

Proposed Labor Law Reforms in Chile

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Rochelle Harris



Not for Distribution

Chilean Labor Reform, Proposed Bill

Proposal	Impact
Union as the key collective bargaining agent in the company	<ul style="list-style-type: none"> • Currently employees can negotiate collectively, parallel to existing union. Multiple actors. • Union membership with existing or new union would be required. • Independent negotiation only allowed where no union is present.
Non-union employees lose right to union-negotiated conditions and benefits	<ul style="list-style-type: none"> • Employer would no longer be able to extend benefits and conditions (completely or partially) to non-unionised employees by charging 75% of negotiation fee. Will be considered anti-union activity.
Union employees that end their affiliation during CBA maintain benefits throughout CBA validity	<ul style="list-style-type: none"> • Union benefits continue without payment of dues to union.

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Ability of apprentices, temporary workers, project (fixed-term) workers, and “trabajadores de confianza” to bargain collectively.	<ul style="list-style-type: none"> • Larger group of employees participating in CBAs and covered by terms and conditions • Only employees with legal representation (in by-laws or similar) would be precluded from CB. • Note: New participants would not have right to strike or protected employment (<i>fuero</i>) during negotiations
New clauses allowed into negotiations	<ul style="list-style-type: none"> • Work-life balance • Equal opportunities (gender) • Wellbeing services • Diversity initiatives • Conflict resolution processes • Training plans (automation, redundancy, etc.) • Overtime banks, flexitime

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Provision of financial and company information to union officials	<ul style="list-style-type: none"> • Already required by law. Proposal would include disclosure to additional government agencies (enforcement). Within 30 days of request. • Specific salary information based on positions, total labor costs, future projections, investment plans, remunerations and benefits paid over last year. Within 15 days of request. • Specifically seeks to enforce current law, penalties would be applicable.
Changes to procedure and minimum requirements for collective bargaining to occur	<ul style="list-style-type: none"> • Current 1-year of operation would be reduced to 6 months • New CBA proposal can be presented between 45-60 days prior to end of current CBA • Increase to Ministry of Labor involvement in arbitrations. • CBAs (new) minimum 2, maximum 3 years.

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New rules regarding CBA Minimums	<ul style="list-style-type: none"> Where existing CBA is present, conditions remain intact as minimum Where no CBA is present, existing conditions will be maintained. Offers below existing conditions are null and void Reduction of conditions can be mutually agreed upon, where financially justified
Changes to Right to Strike	<ul style="list-style-type: none"> Striking employees would not be replaced Individual workers on strike cannot individually choose to return from strike Union will be required to maintain minimum level of staffing for company to continue functioning. Terms to be included in CBAs, case by case.

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Regulated Collective Bargaining	<ul style="list-style-type: none"> Company required to answer request within 5 days (reduced from 15) Minimum number of employees to bargain collectively would remain at 8 Absolute majority would be required to implement
Union delegate absences	<ul style="list-style-type: none"> Time off for delegates would be increased from 1 to 3 weeks per year
Anti-Union practices	<ul style="list-style-type: none"> Previous definition of "anti-union" activity has now been included to include the result of behaviours not necessarily intended as anti-union.

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