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# Federal Minimum Wage Increase for Exempt Employees Regulations Do Not Include Puerto Rico

 NEWS | Carlos Saavedra Gutiérrez , Labor , Natalia Alexa Colon Díaz , NEWS , Paola Arroyo Guzmán , Federal Relations

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By [Paola Arroyo Guzmán](#)

The U.S. Department of Labor (DOL) finally issued regulations to determine the minimum wage for exempt employees. **However, Puerto Rico was not included.**

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Former Labor Department Secretary **Carlos J. Saavedra Gutierrez** said the exclusion of the archipelago was a relatively new decision because "the initial intention was to include Puerto Rico."

"It was a surprise to me that it came with a complete exclusion for the territories. Because, for example, in the case of Puerto Rico, that salary has not been reviewed since 2004," he added.

In Puerto Rico, that minimum wage is \$455 a week, he recalled. "That's just over \$24k a year. It's a very big difference what's required in Puerto Rico compared to the United States."

Saavedra Gutierrez recalled that the [Department of Labor and Human Resources \(DTRH\)](#) rejected the application in Puerto Rico of the minimum weekly wage that the federal Department of Labor proposed for exempt employees in the archipelago.

"The most important thing for the population to know is that there are no changes for now. This regulation does not affect Puerto Rico."

*He stressed that the U.S. Department of Labor is considering enacting specific regulations for the territories, including Puerto Rico. "It was left pending. That's what the Department of Labor says."*



He indicated that as of July 1, 2024, the minimum wage will come into effect at \$10.50 per hour worked for non-exempt employees. According to current legislation, the state minimum wage will have to increase to \$10.50 per hour of work as of July 1, 2024, subject to the analysis of the Evaluation Commission, which could issue a mandatory decree varying it.

Attorney **Natalia Alexa Colón Díaz**, whose practice focuses on employer labor law, urged attention to the archipelago's wage policy and, likewise, **ruled that the document indicates that Puerto Rico was pending a subsequent rule, which will eventually be published.**

**Colón Díaz recalled that this increase – which does not apply to Puerto Rico – of the federal minimum wage for exempt personnel is expected to be implemented in two phases starting July 1, 2024.**

He explained that the first phase will be a weekly increase to \$844.00 and the second increase of \$1,128 weekly by January 1, 2025.

"So, I see two things happening (in Puerto Rico), either what we get is a federal minimum wage that is a little lower than the economic percentile used and applied to the rest of the continental states or what is coming is a longer phased implementation, so that that economic impact is more bearable, or it is a mixture of both."

He pointed out that there is still the possibility that a salary increase will be implemented in Puerto Rico, but regretted the lack of openness to indicate when the increase would be enacted, as it creates uncertainty at the business level. Likewise, he pointed out the uncertainty about how much the impact could be if a federal regulation on a minimum wage increase that includes Puerto Rico is enacted.

Let's go over the classification of exempt employees

En Puerto Rico las personas trabajadoras se clasifican como exentos y no exentos. Los empleados y empleadas exentas son aquellos que cumplen con ciertos requisitos establecidos en reglamentaciones federales y estatales y devengan un salario independientemente de las horas que trabajen durante el día o la semana.

«Esta clasificación es importantísimas en las empresas porque son los empleados que no tienen derecho a cobrar el «overtime». Así que, ese empleado exento puede trabajar más de ocho horas al día y más de cuarenta horas a la semana, y el patrono nunca te va a tener que pagar tiempo extra porque estos empleados van a tener un salario fijo, que van a cobrar sin importar qué», dijo **Saavedra Gutiérrez**. **«Si no están bajo este salario, el patrono no lo puede clasificar como exentos», agregó.**

Cláusulas de no competencia

Por otro lado, la Comisión Federal de Comercio (FTC, en inglés) aprobó una nueva norma que prohibiría a los empresarios imponer cláusulas de no competencia a sus trabajadores, a contratistas independientes y a cualquiera que trabaje para un empleador, ya sea remunerado o no.

También obligaría a los patronos a rescindir las cláusulas de no competencia existentes e informar activamente a los trabajadores de que ya no están en vigor.

*[La FTC propone prohibir las cláusulas de no competencia](#)*

