



**Act No. 148 of 1969**  
[Approved June 30, 1969]

To establish the payment of a bonus to certain employees of private enterprise and to provide for the manner and terms of payment.

**BE IT ENACTED BY LEGISLATURE OF PUERTO RICO**

**Section 1 – Payment**

[Amended by Act No. 12 June 19, 1970, Act No. 27 June 25, 1972, Act No. 124 September 29, 2005]

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 dollars (\$10,000) for the bonus to be granted in 2006, to 4.5% of the total wage up to a maximum of ten thousand dollars (\$10,000) for the bonus to be granted in 2007, to 6% of the total wage up to a maximum of ten thousand dollars (\$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 dollars (\$10,000) for the bonus to be granted in 2006, to 2.75% of the total wage up to a maximum of ten thousand dollars (\$10,000) for the bonus to be granted in 2007, to 3% of the total wage up to a maximum of ten thousand dollars (\$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

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 – Date of payment; penalty**

[Amended by Act No. 12 June 19, 1970]

The payment of the bonus herein established shall be made not prior to the first (1st) nor after the fifteenth (15th) of each month of December, except in such cases in which the employer and his workers or employees may have convened by mutual agreement on another date.

If the payment of the bonus herein established is not made in the manner and within the term already set forth, or on the date in which the employer, his workers and employees may have convened, the employer shall be bound to pay, in addition to said bonus, a sum equal to one-half the sum of the bonus by reason of additional compensation when the payment has been made within the first six (6) months of its noncompliance. If the payment is delayed more than six (6) months, the employer shall be bound to pay another sum equal to said bonus, as additional compensation.

**Section 3 – Procedure for claiming**

The procedure established by Act No. 2 of October 17, 1961 may be used to make judicial claims under this chapter

**Section 4 – Employer Defined**

[Amended by Act No. 12 June 19, 1970]

To the effects of this chapter there shall be understood by "employer" any natural or [juridical] person of any nature who, with or without the intention of profit, employs or allows to work laborers, workers or employees through any kind of compensation, and by "dock workers" those persons who work in the loading, unloading or handling of any type of article or merchandise which arrives, leaves or is stored in any of the maritime docks or piers of the island of Puerto Rico, and which are employed by employers engaged in maritime transportation.

**Section 5 – Exclusions**

Persons employed in farm activities, in household duties, or in a family residence or in charitable nonprofit institutions, and the officials and employees of the Commonwealth, its public corporations and municipalities who hold office, position or employment of a continuous or irregular character, shall be excluded from the provisions of this chapter.

**Section 6 – Exceptions**

The provisions of this chapter shall not apply in cases where the workers or employees receive an annual bonus by collective agreement, except in the event where the amount of the bonus to which entitled by such collective agreements may result lower than the one provided by this chapter in which case they shall receive the necessary amount to complete the bonus provided hereby.

**Section 7 – Rules and regulations and other powers**

[Added as section 7 by Act No. 12 June 19, 1970, amended by Act No. 27 June 25, 1972, Act No. 130 June 13, 1980, Act No. 70 June 3, 1983, Act No. 7 March 26, 1986, Act No. 124 September 29, 2005]

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.

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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 § 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 [percent] (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 dollars (\$10,000), or 2.5%, 2.75%, or 3%, as the case may be, of the total wages up to a maximum of ten thousand dollars (\$10,000), when the employer employs fifteen (15) 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 [fifteen percent] (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 percent (15%) limit fixed in § 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 8 – Effectiveness**

This Act shall take effect immediately after its approval.