

# Reduction of the Workweek

## IN BRIEF

On May 1, 2026, the Decree amending, adding, and repealing various provisions of the Federal Labor Law regarding the reduction of the workweek was published in the Official Gazette of the Federation.

## Key Points

- **New Maximum Workweek:** The limit is formalized at **40 hours per week**.
- **Mandatory Gradual Implementation:** The reduction from 48 to 40 hours is not immediate ; it will be implemented over a **5-year phase-in period (2026-2030)**.
- **Wage Protection:** It is strictly prohibited to reduce employees' salaries under the pretext of the workweek reduction.
- **Distribution of Working Hours:** It is expressly provided that working hours may be distributed by mutual agreement between employers and employees.
- **Rest Days:** The employees' right to one day of rest for every six days of work remains unchanged.
- **New Overtime Regime:**
  - A limit of **12 overtime hours per week**, distributable up to **4 hours per day**, for a maximum of **4 days** within that period.
  - Payment at **100% additional** (double time) up to 12 hours.
  - Payment at **200% additional** over the ordinary salary (triple time) if the 12-hour limit is exceeded.
  - **Total Prohibition:** Minors under 18 years of age are prohibited from performing any type of extraordinary time.

- **Electronic Workday Registry:** Employers are obligated to maintain an electronic registry of each employee's workday, including start and end times.
  - The Ministry of Labor and Social Welfare (STPS) will issue general rules determining the scope and exceptions of this obligation.
  - Failure to maintain such a registry carries a fine ranging from **250 to 5,000 times** the Unit of Measure and Update (UMA).

## Implementation Schedule

**Ordinary Workweek Reduction:** This is the most critical point for financial and human resources planning. The reduction will be **2 hours per year**, effective every January 1st:

Year	Maximum Weekly Workday	Reduction from Previous Year
2026	48 hours	(Start of transition)
2027	46 hours	- 2 hours
2028	44 hours	- 2 hours
2029	42 hours	- 2 hours
2030	40 hours	- 2 hours (Final Goal)

**Maximum Overtime Allowance:**

Year	Overtime Hours
2026	9
2027	9
2028	10
2029	11
2030	12

**Critical Implications for Companies**

From a legal and compliance perspective, companies must prepare for the following impacts:

- A. Increase in Unit Labor Cost: As salary is maintained while hours decrease, the **cost per effective hour worked increases**. Without process optimization, profit margins will be directly affected.
- B. Restructuring of Shifts and Staffing: Companies with 24/7 schemes or continuous production can no longer cover the week with current rotations. This implies hiring additional personnel and redesigning individual contracts and internal work regulations.
- C. Rigidity in Extraordinary Time: The new limit is 4 hours daily, maximum 4 days a week. Exceeding 12 weekly hours obligates the employer to **immediate triple payment**.
- D. Litigation Risk: Any attempt to "adjust" wages to compensate for the reduction in hours will be considered a **constructive dismissal (termination attributable to the employer)**, triggering legal severance payments.
- E. Hidden Costs in Overtime: Increased overtime spending affects the Base Contribution Salary, thereby increasing social security burdens and Payroll Tax.

## Recommended Immediate Actions

- **Workday Audit:** Review how many employees currently work 48 hours versus those closer to 40-42.
- **Productivity Analysis:** Evaluate if automation or process improvement can absorb the loss of man-hours.
- **Contract Updates:** Prepare addenda to employment contracts to document the gradual transition.
- **Attendance Control:** Implement foolproof digital registry systems; the cost of poorly managed overtime will be prohibitive.
- **Labor Unions:** Review Collective Bargaining Agreements for clauses that might conflict with the gradual implementation.

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