REICHARD & ESCALERA ATTORNEYS AND COUNSELLORS AT LAW

*LEGAL UPDATE

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Labor and Employment Update

New Puerto Rico Fair Internships Act

On December 22, 2022, the Puerto Rico Governor signed into law <u>Act No. 114-2022</u> ("Act. No. 114") which seeks to provide certain rights for individual who participate in internship programs and/or volunteering experiences.

According to Act No. 114, an internship program is any program by a private or public entity that offers a learning and work experience for students at high schools or post-secondary institutions or individuals with less than one year since graduation and who meet the following characteristics: (1) lasts ten or more hours per week; (2) is carried out during a period defined prior to the internship's commencement; (3) provides the participants with a direct supervisor; (4) evaluates the participants, at least, halfway through the program and at the end of the program, and establishes actions to improves performance; and (5) has an education and mentoring component.

Act No. 114 provides that internship programs must be compensated at the federal minimum wage or local minimum wage, whichever is greater. The following are exempted from the compensation requirement: internship programs whose purpose is to fulfill a graduation requirement or that are offered in exchange for university credits; volunteering programs (the law defines volunteering as the free and voluntary enlistment of citizens for certain activities, which must not exceed 20 hours per week, and excludes isolated or sporadic actions); programs where the participant is limited to observing what other employees or researchers do (also known as "shadowing") or the assigned tasks do not require knowledge or basic skills of any particular subject; internship or volunteer programs of federal government departments or agencies; and programs of non-profit entities that demonstrate and certify before the Department of Labor and Human Resources of Puerto Rico ("Department") certain legal requirements (this must be done in a form to be issued by the Department).

The act outlines various rights that participants of internship programs are entitled to enjoy: (1) financial compensation or academic credit for the work performed; (2) acquisition of knowledge and practical experience in an environment of respect, support and professionalism; (3) information about the specific tasks that will be assigned, as well as the criteria under which they will be evaluated; (4) protection against discrimination, attacks on their honor and reputation; (5) protection of their health, physical integrity and privacy, and information about any reasonable accommodation that will be provided to address any disability; (6) information about the rights afforded to them under this act; and (7) all rights are derived from the agreement with the natural or legal person for which they work.

Act No. 114 provides that internships and volunteering programs must not displace those who carry out paid work and must not limit the creation of paid jobs.

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