

# Your 2025 Guide to Hiring in Colombia:

*Laws, Regulations, and Compliance.*



This guide provides a comprehensive overview of what international employers need to know, focusing on the importance of compliance and how solutions like an Employer of Record (EOR) can simplify the process.



# Introduction



Colombia is a growing hub for skilled talent in industries like technology, marketing, customer service, and project management.

Hiring in Colombia presents a world of opportunities for international employers, thanks to its skilled workforce, cost-efficiency, and strategic location. However, understanding and complying with Colombia's employment laws is essential to avoid legal risks and ensure success.

This guide covers everything you need to know to navigate Colombian employment laws, along with insights on how [Recruitable by CYC](https://www.recruitablecyc.com) can simplify the process as your Employer of Record (EOR).

# Types of Employment Contracts



## **Indefinite-term contracts**

(preferred for long-term employment).

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## **Fixed-term contracts**

(minimum 1 month, maximum 3 years, renewable).

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## **Freelance/Service contract**

(used for independent contractors).

Contracts must be in Spanish and include specific terms such as job description, duties, salary, and benefits.

# Understanding the Regulations

## 01

### Minimum Wage & Salary



The minimum wage as of January 1, 2025 is **COP 1,423,500/month** (about USD \$300), representing a 9.5% increase from the previous year.

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## 02

### Mandated Employee Benefits



In Colombia, this includes provisions for pensions, healthcare, and coverage for professional risks. The contributions are calculated based on the employee's monthly salary.

# Understanding the Minimum Wage

## Base Salary

- The minimum monthly wage in Colombia for 2025 is set at COP 1,423,500, excluding the transportation subsidy.

## Transportation Subsidy

- Employees earning up to twice the minimum wage are entitled to a monthly transportation subsidy of COP 200,000, bringing the total monthly compensation to COP 1,623,500.

## Working Hours & Overtime

- The standard workweek in Colombia is 48 hours, typically distributed as 8 hours per day over six days. Overtime is capped at 2 hours per day and must be compensated at 125%-175% of the standard rate.

## CALCULATION TABLE

Component	Amount (COP & USD)	Notes
Base Salary	COP 1,423,500 / USD \$330	Monthly minimum wage.
Transportation Susidy	COP 200,000 / USD \$47	For employees earning up to twice the minimum wage.
Total Monthly Compensation	COP 1,623,500 / USD \$377	Base Salary + Transportation Subsidy.

*\*USD AMOUNTS MAY FLACTUATE DUE TO CONVERSION RATES.*

# Mandated Employee Benefits

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## Social Security Contributions

- Employers are required to contribute to the Colombian Social Security System, which includes:
- **Pension Fund:** Employers contribute 12% of the employee's monthly wage, while employees contribute 4%. The maximum contribution per month is equal to 25 minimum monthly wages.
  - **Health Care:** Employers contribute 8.5% of the employee's monthly wage. The maximum contribution per month is equal to 25 minimum monthly wages.
  - **Labor Risks:** Employers contribute between 0.522% and 6.96% of the employee's monthly wage, depending on the risk classification of the employee's occupation.
  - **Family Welfare (ICBF):** Employers contribute 3% of the employee's monthly wage.
  - **National Apprenticeship Service (SENA):** Employers contribute 2% of the employee's monthly wage.
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## Prima (13th Month Salary)

- Employees are entitled to an annual bonus, known as the "prima," equivalent to one month's salary, paid in two installments: one in June and another in December.
- These payments are prorated for employees who have not worked a full year.
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# Mandated Employee Benefits

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## Severance Pay (Cesantias)

- Employers must provide severance pay equivalent to one month's salary for each year of service, or a proportional amount for partial years.
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## Paid Leave

- Employees are entitled to the following paid leaves:
- **Annual Vacation:** 15 working days per year.
  - **Maternity Leave:** 14 weeks (98 days) of paid leave.
  - **Paternity Leave:** The duration has been progressively increasing and is expected to reach four weeks by 2026.
  - **Sick Leave:** Paid leave for illness, with compensation details varying based on the duration and nature of the illness.
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## Family Compensation Fund

- Employers are required to contribute to a Family Compensation Fund, typically 4% of the employee's monthly wage.
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## Occupational Risk Insurance

- Employers must provide insurance coverage for work-related accidents and illnesses. The contribution rate varies based on the risk classification of the employee's occupation.
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# Public Holidays

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Colombia has one of the highest numbers of public holidays globally, with 18 official public holidays in 2025, many of which fall on Mondays due to the "Emiliani Law," which moves holidays to the closest Monday to promote tourism and economic activity.

## Basic Principles

- Holiday regulations apply to all types of employment contracts, whether full-time, part-time, or fixed-term for employees.
- Freelancers are not entitled to paid public holidays. Payment is based solely on the agreed terms of their service contract, such as deliverables or hours worked.
  - Since freelancers are not considered employees, Colombian labor laws that mandate additional pay for holiday work do not apply. The relationship is governed by civil or commercial law, not labor law.

## Impact on Payroll & Compliance

- **Holiday Pay Reporting:** Employers must ensure that additional holiday pay is calculated and reported in the payroll system, as it forms part of mandatory contributions (e.g., social security and taxes).
- **Overtime on Holidays:** If employees work overtime on a public holiday, they are entitled to 175% of their standard hourly rate (150% for the holiday + 25% for overtime).
- **Pro-Rated Holidays for Part-Time Workers:** Part-time employees must receive holiday pay proportional to the hours they regularly work.

# Public Holiday Calendar for 2025

MONTH	DATE	HOLIDAY NAME
January	1st	New Year's Day
January	8th	Epiphany (moved to Monday)
March	24th	Saint Joseph's Day (moved to Monday)
March/April	28th	Holy Thursday
March/April	29th	Good Friday
May	1st	Labor Day
May	12th	Ascension Day (moved to Monday)
June	3rd	Corpus Christi (moved to Monday)
June	10th	Sacred Heart (moved to Monday)
July	1st	Saint Peter and Saint Paul (moved)
July	20th	Independence Day
August	7th	Battle of Boyacá
August	19th	Assumption Day (moved to Monday)
October	14th	Columbus Day (moved to Monday)
November	4th	All Saints' Day (moved to Monday)
November	11th	Independence of Cartagena
December	8th	Feast of the Immaculate Conception
December	25th	Christmas Day

# Payroll and Compliance

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## Cycle

The standard payroll cycle is monthly, with employees receiving their pay on the last working day of the month.

**2**

## Tax Withholding

Employers are responsible for withholding income tax based on the employee's salary bracket and submitting it to tax authorities.

**3**

## Parafiscal

Contributions to entities such as ICBF, SENA, and Family Compensation Funds.

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## Monthly Report

Employers must submit a detailed report of social security contributions to the Integrated Contributions Payment System (PILA).

The Colombian Ministry of Labor has intensified audits to detect the misclassification of employees as contractors, leading to increased penalties for non-compliance. Businesses must ensure accurate classification. With the complexity of the updated laws, using an Employer of Record (EOR) is no longer just convenient—it's crucial for staying compliant without added administrative burden.

# Employment Termination

## Grounds for Termination

Employment contracts can be terminated based on:

### Mutual Agreement



Both parties agree to terminate contract.

### Just Cause



Defined by law as misconduct, breach of contract, or poor performance.

### Without Just Cause



Requires payment of severance compensation.

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## Notice Period

Employers must provide advance notice of termination, typically **30 days** unless otherwise specified in the employment contract.

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## Severance Payment

When terminating an employee without just cause, employers must pay severance compensation based on the employee's tenure and salary.

# Importance of Compliance

**Protect your business reputation, avoid expensive fines and foster trust with employees.**



For many international companies, setting up a legal entity in Colombia to manage employment law compliance is both time-consuming and costly. That's where an Employer of Record (EOR) like Recruitable comes in.

Recruitable acts as the legal employer for your Colombian employees, handling payroll, taxes, and compliance so you don't have to.

## Simplify Compliance with Recruitable by CYC



***No local entity needed***



***Scalability***



***Cost Savings***



***Increased ROI***

# Hire Beyond Borders, Grow **Beyond Limits.**



*Start building your team in Colombia*



## Contact Information

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