



# ALTERNATIVE SOLUTIONS INC.

## Business and Management Support

A PUBLICATION  
FROM THE BUSINESS  
SOLUTIONS  
DIVISION

June 2023

# FOCUS



## AUTOMATIC INCREASE IN THE MINIMUM WAGE

On September 21, 2021, the Governor of Puerto Rico signed into law the Puerto Rico Minimum Wage Act, Act No. 47-2021. This act was established as public policy for the periodic revision of the minimum wage per hour. It established an initial minimum wage increase from \$7.25 to \$8.50 per hour and provided for additional automatic minimum wage increases as follows:

- ⇒ January 1, 2022-\$8.50
- ⇒ **July 1, 2023- \$9.50**
- ⇒ July 1, 2024 -\$10.50, subject to the approval of the newly created Minimum Wage Evaluation Committee

Thus, Puerto Rico's second automatic increase in the minimum wage **is effective on July 1, 2023.**

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

### Exceptions

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

- ⇒ Agricultural workers;
- ⇒ "Administrators," "executives" and "professionals" (as defined by Regulation No. 13 of the Puerto Rico Minimum Wage Board);
- ⇒ Employees covered by a collective bargaining agreement establishing higher wages; and

- ⇒ All government and municipal employees, judicial and legislative branch employees.

Please contact our Business & Management Associates should you have any questions or if you need additional information regarding these matters.

Wanda Sonera, Supervisor  
[wsonera@vgmmcpa.com](mailto:wsonera@vgmmcpa.com)

Marta Montes, Accountant  
[mmontes@vgmmcpa.com](mailto:mmontes@vgmmcpa.com)

Idanis Guevarez, Accountant  
[iguevarez@vgmmcpa.com](mailto:iguevarez@vgmmcpa.com)

Contact us at (787) 725-1600 or at [fsosa@vgmmcpa.com](mailto:fsosa@vgmmcpa.com) for changes or additions to your subscription preferences.

*This publication has been prepared for informative purposes. It is not intended to provide and does not constitute advice.*

[www.vgmmcpa.com](http://www.vgmmcpa.com)  
©2023 Alternative Solutions Inc.  
All rights reserved.