

(S. B. 268)

(No. 124)

(Approved September 29, 2005)

AN ACT

To amend the first paragraph of Section 1 and the sixth paragraph of Section 7 of Act No. 148 of June 30, 1969, as amended, known as the “Bonus Act”, in order to increase in a staggered manner the amount of the bonus.

STATEMENT OF MOTIVES

This Act has the purpose to temper the bonus, which since 1969 is paid to the private sector employees, to the economic realities of the new millennium. At present, the maximum bonus provided by law is of \$200, whose purchasing power has decreased substantially according to the Consumer Price Index. In order to restore the purchasing power that \$200 had in 1969, this Legislature proposes to increase the amount of the bonus to \$600 in a term of three (3) years.

This Legislature deems that said bonus is a necessary financial aid for workers during the Christmas season, which allows them to obviate the need to incur additional debts and at the same time stimulates the local economy, since a large portion of the money received by each worker as bonus is reinvested in the local economy. This is one of the many bills that is a commitment of the Parliamentary Majority, and which also was approved by the People with their vote on last November 2, 2004.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- The first paragraph of Section 1 of Act No. 148 of June 30, 1969, as amended, is hereby amended to read as follows:

“Any employer who employs one or more workers or employees within the period of twelve (12) months comprised from October first of any natural year until September 30th of the subsequent natural year shall be bound to grant to each one of said employees, who have worked seven hundred (700) hours or more or one hundred (100) hours or more in the case of dock workers, within the period set forth, a bonus equal to 3% of the total wage up to maximum of ten thousand (10,000) dollars for the bonus to be granted in 2006, to 4.5% of the total wage up to a maximum of ten thousand (10,000) for the bonus to be granted in 2007, to 6% of the total wage up to a maximum of ten thousand (10,000) for the bonus to be granted in 2008, earned by the employee or worker within said period of time. It is hereby provided that every employer who employs fifteen (15) workers or less shall grant a bonus equal to 2.5% of the total wage up to maximum of ten thousand (10,000) dollars for the bonus to be granted in 2006, to 2.75% of the total wage up to a maximum of ten thousand (10,000) for the bonus to be granted in 2007, to 3% of the total wage up to a maximum of ten thousand (10,000) for the bonus to be granted in 2008. The total of the amounts to be paid by reason of said bonus shall not exceed 15% of the net annual profit of the employer, within the period comprised from September 30th of the preceding year until September 30th of the year to which the bonus corresponds. Provided however, that on computing the total of the hours worked by an employee to receive the benefits of this Chapter, those hours worked for the same employer though the services have been rendered in

different businesses, industries and other activities of this employer shall be counted.

This bonus shall constitute compensation in addition to any other wages or benefits of any other nature to which the employee is entitled, but any other bonus of the same nature to which the employee is entitled shall be creditable by virtue of the individual work contract.”

Section 2.- Section 7 of Act No. 148 of June 30, 1969, as amended, is hereby amended to read as follows:

“The Secretary of Labor and Human Resources is hereby authorized to adopt those rules and regulations as he may deem necessary for the best and due administration of this Chapter.

He is likewise authorized to request and require the employers to furnish under oath if required to do so, any available information with regard to the balance sheets, profit and loss statements, account books, payment schedules, wages, hours of work, statement of changes in the financial status, and the corresponding notations, and any other information he deems necessary, etc. for the best administration of this Chapter, and to such effects, the Secretary of Labor and Human Resources may prepare forms such as schedules which may be obtained by the employers through the Department of Labor and Human Resources and shall be completed and filed in the offices of the Department of Labor and Human Resources within the term prescribed by the Secretary.

He is also empowered to audit and examine the employer’s books, accounts, files and other documents on his own or through his subordinates to determine their responsibility towards their employees under this Chapter.

For the employer to avail him of the provisions of Section 501 of this Title, which exempts him/her from paying all or part of the bonus

established therein when he has not obtained profits from his business, industry, trade, or firm or when the profits are not sufficient to cover the total amount of the bonus without exceeding the fifteen (15%) limit of the net annual profits, he shall submit to the Secretary of Labor and Human Resources not later than November 30th of each year a general balance sheet and a profit and loss statement for the twelve (12) month period from October 1 of the previous year to September 30th of the current year, duly certified by a certified public accountant, in evidence of said financial status.

Provided, that when the employer is a cooperative organized under the laws of the Commonwealth of Puerto Rico, it shall not be necessary for the general balance sheet and the profit and loss statement to be certified by a certified public accountant. In this case, the Secretary of Labor and Human Resources shall accept the profit and loss statement that has been audited by the Office of the Inspector of Cooperatives with its internal auditors, and that covers the period of time required in this Chapter.

If the employer does not submit the above general balance sheet and the profit and loss statement within the term and in the manner above, he shall be bound to pay the complete bonus of the basis of 3%, 4.5%, or 6%, as the case may be, of the total wages computed up to a maximum of ten thousand (10,000) dollars, or 2.5%, 2.75%, or 3%, as the case may be, of the total wages up to a maximum of ten thousand (10,000) dollars, when the employer employs fifteen workers or less, even when he has not obtained profits in his business or when these are insufficient to cover the total bonus on the basis of the 15% limit.

When an employer who has met the requirements with regard to the term and manner indicated in the above paragraphs does not pay the bonus established in this Chapter in whole or in part, adducing that they have not

obtained profits in their business, industry, trade, or firm, or that such profits are not sufficient to cover the total amount of the bonus without exceeding the fifteen (15) percent limit fixed in Section 501 of this Title, the Department of Labor and Human Resources shall perform an audit to verify the employer's accounts if in the judgment of the Secretary of Labor and Human Resources the general balance sheet does not fully justify the financial status of the business, industry, trade, or firm or when a complaint is filed by an employee.

A copy of the auditor's report rendered as a result of said examination shall be handed to the respondent employer's workers or employees. Also, copy of the report shall be sent to the Secretary of the Treasury. Except for what has been provided above, the information obtained by the Secretary of Labor or his duly authorized agents, by virtue of the powers conferred on them by this Chapter, shall be of a confidential and privileged nature and shall only be revealed through the authorization of the Secretary of Labor and Human Resources.

The Secretary of Labor and Human Resources shall also enjoy those faculties and general investigative powers which have been conferred upon him in connection with the administration of this Chapter for the best performance of his functions pursuant to the labor legislation administered by him.”

Section 3.- Effectiveness

This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 124 (S.B. 268) of the 2nd Session of the 15th Legislature of Puerto Rico:

AN ACT to amend the first paragraph of Section 1 and the sixth paragraph of Section 7 of Act No. 148 of June 30, 1969, as amended, known as the “Bonus Act”, in order to increase in a staggered manner the amount of the bonus,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 27th of April of 2006.

Francisco J. Domenech
Director