

Next Puerto Rico Minimum Wage Increase: July 1, 2023

By Sara E. Colón-Acevedo & Karina Rodríguez

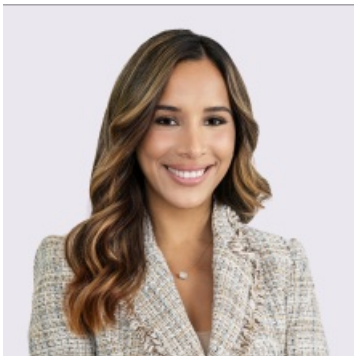
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Puerto Rico's second automatic increase in the minimum wage is July 1, 2023, from \$8.50 per hour to \$9.50 per hour.

With limited exceptions, this increase will apply to all non-exempt employees covered by the Fair Labor Standards Act.

The [Puerto Rico Minimum Wage Act](#), Act No. 47-2021, was enacted on January 1, 2022. This act established as public policy for the periodic revision of the minimum wage to bring it in line with the cost of living and to ensure that people earn enough to meet their basic needs. It established an initial minimum wage increase from \$7.25 to \$8.50 per hour and provided for additional automatic minimum wage increases for July 1 of 2023 and 2024.

Act No. 47-2021 anticipates a final increase to \$10.50 per hour for July 1, 2024, unless the Minimum Wage Review Board (which has yet to be established) provides otherwise.

It is important to remember that the minimum wage increases do not apply to:

1. Agricultural workers;
2. "Administrators," "executives" and "professionals" (as defined by Regulation No. 13 of the Puerto Rico Minimum Wage Board);
3. Employees covered by a collective bargaining agreement establishing higher wages; and
4. All government and municipal employees, judicial and legislative branch employees.

The Minimum Wage Review Board is tasked with approving Special Decrees for agricultural workers and tipped employees. It may approve Special Mandatory Decrees for "administrators," "professionals," and "executives." A special decree was supposed to be adopted for agricultural employees by July 1, 2022, but the governor has not appointed all members to the Board. Accordingly, the Board has not begun operations and there is no certainty as to when it will be constituted.

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.