

# New Social Security Minimum Reference Income

November 26, 2018

The minimum reference income, or minimum contributory base, used by employers to calculate the contributions at the Social Security Administration (CCSS) for Health and Maternity Insurance (SEM) and Pension, Disability, and Death Insurance (IVM) of their employees, increased recently as follows:

- IVM: ₡261,223.00 colones
- SEM: ₡279,088.00 colones

This change is based on a decision of the Board of the CCSS, which seeks to gradually update the minimum reference income for the calculation of these contributions. Notwithstanding the above, the salary report must be made on the total amounts paid under any denomination (real wage earned). This provision entered into force as of the October 2018 payroll report.

The modification in the minimum contributory base for AV/TI (voluntary and independent employee insurance) agreements will not be effective in October 2018. In the case of coffee collectors (ICAFE Agreement), they only contribute towards SEM.

To obtain legal advice on this topic or any other topic regarding Costa Rican Labor and Employment, HR and Immigration Law, please do not hesitate to contact us.

## Your Key Contacts



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