



RECENT DEVELOPMENT

# New Legislation Precludes Employers in Puerto Rico from Using Credit Reports or Credit History to Take Employment Actions

**By Elizabeth Pérez-Lleras and Ana Beatriz Rivera-Beltrán on November 4, 2019**

On October 8, 2019, the Governor of Puerto Rico signed into law Act No. 150 of October 8, 2019 ("Act 150" or "the Act"), which prohibits employers from, among other actions, verifying or investigating credit history or credit reports concerning current employees or employment candidates, or from obtaining or ordering such reports from a credit agency. The Act further prohibits employers from taking adverse employment actions based on an employee's or employment candidate's credit history or report.

Act 150, however, provides a list of exceptions to its coverage, including management positions, positions in the Department of Justice or the Judicial Branch, public order officials, and positions that have access to trade secrets (as defined under Puerto Rico Act 80-2011), financial or personal information, or cash or other goods subject to misappropriation totaling at least \$10,000.

Positions that are regulated by the Puerto Rico Office of the Commissioner of Financial Institutions or for which a credit report is required by federal law are also exempt from Act 150's provisions. When these exceptions apply, employers must obtain written consent from the employee or employment candidate in order to be able to request their credit history or report.

Employers must ensure that their employment practices are consistent with Act 150. Otherwise, employers that violate the Act may be subject to administrative penalties of up to \$2,500 for each violation.

The Act took effect immediately upon the Governor's signature.

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