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Unless otherwise specified, all employment contracts are deemed to be without a fixed-term duration and subject to Puerto Rico's wrongful termination statute. An employment contract is an oral or written agreement by which the employee binds him/herself to perform work for wages or any other economic remuneration creates an employment relationship. Law No. 80 of May 30, 1976 ("Law No. 80"), P.R. LAWS ANN. tit. 29, § 185, *et seq.*

Law 80 provides a remedy in the event an employee is terminated without just cause. *Hoyos v. Telecorp Communications, Inc.*, 488 F.3d 1, 6 (1st Cir.2007). It is based on a fixed formula that increases the indemnity with the years of employment:

(a) The salary corresponding to two (2) months, as indemnity, if discharged within the first five (5) years of service; the salary corresponding to three (3) months if discharged after five years (5) and up to fifteen (15) years of service; the salary corresponding to six (6) months if discharged after fifteen (15) years of service.

(b) An additional progressive compensation equal to one (1) week for each year of service, if discharged within the first five (5) years of service; to two (2) weeks for each year of service, if discharged after five (5) years and up to fifteen (15) years of service; to three (3) weeks for each year of service if discharged after fifteen (15) years of service.

The years of service shall be determined on the basis of all the preceding accrued periods of work during which the employee worked for the employer prior to his/her discharge, but excluding those which, because of a previous discharge or severance, have been compensated or have been subject to judicial adjudication.

The indemnity must be paid on the basis of the highest rate of salary earned by the employee during the three (3) years immediately preceding his/her discharge.

Once an employee proves that he/she was discharged and alleges that it was unjustified, the employer must establish by a preponderance of the evidence that termination was for cause. The employer bears the ultimate burden to prove that it had just cause to terminate the employee. Good cause may include a worker's improper and disorderly conduct, negligent attitudes toward her work, and violations of the employer's policies. See P.R. Laws Ann. Tit.. 29, § 185k; *Álvarez-Fonseca v. Pepsi Cola of P.R. Bottling, Co.*, 152 F.3d 17, 28 (1st Cir.1998).