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Employers may withhold salary for the repayment of emergency aid

August 20, 2018

On June 20, 2018, Governor Ricardo Rosselló Nevares signed Act No. 115 to add a new Section (q) to Article 5 of Act No. 17 of 1931 (Wage Payment Act) to allow employers to obtain written authorization from their non-exempt employees, who were aided during a situation of emergency.



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Act No. 115 establishes the following requirements to allow the salary withholdings:

- employer must obtain written consent from the employee
- partial amounts to be repaid, e.g.- loans, salary advances, cost of any equipment, materials or goods are without interest
- such advances or loans, equipment, materials or goods have to be directly related to a state of emergency declaration by the President of the United States, the Federal Emergency Management Agency (FEMA), or the governor of Puerto Rico.
- such declaration must include Puerto Rico or the municipality of residence of the employee.

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The Act establishes that the deduction may not be greater than twenty percent (20%) of the net amount payable to the employee during a regular pay period.

This Act has immediate effect.

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