

## CLOSE LOOK AT PUERTO RICO'S NEW REMOTE WORK LAW

*Labor and Employment Department  
January 18, 2024*

On January 17, 2024, the Governor of Puerto Rico signed into law House Bill No. 1745, which aims to facilitate the implementation of remote work in the private sector rendering services that do not have a nexus with Puerto Rico and encourage the establishment of air carrier operations in Puerto Rico. The bill addresses several key areas:

### ***Remote Work and Labor and Employment Laws***

The bill clarifies the applicability of labor and employment laws to both domiciled and non-domiciled employees who work remotely from Puerto Rico and the obligations of employers. This includes unionized employees of air carriers that establish operating bases in Puerto Rico.

### ***Payroll Taxation and Regulatory Framework***

The bill addresses the payroll tax treatment of employees who work remotely from Puerto Rico and establishes the legal framework for such employment, particularly as it relates to foreign companies.

### ***Collective Bargaining Agreements***

The bill recognizes the importance of collective bargaining agreements for unionized employees in the airline industry, especially those establishing operations in Puerto Rico. According to the bill, the terms and conditions of employment of these unionized employees shall be governed exclusively by the provisions of their respective collective bargaining agreements.

### ***Implementation and Guidance***

The Department of Labor and Human Resources is charged with providing guidance and information regarding the provisions of this bill.

### ***Effective Date***

The bill shall take effect immediately upon its enactment.

This bill expands on the provisions of Act No. 52-2022, which amended Puerto Rico's Internal Revenue Code, with a specific focus on refining and improving the legal framework for remote work arrangements.

Because of the general nature of this newsletter, nothing herein should be considered as legal advice or a legal opinion. For further information about the contents of this newsletter, or should you need further assistance in connection with this matter, please contact the firm's Labor and Employment Department.

*For any questions or inquiries regarding this topic do not hesitate to contact us at [info@oneillborges.com](mailto:info@oneillborges.com) or your prime contact attorney at O'Neill & Borges LLC. Please refer to [www.oneillborges.com](http://www.oneillborges.com).*

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