Puerto Rico House Seeks Injunction on Court Decision Striking Down 2022 Labor Reform

By Sara E. Colón-Acevedo & José L. Maymí-González

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Meet the Authors



Sara E. Colón-Acevedo Principal (787) 522-7310 Sara.Colon-Acevedo@jacksonlewis.com



José L. Maymí-González Associate 787-522-7317 Jose.Maymi-Gonzalez@jacksonlewis.com

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The struggle to provide certainty on employment issues to the private sector in Puerto Rico is not over. The Speaker of the Puerto Rico House of Representatives is seeking an injunction to stay the district court decision declaring null and void the controversial 2022 labor reform, Act 41-2022.

Signed in June 2022, Act 41-2022 introduced changes to the statutory probationary period, vacation and sick leave accrual, and the way the annual Christmas Bonus is accumulated, among other requirements.

The federal court overseeing the Puerto Rico bankruptcy-like procedures had ruled that Act 41-2022 was null and void *ab initio. Financial Oversight and Management Board for Puerto Rico v. Pierluisi Urrutia,* No. 17 BK 3283-LTS (D. P.R. March 3, 2023). (For details on the decision and its consequences in the private employment sector, see our article, <u>Federal</u> Court Strikes Down Amendments to Puerto Rico 2017 Employment Law Reform.)

Speaker Rafael Hernández-Montañez filed a motion on March 16, 2023, requesting an injunction to stay the federal court's decision pending appeal. If the motion is granted, Act 41-2022 would return as good law and become enforceable, once more leaving employers with a case of legal whiplash. Parties must respond to the speaker's motion by March 24. The speaker's request for injunction was filed just after Puerto Rico Governor Pedro Pierluisi-Urrutia filed a notice of appeal of the March 3 court decision.

In addition, members of the speaker's party have presented a bill in the Puerto Rico House of Representatives that would essentially revive the reform enacted under Act 41-2022.

Jackson Lewis attorneys are closely monitoring updates and changes to legal requirements and guidance and are available to help employers weed through the complexities.

If you have questions or need assistance, please reach out to the Jackson Lewis attorney with whom you regularly work.

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