

# Outsourcing Alert: Act No. 180 vacation and sick leave accruals in Puerto Rico

The statutory requirements for the accruals of vacation and sick leave that apply to non-exempt employees in Puerto Rico are determined by the Act No. 180 of July 27, 1998.

## Accrual rate of vacation and sick leave:

Effective August 1, 1995, employees who work more than 115 hours per month, and who are covered under the Act No. 180, have the right to accrue vacation at a rate of 1 ¼ days per month and sick leave at a rate of 1 day per month.

Employees hired before August 1, 1995, are covered by the vacation and sick leave mandatory decree applicable instead of those provided by Act No. 180, irrespective of the fact that these are higher or lower benefits.

Accrual of vacation under Act No. 180 is at the rate of one and one quarter (1 1/4) day per month, for a total of fifteen (15) days per year.

Accrual of sick leave under Act No. 180 is at the rate of one (1) day per month, for a total of twelve (12) days per year. In order to enjoy of these accruals the employee works at least one hundred and fifteen (115) hours during the month during which the accrual takes place.

The use of vacation and sick time will be considered time actually worked for purposes of accrual of these benefits.

## Vacations

Vacation days may be enjoyed after the first full year of employment on a consecutive or fragmented manner. Mutual agreement between the employer and the employee is required to fragment the vacations; nonetheless, the employee will always maintain a right to enjoy at least five (5) consecutive working days of vacation leave per year.

## Sick Leave

The employee must notify about his/her illness as soon as possible and not later than the same day of his/her absence to work. Sick leave not taken by the employee during the year will remain accrued for successive years up to a maximum of fifteen (15) days.



## Contact us

For assistance in this matter, please contact us via [kayra.rivera@pr.gt.com](mailto:kayra.rivera@pr.gt.com) or [carmen.rojas@pr.gt.com](mailto:carmen.rojas@pr.gt.com)



Adding true value means exceeding our clients' expectations, anticipating their needs and being proactive and innovative in the accounting profession.

Through the **Kevane Grant Thornton business and tax application for mobile devices** you will have access to our Alerts, Tax News and other related matters, plus a customized tax calendar for individuals, businesses and other entities, thus providing an excellent tool to manage filing and payment due dates with government agencies in Puerto Rico.

Download for free the application. Available for iPhone, Motorola and all tablets.



Follow us on  and 

June 11, 2015

**DISCLAIMER:** This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2015 Kevane Grant Thornton LLP All rights reserved.  
Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit [www.kevane.com](http://www.kevane.com) for further details.

#### Latest Amendments

**The Act 160 of 2014 was enacted to amend the Act 180.** As result of this amendment, an employee may file a claim for damages if the employer:

- fails to allow an employee to take vacation leave consecutively for at least, five consecutive working days during the year,
- liquidates accumulated vacation leave in excess of ten days without the written request of the employee
- allows an employee to accumulate up to two years of vacation leave without an agreement with the employee, among other specific prohibitions.

Link-Department of Labor & Human Resources Portal –  
<http://www.trabajo.pr.gov/index.asp>

Act 180 -  
<http://www.trabajo.pr.gov/pdf/num180.pdf>

Mandatory Decree List -  
[http://www.trabajo.pr.gov/rl\\_decretosmandatorios.asp](http://www.trabajo.pr.gov/rl_decretosmandatorios.asp)

**Contact us at any time. We will be glad to assist you.**

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2015 Kevane Grant Thornton LLP All rights reserved.  
Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit [www.kevane.com](http://www.kevane.com) for further details.