

Minimum Wage Board Decision: Puerto Rico Minimum Wage Set to Increase to \$10.50/Hr

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An McV Labor & Employment Law Alert

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Yesterday, the Puerto Rico Minimum Wage Board, as authorized by PR Act No. 47-2022 (“Puerto Rico Minimum Wage Act”), approved the third slated increase of the minimum wage for Puerto Rico hourly employees. Effective July 1, 2024, the minimum wage for all hourly, private-sector employees will go up from \$9.50 to \$10.50 per hour.

This upcoming minimum wage increase applies to all private-sector employees covered by the Fair Labor Standards Act, and excludes:

1. Tipped employees, provided their hourly wage + tips is equal to, or greater than, the new minimum wage of \$10.50;
2. Agricultural workers;
3. Administrative, executive and professional exempt employees;
4. Employees covered by a collective bargaining agreement, provided the minimum wage established in the CBA is equal to, or greater than, the new minimum wage of \$10.50.

Employers are advised to assess how this upcoming wage increase will impact their workforce and operations and prepare an implementation plan for the wage increase to take effect no later than July 1, 2024.

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