



Fixed Term Contracts Mexico and Poland



México - Poland: Introduction



Fixed-term employment contracts are a common feature of modern labour markets, offering flexibility for both – employers and employees. However, the extent to which such contracts can be used, and the protections afforded to fixed-term workers, varies significantly across legal systems.



I. **Are there any statutory limits on the maximum duration or number of renewals of fixed-term contracts?**

The Federal Labour Law in Mexico, through Article 39, provides that if a fixed-term employment contract expires but the work or activity that gave rise to it still exists, the employment relationship will continue for as long as that work subsists.

Beyond that, the Law does not establish any statutory limit on the maximum duration or number of renewals of fixed-term contracts. However, the indiscriminate use or constant renewal of such contracts could easily be declared invalid by a Labour Court.

Moreover, Article 685, second paragraph, of the same Law establishes the Principle of Reality in Labour Matters, which requires that authorities give precedence to the actual facts governing the employment relationship over any documents or formal agreements that may have been executed. This would be the guiding principle.

In this sense, the employee's seniority could be recognized by a Labour Court from the moment they effectively began rendering services to the company.



I. Are there any statutory limits on the maximum duration or number of renewals of fixed-term contracts?

In Poland, the Labour Code sets clear limits to prevent employers from overusing fixed-term contracts instead of offering permanent employment. Under Article 25¹ of the Polish Labour Code, fixed-term employment between the same parties cannot last longer than 33 months in total, and no more than three such contracts may be concluded.

Note that probationary employment contract is a separate type of employment agreement. It may last for up to 3 months and is not counted towards the limits on fixed-term contracts described above.

If the parties agree, during the term of a fixed-term contract, to extend the employment beyond the original end date, this extension is legally regarded as a new fixed-term contract. Therefore, it also counts toward the 3-contract and 33-month limit. If these limits are exceeded, either by duration or by signing a fourth contract, the employment automatically becomes indefinite.



II. Are there any exceptions to this rule allowing a fixed-term contract to be concluded for a longer period?

There are no exceptions to this rule. Instead, it remains subject to the prudent judgment and discretion of the Labour Authority, should a dispute arise in this regard.



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The above restrictions (on number and duration of fixed-term contracts) do not apply to certain cases, namely when a fixed-term contract is concluded:

1. to replace another employee who is temporarily absent (e.g., on maternity or sick leave);
2. to perform occasional or seasonal work;
3. to perform work for a specific term of office (for example, linked to an elected or appointed position);
4. when the employer can show objective reasons justifying a fixed-term arrangement – for instance, work on a specific project with a defined duration. In this case the employer must notify the relevant labour inspector (in writing or electronically) within 5 business days of signing the contract, explaining the reasons for its conclusion.

Another exception concerns the pregnant employees. The 33-month and three-contract limits do not apply when a fixed-term contract is extended until the date of childbirth, as provided for in Article 177 §3 of the Labour Code.



III. Should an employer justify the use of a fixed-term contract instead of a permanent one?

Yes. As a matter of fact, Article 36 of the Federal Labour Law provides that a contract for a specific project may only be agreed upon when the nature of the work so requires.

Moreover, Article 37 of the same Law establishes that a fixed-term employment agreement may only be entered into under the following circumstances:

1. when the nature of the work to be performed so requires;
2. when it is intended to temporarily replace another employee; or
3. in the other cases expressly provided for by the Law.

If the employer fails to justify the necessity of using a fixed-term arrangement under any of these legal exceptions, it may be presumed that the employment relationship is, in fact, indefinite in nature.



III. Should an employer justify the use of a fixed-term contract instead of a permanent one?

As explained above, in most cases, the Polish law does not require the employer to justify the use of a fixed-term contract, as long as the contract does not exceed the general statutory limits.



IV. What rights and protections do fixed-term employees have compared to permanent employees?

The Law grants fixed-term employees the same treatment as employees hired for an indefinite period. They are legally entitled to all mandatory benefits, including social security coverage, the statutory year-end bonus (“aguinaldo”), and proportional vacation leave. Regrettably, the Law does not provide any additional benefits or entitlements to fixed-term employees compared to those hired under indefinite-term employment.



IV. What rights and protections do fixed-term employees have compared to permanent employees?

Employees hired under fixed-term contracts generally have the same rights, duties, and legal protections as those employed under indefinite-term contracts. This principle covers areas such as working conditions, pay, social security, and protection against unfair dismissal.

Importantly, when an employer terminates a fixed-term employment contract, the same rules apply as for permanent employment. The employer's written notice of termination, whether for a fixed-term or indefinite-term contract, must specify the reason justifying the termination or immediate dismissal.

Moreover, before giving notice to an employee, the employer must inform in writing the trade union organization representing that employee, stating the reason that justifies the intended termination. In certain cases, a fixed-term employee may also be entitled to a severance payment, for example when the employment ends due to reasons attributable to the employer, such as redundancies or organizational changes.



V. Are there any recent legal changes that have significantly affected the regulation of fixed-term contracts in your jurisdiction?

The content of the Law regarding fixed-term contracts has remained the same since its entry into force since April 1st,1970.



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Until recently, employers in Poland could terminate fixed-term employment contracts without providing any reason for the dismissal.

However, this changed in April 2023, when the Labour Code was amended. Since then, employers are required to justify the termination of a fixed-term contracts. As a result, employees hired on a fixed-term basis whose contracts were terminated without proper justification may appeal to a labour court to challenge the dismissal.



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Read more [here](#).



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