

dD News ***Empresas***

THIRTEENTH SALARY – SECOND INSTALLMENT 2026

Due date: December 18, 2026

With the upcoming deadline for the 13th-month salary (SAC, for its acronym in Spanish) approaching, it is advisable to review the key legal requirements employers need to keep in mind for proper calculation and payment.

1. Statutory payment deadline

Under Section 122 of the Employment Contract Act (Law 20744), the 13th

-month salary must be paid in two annual installments: the first is due on June 30, and the second on December 18 of each year.

Consequently, the second installment for the year 2026 must be paid on **December 18, 2026.**

It is worth mentioning that the grace period of four business days provided for under Section 128 LCT for salary payment should not be construed as an automatic extension of the specific deadline set for the 13th-month salary.

2. Basis of calculation

Under Section 121 LCT, the 13th-month salary is equal to 50% of the highest monthly compensation accrued across all pay components during the respective six-month period.

For the second installment, employers must consider the period from July through December 2026, based on the highest monthly compensation accrued during that six-month period.

To this end, employers must include all applicable taxable pay components, such as base salary, overtime, commissions, and any additional items that count toward salary.

3. Employees who do not work the entire six-month period

Even if employees have not worked the entire six-month period, they are entitled to a prorated 13th-month salary based on the time worked.

The calculation is based on 50% of the highest monthly compensation accrued during the period, prorated according to the actual eligible time worked.

4. Calculation and adjustment of the second installment

Section 122 LCT states that, in order to determine the second installment of the 13th-month salary, employers must estimate employees' salaries for the month of December.

If this estimate does not match the compensation actually accrued, the payment must be recalculated. Any resulting difference between the accrued SAC and the amount paid on December 18 must be added to employees' December salaries.

5. Items to be included and exclusions

For the purposes of a correct calculation, the following items should be taken into account:

- Overtime, commissions and additional items that count toward salary must be included in the basis of calculation in the month in which they are accrued.
- Any amounts paid as "advances toward future wage increases" must be included when they are classified as taxable wages.

- Unpaid leaves of absence do not accrue compensation while in effect, so the 13th-month salary must be prorated accordingly.
- Maternity leave, during which employees receive a family allowance rather than regular wages, does not accrue the 13th-month salary for that period.
- Fringe benefits under Section 103 bis LCT, as they do not count toward wages, are not included in the basis of calculation.

6. Income Tax Treatment

Employers must review the tax treatment of the 13th-month salary in line with current income tax rules.

Currently, the exemption is no longer subject to the previous fixed cap of ARS 330,000. The system uses a benchmark tied to employee compensation and the Minimum Living Wage (SMVM, for its acronym in Spanish), subject to the conditions set forth in current legislation.

Accordingly, employers must review each employee's individual tax situation and apply the appropriate withholding rules for the 2026 tax year.

7. Recommendations for Companies

To prevent compliance issues or labor disputes, we recommend:

- Reviewing payroll calculations for the July–December period.
- Identifying the highest monthly compensation accrued during the six-month period.
- Verifying the proper inclusion of overtime, commissions, and taxable additional items.
- Checking new hires, terminations, and leaves of absence that require prorated payments.
- Making an accurate estimate of December compensation and planning for any subsequent adjustments.
- Ensuring the 13th-month salary is deposited within the statutory deadline.

Final Considerations

Timely compliance with the 13th-month salary payment is a statutory obligation for employers. A thorough review of the proper basis of calculation,

taxable pay components, and payment deadlines helps reduce compliance risks and potential claims arising from salary discrepancies.

Please feel free to contact us for further information.

Best regards,

Leading **Law Firm - de Diego & Asociados** [These reports are prepared by the Senior Consulting Team, a sophisticated team of lawyers specialized in labor and employment law, with more than 40 years of solid experience serving clients with the latest trends, carefully selecting topics for Human Resources executives.]

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