

PUERTO RICO VACATION AND SICK LEAVE

Puerto Rico Labor Transformation and Flexibility Act, Act No. 4 of January 26, 2017 (“Act 4-2017” or “LTFA”)

New Rules Effective:

March 3, 2023



Eligibility:

Nonexempt employees.

Probationary/Waiting Period Before Accrued Vacation and Sick Time Can be Used:

In Puerto Rico, employees have a 9-month probationary period for non-exempt employees. Sick and vacation leave accrues at the start of employment. **After nine months of employment**, the employee is able to use accrued sick and/or vacation leave.

VACATION

- Accrued monthly so long as 130 hours are worked that month;
- There is no cap on accrual for vacation;
- If vacation has accrued more than 10 days, a worker can request that vacation days exceeding 10 be paid out in a lump sum; and
- Accrued, unused vacation leave will not be paid out upon termination.

Nonexempt Employees—Vacation Leave Accrual

Years of service	Accrual per month
Up to 1 year	½ day
More than 1 year and up to 5 Years	¾ day
More than 5 years and up to 15 Years	1 day
15+ years	1¼ day

**Note: The above chart is only in affect when the company has 13 or more associates working within the jurisdiction. If the number of workers drops below 13, the above table is null and VAC time will be calculated at a max of 4 hours a month.*

SICK

- Accrued at 1 day/month so long as 130 hours worked during that month regardless of the number of employees employed by the employer;
- Sick leave not used in a year can accrue up to a maximum cap of 15 days; and
- Not paid out at termination.

ADDITIONAL INFORMATION

- The use of vacation and sick leaves shall be considered time worked for purposes of the accrual of these benefits.
- Vacation and sick leave shall be paid on the basis of an amount which is not less than the regular hourly wage earned by the employee in the month the leave was accrued.