

INDIVIDUAL EMPLOYMENT AGREEMENT FOR A FIXED TERM

In accordance with article 25 of the Guatemalan Labor Code, the individual employment agreement can be:

- A. for an indefinite term
- B. for a fixed term
- C. for a specific work

For the employment agreement fixed term, the law indicates that is applicable when the contract specifies the date of termination or when an event or circumstance necessarily puts an end to the employment relationship.

This form of contracting of exceptional nature can only be used when the accidental or temporary nature of the work requires it. Considering this, it is not allowed to renew the period of a fixed term employment agreement. In the case that the employee continues to provide his/her services to the employer after the expiration of the fixed term, by legal mandate, the agreement becomes as an indefinite term.

Upon the termination of a fixed term employment agreement, the employer has the obligation to pay only the proportional vacation, annual bonus (best known as 14th bonus) and the Christmas Bonus. If the employer decides to end the agreement prior to the expiration of the term without any fair cause, the employer will be liable for the damages caused to the employee and must pay the equivalent of one day of salary per each month worked. If premature termination occurs by the employee's decision, without a fair cause, the employee must pay a certain amount of money as compensation for damages; this will be determined by a labor inspector, or in the event of litigation, a labor judge.

For more information related to this matter, do not hesitate to contact us.



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