

Curacao

Fixed Term Contracts

Fixed-term contracts are permitted for specific circumstances. The maximum duration allowed for fixed-term contracts is 3 years. Fixed term contracts may be renewed, but after the fourth contract (with interruptions of less than 3 months) or renewals that exceed 36 months (including periods of interruption), the contract will be deemed to become a permanent employment contract. A contract for 3 years can be extended one time for up to 3 months without automatically converting to permanent employment.

When fewer than 4 fixed-term employment contracts have succeeded each other with interruptions of no more than 3 months and these have together exceeded 36 months (including the interruptions), permanent employment is created. A contract for 3 years or more can be extended 1 time for up to 3 months without automatically converting to permanent employment.

Fixed-term contracts are only allowed in specific circumstances such as the replacement of a temporarily absent employee, an accidental increase in work, or urgent work that must be performed immediately to prevent an impending accident.

Probationary Periods

The probationary period is two months, during which the contract can be terminated at any time by either party without giving a reason and without adhering to any notice period.

Holidays

In Curacao, Workers receive 11 public holidays. Workers are entitled to a paid day off in recognition of public holidays. Work on public holidays is compensated at 150%.

Vacation

Workers are entitled to paid leave equal to at least 3x the stipulated number of working days per week. Workers who perform work 6 days a week are entitled to a minimum of 15 paid leave days. Upon termination or resignation, Workers shall be compensated for any amount for vacation not taken at a rate equal to their wages.

Sick Leave

After the 3rd day of sick leave (determined by the social security doctor), the worker is entitled at least 80% of the calculated daily wage. For a Worker that is full time (5-6 days a week) the government will pay sick leave. However, parttime Workers will need to be issued payment for a minimum of 6 weeks of sick time.

Working Hours

Working hours vary depending on whether an individual is a Scheduled Worker or a Non-Scheduled Worker. A Scheduled Worker is a Worker whose working hours fall completely or partly outside the normal office (business) hours. Regular working hours for Scheduled Worker shall not exceed 45 hours per week, calculated over a period of 4 weeks, and daily working hours shall not exceed 10 hours. For non-scheduled Workers regular working hours shall not exceed 40 hours per week, calculated over a period of 4 weeks, and daily working hours shall not exceed 10 hours.

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Non-scheduled Workers must have at least a 30-minute paid break after 5 hours of work when they are scheduled to work more than 6 hours each day. Workers entitled to a break that work through it receive overtime pay. The working hours for the employee, who performs scheduled work, shall not exceed 45 hours per week, calculated over a period of 4 weeks, on the understanding that the working hours per day shall not exceed 10 hours. Non-Scheduled Workers must have at least a 30-minute break after 5 hours of work when they are scheduled to work more than 6 hours each day.

Mandatory Bonuses

There are no mandatory bonuses.

Termination

One month notice must be provided to Workers prior to termination if their engagement has not exceeded five years. Notice periods increase proportionally based on years of service. Prior to termination by notice without cause, approval from the Director of the Ministry of Social Development, Labor and Welfare must be obtained pursuant to the National Ordinance Termination Employment Agreement. Without such prior consent, a termination by giving notice will be considered null and void, unless the National Ordinance Termination Employment Agreements is not applicable to a certain labor relationship. Termination by mutual consent does not require notice and can occur at any time.

Resignation

Workers must provide notice one month in advance of their resignation and can provide notice at any time. The resignation notice period may be extended by stipulation

Other End Of Employment Rules

A Worker terminated without fault is entitled to severance payment known as the “cessantia” (provided the Worker has been engaged for at least one year). This “cessantia” payment is regulated in the Cessantia Ordinance (Landsverordening Cessantia) and is calculated based on the years of service.

Mandatory Employer Costs

In principle, all resident individuals must pay social security contributions. For employees, the employer has to contribute part of the premiums due. The contributions provide benefits under the General Old Age Insurance Ordinance (AOV), the General Widows and Orphans Ordinance (AWW), the General Insurance Extraordinary Sickness Ordinance (AVBZ) and the Basic Illness Insurance (BVZ).

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Employers must pay employee insurance contributions for residents and nonresidents. The contributions provide benefits under the Sickness Insurance Ordinance (ZV), Accident Insurance Ordinance, and Cessantia Ordinance. The Cessantia Ordinance (OV) provides for severance payment in case of involuntary dismissal.

- Old age (AOV) insurance - 9.5%
- Surviving dependents (AWW) insurance - 0.5%
- Basic health care insurance (BVZ) - 9.3%
- Accident insurance (OV), depending on risk level - 0.5% to 5%
- Insurance for loss of income due to illness (ZV) - 1.9%
- General insurance for exceptional medical expenses (AVBZ) - 0.5%