## (No. 80)

(Approved May 21, 2000)

# **AN ACT**

To amend subsection (a) of Section 12 of Act No. 180 of July 27, 1998, as amended, known as the "Puerto Rico Minimum Wage, Vacation and Sick Leave Act," in order to extend the prescriptive term to three (3) years in all wage claim suits that an employee may file against his employer under the provisions of this Act or any mandatory decree, approved or to be approved, pursuant to the provisions of this Act, and to add that it be according to any contract or law, and for other purposes.

#### **STATEMENT OF MOTIVES**

When Act No. 180 of July 27, 1998, as amended, was approved, this Legislature deemed it appropriate to create a new Minimum Wage Act which established a mechanism to raise the salary of workers that was more agile and in tune with the developments in the field of labor both at the Commonwealth as well as the federal levels. Our intention was to temper the local Minimum Wage Act to the Fair Labor Standards Act, 29 U. S. C. & 201 et. seq., passed by the Congress of the United States of America on June 25, 1938, as amended.

However, due to an involuntary error, when the matter regarding the prescriptive term applicable to wage claim suits under Act No. 180 was established, the phrase of the former Minimum Wage Act, Act No. 96 of June 26, 1956, as amended, which extended the prescriptive term established therein to wage claims under any other law or contract was not included.

Act No. 379 of May 25, 1948, as amended, which provides for the payment of overtime and establishes a penalty for time worked during lunch breaks, does not include a provision on the prescriptive term. By mistake, the prescriptive period of Act No. 180 was limited to claims under said Act or any Mandatory Decree. Consequently, there is no specific prescriptive period for claims under Act No. 379, supra. Furthermore, the prescriptive period of all the salary regulations that an employee may have against his employer, was extended from two (2) to three (3) years.

The public policy has been that all wage claims, whether minimum wage, sick or vacation leave, overtime lunch break, for working on the seventh day, or on a legal closing day, have the same prescriptive term. That was provided in Act No. 96. Otherwise there would be no uniformity and the processing of wage claims would be greatly complicated; besides lending itself to confusion for the employees as well as the employers.

The Federal Fair Labor Standards Act, in addition, covers both minimum wage and overtime, therefore it is necessary to put its prescriptive period on a level with the claims for overtime under the local law, to thus truly adjust our legislation to the Federal Act.

To cover that gap in Act No. 180, the Legislature of Puerto Rico wishes to clarify that for the processing of any suit that an employee may have against his employer to claim all the wages, overtime vacation and sick leave, penalty for working during the lunch break, and others to which he/she might be entitled for his work regardless of its origin, shall be governed by the prescriptive term established in said Section 12 of Act No. 180.

## **BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:**

Section 1.- Subsection (a) of Section 12 of Act No. 180 of July 27, 1998, as amended, known as the "Puerto Rico Minimum Wage, Vacation and Sick Leave Act," is hereby amended, to read as follows:

"Section 12.- Prescriptive Term.-

(a) An employee's suit to claim wages against his/her employer under this Act or any Mandatory Decree approved or to be approved pursuant to the provisions of this Act or under any contract or law, shall prescribe within a term of three (3) years. The term for this action to prescribe shall be counted from the time that the employee ceased to work for the employer. The prescriptive term indicated above shall be interrupted and shall begin anew through the judicial or extra judicial claim for the wage debt filed by the worker, his representative or an official of the Department empowered to do so, and by any act by the employer acknowledging the debt."

Section 2.- This Act shall take effect immediately after its approval.

## CERTIFICATION

I hereby certify to the Secretary of State that the following Act <u>No. 80</u> (<u>H.B. 2369</u>) (<u>Conference</u>) (<u>Reconsidered</u>) of the  $\underline{7^{\text{th}}}$  Session of the <u>13^{\text{th}}</u> Legislature of Puerto Rico:

**AN ACT** to amend subsection (a) of Section 12 of Act No. 180 of July 27, 1998, as amended, known as the "Puerto Rico Minimum Wage, Vacation and Sick Leave Act," in order to extend the prescriptive term to three (3) years in all wage claim suits that an employee may file against his employer under the provisions of this Act or any mandatory decree, approved or to be approved, pursuant to the provisions of this Act, and to add that it be according to any contract or law, and for other purposes,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 17<sup>th</sup> of September of 2003.

Elba Rosa Rodríguez-Fuentes Director