

Mexico City, May 8, 2024

Reform for the Creation of the Welfare Pension Fund

The main objective of the initiative approved by the Union Congress is to supplement the pensions of workers whose retirements are less than the average monthly salary of workers enrolled in the Mexican Social Security Institute, using the resources transferred from inactive accounts of the Retirement Fund Administrators ("AFORES").

The Welfare Pension Funds will be managed by the Ministry of Finance and Public Credit in conjunction with the Bank of Mexico as trustee.

Additionally, the resources of the Retirement Subaccounts for Unemployment in Advanced Age and Old Age for workers who reach 70 years of age will be managed without the need for a judicial resolution unless they maintain an active employment relationship. In a similar case, if a worker or their beneficiaries have not claimed the resources of the Housing Subaccount by the age of 70, INFONAVIT will transfer them to the Pension Fund except for those who are still actively employed.

On the other hand, regarding state workers, upon reaching 75 years of age, the resources must be transferred by PENSIONISSSTE and other service administrators to the Welfare Pension Fund unless the worker remains active in their employment relationship with ISSSTE.

It is expected that the president will sign the decree to officially establish the fund on May 1, coinciding with Labor Day.

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