

Costa Rica – Increase in the social security contribution towards Disability, Old Age and Death

January 14, 2020

On August 28, 2019, the amendment to Transitory XI of the social security contribution towards Disability, Old Age and Death (IVM by its Spanish acronym) Regulation was published, accepting the recommendation of the Dialogue Board of 2017, which proposed accelerating the implementation period of the established steps for the contribution amounts of the IVM, by the Board of Directors of the Social Security Administration (CCSS) in 2005, **so that, as of January 2020, instead of applying them every five years, they will apply every three years.**

The tripartite contribution towards the basic tax regime of IVM that corresponds to employers, salaried employees and the State, is currently 10.66%. The employee assumes a contribution of 4.00%, the employer 5.25%, and the State a contribution of 1.41%.

In terms of total monthly contributions, as of January 1, 2020, the employer's percentage will be 26.5%; the employee's percentage will be 10.5%.

The application of this contribution will be effective from January 1, 2020 through December 31, 2022.

The Employment & Labor and Immigration practice of Dentons Muñoz Costa Rica offers legal advice relating to:

- Legislation review to determine the applicable framework to periodic increases in employer and employee contributions, ordered by governmental institutions.
- Legal opinions in reference to contributions towards social security.
- Practical and strategic tips to prevent future legal issues.

To obtain legal advice on Costa Rican Employment & Labor and Immigration Law, please do not hesitate to contact us.

Your Key Contacts



Anna Karina Jiménez

Partner, San José

D +506 2503 9815

M +506 8382 3038

annakarina.jimenez@dentons.com