

Informative Newsletter
The Minimum wage increase, Cesta Ticket (Ticket Basket), and
Tax Unit

The National Executive decreed an increase in the monthly minimum wage, the value of the *Unidad Tributaria* (U.T.) (Tax Unit) and, as a consequence of the latter, the food benefit that workers receive monthly. All this in the following way:

- Through Decree No. 3.392 of the National Executive, published in Official Gazette No. 41,387 of April 30, 2018, the minimum monthly wage was increased to the sum of Bs. 1,000,000.00. It should be noted, without going into the analysis of its legality because it is not the subject of this report, that Article 11 of the aforementioned Decree provides that this new increase in the monthly minimum wage is retroactive as of April 15, 2018.

The minimum wage for apprentices is Bs. 750,000.00 and if the working day is less than 8 hours it will be adjusted in proportion to it.

- On the other hand, according to Decree 3.393 published in Official Gazette No. 41,387 of April 30, 2018, the National Executive empowers the “*Servicio Nacional Integrado de Administración Aduanera y Tributaria*” (SENIAT) (National Integrated Service of Customs and Tax Administration) to readjust the (U.T.). To this end, through Administrative Ruling No. SNAT/2018/00028 published in the Official Gazette No. 41,388 of May 2, 2018 (SENIAT) established an increase in the U.T. going from Bs. 500.00 to Bs. 850.00. The said ruling is effective as of May 1, 2018.

Again, we emphasize that it is not the purpose of the report to determine the legality of the increase in the way it was done.

- The increase in the value of the U.T. entails, among other effects, an increase in the sum of the food benefit (*Cestaticket Socialista*) which is fixed at 61 U.T. daily for 30 days of each month, according to the latest reform of its calculation base made on May 1, 2018.

Based on the new value of Bs. 850.00 per U.T. the monthly food benefit becomes Bs. 1,555,500.00 and would have no impact on the worker's salary, for purposes of the provisions of the "*Ley Orgánica del Trabajo, Los Trabajadores y Las Trabajadoras*" (Organic Labor Law).