

Costa Rica

Fixed Term Contracts

Fixed Term Contracts are permitted in Costa Rica, but only allowed for a maximum length of 3 months. If a worker continues to work beyond the expiration of the fixed-term contract will automatically characterize it as an indefinite contract.

Probationary Periods

A probationary period is allowed to be included only in indefinite employment contracts. Generally, the probationary period is 30 days but can have a maximum length of 3 months and cannot be extended. During the probationary period, the employment contract can be terminated without cause.

Holidays

Workers recognize 9 paid public holidays in addition to 2 unpaid public holidays. Workers are entitled to double-pay for regular hours worked and triple-pay for overtime hours worked on those days. Employers are required to grant up to four unpaid holidays per year for other religious holidays.

Vacation

Workers are entitled to two weeks of paid vacation for every 50 weeks worked (or at least one day for each month worked prior to the 50-week mark). Employees generally must be permitted to take the entire vacation at one time. Accrued but unused vacation is due at termination.

Sick Leave

Workers are entitled to paid sick leave if they have contributed to social security the month prior to falling ill or becoming injured. Workers must be paid at least 50% of their salary during the first three days of leave. The government pays the remainder sick leave and requires the Worker to submit a medical certificate.

Working Hours

Generally, a regular workweek is 8 hours per day and 40 hours per week. However, it can be increased to 10 hours per day for a limit of 48 hours per week if it is not considered unhealthy or dangerous. Limited roles can be extended further, but no more than 12 hours per day and 72 hours per week. Overtime hours must be compensated at least 150%.

Overtime

Overtime hours must be compensated at least 150%.

Mandatory Bonuses

Workers are entitled to a 13-month salary equal to one month's salary to be paid within the first 20 days of December.

Costa Rica

Termination

Workers may be dismissed for any reason, but severance and notice or payment in lieu of notice is generally required after three months of service unless there are grounds for disciplinary dismissal. The duration of the notice depends on the length of service as outlined, below:

3 months – 6 months: one week's notice
6 months – 1 year: 15 days' notice
1+ years: one month's notice

The amount of severance pay in days depends on the length of service as outlines, below:

1 year: 19.5 days
2 years: 20 days
3 years: 20.5 days
4 years: 21 days
5 years: 21.24 days
6 years: 21.5 days
7 years: 22 days

Resignation

Workers must follow the same notice requirements in order to resign, but the Worker would not be entitled to compensation if the notice period is waived.