

Nicaragua increases the maximum wage threshold subject to Social Security contributions

January 11, 2019

The Nicaraguan Social Security Institute has instituted a 10% increase on the maximum wage threshold for the contributions to the social security. The provision was adopted in Resolution No. RI-112-2018, which entered into force on January 1, 2019. The new threshold subject to contribution is C\$ 96,841.56 Nicaraguan cordobas.

Pursuant to this provision, employers contributions must be paid on the basis of this new threshold, as applicable. Employers must withhold the corresponding percentage from the salaries of employees who earn an income lesser than, equal to or greater than this new amount.

To obtain legal advice on this topic or any other topic regarding Labor and Employment, do not hesitate to contact us.

Your Key Contacts



Edgard Torres

Office Managing Partner,

Managua

D +505 2298 2400

M +505 86 88 94 05

Edgard.torres@dentons.com



Mario Novoa

Associate, Managua

D +505 2298 2400

M +505 8850 3610

Mario.Novoa@dentons.com