

January 24, 2012 [www.mcvpr.com](http://www.mcvpr.com)**LABOR & EMPLOYMENT LAW ALERT*****House Bill 2378 Provides Incentive Plan on Amounts owed to the State Insurance Fund Corporation***

On January 10, 2012, Governor Luis Fortuño signed House Bill 2378 (Act No. 13 of 2012) into law. The new statute provides an Incentive Plan to all employers who have outstanding indebtedness with the Puerto Rico State Insurance Fund Corporation (“SIF”). Under this Incentive Plan, employers will receive a 50% discount on the total amount owed to the SIF, subject to certain conditions. First, the discount does not apply to any amounts owed for the current or the previous fiscal years. Further, this Incentive Plan will be in force for a total of six months after an Administrative Order from the SIF (“the Order”) regarding the terms of the plan comes into effect.

Interested employers must submit an application to the SIF requesting participation in the Incentive Plan. In order to be eligible, the employer must have already filed the Payroll Statement that was due on July 20, 2011. Also, the employer must have paid the premium and any other debt corresponding to the current fiscal year (2011-12) and the previous fiscal year (2010-11).

Employers eligible for the Incentive Plan and meeting the requirements of the Order may receive a 50% discount on any outstanding balance owed to the SIF for up to 15 years, excluding those debts owed in the current and previous fiscal years. Uninsured employers may also qualify for this incentive once they pay the premium and any debt corresponding to the current and previous fiscal years. If an employer is eligible for the Incentive Plan, the SIF will cancel any debt that exceeds 15 years. In order to participate in the Incentive Plan, employers must inform the SIF of all debts owed as certified and notified by the SIF up until the moment it approves participation in the Incentive Plan. All amounts notified by the SIF for any concept, including administrative costs, may be subject to the plan.

Employers participating in the Incentive Plan are not eligible for a payment plan. Employers already participating in a payment plan with the SIF, however, are eligible to satisfy any remaining debt by participating in the Incentive Plan. The Incentive Plan does not apply to final decisions or resolutions issued by any court or administrative agency. Employers must satisfy these debts in full. Furthermore, the SIF will not issue any credits or refunds for any amount paid under the Incentive Plan. Employers should investigate with the SIF and request a certificate of indebtedness in order to determine whether they have an outstanding debt that may be subject to this plan.

If you have any questions or comments, or wish additional information regarding the above matters, please contact any of the following attorneys:

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