

New Law Creates Opportunities For Remote Work In Puerto Rico

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Today the Governor of Puerto Rico signed into law a bill to promote remote work in the private sector. Effective today, January 17, 2024, the terms and conditions of employment for exempt workers in Puerto Rico who work remotely for an employer abroad, which does not conduct business in Puerto Rico and has no economic nexus with the Island, will be governed by the employment contract between the parties. With some exceptions, Puerto Rico labor and employment laws will not apply.

For exempt employees domiciled in Puerto Rico, the employer will need to comply only with statutory benefits regarding workers' compensation, non-occupational disability insurance, chauffeurs' insurance (if applicable), and unemployment insurance. For exempt employees who are not domiciled in Puerto Rico but work remotely from Puerto Rico, the employer will be exempt from compliance with all local employment rights laws and statutory benefits.

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