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## Chasing informality: Evidence from increasing enforcement in large firms in Peru

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IDB WORKING PAPER SERIES N° IDB-WP-01222

# Chasing Informality

Evidence from Increasing Enforcement in Large Firms in Peru

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Stephanie González  
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Inter-American Development Bank  
Labor Markets Division

March 2021

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# Retirement Savings Laboratory



## Chasing informality: Evidence from increasing enforcement in large firms in Peru

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## Abstract:

Evasion of labor market regulations in middle income countries is systemic. This is generally known as informality. In Latin America, where less than 50% of workers are registered with social security, this is a permanent phenomenon and encompasses a variety of economic realities ranging from subsistence self-employment to evasion of certain regulations including social security contributions. In this study we analyze the role of enforcement in curbing informality in large formal firms in Peru, where informality levels are around 70%. Through the Peruvian National Labor Control Superintendence (SUNAFIL) we randomly sent 697 letters to formal Peruvian firms of more than 50 workers, indicating their obligation to enroll workers in social insurance systems (health and pensions). Two types of letters were sent, one with a deterrence message and one emphasizing the benefits of formalization. One year after the letters were sent, we found a positive and statistically significant effect on the number of workers enrolled in social security (9.8% on average). Only strict deterrence messages had a significant impact, and only in very large firms. This evidence suggests that there is room for improvement in compliance with labor regulations through more proactive monitoring and behavioral tools such as reminders, but effects could be concentrated in the largest firms.

JEL Classifications: C93, D91, H55, J46, O17

Keywords: Randomized Controlled Trial, Social Security, Audit, Letters, Informality, Labor formalization

# 1. Introduction

In low- and middle-income countries, non-compliance with social security obligations and labor regulation is widespread. This phenomenon is called labor informality. Latin America and the Caribbean is the region with the highest levels of informality given its level of income (Bosch, Melguizo and Pagés, 2013). On average, 55% of workers do not contribute to social insurance systems (IDB, 2020) and in some countries such as Peru, this figure exceeds 75%.

Empirically there are at least three manifestations of informality in Latin America. First, a large mass of the informal workforce is self-employed, or own small firms that only employ family members or have no workers<sup>1</sup>. Second, there is a large mass of salaried workers in informal small firms. These firms are not registered with the tax authorities, nor do they register their workers with social security. Third, there is a group of informal workers in firms that is registered with the tax authorities, pay taxes regularly, and has significant levels of capital installed. Despite high levels of informality and low compliance with labor regulations, there is no consensus on its main cause. The most cited are: taxation and social protection system design; excessive labor regulation, which makes it highly costly to meet obligations for firms and workers; low productivity of economic units; low quality of public services; and lack of monitoring and enforcement of labor regulations (Maloney, 2004; Fields, 2005; Levy, 2008; and Pages, 2010 among others).

In the case of Peru, labor informality is rampant. About 10 million (75%) self-employed and salaried workers are informal (IDB, 2020)<sup>2</sup>. Of informal workers, 56.8% are self-employed, 22% are salaried workers in informal firms and 21.2% are salaried workers<sup>3</sup> in formal firms. In the latter group, estimates are that, of the 2.1 million workers, 29% work in firms of between 10 and 100 workers, and 15% in firms with more than 100 workers (MTPE, 2018).

One possible explanation for high non-compliance with labor regulations, even between formal and relatively large firms (from a tax perspective) is the limited capacity for labor inspection. Peru has 0.2 labor inspectors for every 10 thousand workers compared to 1.7 in Chile or 0.8 in Uruguay (ILOSTAT, 2018). This lack of monitoring allows workers and firms to operate in informality (Bosch, Melguizo and Pagés, 2013). However, increasing their workforce can be an expensive short-term measure for audit institutions, so it is key to identify cost-effective, alternative, control strategies that strengthen the role of monitoring compliance with labor regulations.

This study contributes to the literature in the region by presenting the results of an experiment implemented in Peru. The objective was to study the effect that an increase in firms' perception of greater oversight has on labor formalization. This study defines formalization as compliance with social security payment, as measured through administrative records known as Electronic payroll (*Planilla Electrónica*). In coordination with the Peruvian National Labor Control Superintendence (SUNAFIL for its acronym in Spanish), between October 2017 and January 2018, 697 letters were

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<sup>1</sup> In Latin America and the Caribbean, self-employed workers account for 26% of the workforce, while informal self-employed people account for 40% of total informal work in the region (IDB, 2020).

<sup>2</sup> It is important to note that in about half of the countries of Latin America and the Caribbean this group of workers is not required to make social contributions (Bosch, Melguizo and Pagés, 2013). and are therefore informal workers in that they lack social protection coverage, but legal, in that they are not in breach of any legislation

<sup>3</sup> In Peru 49% of informal private sector workers work in formal firms and the rest in informal enterprises (MTPE, 2018).

randomly sent to large formal Peruvian firms (that had 50 workers or more). Two types of letters were sent, following the tax compliance approach of Kettle et al (2016), one called deterrence, and one for benefit or social commitment. The first emphasized fines for non-compliance with the obligation to enroll workers in social security, while the second emphasized the benefits of formalization in terms of increased productivity of the firm.

The results show that sending letters is effective in increasing firms' perception of a higher likelihood of being audited, resulting in an increase in the number of workers registered for social security. Indeed, sending the letter increased the average number of formal workers by almost 12, which equates to an increase of 9.8% from the formal workers baseline. This effect is greater when the letter has a deterrence message, in which case the number of formal workers increased by 20 on average, or 16.8% of the baseline. However, the effect of the letter is concentrated in a very small group of firms that show great variability in the number of workers reported.

The rest of the document is organized as follows: The second section presents the literature review, the third section describes the data, experimental design, and empirical specification. The fourth section shows the results, while the fifth section concludes.

## **2. Evidence**

There are three main approaches to explaining non-compliance with corporate tax and social security obligations (Kettle et al, 2016). The first, called deterrent approach, notes that firms decide by weighing the costs and benefits of non-compliance with the regulations. To do this, they consider the likelihood of being identified in violation and the cost of the associated punishment. The second approach notes that compliance is governed by the expected benefits of formality and firms are willing to cooperate voluntarily. The third approach is based on the existence of behavioral biases, i.e. business owners do not remember, procrastinate, do not know how, or are not aware of implications of not complying with regulation.

Empirical evidence on how labor control impacts businesses and workers is relatively scarce. There is evidence that inspections in Brazil have a positive and significant impact on labor formalization (Almeida and Carneiro, 2012; Andrade, Bruhn and McKenzie, 2013). Similarly, data for Mexico shows that the fact that a firm receives a labor inspection increases the likelihood that an informal employee will transit to formality from 14% to 21%, and increases the likelihood that an informal employee will pass to unemployment from 2.9% to 4.0% (Samaniego de la Parra, 2016). However, labor inspections may be more costly compared to other instruments, leading to the need to study the effectiveness of tools that can complement and encourage compliance.

In the last decade, applied research in the field of tax behavior and compliance has grown. There is empirical evidence that reminders (letters), deterrent messages, and social and moral norms affect individuals' behavior regarding the fulfillment of their tax obligations. However, much of this research has been developed in industrialized countries (Coleman, 1996; Hasseldine, James and Toumi, 2007; Kleven et al, 2011; Schwartz and Orleans, 1967; Wenzel and Taylor, 2004).

Hallsworth et al (2014) randomly sent five messages (two focused on compliance with norms and three on profit/loss in terms of public goods) to taxpayers in the United Kingdom who, despite having declared income, had not yet paid their taxes. The authors find that the messages increase the

likelihood that taxpayers will pay their taxes, and that the context of the message matters. The impact of messages ranged from 1.3% to 5.1%. In a second experiment, the authors find that messages that focus on describing what others *do* have a greater impact than those that highlight what others think they *should do*. The authors stress the potential of these zero-cost interventions, if any, to increase compliance with the tax payment.

Similar interventions have been implemented in Latin America. In Mexico, the Tax Administration Service sent letters to more than 30,000 independent and business-owning taxpayers, advising them to declare the correct amount of income and deductions, and warning them of the possibility of auditing. Following the intervention, not only was the rate of tax compliance among taxpayers of the treatment group higher than that of the control group, but the amount declared was also higher (OECD, 2010). In the case of Chile, letters were randomly sent to about 102,000 firms with the aim of increasing their perception of the possibility of an audit. The author finds that the median income of the declared value added tax increases by 12% compared to the control group (Pomeranz, 2013). In the case of Peru, a similar experiment was carried out in relation to property taxes. Letters were sent to randomly selected residents of two municipalities, and researchers found evidence of an increase in the payment compliance rate (Del Carpio, 2013). In Colombia, an experiment comparing the effectiveness of inspections: sending emails and letters about paying taxes among more than 20 thousand taxpayers found that conditioned on the delivery of information, inspections were more effective (increased the probability by 87 compared to 8 percentage points in the case of the letter), but emails had a tendency to reach its recipient more often (Ortega and Scartascini, 2015). Finally, in the case of Brazil, evidence was found that sending a pamphlet by mail to self-employed workers about their obligation to contribute to social security increased payments by 15% and the compliance rate by 7 percentage points (Bosch, Fernandes and Villa, 2015).

### **3. The context of labor formalization in Peru**

Labor informality in Peru was reduced from around 88% in 2004 to 78% in 2019 (IDB, 2020). To account for this result, Diaz (2014) stressed the importance of the business cycle, finding that for every percentage point increase in output per worker, labor informality rates declined by 0.19 to 0.27 percentage points depending on the definition of informal employment. Similarly, Chacaltana (2016) finds that economic factors – growth and structural change – account for most of the reduction in informality in the period 2002-2012 (by almost 8 pp). In spite of this progress, labor informality in Peru is still widespread. About 11 million (76%) self-employed and salaried workers are informal (IDB, 2020).

To improve labor formality, defined as compliance with social security regulations, the Peruvian Government created the SUNAFIL in 2013. Given that formality has many facets and shades on both the business and labor fronts (Díaz et al, 2018), it is important to stress that SUNAFIL's mandate is to enforce labor regulations only in formal private firms, that is, firms registered with the tax authority. In Peru around 41% of total firms are formal (Novella, Rosas, and Alvarado, 2019)<sup>4</sup>

Of informal workers, 56.8% are self-employed, 22% are salaried workers in informal enterprises and 21.2% are salaried workers in formal firms. This shows that although informal work is mainly

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<sup>4</sup> 95% of the formal firms are micro-enterprises (annual sales in 2016 were above USD 175,445 or 150 UIT - Unidades Impositivas Tributarias).

concentrated in informal firms that are not registered with the tax authority, there is also labor informality within formal firms. In the latter group, estimates are that, of the 2.1 million workers, 29% work in firms of between 10 and 100 workers, and 15% in firms with more than 100 workers (MTPE, 2018).

Despite major improvements in the labor inspection system since 2013, SUNAFIL still lacks the human and financial resources to properly supervise all formal firms. Peru has 0.2 labor inspectors for every 10 thousand workers compared to 1.7 in Chile or 0.8 in Uruguay (ILOSTAT, 2018). As a result, between 2014 and 2017, only 20 thousand companies received an inspection visit from SUNAFIL, even though the micro-business segment alone amounts to 3.7 million (PNCP, 2018). In addition, the average time of a labor inspection, from the presentation of a complaint to its resolution, exceeds 500 days, and only 57% of the inspection orders are closed within the legal term. Also, this insufficient capacity results in reactive rather than proactive or preventive inspections: 60% of the 2017 inspections were reactive (CPC, 2019). Increasing SUNAFIL's workforce can be an expensive short-term measure, so identifying cost-effective, alternative, control strategies that strengthen the role of monitoring compliance with labor regulations is key.

## **4. Data and Methodology**

### **4.1 Data and sampling method**

Our data consists of firms and workers registered with the tax authority (SUNAT for its acronym in Spanish), specifically from the electronic payroll (Planilla Electrónica). This registry contains all formal firms, covering both public and private entities. Since 2008 employers are mandated to register monthly information regarding their salaried workers, service providers, and outsourced workers. Registration in the electronic payroll is not a one-off process: each month, firms are required to submit a listing of their workers, however, a significant number of firms stop providing that information despite remaining active.

In 2016, there were 1.5 million private firms registered in the electronic payroll. Using the sample of firms that were inspected in 2016, SUNAFIL carried out an analysis of 1,712 large firms (with more than 50 workers) to develop risk models and increase the effectiveness of its labor inspection. Inspectors detected at least one informal worker in 170 firms<sup>5</sup>. SUNAFIL considers that a worker is informal when he or she is not registered in the electronic payroll by the employer. SUNAFIL analyzed the data and identified the main characteristics of those firms with informal workers. Those firms were relatively young (they had been operating for less than 30 years), they had less than 2,500 workers and fewer than 100 outsourced workers, paid taxes below PEN 15 million, had fewer than 25 establishments, their total profits did not exceeded 50% of sales, their fixed assets were less than 1% of the total fixed assets of their corresponding economic sector, and less than 2% of the total fixed assets of the corresponding economic activity.

SUNAFIL applied the criteria identified to all 1.5 million private firms registered in the electronic payroll. Of a total of 2,121 firms which fulfilled the criteria, SUNAFIL non-randomly selected 590

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<sup>5</sup> 3,305 workers incorporated to the electronic payroll.

to be inspected. From the remaining 1,531 firms, a random sample of 1,045 firms were selected for this study.

It is important to stress that our sample is not representative of all firms in Peru. First, we only consider formal firms that are registered with the tax authority, leaving aside informal firms. Second, we focus only on large firms that registered more than 50 workers in the electronic payroll. Third, we narrow our sample to those firms that have a greater likelihood of employing informal workers, according to SUNAFIL's risk criteria. Therefore, this study focuses on those firms where SUNAFIL has the mandate to enforce labor regulations and was more likely to officially detect informal workers, which is not necessarily the same as those firms that are more likely to have informal workers.

## **4.2 Experimental design**

To increase the perception that the authority will enforce compliance with social security, SUNAFIL sent letters informing firms that the government was running a formalization process at the national level, and they were invited to review the current situation of their workforce to comply with social security obligations. Two types of letters were randomly sent: a deterrence and a social norms letter. The first follows a deterrent approach and emphasizes that not enrolling workers in social security is a serious violation, stressing the punishment (a fine) in the event of non-compliance. The amount to be paid in fines is set per worker, and firms are also compelled to pay back-due contributions. The second type of letter tests the approach that firms are willing to cooperate voluntarily because they perceive the benefits of formality. This type of letter emphasizes the importance of protecting workers against health risks and accidents, as well as the possible positive impacts on the productivity of the firm.

The structure of both letters is identical, except for the paragraph with the main treatment message (see Table 1). The letter provides information on the government's formalization efforts, invites firms to review the status of workers on the electronic payroll and provides a website link with information on how employers can comply with their obligations (see Annex 6 and 7 with the full text of both letters). The letters were personalized, addressed to the firm's legal name, and signed by a SUNAFIL government official.

Table 1. Letters' treatment message

A. Deterrence Letter	B. Social Norms Letter
<p>"In this sense, it is specified that the current regulations classify as a serious offense the failure to register workers in the payroll and / or not to enroll them in the social security regimes (health and pensions). In order to sanction non-compliance behaviors on the matter, very severe fines are imposed as detailed below:</p> <p>* Microenterprise: up to 1,823 soles</p> <p>* Small business: up to 18,225 soles</p> <p>* Others: up to 91,125 soles "</p>	<p>"Formalizing the employment situation of dependent workers by registering them on the company's payroll, in EsSalud and the pension system, in addition to protecting the worker against health risks and work accidents, has the advantage of making the company more productive : the formal sector represents 80% of the total national gross value. "</p>

Source: own elaboration

To measure the impact of sending these two different types of letters on worker formalization, an evaluation was carried out using the Randomized Controlled Trial (RCT) method. The impact of sending letters on formalization is measured as the average difference in the number of formal workers, using the difference-in-difference estimation. The sample of 1,045 firms is divided randomly into three groups: control, deterrence letter and social norms letter (see Table 2 for a summary of the experimental design).

Table 2. Experimental design

Letters were sent between October 20th and December 7th, 2017	
Sample: 1 045 Peruvian private firms with 50 or more employees	
Treatment Group	Deterrence Letter 348 firms
	Social Norms Letter 349 firms
Control Group	No letter 348 firms
The impact is measured by comparing the number of formal workers of firms in the treatment group to firms in the control group	

Source: Authors' elaboration

The non-compliance rate is an important factor to be considered in the evaluation results. The letters were sent through a certified courier firm between October 20 and December 7, 2017 (98% were delivered in the last 10 days of October). However, only 82% of the letters sent were successfully delivered (see Table 3).

Table 3. Compliance with the Experiment Design

Groups	Firms	Firms that received the letter		Firms with information in the social security administrative record	Firms that received the letter and with information in the social security administrative record	
		N	%		N	%
Control	348			335		
Deterrence	348	281	80.7	334	273	80.9
Social Norms	349	287	82.2	337	283	82.9
Total	1045	568		1006	556	

Source: Authors' elaboration

Another important element is the attrition rate. As previously mentioned, randomization was carried out based on firms registered in the electronic payroll in 2016. However, a percentage of these firms do not have information on the electronic payroll for the period in which the impact is evaluated. Table 3 shows that there was a 3.7% reduction in the sample of firms (39 firms that are not on the electronic payroll). There are no statistically significant differences between the control and treatment groups of firms with full information on the electronic payroll (Annex 1 to 4). The authors measure the impact over the 1,006 firms with complete information.

Similarly, out of 1,006 firms not all have monthly information in the electronic payroll for the evaluation period. Unfortunately, identifying the cause of the missing information is not possible, as it could be closure of the business and/or the non-payment of contributions. To conduct this analysis, we assume that in months without information, the firm has no workers. A total of 24.5% firms had at least one month without information on the electronic payroll between January 2017 and October 2019. For these reasons, results were estimated in different subsamples of firms to test the robustness of the impact.

### 3.2 Empirical strategy

The objective is to estimate the effect that letters have on firms' perception of the likelihood of oversight in law enforcement. In other words, if, after receiving the letter, the firm considers that it is more likely to be monitored, this should be reflected in greater legal compliance. Therefore, differentiating which type of letters are the most effective is key; whether they are deterrence-style letters highlighting the fines that the firm may incur for non-compliance, or those emphasizing the benefits of the firm's positive social norms.

We estimate the Intent to Treat (ITT) because not all the firms to which the letter was sent received it, as noted in the previous section. The effect of the letters is measured using the Differences-in-Differences (DD) method, which assumes that there may be some unobserved heterogeneity in the participation of firms in the experiment, which could affect the estimated impact. However, it also considers the assumption that this heterogeneity does not change over time, so the impact is estimated as the difference in the average number of workers in the treatment group before and after the intervention, and compares it to the average difference in the control group.

$$\text{Impact} = (T_{\text{After}}^{\text{Treat}} - T_{\text{Before}}^{\text{Treat}}) - (T_{\text{After}}^{\text{Control}} - T_{\text{Before}}^{\text{Control}})$$

The specification of the general model corresponds to

$$(1) \quad T_{it} = \alpha + \lambda_t + \delta_1 \Phi_{i1} + \beta_1(\Phi_{i1} \cdot post) + \delta_2 \Phi_{i2} + \beta_2(\Phi_{i2} \cdot post) + \varepsilon_{it}$$

Where  $T_{it}$  is the number of formalized workers in the firm  $i$  in month  $t$ . In addition,  $\lambda_t$  is a variable that takes value 1 in month  $t$  and 0 otherwise. While  $\Phi_{i1}$  ( $\Phi_{i2}$ ) corresponds to a variable that takes value 1 if the firm  $i$  received the deterrence letter (social norms letter) and 0 otherwise. On the other hand,  $post$  is a variable that takes value 1 from November 2017. Finally,  $\alpha$  is the constant and  $\varepsilon_{it}$  the error term. It was controlled by fixed effects at the enterprise firm and cluster level at  $\varepsilon_{it}$  the same level.

The average effect of the letters corresponds to  $\beta_1$  and  $\beta_2$ , with both coefficients capturing the effect of sending punitive and social norm letters, respectively, on legal compliance with social security regulations. Additionally, the impact on the hires and separations is estimated.

The effect of treatment on the treated (TOT) (LATE) is estimated using the instrumental variables method. This method allows compensation for imperfections in experimental implementation in the fulfillment of the experiment, that is, that the group that was selected to receive the intervention differs from the group that received it. In this case, the impact is estimated among the latter group of firms

RCT method implies that the assignment of treatment is random, i.e. exogenous. The treatment allocation is correlated with whether the firms receive a letter or not, but not directly with the variable of interest (number of formal workers). Therefore, this variable qualifies as an instrument for estimating the effect on the firms that received the letter.

In a first stage, the probability that the letter has been delivered is estimated (Equation 2)

$$(2) \quad Y_{ij} = \alpha + post + \delta_j \Phi_{ij} + \beta_j(\Phi_{ij} \cdot post) + \varepsilon_i$$

$$(3) \quad T_i = \alpha + post + \delta_1 \hat{Y}_{i1} + \delta_2 \hat{Y}_{i2} + \varepsilon_i$$

Where  $Y_{ij}$  corresponds to a variable that takes value 1 if letter  $j$  was delivered to firm  $i$  and 0 otherwise. In turn,  $post$  is a variable that takes value 1 in the post-intervention period. The term  $\Phi_{ij}$  is a variable that takes value 1 if firm  $i$  was assigned to the treatment  $j$ . The constant is represented by  $\alpha$  and the error term by  $\varepsilon_i$ . Once estimated,  $\hat{Y}_{ij}$  the effect on the interest variable is calculated (Equation 3).

#### 4. Chasing Informality - Results

The results show the average number of formal workers increases in firms that receive the deterrence letter compared to the control group, while the pattern in the case of the social norms letter is similar to those firms in the control group (Panel 1, chart A).

Moreover, we find evidence of job creation<sup>6</sup> among firms in the deterrence treatment group compared to the same month of the previous year (Panel 1, graphic B). In other words, firms have a higher number of formalized workers, either because the hires outweigh the separations, or because existing workers were formalized after receiving the letter (Panel 3, chart C). Regarding the level of labor separations, there is no difference among groups. This clearly shows that the largest number of formalized workers is linked to greater recruitment or formalization of workers who were previously informal.

Panel 2 shows the monthly impact of letters on the number of workers during the post-intervention period. Using the differences-in-differences method, we estimated that the deterrence letter had a positive average effect, but not significant in the month following the intervention – of 15 workers. That is, firms in the deterrence treatment have on average more formalized workers than the control group in November 2017, compared to the month of the intervention (October 2017). This effect remains positive in the following months, but not significant, except for what was observed between September 2018 and March 2019 (Panel 2, Chart A). In contrast, the social norms letter did not have a statistically significant effect in any of the months following the intervention (Panel 2, Chart B).

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<sup>6</sup> Job creation is the difference between the hiring and separation of workers. If hires are higher than separations, net job creation is positive.

Panel 1. Total average worker distribution, contracted and separated monthly

Chart A. Average formal workers

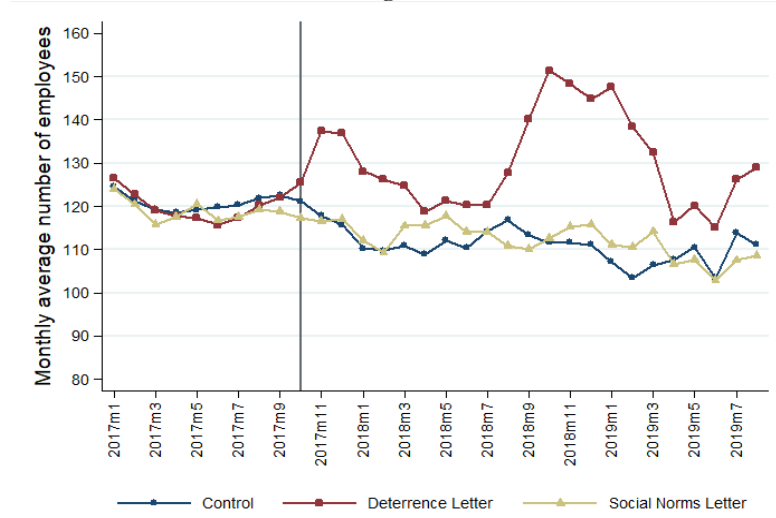


Chart B. Creating Net Employment

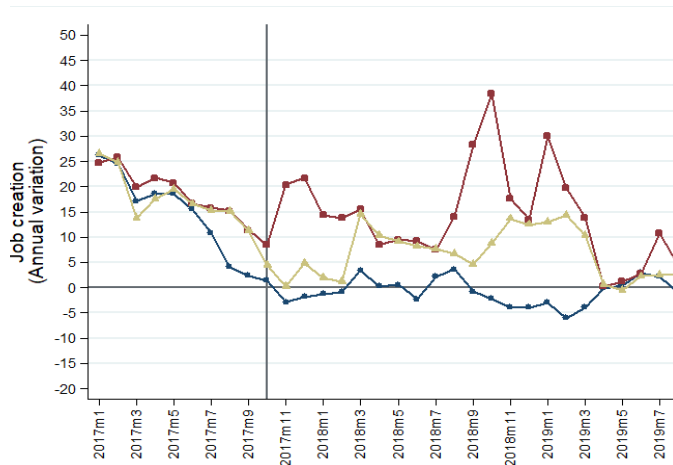
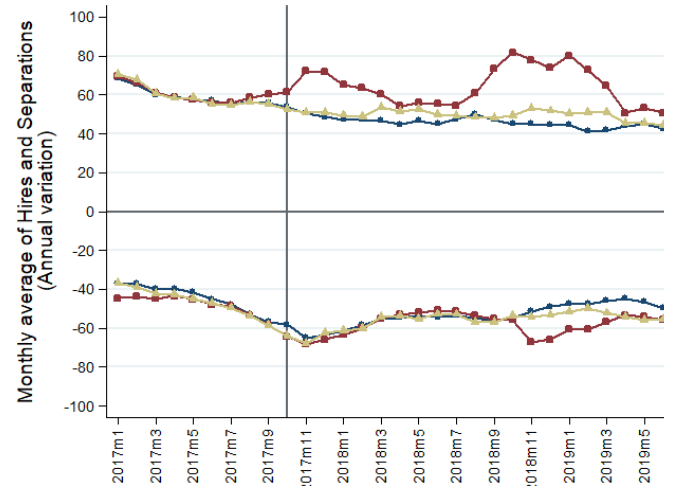


Chart C. Hires and Labor separations



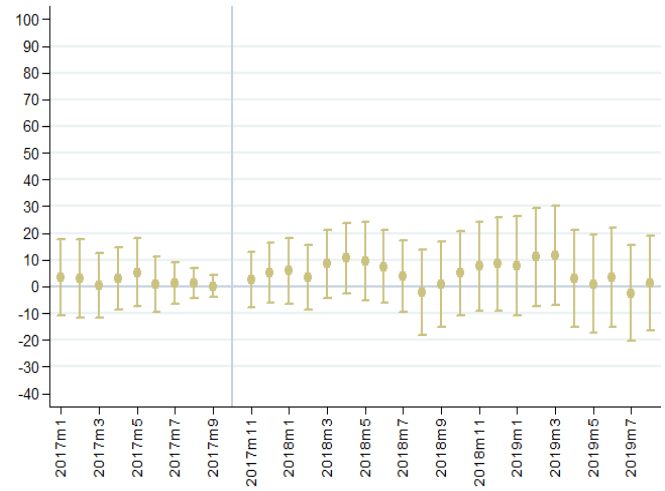
Source: Authors' elaboration using social security administrative records.

## Panel 2. Monthly effect: Intention to Treat in the number of formalized workers

Graphic A. Deterrence letter



Chart B. Social Norms letter



Source: Authors' elaboration using social security administrative records. The graph presents the coefficient and confidence intervals estimated through an areg model, including fixed effects per month, a treatment assignment, and the month and treatment interaction, controlling by fixed effects and cluster at the firm level. The gray diamond marks when the effect is statistically significant at 5%.

Using the difference-in-difference model we estimate a positive and statistically significant effect on the number of formal workers by almost 12 on average (Table 4). The result highlights that the type of letter is relevant. Analyzing the effect of the deterrence and social norms letter separately, we find that the first had a statistically significant average impact of almost 20 formalized workers, compared to 3 workers with the social norms letter, the latter being a non-significant impact (Model 1, column 1 and 2). The effect of the attempt to treat is led by the deterrence letter. However, as shown in Panel 1- Chart A, the average number of formal workers reached a peak at the last quarter of 2018, it is, almost one year after the intervention<sup>7</sup>. Therefore, we additionally estimated the impact of the letters for the period June 2017 to March 2018, meaning, without considering the peak at the end of the year (Annex 5). The results are similar.

Not only the stock, but also the flow of workers was affected by sending deterrence letters. When considering hiring (or formalization) of workers in 12 months, the deterrence letter had an average significant increase of nearly 17 workers (Model 2, column 2). That is, compared to the same month of the previous year, in order to control for seasonal fluctuation, on average these firms had 17 more formal workers than the control group. On the other hand, the treatment did not have a significant impact on the separation of workers (Model 3, column 2).

<sup>7</sup> In Julio 2018, the Peruvian government published a document on main axes to boost the competitiveness and productivity, including measures to strengthen labor inspection. This document could have influenced the decisions of all firms to formalize their workers.

The effect of the deterrence letter is led by large firms<sup>8</sup>. On average, these firms have almost 65 additional formal workers after the intervention. The social norms letter also had a slightly greater impact on those firms, although it remains non-significant (Column 5).

By measuring the impact on all firms that received the letter (TET), the impact is slightly higher. The average number of formalized workers increases significantly by 14, this effect being almost 25 average workers in the case of the deterrence letter. In terms of the type of firm, the effect concentrates on large size firms, in which the deterrence letter led to an increase of 75 average workers. On the other hand, in terms of the flow of workers, the deterrence letter led to an increase by almost 21 formalized workers on average (Table 5).

The results are robust to different assumptions. The previously analyzed results consider that, if a firm does not have registered workers in a given month, the firm has zero workers. Three additional cases were analyzed. The first is how the results change if, maintaining the original assumptions, 1% of the largest firms are eliminated. In general, the positive effect on the total number of workers remains but is not statistically significant. The second case restricts the analysis only to firms with complete information for the months studied, the results are similar to those of the base estimate, with slightly higher magnitudes. Finally, the analysis is on firms with complete information excluding 1% of the largest firms. The impact of the deterrence letter on the number of formal workers is positive and slightly less (on average 10 workers). In terms of hiring, the deterrence letter remains significant and the effect is driven by large firms.

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<sup>8</sup> In this experiment the firm size is defined as: small with up to 80 workers, medium with more than 80 but less than 160 workers, and large with more than 160 workers.

Table 4. Effect of Intention to Treat (ITT)

Model 1: Total employees					
	Total	Total	Firm size		
			Small	Medium	Large
	(1)	(2)	(3)	(4)	(5)
Letter x post	11.71** (5.823)				
Deterrence Letter x post		20.16*** (7.642)	-1.112 (3.165)	-1.802 (4.363)	64.41*** (23.400)
Social Morals Letter x post		3.332 (6.223)	-5.018* (3.008)	2.278 (4.533)	14.64 (19.940)
Constant	121.3*** (2.058)	121.3*** (2.059)	33.19*** (0.908)	81.77*** (1.509)	268.4*** (6.382)
r2	0.793	0.793	0.557	0.350	0.726
Model 2: Hires					
Letter x post	10.20** (4.426)				
Deterrence Letter x post		16.88*** (5.487)	-1.000 (2.512)	-1.111 (3.454)	56.30*** (17.050)
Social Morals Letter x post		3.577 (4.724)	-4.114* (2.386)	3.526 (3.610)	15.23 (15.210)
Constant	55.96*** (1.828)	55.96*** (1.831)	13.47*** (0.696)	33.36*** (1.257)	130.5*** (5.734)
r2	0.698	0.698	0.401	0.366	0.658
Model 3: Separations					
Letter x post	-0.550 (3.532)				
Deterrence Letter x post		-1.003 (4.957)	2.979 (4.084)	-1.451 (3.047)	-0.292 (14.060)
Social Morals Letter x post		-0.100 (3.817)	-1.649 (3.432)	8.717 (6.276)	-3.100 (9.271)
Constant	-62.04*** (1.900)	-62.04*** (1.900)	-45.25*** (1.922)	-40.25*** (1.813)	-104.7*** (5.296)
r2	0.630	0.630	0.378	0.428	0.600
Observations	32,192	32,192	12,032	10,208	9,952
Firms	1,006	1,006	376	319	311

Note: Difference-in-Difference models. Standar errors in parantheses, fixed effect included and clustered at firms level

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 5. Effect of treatment on treaties (TOT) <sup>9</sup>

Model 1: Total employees					
	Total	Total	Firm size		
	(1)	(2)	Small	Medium	Large
	(3)	(4)	(5)		
Letter x post	14.13** (6.911)				
Deterrence Letter x post		24.67*** (9.192)	-1.57 (4.394)	-2.015 (4.791)	74.58*** (26.640)
Social Morals Letter x post		3.967 (7.289)	-6,518* (3.881)	2.636 (5.152)	16.3 (21.830)
Post	-10.05** (4.302)	-10.05** (4.302)	-14.57*** (2.033)	-3.644 (3.233)	-11.44 (14.720)
Constant	120.0*** (1.993)	120.0*** (1.988)	40.97*** (0.869)	81.86*** (1.211)	254.7*** (6.100)
Model 2: Hires					
Letter x post	12.31** (5.252)				
Deterrence Letter x post		20.65*** (6.596)	-1.412 (3.488)	-1.243 (3.796)	65.19*** (19.400)
Social Morals Letter x post		4.26 (5.533)	-5.344* (3.081)	4.081 (4.100)	16.96 (16.650)
Post	-13.20*** (3.528)	-13.20*** (3.528)	-10.39*** (1.675)	-5.271** (2.512)	-26.67** (12.010)
Constant	59.49*** (1.420)	59.49*** (1.415)	21.52*** (0.683)	36.53*** (0.968)	128.9*** (4.323)
Model 3: Separations					
Letter x post	-0.663 (4.194)				
Deterrence Letter x post		-1.227 (5.965)	4.206 (5.681)	-1.622 (3.352)	-0.338 (16.000)
Social Morals Letter x post		-0.119 (4.472)	-2.142 (4.383)	10.09 (7.141)	-3.451 (10.160)
Constant	-7.337*** (2.293)	-7.337*** (2.293)	6.040*** (2.337)	-5.303** (2.274)	-28.49*** (6.528)
Post	-47.61*** (1.307)	-47.61*** (1.307)	-28.53*** (1.068)	-32.40*** (1.454)	-86.27*** (3.589)
Observations	32,192	32,192	12,032	10,208	9,952
Firms	1,006	1,006	376	319	311

Nota: Columns show the results of instrumental variable regressions (xtivreg). Standar errors in parentheses, fixed effect included and culstered at the firm level.

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

<sup>9</sup> Annex 6 for IV – First Stage

#### 4. 1. Cost-benefit analysis

The impact of sending letters on the formalization of workers is modest in terms of the magnitude of the challenge. However, it is important to consider that this is a low-cost intervention compared to other public policy alternatives such as an in-person inspection. According to SUNAFIL, each completed inspection cost PEN 1,309 (USD 409) in 2018.

The cost includes printing the letters, putting them in an envelope and sending them through a certified courier firm. The labor formalization letters had a unit cost of PEN 30.4 (USD 9.3). The resources invested in the preparation of the letters, such as the time staff spent were not included in this estimation. An additional possible cost is reputation: if the letters do not go hand in hand with an effective increase in the likelihood of control, the threat of being inspected loses credibility over time (Pomeranz, Marshall, and Castellon, 2014).

The benefits consider the direct revenue for the public sector associated with the formalization of workers, i.e. the payment of the social security contribution. Under the assumption that formalized workers earn a minimum wage, we estimate an increase of PEN 2.339 (USD 717) in monthly government revenue resulting from social security contributions (see Table 6). However, this is a very conservative estimate of the benefits, since it leaves out the direct benefits from the perspective of the worker, such as protection against health risks, accidents and old age, as well as the fulfillment of all labor rights associated with formality (vacation, Christmas bonuses, distribution of profits). Likewise, it does not consider other benefits for society and the economy, such as greater social cohesion, legal certainty, and the rule of law as well as aggregate productivity.

The labor formalization benefits of this experiment far exceed the cost of sending the letters. The unit benefit is 77 times larger than the unit cost. However, we must not lose sight, as mentioned in the previous paragraph, that the benefit estimate of formality is very conservative. Table 6 also shows that the cost-effectiveness of the deterrence letter is larger.

Table 6. Cost-benefit

	Both Letters	Deterrence Letter
Unit revenue (Social security)	2,338.6	4,063.4
Unit costs	30.4	30.4
Unit revenue/Unit costs	76.9	133.5
Total effect (number of workers)	10,015.5	8,688.5
Number of letters	697	348
Average shipping cost (PEN)	21,208.1	10,588.8
% Firms that received the letter	81.5	80.7
Minimum wage 2018 (PEN)	930	930
% Social security contribution	17.5	17.5
Average effect (Number of workers)	11.71	20.16

Source: Authors' elaboration using data from the electronic form provided by SUNAFIL.

Note: The contribution to follow sociality corresponds to 10.1% of the employer's position and 7.4% of the worker. Taxing Wages in Latin America and the Caribbean, OECD Publishing, Paris

## 5. Conclusion

The results of this experiment show that formal and relatively large firms in Peru react to reminders that encourage them to comply with labor legislation and that the content of the message is relevant. These letters increased the number of formalized workers, mainly due to the deterrence letter.

These results provide evidence that firms in Peru respond more to the deterrent approach. The deterrence letter increases the perception of the likelihood of being identified in violation of the legislation and the cost of the associated punishment (highlights the costs of the fines). As a result, more firms make the decision to enroll their workers in social security by weighing costs versus the monetary benefits of noncompliance.

Sending letters to incentivize the formalization of workers is cost-effective, since the collection of social security contributions exceeds the unit costs of intervention. It is important to note, that the cost-effectiveness of the letters increases only when considering the deterrent approach. These results underscore the importance of further strengthening the relationship of the supervisory authority with firms and seeking new approaches that go beyond traditional labor inspection. Sending letters can have great potential to inform firms about their employment obligations and the consequences of not complying.

To scale up the scope of this enforcement approach while maintaining its effectiveness, two challenges emerge. The first challenge is to reach a greater number of firms at a low cost. Information technologies can help systematize electronic notifications to firms by opening permanent and effective communication channels. The second challenge is to ensure that alternative channels such as letters and notifications remain effective over time. Therefore, the increased perception of the likelihood of being monitored should be linked to further audit action by the authorities. Otherwise, there is the risk that letters lose their credibility as a threat.

Formalization has multiple facets; thus, several questions remain for further research. When faced with increased costs associated with the formalization of workers, should firms adjust other margins such as wages, types of contracts, or investments? Employment paths differ among workers that were formalized and those that were not? Are there spillover effects between the firms that receive the letters and those in their geographical proximity? Unfortunately, these analyses fall outside the scope of this study and may be addressed in future research.

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## Annex 1. Line-up experiment - All firms

Variable	Control (CG) (1)	Deterrence (DG) (2)	Social Norms (SNG) (3)	Difference of the DG to the CG (4)	Difference of the SNG to the CG (5)
Ternure	11.26 (8.021)	10.29 (8.029)	10.52 (8.118)	-0.967 (0.608)	-0.744 (0.611)
Number of employees	136.8 (138.6)	146.8 (160.1)	137.3 (153.0)	10.04 (11.35)	0.516 (11.05)
Outsourced employee	10.26 (14.790)	10.48 (15.050)	11.16 (15.890)	0.218 (1.131)	0.902 (1.163)
Total tax payment (PEN in Thousands)	1737.3 (4,082.3)	1706.3 (3,462.7)	1701.9 (3,687.3)	-30.99 (287.0)	-35.34 (294.7)
Number of branches	2.48 (4.116)	2.198 (3.386)	2.315 (3.593)	-0.282 (0.286)	-0.165 (0.293)
Remuneration/Sales	14.13 (14.220)	14.43 (14.910)	15.19 (14.960)	0.303 (1.104)	1.061 (1.105)
Remuneration/Costs	12.7 (17.230)	12.17 (17.310)	12.22 (16.840)	-0.532 (1.310)	-0.486 (1.291)
Costs/Sales	36.15 (37.630)	33.72 (37.460)	34.35 (37.440)	-2.428 (2.846)	-1.800 (2.843)
Fixed Assests/Fixed Assest in the sector	0.0206 (0.064)	0.0224 (0.096)	0.0198 (0.063)	0.00184 (0.00619)	-0.000803 (0.00478)
Fixed Assests/Fixed Assest in the activity	0.0746 (0.175)	0.0772 (0.213)	0.0839 (0.221)	0.00258 (0.0148)	0.00928 (0.0151)
Firms	348	348	340		

Nota: Columns (1) to (3) show the mean and standard desviation of the pre-treatment variables. Columns (4) and (5) show the coefficient and standard error of a regression of the pre-treatment variables on a dummy indicating treatment assignment and a constant. A dollar equivalent to around PEN 3,30.

Annex 2. Formalization letter experiment baseline – only firms with complete information on the form

Variable	Control (CG)	Deterrence (DG)	Social Norms (SNG)	Difference of the DG to the CG	Difference of the SNG to the CG
	(1)	(2)	(3)	(4)	(5)
Ternure	12.82 (7.992)	11.66 (8.050)	12.15 (8.161)	-1.155 (0.710)	-0.667 (0.719)
Number of employees	139.1 (140.5)	158.6 (176.4)	137.6 (119.9)	19.51 (14.1)	-1.543 (11.6)
Outsourced employee	11.3 (15.510)	11.01 (14.540)	13.12 (17.370)	-0.297 (1.330)	1.816 (1.467)
Total tax payment (PEN in Thousands)	2,006.8 (4,373.0)	2,013.8 (3,791.7)	1,942.3 (3,972.0)	6.9 (362.1)	-64.5 (371.6)
Number of branches	2.652 (4.025)	2.604 (3.696)	2.743 (3.895)	-0.0484 (0.342)	0.0906 (0.352)
Remuneration/Sales	15.81 (14.070)	15.85 (14.550)	17.37 (14.960)	0.0473 (1.266)	1.562 (1.293)
Remuneration/Costs	14.39 (17.620)	13.23 (17.210)	13.89 (17.270)	-1.157 (1.541)	-0.504 (1.552)
Costs/Sales	40.74 (37.510)	37.47 (37.670)	37.64 (37.620)	-3.27 (3.326)	-3.107 (3.344)
Fixed Assests/Fixed Assest in the sector	0.0186 (0.049)	0.027 (0.104)	0.0237 (0.069)	0.00846 (0.007)	0.00507 (0.005)
Fixed Assests/Fixed Assest in the activity	0.0789 (0.179)	0.0965 (0.238)	0.104 (0.249)	0.0175 (0.019)	0.0255 (0.019)
Firms	256	255	249		

Nota: Columns (1) to (3) show the mean and standard desviation of the pre-treatment variables. Columns (4) and (5) show the coefficient and standard error of a regression of the pre-treatment variables on a dummy indicating treatment assignment and a constant. A dollar equivalent to around PEN 3,30.

Annex 3. Formalization letter experiment baseline – final sample

Variable	Control (CG) (1)	Deterrence (DG) (2)	Social Norms (SNG) (3)	Diff DG - CG (4)	Diff SNG - CG (5)
Tenure	11.37 (8.067)	10.52 (8.055)	10.66 (8.162)	-0.851 (0.623)	-0.712 (0.626)
Number of employees	138.1 (140.6)	145.9 (160.3)	139.8 (155.1)	7.791 (11.66)	1.718 (11.42)
Outsourced employee	10.09 (14.520)	10.79 (15.250)	11.35 (16.020)	0.704 (1.151)	1.267 (1.179)
Total tax payment (PEN in thousands)	1,791.0 (4,150.4)	1,767.1 (3,521.1)	1,740.2 (3,740.4)	-23.8 (297.6)	-50.8 (304.9)
Number of branches	2.534 (4.147)	2.266 (3.436)	2.368 (3.632)	-0.268 (0.294)	-0.166 (0.301)
Remuneration/Sales	14.34 (14.180)	14.63 (14.940)	15.52 (15.010)	0.289 (1.126)	1.173 (1.127)
Remuneration/Costs	12.94 (17.320)	12.45 (17.520)	12.46 (16.960)	-0.494 (1.347)	-0.486 (1.323)
Costs/Sales	36.86 (37.630)	34.2 (37.460)	34.9 (37.470)	-2.660 (2.903)	-1.958 (2.897)
Fixed assets/Fixed assets in the sector	0.0196 (0.058)	0.0213 (0.092)	0.0204 (0.064)	0.00165 (0.00592)	0.000800 (0.00468)
Fixed assets/Fixed assets in the activity	0.0749 (0.174)	0.0772 (0.212)	0.0867 (0.224)	0.00226 (0.0150)	0.0118 (0.0155)
Observations	1,006	1,006	1,006	1,006	1,006

#### Annex 4. Formalization letter experiment baseline – final sample by firms' size

Variable	Small					Medium					Large				
	Control	Deterrence	Social Norms	Diff	Diff	Control	Deterrence	Social Norms	Diff	Diff	Control	Deterrence	Social Norms	Diff	Diff
	(CG)	(DG)	(SNG)	DG - CG	SNG - CG	(CG)	(DG)	(SNG)	DG - CG	SNG - CG	(CG)	(DG)	(SNG)	DG - CG	SNG - CG
	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
Tenure	9.462 (8.232)	8.845 (7.658)	8.155 (7.337)	-0.617 (1.005)	-1.307 (0.974)	12.94 (7.587)	11.57 (8.159)	12.67 (8.787)	-1.370 (1.074)	-0.274 (1.124)	12.14 (7.938)	11.34 (8.153)	11.65 (7.775)	-0.792 (1.132)	-0.482 (1.112)
Number of employees	75.22 (35.6)	83.1 (61.4)	81.48 (47.9)	7.885 (6.413)	6.261 (5.286)	93.44 (52.1)	101 (52.9)	92.14 (61.0)	7.514 (7.153)	-1.302 (7.769)	279.7 (196.1)	256.8 (230.3)	253.3 (223.8)	-22.90 (29.92)	-26.42 (29.61)
Outsourced employees	5.377 (8.410)	8.033 (13.900)	7.032 (12.240)	2.656* (1.468)	1.655 (1.317)	12.98 (15.350)	10.94 (15.590)	10.94 (15.040)	-2.040 (2.107)	-2.040 (2.073)	13.18 (18.190)	13.65 (15.910)	16.79 (19.060)	0.472 (2.420)	3.604 (2.631)
Total tax payment (PEN in thousands)	506.5 (584.7)	529.2 (701.5)	644.1 (1,486.3)	22.7 (82.0)	137.6 (142.0)	1,514.3 (3,205.4)	1,147.5 (1,496.9)	1,687.1 (3,654.6)	-366.8 (336.6)	172.8 (470.5)	3,919.6 (6,531.2)	3,703.4 (5,420.9)	3,069.5 (5,041.7)	-216.2 (851.7)	-850.0 (832.8)
Number of branches	1.431 (2.579)	1.008 (1.785)	1.421 (2.398)	-0.422 (0.279)	-0.0101 (0.311)	2.348 (3.352)	2.269 (3.281)	1.903 (3.015)	-0.0790 (0.451)	-0.445 (0.434)	4.301 (5.884)	3.636 (4.334)	3.917 (4.728)	-0.665 (0.737)	-0.384 (0.761)
Remuneration/Sales	11.6 (14.070)	12.87 (15.220)	12.06 (15.020)	1.271 (1.858)	0.460 (1.820)	15.85 (13.700)	14.21 (13.560)	18.23 (15.680)	-1.640 (1.856)	2.381 (2.015)	16.36 (14.440)	16.95 (15.690)	16.96 (13.670)	0.590 (2.117)	0.598 (1.993)
Remuneration/Costs	9.461 (15.530)	9.453 (16.340)	8.724 (15.920)	-0.00814 (2.020)	-0.737 (1.967)	12.92 (16.140)	12.75 (16.560)	12.38 (16.400)	-0.174 (2.228)	-0.541 (2.222)	17.83 (19.900)	15.43 (19.180)	16.88 (17.740)	-2.400 (2.757)	-0.949 (2.677)
Costs/Sales	29.44 (36.820)	26.22 (35.920)	26.13 (35.850)	-3.217 (4.602)	-3.309 (4.543)	39.72 (37.870)	35.64 (37.800)	35.66 (37.660)	-4.078 (5.153)	-4.058 (5.156)	43.77 (37.040)	41.53 (37.450)	44.4 (37.060)	-2.246 (5.243)	0.623 (5.240)
Fixed assets/Fixed assets in the sector	0.00915 (0.047)	0.00305 (0.009)	0.00999 (0.032)	-0.00610 (0.00421)	0.000842 (0.00503)	0.0151 (0.036)	0.00836 (0.015)	0.00862 (0.026)	-0.00675* (0.00373)	-0.00649 (0.00426)	0.0398 (0.082)	0.0534 (0.154)	0.0439 (0.100)	0.0137 (0.0170)	0.00414 (0.0129)
Fixed assets/Fixed assets in the activity	0.0336 (0.121)	0.0134 (0.039)	0.0353 (0.123)	-0.0202* (0.0112)	0.00175 (0.0153)	0.0745 (0.149)	0.0474 (0.093)	0.0566 (0.120)	-0.0270 (0.0168)	-0.0178 (0.0184)	0.133 (0.237)	0.175 (0.336)	0.175 (0.338)	0.0417 (0.0404)	0.0421 (0.0408)
Observations	376	376	376	376	376	319	319	319	319	319	311	311	311	311	311

Annex 5. Estimations for the period June 2017 to March 2018

	Total employees		Hires		Separations	
	(1)	(2)	(3)	(4)	(5)	(6)
Letter x post	11,55** (5,422)		9,637** (4,563)		1,271 (3,966)	
Deterrence Letter x post		18,75** (7,611)		15,82** (6,188)		0,613 (4,637)
Social Morals Letter x post		4,407 (4,852)		3,509 (4,197)		1,922 (4,405)
Constante	121,3*** (1,650)	121,3*** (1,652)	55,96*** (1,439)	55,96*** (1,441)	-62,04*** (1,189)	62,04*** (1,189)
r2	0,899	0,899	0,842	0,842	0,783	0,783
Observations	10060	10060	10060	10060	10060	10060
Firms	1006	1006	1006	1006	1006	1006

Annex 6. IV – First stage

Variables	Total		Small		Medium		Large	
	Post x Entrega Deterrence Letter	Post x Entrega Social Moral Letter	Post x Entrega Deterrence Letter	Post x Entrega Social Moral Letter	Post x Entrega Deterrence Letter	Post x Entrega Social Moral Letter	Post x Entrega Deterrence Letter	Post x Entrega Social Moral Letter
Post	-0 (0.00218)	0 (0.00208)	-0 (0.00405)	0 (0.00384)	0 (0.00298)	0 (0.00331)	0 (0.00380)	0 (0.00332)
Post x Deterrence Letter	0.817*** (0.00309)	0 (0.00295)	0.708*** (0.00584)	0 (0.00554)	0.894*** (0.00430)	0 (0.00476)	0.864*** (0.00516)	-0 (0.00451)
Post x Social Moral Letter	0 (0.00309)	0.840*** (0.00294)	0 (0.00577)	0.770*** (0.00547)	-0 (0.00431)	0.864*** (0.00478)	0 (0.00519)	0.898*** (0.00453)
Constant	0 (0.00105)	0 (0.000997)	0 (0.00197)	0 (0.00187)	-0 (0.00146)	-0 (0.00162)	-0 (0.00172)	0 (0.00151)
Observations	32,192	32,192	12,032	12,032	10,208	10,208	9,952	9,952
R-squared	0.930	0.938	0.892	0.913	0.959	0.947	0.946	0.959

Standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## Annex 7. Social Norms Letter



"Año del Buen Servicio al Ciudadano"

Lima,

**OFICIO N° - 2017-SUNAFIL/INII**

Señores  
(RAZÓN SOCIAL DE LA EMPRESA)  
(RUC DE LA EMPRESA)  
(Dirección completa de la empresa)

**Asunto :** Formalización laboral

De mi consideración:

Sirva la presente para saludarle cordialmente y a la vez comunicarle que la Superintendencia Nacional de Fiscalización Laboral (SUNAFIL) viene ejecutando un proceso de formalización laboral a nivel nacional a través de su función inspectiva de trabajo, en el marco de la política gubernamental 2016-2021 y de las políticas nacionales y sectoriales sobre empleo digno y productivo.

**Formalizar la situación laboral de los trabajadores dependientes** registrándolos en la planilla de la empresa, en EsSalud y ante el sistema pensionario correspondiente, además de proteger al trabajador contra riesgos de salud y accidentes de trabajo, **tiene la ventaja de hacer más productiva a la empresa:** el sector formal representa el 80% del valor agregado bruto nacional.

En este contexto, **se le invoca revisar la situación actual de la fuerza de trabajo** de su representada y, de corresponder, proceder con regularizar la situación de los trabajadores que no lo estén (registro en la Planilla Electrónica, ante EsSalud y en el sistema previsional correspondiente), así como cumplir con las obligaciones que se deriven de ello.

En caso tenga alguna consulta sobre el proceso de registro de trabajadores en la Planilla Electrónica y en la seguridad social (salud y pensiones), puede consultar la siguiente dirección electrónica: <http://www.sunafil.gob.pe/derechos-sociolaborales.html>.

Sin otro particular, me despido.

Intendente Nacional de Inteligencia Inspectiva

## Annex 8. Deterrence Letter



"Año del Buen Servicio al Ciudadano"

Lima,

**OFICIO N° \_\_\_\_\_ - 2017-SUNAFIL/INII**

Señores

(RAZÓN SOCIAL DE LA EMPRESA)

(RUC DE LA EMPRESA)

(Dirección completa de la empresa)

**Asunto :** Formalización laboral

De mi consideración:

Sirva la presente para saludarle cordialmente y a la vez comunicarle que la Superintendencia Nacional de Fiscalización Laboral (SUNAFIL) viene ejecutando un proceso de formalización laboral a nivel nacional a través de su función inspectiva de trabajo, en el marco de la política gubernamental 2016-2021 y de las políticas nacionales y sectoriales sobre empleo digno y productivo.

En ese sentido, se precisa que la normativa vigente tipifica como infracción grave el no registrar a los trabajadores en las planillas de pago y/o no inscribirlos en los regímenes de seguridad social en salud y pensiones. Con el fin de sancionar las conductas de incumplimiento sobre la materia, se imponen multas muy severas conforme se detalla a continuación:

- o Microempresa: hasta 1,823 soles
- o Pequeña empresa: hasta 18,225 soles
- o Resto de empresas: hasta 91,125 soles

En este contexto, se le invoca revisar la situación actual de la fuerza de trabajo de su representada y, de corresponder, proceder con regularizar la situación de los trabajadores que no lo estén (registro en la Planilla Electrónica, ante EsSalud y en el sistema previsional correspondiente), así como cumplir con las obligaciones que se deriven de ello.

En caso tenga alguna consulta sobre el proceso de registro de trabajadores en la Planilla Electrónica y en la seguridad social (salud y pensiones), puede consultar la siguiente dirección electrónica: <http://www.sunafil.gob.pe/derechos-sociolaborales.html>.

Sin otro particular, me despido.

Intendente Nacional de Inteligencia Inspectiva