

Biz Latin Hub's

Snapshot of Employment Law in Brazil

WORKING HOURS

Regular working hours in Brazil should not exceed eight (8) hours per day, with standard hours totalling 44 hours per week and 220 hours per month. Overtime hours are allowed, but limited to two (2) hours per day.

TYPES OF EMPLOYMENT CONTRACT

There are 4 (main) types of employment contract in Brazil:

Definite-term employment contract:

Shall not exceed 2 years and is applicable under the following conditions: (i) the nature of the service justifies the predetermination of the term; (ii) the business activities have a transitory nature; (iii) probation agreements. When the term of the agreement ends, the employer does not need to pay for indemnified notice.



Indefinite-term employment contract:

This is the most common type of employment contract in Brazil. When the agreement is terminated by the employer, the employee has the right to receive an indemnification of one salary for the indemnified notice.



Temporary employment contract:

This type of contract is applicable for a defined short period of time (i.e. seasonal work or maternity cover).



Intermittent employment contract:

Under the terms of this contract the employee is hired and paid on an hourly basis and can be called upon based on the necessities of the employer. As such, there is no fixed salary.



STATUTORY CONTRIBUTIONS

Employee Deductions:

1

Income tax deductions vary from 0% to 27.5% based on salary level, with social security deductions similarly ranging from 7.5% to 14%.

Employer Contributions:

2

Employers must contribute 8% of an employees gross salary to go towards the Indemnity Fund, while 26.8% is deducted for social security.

Additional:

3

In some cases, transport and meal allowances can be statutory requirements. While, depending on the business activity, some employees can be eligible for other benefits, such as health or life insurance.

VACATIONS, LEAVE, AND OTHER ABSENCES

Statutory vacation allowance / paid time off (PTO)

After 12 months of employment, the employee is entitled to 30 days of leave over the following 12 months. Vacations may be taken in up to three (3) different periods during that year, with those periods agreed on by the employee.

One of the vacation periods must be at least 14 calendar days long, while the others must be at least five (5) calendar days long each. The employer must pay the employee's salary plus an additional amount equivalent to one third of the salary as a benefit for the leave period.



Maternity and paternity leave:

Maternity leave in Brazil is 120 days and may be extended to 180 days. Paternity leave is five (5) days and it may be extended to 20 days.

Sick leave:

Employers must pay doctor-authorized sick leave for 14 days, after which the salary is paid by the Social Security Authority for a period of up to two (2) years.

Bereavement:

Bereavement leave totals two (2) days in the case of the death of a spouse, parent, child, or sibling.

Marriage:

Three (3) days of leave are granted to an employee when they get married.

Blood donation:

Employees are allowed one (1) day of leave every 12 months to donate blood.