

Ecuador

Fixed Term Contracts

Fixed term contracts are permitted in Ecuador. The maximum term for fixed term contracts is 24 months, but may be extended twice up to a total of 30 months. If a fixed term contract is terminated early, Workers must be compensated for the remaining agreed-upon term.

Probationary Periods

In Ecuador, probationary periods have a maximum duration of 90 months.

Holidays

Ecuador has 14 statutory holidays, which are considered paid time off. Work on statutory holidays should be compensated at 200% of the normal rate.

Vacation

After a year of service, Workers in Ecuador are entitled to fifteen (15) days of vacation. Following five (5) years of consecutive service, workers accrue one extra vacation day for every additional year of work. The maximum number of days a Worker is eligible to accrue is thirty (30) days. Any accumulated unpaid leave must be issued to the worker at the time of termination.

Sick Leave

Workers in Ecuador must submit a medical certificate to the employer and the Ecuador Institute of Social Security (IESS) to be eligible for paid sick leave. The IESS covers the first three eligible sick days. If applicable, the next four to six months of sick leave will be compensated by both the IESS and the employer. The IESS will cover 75% of the Worker's wages and the employer will cover 25%.

Working Hours

Eight (8) hours per day is considered the standard workday in Ecuador and forty (40) hours is considered the standard work week. During weekdays, Workers must be compensated at 150% of their pay rate. Any work performed during a night shift (midnight to 6 am) requires Workers to be compensated at 200% of their pay rate.

Overtime

Overtime is any time worked over the standard working hours. Daily overtime cannot exceed four (4) hours and weekly overtime cannot exceed twelve (12) hours. Workers performing overtime work must be compensated at 150% of their pay rate.

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Mandatory Bonuses

Workers on an indefinite engagement are entitled to a 13th month and 14th month payment, paid proportionally every month, or accumulated and paid yearly if the Worker asks for this.

Termination

In Ecuador, Workers who have a fixed contract may be terminated at any time (and without cause), but the employer is required to pay the remaining balance of the contract. Workers who have an indefinite term may be terminated for just cause. If just cause exists, then an employer must file a petition for dismissal within thirty days of the cause. The labor authority must resolve the matter within 30 days of the filing of the petition. Just cause includes Repeated lack of punctuality; abandonment of work; lack of honesty; immoral behaviour of the worker; disrespect for the employer; ineptitude for the development of work; and serious disregard for internal regulations. Worker contracts can be terminated at any time without cause, but require the issuance of a severance payment. If the termination is a unilateral decision of the employer (sudden dismissal) and without just cause, the Worker is entitled to 125% monthly salaries per year of service, but no less than three monthly salaries.

Resignation

Workers can resign from an indefinite term contract at any time. If they elect to resign, they are entitled to payment of 25% of their last monthly salary for each year of service.

Other End Of Employment Rules

Sudden dismissal of a disabled person is entitled to an additional severance payment of 18 monthly salaries. Sudden dismissals that are found to be discriminatory are sanctioned with an additional severance payment of 12 monthly salaries.