitled to maternity leave of 1 month prior to delivery and 3 months after delivery. Workers are also entitled to special leave in cases of single or joint adoption, to biological parents, and to biological parents in case of maternal death during childbirth or maternity leave, provided that the child has survived.

Also, there are leaves of absence for those responsible for terminally ill patients and seriously ill minors, as well as incapacities due to illnesses by the Costa Rican Social Security Fund (CCSS).

**Do part time employees receive any particular protection on the basis of their part-time status?**

No, they do not have any special protection based on their part-time status.





**Do part-time employees receive the same pro-rated terms to full time employees, e.g. in relation to pay and benefits?**

Yes, part-time workers have the same rights as full-time workers.

**Social security**

**What social security contributions are employers obliged to pay? Presumably, pro-rated contributions are required for part time employees?**

The social security charges for full-time and part-time workers are the equivalent.

	EMPLOYER	EMPLOYEE
<b>CCSS (Costarican Social Security Fund)</b>		
SEM	9,25%	5,50%
IVM	5,42%	4,17%
<b>TOTAL CCSS</b>	<b>14,67%</b>	<b>9,67%</b>
<b>INSTITUTIONS</b>		
Cuota Patronal Banco Popular	0,25%	-
Asignaciones Familiares	5,00%	-
IMAS	0,50%	-
INA	1,50%	-
<b>TOTAL OF THE INTITUTIONS</b>	<b>7,25%</b>	<b>-</b>
<b>LABOR PROTECTION LAW</b>		
Aporte Patrono Banco Popular	0,25%	-
Fondo de Capitalización Laboral	1,50%	-
Fondo de Pensiones Complementarias	2,00%	-
Aporte Trabajador Banco Popular	-	1,00%
INS	1,00%	-
<b>TOTAL LPL</b>	<b>4,75%</b>	<b>1,00%</b>
<b>OVERALL PERCENTAGES</b>	<b>26,67%</b>	<b>10,67%</b>

**Total: 37, 34%.**

**Are employers obliged to provide health insurance to their employees?**

Yes, the employer has the obligation to register all his workers in the social security system.

**Are employees entitled to unemployment insurance/benefits following the end of employment?**

In the event of dismissal with employer's liability, employees are entitled to payment of vacation, Christmas bonus, notice and severance pay.

**Are employers obliged to provide sick leave? If yes, for how long? How many days have to be paid by employers? Is it possible to have unpaid sick leave?**

The employer is forced to give sick leave as long as the employee brings a CCSS report or a private medical report approved by the CCSS.

During sick leave, the employer must pay at least 50% of the salary during the first three days of an employee's sick leave, while the Costa Rican Social Security Fund (CCSS) pays the other 50%. The CCSS pays 60 percent of the payment from the fourth day of sick leave and up to 52 weeks with no obligation on the part of the employer to pay salary during the remainder of the sick leave period.

**Are employers obliged to provide maternity leave for employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid maternity leave?**





All employers are obliged to grant pregnant women in their service a four-month maternity leave for a period of one month before the birth and three months after the birth of the child.

Maternity leave is granted with full salary. The employer pays half of the worker's salary and the government/Costa Rican Social Security Fund pays the other half.

It is not possible not to grant maternity leave to all employees who communicate their pregnancy status, providing medical certification or proof from the Caja Costarricense del Seguro Social (Costa Rican Social Security).

**Is paternity leave available to employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid paternity leave?**

All biological fathers are entitled to paternity leave of two days per week for the first four weeks following the birth of their child; the employer is obligated to grant the father leave to share with and contribute to the care of his newborn child within the parameters of such leave. It is not possible not to grant the paternity leave to all employees who prove to be biological or adoptive parents of a newborn baby. The father of a child can only take the paternity leave indicated above, to obtain a permit like the maternity leave the following conditions must take place:

In individual adoption (just father or just mother), special leave of three months will be granted to the adopter with pay and in joint adoption, special leave of three months will be granted to the adopter.

In the case of a mother's death in childbirth or during leave, whose child has survived, the biological father will be entitled to a special postpartum leave, whose beneficiary was the deceased mother.

**Are employers liable for absence due to work-place injuries?**

The employer is liable for detriment resulting from employment injury or occupational disease which have caused temporary disability, permanently reduced working capacity of 50% or more or death of a worker or employee, regardless of whether an authorized person of the said employer or another worker or employee is at fault for the injury.

**Are employees entitled to retirement benefits from the employer? If yes, what benefits?**

Yes, employers are responsible for accidents in the workplace. In addition, the employer must have an occupational risk insurance policy, issued by the National Insurance Institute (INS).

**Are employers obliged to introduce reporting channels and legal safeguards for whistleblowers?**

Every employer must maintain, in the workplace, an internal policy that prevents, discourages, avoids and sanctions sexual harassment conducts. In addition, anyone who has filed a complaint of sexual harassment may only be discharged for justified cause, due to a serious breach of the duties deriving from the employment contract. Also, nobody who has reported being a victim of sexual harassment or has appeared as a witness for the parties, may suffer, for this reason, any personal prejudice in their employment or in their studies.

### **3 Safe and supportive work environment**

**Broadly what measures have to be in place to ensure employers uphold health and safety? (such as fire or earthquake drills)**





From the first day of the labor relationship, all employers are obliged to insure their employees against labor risks through the National Insurance Institute. Also, in each work center, where ten or more workers are employed, an occupational health commission will be established; while every company that permanently employs more than fifty workers is obliged to maintain an occupational health office or department.

**Is there a requirement for an employer to issue any form of non-discrimination policies? (such as gender equality policies, equal employment opportunities, diversity, and inclusion policies, etc.)**

It is not mandatory to have an anti-discrimination policy, however it is recommended, since the eighth title of the labor code explicitly prohibits any form of discrimination. Discrimination of any type is in Costa Rica a cause for rightful termination.

**Is there a requirement to provide employees with training designed to combat discrimination and harassment?**

The employer according to the law against Sexual Harassment or Sexual Harassment in Employment and Teaching No. 7476 is compelled to have an internal policy that prevents, discourages, avoids and sanctions sexual harassment conducts; as well as to maintain staff with expertise in the prevention of sexual harassment.

**Is there a requirement to have a data protection policy?**

It is not mandatory, but it is recommended.

**Is it mandatory for employers to have a Child Protection Policy (CPP)? Are employees obliged to provide training on CPP to its employees?**

No, in Costa Rica this type of policy is not mandatory.

## 4 Tax

**Which taxes are mandatory for employers to pay and deduct on behalf of their employees?**

Employers must deduct CCSS contributions and rent tax as follows:

**CCSS DEDUCTION**

	EMPLOYER	EMPLOYEE
<b>CCSS (Costarican Social Security Fund)</b>		
SEM	9,25%	5,50%
IVM	5,42%	4,17%
<b>TOTAL CCSS</b>	<b>14,67%</b>	<b>9,67%</b>
<b>INSTITUTIONS</b>		
Cuota Patronal Banco Popular	0,25%	-
Asignaciones Familiares	5,00%	-
IMAS	0,50%	-
INA	1,50%	-
<b>TOTAL OF THE INTITUTIONS</b>	<b>7,25%</b>	<b>-</b>
<b>LABOR PROTECTION LAW</b>		
Aporte Patrono Banco Popular	0,25%	-
Fondo de Capitalización Laboral	1,50%	-
Fondo de Pensiones Complementarias	2,00%	-
Aporte Trabajador Banco Popular	-	1,00%
INS	1,00%	-
<b>TOTAL LPL</b>	<b>4,75%</b>	<b>1,00%</b>
<b>OVERALL PERCENTAGES</b>	<b>26,67%</b>	<b>10,67%</b>

**RENTA DEDUCTION**





Income ranges	Applicable tax rate
Salaries below ₡941,000.00	(Not taxable)
Over the excess of ₡941,000.00	10%
Over the excess of ₡1,381,000.00	15%
Over the excess of ₡2,423,000.00	20%
On the excess of ₡4,845,000.00	25%

**Are all employee taxes deducted from the salary that the employer pays or is there a requirement for employees to pay certain taxes directly?**

Employers must perform the deduction.

## 5 Remote work

**Are employers required to have a registered legal entity in the jurisdiction in order to employ employees in the jurisdiction?**

Employers are only required to register at the CCSS.

**Are employers required to provide any form of physical working space for employees working in your country?**

Yes, employers were required to have facilities.

**Please provide general instructions for employers on what to check if the employer has remote employees, including concerning employee tax liabilities.**

If employers have remote workers and the effects of their work take effect in CR, they must prove that income and CCSS deductions are made.

## 6 What to do when things go wrong

### Dispute resolution

**Do employees (including volunteers) need to go through any form of dispute resolution before bringing a claim to a court or tribunal?**

No, employees are free to pursue legal action whenever they wish to do so.

### Resignation

**What grounds do employees have for resignation?**

- When the employer does not pay the employee's complete salary, at the agreed date and place, even on one occasion.





- When the employer incurs during the work a lack of probity or honesty, or resorts to slander, calumny or de facto actions against the worker.
- When a dependent of the employer or one of the persons who live in the employer's house commits, with his express or implied authorization, any of the acts enumerated above against the worker.
- When the employer, directly or through his relatives or dependents, maliciously causes material damage to the worker's tools or working tools.
- When the employer or his representative resorts to slander, libel or any other act against the employee outside the place where the work is being performed and during non-working hours, provided that such acts have not been provoked and that as a consequence of such acts the coexistence and harmony for the fulfillment of the contract is made impossible.
- When the employer, a member of his family, or his representative, or another worker is suffering from a contagious disease, if the worker must remain in immediate contact with the person in question.
- When there is a serious danger to the safety or health of the worker or his family, due to a lack of hygienic conditions in the workplace, excessive insalubrity in the region or in the area.
- When the employer compromises with his imprudence or inexcusable carelessness, the safety of the place where the work is performed or the safety of the people who are there.
- When the employer commits any other serious breach of the obligations imposed by the contract.
- When the employer incurs discriminatory acts against any worker with HIV.

## Termination

### What grounds do employers have for the termination of employment contracts?

- When the employee conducts himself during his work in an openly unethical manner, or resorts to slander, calumny or acts of violence against his employer.
- When the worker commits any of the acts listed above against a co-worker during normal working hours.
- When the worker, away from the place where the work is performed and during non-working hours, resorts to slander, libel, slander or violence against his employer or against the employer's representatives, as long as such acts have not been provoked and that as a consequence the cohabitation for the performance of the work becomes impossible.
- When the employee commits a crime or offense against property directly detrimental to the employer, or when he/she intentionally causes material damage to machines, tools, raw materials, products and other objects immediately and undoubtedly related to the work.
- When the employee discloses professional secrets.
- When the worker, by his imprudence or absolutely inexcusable negligence, jeopardizes the safety of the place where the work is carried out.







- When the employee stops attending to work without the employer's permission, without a justified cause, for two consecutive days or for more than two alternate days in the same calendar month.
- When the worker clearly and repeatedly refuses to adopt the preventive measures or to follow the procedures indicated to avoid accidents or illnesses; or when the worker refuses in the same way to comply with the rules the employer clearly indicates.
- When the employee has misled the employer by claiming to have qualities, conditions or knowledge that he clearly does not possess, or by submitting personal references or attestations whose falsity is later proven by the employer, or by performing his work in a manner that clearly demonstrates his incapacity to perform the tasks for which he has been hired.
- When the worker is sentenced to imprisonment.
- When the employee incurs in any other serious violation of the obligations imposed on him by the contract.

**How do employers have to document the termination of an employment contract?**

Yes, it is advisable to document the termination of the employment contract, through a letter of dismissal or resignation, as well as any other convenient evidence.

**What is the responsibility of employers for damages incurred by an employee's actions within his/her work?**

The employer can claim and charge the worker for the damages through civil means. However, the employer cannot make wage deductions for the repair of damages.





## b. Independent contractors/consultants\*

### Section Contents

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2 Conditions of work for consultants .....	19
3 Safe and supportive work environment.....	21
4 Remote work.....	21
5 What to do when things go wrong.....	21

#### *Definition of an independent contractor/consultant*

"A self-employed individual who autonomously carries out an economic activity or work without subordination and can organize themselves through an economic unit in order to manage resources and inputs that allow them to produce goods or non-salaried income-generating services over a period of time. The independent worker exercises control over the activities and, on their own behalf, makes the most important decisions within an economic unit. They can work alone or in collaboration with other self-employed workers and may or may not provide work to third parties."

Regulation of the Health Insurance of the Costa Rican Social Security Fund (CCSS), article 10.

\* *The term consultant will be used to also refer to independent contractors, or any other term that would mean a person that provides goods or services under a written contract or a verbal agreement but does not work to meet the definition of employee.*

### 1 Contracts

#### **What types of independent contractor/consultant agreements are available? Are there any specific agreements available to NGOs?**

There is no specific regulation for the different types of professional services contracts. The law does not foresee "types" for these contracts, and neither for agreements with NGOs. In this sense, there are a significant number of professional service contracts that can be performed through a Service Contract, such as engineering projects, professional consultancy, advertising services, journalism, legal services, medical consultations, etc. Each contract should be according to the type of service needed, for example, if the consultancy is legal, the professional should develop legal functions.

The most important difference is with labor contracts. Currently, the main difference to establish if the agreement is an employment relationship or a commercial or civil relationship lies in if there is a "legal subordination".

#### **What are the main elements of consultant agreements?**





The main element for these contracts is that they are of a civil or commercial nature. It is important that the contract be totally different from a labor contract, so that in consultant contracts for professional services there should be no subordination, no personal provision of services and no salary.

This type of contract consists of an agreement between parties, in which one of them is obliged to provide its work, in an autonomous, technical and special way to another, for economic remuneration, generally called "fees". The amount of the fees is freely agreed upon by the parties involved.

In this modality, people usually work by objectives, projects, and goals, executing tasks under their own responsibility.

**Is it possible to have probation periods for independent contractors/consultants? If yes, for how long?**

No, in professional services contracts, it is not possible to establish probationary periods. The probationary period is a figure of employment contracts only.

**Is it possible to have a fixed term consultation/independent contractor agreement? Are there any restrictions around fixed term consultant/independent contractor agreements?**

Yes, contracts for professional services may be fixed-term. The duration of these contracts will depend on the type of service required. There are no specific regulations on the duration of these contracts.

However, it is important to always separate them from labor contracts and never set conditions of a labor nature for these professionals.

**Do independent contractor/consultant agreements have to be in writing? Are there any signatory requirements? For example, could they be signed in-person or electronically, etc.)?**

Verbal and in writing contracts are equally valid. Therefore, it is always recommended that all contracts are fixed in writing so that the contract is also a means of proof and there is security for both parties. Contracts can be signed in-person or electronically, both forms are valid.

**Do all types of independent contractors/consultants have to be under contract in order to be able to work?**

Yes, consultants or professionals require a contract to start providing services.

**Can you provide a simple template of the agreements mentioned above? Is there an obligation to run a criminal record check to the extent that any independent contractor will be working with children or vulnerable people?**

See the [Addendum 4](#) for the template.

It is not an obligation; however, it is possible to request a criminal record. As a service that involves minors, it is considered an objective reason to request a criminal record.





## 2 Conditions of work for consultants

### **Are there any minimum age requirements for an individual to work under a consultant/independent contractor agreement?**

Yes, the person must be of legal age, in Costa Rica, the age of minimum age is 18 years old.

### **Does a consultant/independent contractor need to obtain a license or any other permission in order to work?**

There are no particular requirements, however, the person providing the consulting service should preferably be a specialist in the subject. In Costa Rica there is no license to provide services in professional services contracts.

### **Payment**

### **Are there any minimum pay requirements for consultants/independent contractors? Are there any exceptions in minimum wages for young persons or people with disabilities?**

In contracts for professional services, compensation is provided in the form of fees for the services rendered, rather than a salary. This distinction is important because these types of contracts do not involve employer-employee relationships.

Although there is no minimum fee payment, the minimum salary table of the Ministry of Labor and Social Security must be used as a reference to calculate the payment of consultants. This table establishes the minimum payment for professionals according to their category, so the fees must not be lower than what is established there.

There is no expectation of minimum fee payments for young or people with disabilities.

### **Is there any requirement to provide statutory/paid leave to consultants for statutory holidays?**

No, there is no requirement to provide such benefits. The relationship in professional services contracts is governed by civil law, and therefore labor rights do not have to be acknowledged or recognized.

### **Is there any requirement to pay annual leave to consultant/independent contractors? If so, how is this compensated, if at all?**

No, there is no requirement to provide such benefits. The relationship in professional services contracts is governed by civil law, and therefore labor rights do not have to be compensated or recognized.

### **Is there an obligation to provide consultant/independent contractors with overtime? How is this compensated if required?**

No, there is no requirement to provide such benefits. The relationship in professional services contracts is governed by civil law, and therefore labor rights do not have to be compensated or recognized.

### **Are consultants entitled to an end-of-year payment?**

No, there is no requirement to provide such benefits. The relationship in professional services contracts is governed by civil law, and therefore labor rights do not have to be compensated or recognized.





**Are consultants entitled to a final payment when the contract is terminated?**

No, there is no requirement to provide such benefits. The relationship in professional services contracts is governed by civil law, and therefore labor rights do not have to be compensated or recognized.

**Working hours**

**Are consultants entitled to any type of leave, whether paid or unpaid?**

No, in these contracts there are no working hours. The professional makes his own schedule according to his convenience to complete the objectives and tasks set forth in the contract.

**Social security**

**Does the end user engager need to make any social security contributions on behalf of a consultant/independent contractor? Are independent contractors entitled to health insurance from the end user engager?**

In the contract for professional services, the person who assumes the responsibility and risk is the one providing the service, as there are no elements of an employment relationship. It is this person who must affiliate with the Costa Rican Social Security Fund (CCSS), as stated in the Regulation for the Affiliation of Independent Workers and Voluntary Insured Individuals (Voluntary Insurance). Additionally, they are responsible for paying value-added tax and income taxes.

The person who hires them does not assume the obligation to provide them with any health insurance.

**Are independent contractors/consultants entitled to unemployment insurance/benefits after termination of their independent contractor/consultancy agreement from the end user engager?**

No, you are not entitled to unemployment insurance / benefits after the termination. This type of right is not recognized in this commercial relationship.

**Are independent contractors/consultants entitled to sick leave from the end user engager? If yes, for how long? How many days have to be paid?**

No, they are not entitled to sick leave, the contractor does not have to provide them with any leave. The independent consultant is responsible for the cost of the health insurance.

**Are independent contractors/consultants entitled to maternity leave from the end user engager? If yes, for how long? How many days/months have to be paid?**

All independent consultants who are up to date with their insurance payments are entitled to maternity leave with monetary subsidy. However, this license is processed only with the CCSS. The person that contracts the consultants does not have any responsibility for the maternity leave.

The CCSS grants the pregnant or adopting consultant a leave of absence, which includes a monetary allowance. This allowance ensures that the consultant does not experience a loss of income during the period they are not working.

This leave has a duration of four months, including pre- and postpartum, one month before childbirth and three months after childbirth.

**Are independent contractors/consultants entitled to paternity leave from the end user engager? If yes, for how long? How many days/months should be paid?**





Currently, the law does not regulate paternity leave for independent consultants.

**Are employers obliged to cover work-place injuries for independent contractors/consultants?**

No, they are not obligated. But independent consultants can purchase on their own an Occupational Risk Insurance.

**Are independent contractors/consultants entitled to retirement benefits from the end user? If yes, what benefits?**

No, these benefits are not granted in professional service contracts, because there is no employment relationship.

### 3 Safe and supportive work environment

**Are there any differences in terms of the regime that applies to employees?**

Independent consultants cannot be considered as employees. The labor conditions do not apply to independent consultants.

### 4 Remote work

**Are end user engagers required to have a registered legal entity in the jurisdiction in order to hire independent contractors/consultants there?**

No, they do not need to be registered with a legal entity.

### 5 What to do when things go wrong

#### Resignation

**Do consultants/independent contractors need a reason to terminate the contract or can they terminate it for any reason in accordance with the terms of the contract?**

Contracts may be terminated at any time. However, in the case of fixed-term contracts, the contract should preferably be terminated on the agreed date. Likewise, if the contract establishes that a notice period is required for the termination of the contract, this period must be respected by the parties.

#### Termination of agreement

**What grounds do end user engagers have for the termination of consultant agreements?**

Contracts may be terminated at any time. However, in the case of fixed-term contracts, the contract should preferably be terminated on the agreed date. Likewise, if the contract establishes that a notice period is required for the termination of the contract, this period must be respected by the parties.

No specific reasons are required.

**What is the responsibility of the end user engagers for damages incurred by a consultant's actions within his/her work?**

The independent consultant must assume responsibility for the damages, and it can be established in the contract that the independent consultant must indemnify the contractor.





## c. Volunteers (also known Internship)

### Section Contents

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3 Safe and supportive work environment.....	23
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#### *Definition of a volunteer*

The law does not define this concept.

### 1 Contracts

#### **Are organizations required to sign any form of agreement with volunteers?**

It is recommended to establish an agreement between the organization and the volunteers. These agreements must be general and concrete, and sanctions cannot be imposed. In addition, the purpose of volunteering must be detailed.

### 2 Conditions of employment

#### **Is there a minimum age requirement for volunteers?**

In CR there is no specific law that regulates the age limit for volunteering, but the law does stipulate that people over 15 years of age may work, so it is recommended that volunteers be over 15 years of age.

In addition, the organization may establish that the children must be accompanied by the group leader or by a parent or legal tutor, who will also be a volunteer, for the duration of the volunteer service.

#### **What type of volunteering work may a child undertake? Are there any restrictions around this?**

Children under 15 are not allowed to work in CR. Between 15 and 18, they could with a permit from their parents or legal tutor. They can do tasks that are not unhealthy or dangerous.

#### **Payments and reimbursement**

#### **Are organizations allowed to pay stipends to volunteers?**

Since they do not receive a "salary", but rather what are called stipends, they do not need to meet a minimum wage.





**Are organizations allowed to reimburse volunteers? If yes, for what expenses (such as transportation, food, etc.).**

Yes, volunteers may be paid a small amount for food and transportation.

**Working hours**

**Are there any obligations around how many hours volunteers can work?**

In CR, employees over 15 years of age may work, but they have special protection, for example, the authorized workday is "6 hours a day and 36 hours a week"; the mixed workday must not exceed 10 pm; and night work is prohibited. These limitations apply to volunteers over 15 years of age.

In the case of adults, a volunteer should not exceed one working day (daytime: 8 hours, mixed daytime: 8 hours and nighttime: 6 hours). However, there is no specific rule that expressly regulates this aspect, so the recommendation is that volunteering should be performed in a shorter period than the working day.

**Are volunteers entitled to any type of leave?**

No, you are not entitled to any type of leave of absence.

**Social security**

**Are organizations obliged to pay any social security contributions on behalf of their volunteers?**

No, because they are not employees and they do not receive salary.

**Are organizations obliged to provide health insurance to volunteers?**

The organization must have a basic accident policy to cover any possible accidents. The organization must provide certification from the insurance company specifying the type of policy that the volunteers of the organization have. However, volunteers are not entitled to any type of economic subsidy.

**Are organizations liable for absences of volunteers due to work-place injuries?**

No, the obligation of the organization is to have the insurance policy, but they do not have to pay any subsidy to the volunteers.

### **3 Safe and supportive work environment**

**Are there any differences in terms of the regime that applies to employees?**

The tasks of volunteers must be differentiated from the work performed by employees, and they must not wear company uniforms or badges. Under no circumstances may volunteering replace paid work. The organization should establish the tasks and responsibilities of the volunteers.

### **4 Tax**

**Are organizations obliged to pay taxes if they pay their volunteers stipends? If yes, what types of taxes are mandatory to pay?**







No, stipends are only to cover eventual expenses. They are not considered taxable income since they are not considered as compensation or remuneration.

## 5 What to do when things go wrong

### **What grounds do organizations have for the termination of volunteer agreements/arrangements?**

The volunteer agreement may be for a fixed term, so its termination date would be fixed, then the grounds would be its agreed termination date. However, no specific reasons are required.

### **What is the responsibility of organizations for damages incurred by a volunteer's actions within his/her work?**

Damages can be claimed via civil action.





## d. Non-citizen employees and consultants, including refugees and others forcibly displaced

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4 Safe and supportive work environment.....	26
5 What to do when things go wrong? .....	26

### 1 Status and the right to work

#### **Are employers obliged to secure legal status for their employees or consultants if they are non-citizens? (such as refugee status, humanitarian visas, visas for trafficking survivors, other recognized protection statuses, etc.)**

No, employers are not obligated to regulate the immigration status of their employees. Their obligation is to verify that employees who are non-citizens or refugees have a valid work authorization.

#### **Are employers obliged to secure work permits for their employees or consultants?**

No, employers are not obligated to regulate the immigration status of their employees. Non-citizen employees must have a current work permit.

#### **Is it always necessary to obtain a work permit?**

Yes, it is always necessary.

#### **Can asylum-seekers and other persons forcibly displaced access the right to work if they do not have refugee status or other recognized protection statuses?**

They may be hired; however, a clause must be included in the employment contract stating that the contract will be terminated without employer liability in the event of a rejection of the application.

### 2 Contracts

#### **Are employment contracts or consultant agreements for non-citizens different to those for citizens?**

Yes, they must be different, because employers must include a clause stating that in case of rejection of the work residency application the contract will be terminated without liability of the parties.





### 3 Conditions of employment

**Does national law regulate the quotas for the number of non-citizens within one organization?**

No, it is not regulated.

**Are there any other differences in conditions of employment for non-citizens and citizens?**

No, there should be no differences.

**Are there any specific employment terms that apply to citizens but not apply to non-citizens?**

No, they do not exist.

### 4 Safe and supportive work environment

**Are there any differences in a safe and supportive work environment approach for non-citizens? If yes, please elaborate here.**

No, there should be no differences.

**Does the employer have additional obligations for non-citizens?**

No, there are no differences in the obligations.

### 5 What to do when things go wrong?

**Is the process of termination of an employment contract for non-citizens different than for citizens? If yes, please explain here.**

No, there should be no differences.

**Is the process of resignation for non-citizens different than for citizens? If yes, please explain here.**

No, there should be no differences.

**Are non-citizens entitled to the equal protection of employment laws in the event of employment-related disputes?**

Yes, they are equally protected.





# Addendum 1 - The template of Labor Contract (Indefinite)

## Contract of employment

This Agreement is entered into by and between \_\_\_\_\_ (hereinafter referred to as the "EMPLOYER"), , with the Corporate Identification Number \_\_\_\_\_ and \_\_\_\_\_, represented in this act by its legal representative with full power of attorney Mr. \_\_\_\_\_, bearer of the U.S. passport number \_\_\_\_\_, company hereinafter referred to as the "EMPLOYER"; and, \_\_\_\_\_, bearer of the identification card number \_\_\_\_\_, hereinafter referred to as the "EMPLOYEE";

Have agreed to celebrate the present INDIVIDUAL LABOR CONTRACT BY INDEFINITE TIME, according with dispositions of the Political Constitution, the Labor Law, international treaties current in the country, as well as the rest of connected laws and the following clauses:

### 1. Starting date of the Employee

Employment Start Date: \_\_\_\_\_ and its duration will be extended per indefinite time.

### 2. Job title and description

The EMPLOYEE compromises himself to serve exclusively for the EMPLOYER, in the position of: CARETAKER and will report directly to \_\_\_\_\_.

The EMPLOYEE declares that he is suitable for the position and has the necessary qualities, capacities and knowledge to develop the position for which has been hired, accepting any other similar function that would be of the same kind of those that constitute the normal activity of the EMPLOYER and that is compatible with his strength, aptitudes, and condition, when his superiors ask his collaboration.

In accordance with the collaboration duty, the EMPLOYEE will execute the respective labors, with the appropriate intensity, skill, and care, to give maximum performance, productivity and good quality of work.

Main tasks for EMPLOYEE will be as follows:

- 1-
- 2-
- 3-

### 3. Workplace locations

EMPLOYEE will specifically be assigned to work for EMPLOYER located in \_\_\_\_\_ and can be subject to changes related to the business needs.

### 4. Working Hours

Labors must be accomplished according with the next schedule: Monday thru Saturday, working 8 hours per day, from 8am to 5pm, with a period of one hour for lunch.





## 5. Salary

In virtue of the payment of the ordinary work, The EMPLOYEE will receive \_\_\_\_\_ COLONES per month. The EMPLOYEE agrees receiving his payment in cash or by electronic transfer, to election of the EMPLOYER.

The EMPLOYEER is responsible for withhold and pay any employee statutory related taxation and social security arising from this employment in Costa Rica.

EMPLOYEE will be duly registered at Caja Costarricense de Seguro Social.

## 6. Vacations

The EMPLOYEE is entitled to 15 days of vacation per annum (2 working weeks including Sundays). Vacation may only be taken with prior approval from EMPLOYER. In case of disagreement, the EMPLOYER will establish the date when the EMPLOYEE will enjoy his vacations period. For every period worked that is less than a complete year, vacations will accrued at the rate of 1 working day per complete month worked.

## 8. Christmas Bonus

Christmas Bonus will be pay in the first 20 days of December each year.

## 9. Applicable Law

In case of any dispute related to this contract, Costa Rican Labor Law will apply.

## 14. Acceptance

The parties had read personally the present contract, and knowing properly all clauses and stipulations that conforms the contract, we declare to know the meaning and transcendence of this document, and because of that we accept, ratify and sign in three units, which will be for the EMPLOYER, the EMPLOYEE and for the Labor and Social Security Ministry, leaving without any effect any other previous written or verbal agreement.

(INDICATE DATE)

\_\_\_\_\_

THE EMPLOYER

\_\_\_\_\_

THE EMPLOYEE





# Addendum 2 - The template of Labor Contract (Fixed term)

## Contract of employment

This Agreement is entered into by and between \_\_\_\_\_ (hereinafter referred to as the "EMPLOYER"), , with the Corporate Identification Number \_\_\_\_\_ and \_\_\_\_\_, represented in this act by its legal representative with full power of attorney Mr. \_\_\_\_\_, bearer of the U.S. passport number \_\_\_\_\_, company hereinafter referred to as the "EMPLOYER"; and, \_\_\_\_\_, bearer of the identification card number \_\_\_\_\_, hereinafter referred to as the "EMPLOYEE";

Have agreed to celebrate the present INDIVIDUAL LABOR CONTRACT BY FIXED TERM, and will have a completion date \_\_\_\_\_ according with dispositions of the Political Constitution, the Labor Law, international treaties current in the country, as well as the rest of connected laws and the following clauses:

### 1. Starting date of the Employee

Employment Start Date: \_\_\_\_\_ and its duration will be extended per indefinite time.

### 2. Job title and description

The EMPLOYEE compromises himself to serve exclusively for the EMPLOYER, in the position of: CARETAKER and will report directly to \_\_\_\_\_.

The EMPLOYEE declares that he is suitable for the position and has the necessary qualities, capacities and knowledge to develop the position for which has been hired, accepting any other similar function that would be of the same kind of those that constitute the normal activity of the EMPLOYER and that is compatible with his strength, aptitudes, and condition, when his superiors ask his collaboration.

In accordance with the collaboration duty, the EMPLOYEE will execute the respective labors, with the appropriate intensity, skill, and care, to give maximum performance, productivity and good quality of work.

Main tasks for EMPLOYEE will be as follows:

- 1-
- 2-
- 3-

### 3. Workplace locations

EMPLOYEE will specifically be assigned to work for EMPLOYER located in \_\_\_\_\_ and can be subject to changes related to the business needs.

### 4. Working Hours





Labors must be accomplished according with the next schedule: Monday thru Saturday, working 8 hours per day, from 8am to 5pm, with a period of one hour for lunch.

**5. Salary**

In virtue of the payment of the ordinary work, The EMPLOYEE will receive \_\_\_\_\_ COLONES per month. The EMPLOYEE agrees receiving his payment in cash or by electronic transfer, to election of the EMPLOYER.

The EMPLOYEE is responsible for withhold and pay any employee statutory related taxation and social security arising from this employment in Costa Rica.

EMPLOYEE will be duly registered at Caja Costarricense de Seguro Social.

**6. Vacations**

The EMPLOYEE is entitled to 15 days of vacation per annum (2 working weeks including Sundays). Vacation may only be taken with prior approval from EMPLOYER. In case of disagreement, the EMPLOYER will establish the date when the EMPLOYEE will enjoy his vacations period. For every period worked that is less than a complete year, vacations will accrued at the rate of 1 working day per complete month worked.

**8. Christmas Bonus**

Christmas Bonus will be pay in the first 20 days of December each year and upon termination of employment.

**9. Applicable Law**

In case of any dispute related to this contract, Costa Rican Labor Law will apply.

**14. Acceptance**

The parties had read personally the present contract, and knowing properly all clauses and stipulations that conforms the contract, we declare to know the meaning and transcendence of this document, and because of that we accept, ratify and sign in three units, which will be for the EMPLOYER, the EMPLOYEE and for the Labor and Social Security Ministry, leaving without any effect any other previous written or verbal agreement.

(INDICATE DATE)

\_\_\_\_\_  
THE EMPLOYER

\_\_\_\_\_  
THE EMPLOYEE





# Addendum 3 - The template of Labor Contract (Part time)

## Part-time employment contract

This Agreement is entered into by and between \_\_\_\_\_ (hereinafter referred to as the "EMPLOYER"), , with the Corporate Identification Number \_\_\_\_\_ and \_\_\_\_\_, represented in this act by its legal representative with full power of attorney Mr. \_\_\_\_\_, bearer of the U.S. passport number \_\_\_\_\_, company hereinafter referred to as the "EMPLOYER"; and, \_\_\_\_\_, bearer of the identification card number \_\_\_\_\_, hereinafter referred to as the "EMPLOYEE";

Have agreed to celebrate the present PART-TIME EMPLOYMENT CONTRACT, according with dispositions of the Political Constitution, the Labor Law, international treaties current in the country, as well as the rest of connected laws and the following clauses:

### 1. Starting date of the Employee

Employment Start Date: \_\_\_\_\_ and its duration will be extended per indefinite time.

### 2. Job title and description

The EMPLOYEE compromises himself to serve exclusively for the EMPLOYER, in the position of: CARETAKER and will report directly to \_\_\_\_\_.

The EMPLOYEE declares that he is suitable for the position and has the necessary qualities, capacities and knowledge to develop the position for which has been hired, accepting any other similar function that would be of the same kind of those that constitute the normal activity of the EMPLOYER and that is compatible with his strength, aptitudes, and condition, when his superiors ask his collaboration.

In accordance with the collaboration duty, the EMPLOYEE will execute the respective labors, with the appropriate intensity, skill, and care, to give maximum performance, productivity and good quality of work.

Main tasks for EMPLOYEE will be as follows:

- 1-
- 2-
- 3-

### 3. Workplace locations

EMPLOYEE will specifically be assigned to work for EMPLOYER located in \_\_\_\_\_ and can be subject to changes related to the business needs.

### 4. Working Hours

Labors must be accomplished according with the next schedule: Monday thru Saturday, working 4 hours per day, from 9am to 1pm, with a period of 15 minutes for lunch.







## 5. Salary

In virtue of the payment of the ordinary work, The EMPLOYEE will receive \_\_\_\_\_ COLONES per month. The EMPLOYEE agrees receiving his payment in cash or by electronic transfer, to election of the EMPLOYER.

The EMPLOYEER is responsible for withhold and pay any employee statutory related taxation and social security arising from this employment in Costa Rica.

EMPLOYEE will be duly registered at Caja Costarricense de Seguro Social.

## 6. Vacations

The EMPLOYEE is entitled to 15 days of vacation per annum (2 working weeks including Sundays). Vacation may only be taken with prior approval from EMPLOYER. In case of disagreement, the EMPLOYER will establish the date when the EMPLOYEE will enjoy his vacations period. For every period worked that is less than a complete year, vacations will accrued at the rate of 1 working day per complete month worked.

## 8. Christmas Bonus

Christmas Bonus will be pay in the first 20 days of December each year.

## 9. Applicable Law

In case of any dispute related to this contract, Costa Rican Labor Law will apply.

## 14. Acceptance

The parties had read personally the present contract, and knowing properly all clauses and stipulations that conforms the contract, we declare to know the meaning and transcendence of this document, and because of that we accept, ratify and sign in three units, which will be for the EMPLOYER, the EMPLOYEE and for the Labor and Social Security Ministry, leaving without any effect any other previous written or verbal agreement.

(INDICATE DATE)

\_\_\_\_\_

THE EMPLOYER

\_\_\_\_\_

THE EMPLOYEE





# Addendum 4 - Template for professional service agreement

## Consulting agreement

THIS CONSULTING AGREEMENT (the "Agreement") dated as of the Effective Date (defined below), is made by and between:

### CLIENT

Name

Address (the "Client"), and

### CONSULTANT

Name

Address (the "Consultant").

### BACKGROUND

The Client is of the opinion that the Consultant has the necessary qualifications, experience and abilities to provide consulting services to the Client.

The Consultant represents that he has the necessary qualifications, experience and abilities to independently provide consulting services, and is agreeable to providing such consulting services to the Client on the terms and conditions set forth in this Agreement. Consultant further represents that he is customarily engaged in an independently established trade, occupation, profession or business.

IN CONSIDERATION OF the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Client and the Consultant (individually the "Party" and collectively the "Parties" to this Agreement) agree as follows:

### SERVICES PROVIDED

- The Consultant will perform the Services (defined below) in a professional and competent manner and in compliance with applicable law, regulations and generally accepted industry standards and practices. Consultant will not do anything that may adversely affect Client's (including any affiliates) business, brand reputation, or products or services sold.
- The Client hereby agrees to engage the Consultant to provide the Client with the following consulting services (the "Services"):  
  
XXXX.
- Services may include other consulting tasks to which the Parties may agree. Consultant agrees to perform the Services to the Client's complete and total satisfaction, as determined by the Client in its sole judgment and discretion. The Consultant shall perform the Services at the Consultant's home or place of business, using Consultant's equipment and materials.

### TERM OF AGREEMENT





- The term of this Agreement will begin on the Effective Date and continue for a period of thirty (30) days, as well as any renewal periods (the "Term"). After the first thirty (30) day period, the Agreement will automatically renew for successive new thirty (30) day periods. Either party may terminate this Agreement by giving 30 days prior written notice of such termination to the other party. In the event that Consultant does not perform the Services to the Client's satisfaction, poor performance will be considered a breach of this Agreement, and adequate grounds for Client to immediately terminate this Agreement. Either Party may immediately terminate this Agreement in the event of a breach thereof.

## **PERFORMANCE**

- The Parties agree to do everything necessary to ensure that the terms of this Agreement take effect.

## **CURRENCY**

- Except as otherwise provided in this Agreement, all monetary amounts referred to in this Agreement are in USD (US Dollars).

## **FEES AND PAYMENT**

- The Consultant will charge the Client for the Services as follows (the "Compensation"):
  - Client agrees to pay the Consultant a flat fee of XXX dollars (\$XXX (USD)) per XXX.
  - The Client will not reimburse the Consultant for any expenses related to or arising out of the provision of any Services hereunder.
- In the event that this Agreement is terminated by the Client prior to completion of the Services but where the Services have been partially performed, the Consultant will be entitled to pro rata payment of the Compensation to the date of termination provided that there has been no breach of this Agreement on the part of the Consultant.

## **SERVICE VERIFICATION.**

- The services rendered by the Consultant shall be verified and approved by a representative of the Client. In the event that the Consultant has performed its services in an incomplete, defective, untimely manner or has not performed them at all due to causes attributable to it, the Client shall only pay the Consultant for the services rendered to its satisfaction and in accordance with the terms of this contract.

## **EARLY TERMINATION AND CONTRACT TERMINATION**

- By mutual agreement, the parties may terminate this contract at any time, and without any liability on their part. Unilaterally, the Client may terminate it by right without liability, in the event that the services of the Consultant prove to be deficient, defective, incomplete, present unjustified delays in relation to the individual or total execution term of the services described in this contract, or upon breach of any of the remaining provisions agreed between the parties in this document. In such event, the Client shall cancel to the Consultant only the services actually rendered to satisfaction, without prejudice to exercise the corresponding legal actions for the collection of damages caused by the Consultant.
- Additionally, the Client reserves the right to dissolve unilaterally by its own will the present contract, with the only obligation to give the Consultant a prior notice of one month in advance and the cancellation of the obligations up to that moment pending payment.





## **CONFIDENTIALITY/ NON-DISPARAGEMENT**

- Confidential information ( "Confidential Information") is defined as the Client's confidential and proprietary business information, including but not limited to the Client's products, services, customers, customer names, customer addresses, customer preferences, customer agreements, customer documents, methods of doing business, pricing information, marketing techniques, strategies, programs, discounts, business affairs, negotiations, selling techniques, agreements, costs, operations, accounting procedures, financial statements, labor relations, employee compensation, research, projects, proposals, processes, inventions, research and development strategies, scientific data, formulas and prototypes, technological data, product designs, data, specifications, processes and methodology, product know how, trade secrets, source code listings, programmer's notes, flow charts, diagrams, software programs, experiments, and any other confidential information of any kind, nature or description, tangible or intangible, in whatever form, relating to the Client, its customers, and/or its vendors. Items will not be considered Confidential Information if: (a) available to the public other than by a breach of an agreement by Consultant; (b) rightfully received by Consultant from a third party not in breach of any obligation of any confidentiality; (c) independently developed by Consultant without access to the Confidential Information of Client, and unrelated to Services provided to the Client; or (d) as otherwise independently known to Consultant at the time of disclosure, as verified by his or her written records.
- The Consultant agrees that he will not disclose, divulge, reveal, report or use, for any purpose, any Confidential Information which the Consultant has obtained, except as authorized by the Client or as required by law.
- The Consultant will not make and/or ratify any false and/or disparaging comments or statements about the Client, its owners, officers, employees, agents and/or affiliated companies (the "Non-disparagement Obligation") during the Term of this Agreement, or at any time thereafter. The Parties agree that quantifying losses from Consultant's breach of the Non-disparagement Obligation is inherently difficult, and further stipulate that the agreed upon sum is not a penalty, but rather a reasonable measure of damages. The Parties further stipulate that in the event that Consultant breaches the Non-disparagement Obligation, this liquidated damages provision is Client's exclusive remedy at law. For avoidance of doubt, this liquidated damages provision applies to a breach of the Non-disparagement Obligation only.
- All written and oral information and material disclosed or provided by the Client to the Consultant under this Agreement is Confidential Information regardless of whether it was provided before or after the date of this Agreement or how it was provided to the Consultant.

## **CAPACITY/INDEPENDENT CONTRACTOR**

- In providing the Services under this Agreement it is expressly agreed that the Consultant is acting as an independent contractor and not as an employee. Consultant will perform the Services independently, and free from Client's control or direction. The Consultant and the Client acknowledge that this Agreement does not create a partnership or joint venture between them, and is exclusively a contract for service.

## **NOTICE**

- All notices, requests, demands or other communications required or permitted by the terms of this Agreement will be given in writing and delivered to the Parties at the following addresses:  
  
XXXX





XXXX

or to such other address as either Party may from time to time notify the other, and will be deemed to be properly delivered (a) immediately upon notification by email, (b) two days after being deposited with the postal service if served by registered mail, or (c) the following day after being deposited with an overnight courier.

#### **ASSIGNMENT OF INVENTIONS AND DESIGNS**

- The Client owns all Inventions and Works that Consultant makes, conceives, develops, discovers, reduces to practice or fixes in a tangible medium of expression, alone or with others, either (a) while performing the Services under this Agreement for the Client (including past consulting for the Client and whether or not during working hours); (b) that involve the use or assistance of the Client's equipment, supplies, facilities or trade secret information; (c) that result from, relate to or derive from the Client's Intellectual Property or proprietary information, from any work that Consultant performs for the Client under this Agreement, from any Invention or Work that Consultant is required to assign to the Client, or from any of the Client's anticipated research and/or development of which Consultant is aware; or (d) within one (1) year after Consultant's relationship with the Client under this Agreement ends, if the Invention or Work is based upon or relates to the Client's Confidential Information (including, without limitation, the Client's Intellectual Property or proprietary information).
- "**Intellectual Property**" includes "**Inventions**" and "**Works**." "**Inventions**" means discoveries, developments, concepts, ideas, improvements to existing technology, processes, procedures, machines, products, services, teaching methods, formulas, computer programs and techniques, and all other matters ordinarily intended by the word "invention," whether or not patentable or copyrightable. "**Inventions**" also include all records and expressions of those matters. "**Works**" means original works of authorship, including interim work product, modifications and derivative works, and all similar matters, whether or not copyrightable.

#### **ASSIGNMENT**

- The Consultant will not voluntarily, or by operation of law, assign or otherwise transfer its obligations under this Agreement without the prior written consent of the Client.

#### **ENTIRE AGREEMENT**

- This Agreement sets forth the entire agreement between the Parties hereto, regarding the subject matter hereof, and fully supersedes any prior agreements or understandings between the Parties.

#### **SEVERABILITY**

- In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

#### **COUNTERPARTS**

- This Agreement may be executed in one or more counterparts, including electronically transmitted counterparts, each of which shall be deemed an original and all of which shall be considered one and the same instrument.

#### **GOVERNING LAW**





- The parties expressly agree to submit to the laws of the Republic of Costa Rica for the interpretation and execution of this contract. In all matters not agreed upon, this contract shall be governed by the provisions of Costa Rican law applicable to this matter.

IN WITNESS HEREOF, the authorized representatives of the Parties have acknowledged and agreed to the terms of this Agreement, and executed this Agreement, effective as of the date of the last signature by the Parties hereto (the "Effective Date").

Date:

Date:

X

X

CONSULTANT

CLIENT





For more information please visit [pilnet.org](http://pilnet.org)