

Puerto Rico Increases Hourly Minimum Wage to \$10.50 Beginning July 1, 2024

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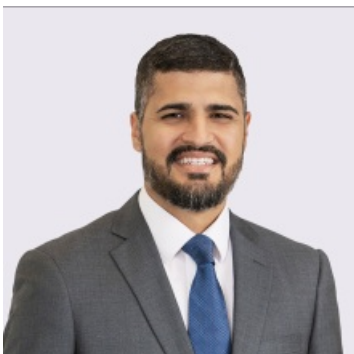
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Puerto Rico's minimum wage will increase to \$10.50 per hour from \$9.50 per hour effective July 1, 2024. This increase was finally approved by the Minimum Wage Review Commission on June 13, 2024. With limited exceptions, the increase will apply to all non-exempt employees covered by the Fair Labor Standards Act.

This increase was adopted by Act No. 47-2021 as an automatic increase unless the Commission provided otherwise. The Commission's approval was supported by an economic report issued by Abexus Analytics on June 7, 2024. The report included an analysis based on the data collected in the quarterly returns of the Department of Labor of Puerto Rico, the Quarterly Census of Employment and Wages (ES-202), the aggregated data from the corporate income returns from the Department of the Treasury of Puerto Rico, and the inflation rate, among other factors. An evaluation of the report moved the Minimum Wage Review Commission to approve, *with a majority of votes*, the minimum wage increase to \$10.50 per hour.

The appointed Minimum Wage Review Commission is composed of:

- President and Representative of the Public Interest: Secretary of the Department of Labor Gabriel Maldonado González
- Vice President and Representative of the Economists of Puerto Rico: Dr. Indira Luciano Montalvo
- Representative of the Employer Sector: Jaime Nuñez Acosta
- Economist in representation of the workers: Dr. Iyari Ríos González
- Representative of the interests of the workers: Wilkin López del Valle

There is no certainty if or when the minimum wage will be increased again after the July 1, 2024, increase. As to the mandatory decrees established in Act No. 47-2021 to be adopted by 2022 regarding minimum wage for agricultural and tipped employees, there is also no certainty as to when the Commission will adopt these mandatory decrees. The Department of Labor remains silent about when employers can expect these decrees.

If you have any questions about the implications of Puerto Rico's Minimum Wage Act or other workplace issues, please contact a Jackson Lewis attorney.

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