

## Puerto Rico

### Fixed Term Contracts

Fixed-term contracts are permitted in Puerto Rico for a specific period of project but must be reasonably limited in duration to justify their temporary nature. They should not be repeatedly renewed. Cumulatively, they should not be longer than three years. Depending on the facts, they can be deemed indefinite. For example, if work continues beyond the expiration of the term, the contract will be deemed indefinite. Fixed-term contracts are exempt from the just cause requirement for termination.

### Probationary Periods

Probationary periods are permitted and automatically applied. Executive, administrative, and professional (“exempt”) Workers are automatically subject to a 12-month probationary period. For all other Workers (“non-exempt”), the period is nine months.

### Holidays

Workers recognize eight paid public holidays. Work performed on public holidays by non-exempt Workers should be compensated at 150% of wages.

### Vacation

Non-exempt Workers accrue paid vacation at a rate of one-half day for each month where 130 hours or more were worked. Vacation should be taken in a single consecutive period unless a supervisor authorizes splitting the time. Accrued but unused vacation must be paid at the time of termination. Workers may cash out up to 10 days of vacation with the employer’s approval. Exempt Workers’ vacation benefits are not statutory. They must be outlined by the employment agreement.

### Sick Leave

Non-exempt Workers accrue sick leave at a rate of one day for each month where 130 hours or more were worked. Unused sick leave carries over year to year, but cannot exceed 15 days. Exempt Workers’ sick leave benefits are not statutory. They must be outlined by employment agreement.

### Working Hours

The regular fulltime workweek for non-exempt Workers is generally work 8 hours per day and 40 hours per week.

### Overtime

Non-exempt Workers are entitled to 150% of wages for work performed in excess of the regular workweek. Exempt Workers are not entitled to overtime. Rather, they are compensated for each week of work regardless of hours worked.

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### Mandatory Bonuses

All Workers with atleast 1,350 hours or more worked during the period of October 1 to September 30 of the prior year are entitled to a Christmas bonus, which is generally equivalent to 2% of the salary earned, not to exceed \$600. During the first year of

### Termination

Termination requires just cause (e.g. improper conduct, poor performance, etc.) or the payment of a statutory severance equal to three months' salary plus two weeks' salary for each year of service, capped at nine months total.

### Resignation

There are no statutory requirements for Worker resignation.