

April 12, 2017

Labor and Employment Update

Puerto Rico's Salary Equity Act Purports to End Wage Discrimination

On March 8, 2017, the Government of Puerto Rico passed Law No. 16, also known as the Salary Equity Act ("the Act"). The Act adopts the criteria established by the federal Equal Pay Act of 1963 with the purpose of prohibiting wage discrimination based on gender, when the comparable work requires the same skill, effort and responsibilities under similar work conditions.

Under the Act, there are several factors that would justify differences in wages, such as: different shifts; different work risks; a bona fide seniority or merit system; a compensation system based on the quantity or quality of production, sales or profits; education, training or experience, to the extent that such factors are reasonably related to the specific work in question; or any other reasonable factor other than the sex of the person.

The Act also prohibits employers from asking a job candidate about his or her wages before extending a job offer. It also prohibits employers from requiring employees or job candidates to abstain from asking, discussing or requesting information regarding their salaries or regarding the salaries of other employees that perform comparable jobs. Under the Act, the employer may prohibit employees with access to other employees' compensation information from disclosing said information before obtaining said employee's written authorization.

The Act states that an employer must not eliminate discriminatory wage gaps by reducing the higher-earning employee's wages.

An employer that violates the Act is liable for backpay, as well as costs, expenses and reasonable attorney's fees. It is also liable for an additional, tax exempt amount, equal to the backpay, unless it shows that, within the previous year, it started or completed a self-appraisal of its compensation practices and had achieved reasonable progress towards eliminating discriminatory wage gaps.

Employees have one (1) year to file a claim from the date they become aware of the violations, which includes each time a discriminatory paycheck is received.

We at Reichard & Escalera are available to assist employers in understanding and implementing this new law's provisions.

This communication is for information purposes only and does not constitute legal advice. This communication may be based on authorities that are subject to change and is not a substitute for professional advice or services. You should consult a qualified professional advisor before taking any action based on the information herein. This communication does not create an attorney-client relationship between Reichard & Escalera and the recipient.

[Unsubscribe](#)



For more information on this Legal Update, please contact:

Sylmarie Arizmendi

arizmendis@reichardescalera.com
787.777.8824

Ineabelle Santiago

santiago@reichardescalera.com
787.777.8818

Carlos R. Rivera

riverac@reichardescalera.com
787.777.8827

Gustavo A. Pabón Rico

pabong@reichardescalera.com
787.777.8819