

COMMONWEALTH OF PUERTO RICO  
DEPARTMENT OF AGRICULTURE  
ADMINISTRATION FOR THE DEVELOPMENT OF AGRICULTURAL ENTERPRISES

**REGULATION TO GOVERN THE AGRICULTURAL WAGE  
SUBSIDY PROGRAM ACCORDING TO THE PUERTO RICO  
INCENTIVES CODE, ACT 60-2019, AS AMENDED**



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## INTRODUCTION

The Department of Agriculture was established in Article IV, Section 6 of the Constitution of the Commonwealth of Puerto Rico and is governed by Reorganization Plan No. 4 of July 26, 2010, known as the "Department of Agriculture Reorganization Plan", as amended. The Department of Agriculture of Puerto Rico (hereinafter the "Department") is the main entity promoting agricultural development on the island. The Department promotes agricultural education, guides our farmers, and seeks the economic improvement of our farmers and agriculture in general.

The Administration for the Development of Agricultural Enterprises (ADEA), an agency attached to the Department of Agriculture of Puerto Rico, is responsible for administering the allocations of government funds for the payment of incentives, subsidies and to carry out any other activities and actions related or of a similar nature that tend to promote agriculture. It also aims to provide all kinds of services, with or without economic subsidies, to promote the components of development, which has as a public policy, the strengthening and support of the role of the farmer as an important figure and driving force in the development of our agricultural services. To this end, its purpose is to promote the stability and permanence of the farmer in the exploitation of his farm, operation or agricultural enterprise through, among other mechanisms or services, subsidies and incentives for the realization of practices conducive to greater and better agricultural production.

On July 1, 2019, Act No. 60, known as the "Puerto Rico Incentives Code," was enacted; this Law consolidates the dozens of existing decrees, incentives, subsidies, reimbursements or contributory or financial benefits; provides the appropriate environment, opportunities and tools to promote the sustainable economic development of Puerto Rico; establishes the legal and administrative framework that will govern the application, evaluation, granting or denial of incentives by the Government of Puerto Rico; promotes the effective and continuous measurement of the costs and benefits of incentives granted to maximize the impact of the investment of public funds; gives stability, certainty and credibility to the Government of Puerto Rico in all matters related to private investment; improves Puerto Rico's economic

competitiveness and repeals Act No. 46 of August 5, 1989, as amended, known as "Act to Establish the Wage Subsidy Program for Eligible Farmers," among others.

The public purpose of the Law is to keep agricultural workers performing agricultural tasks on the farms of employers, receiving adequate remuneration, residing in rural areas and guaranteeing the development of agriculture as a vital line of our economy. The purpose of the mechanism is to pay a wage subsidy to the farmer so that, acting as an intermediary, he pays his agricultural workers the wages guaranteed by the aforementioned Law, as amended.

On January 12, 2023, subsection (b)(2) of Section 4010.01 of Chapter 1 of Subtitle D of Act 60-2019 is amended to include the criterion of hours worked per agricultural worker as an alternative to grant the wage subsidy; and to clarify the primary jurisdiction of the Secretary of Agriculture in relation to the Agricultural Worker Wage Subsidy Program.

The Puerto Rico Incentives Code, in subsection (b)(2) of Section 4010.01 of Chapter 1 of Subtitle D, provides that the Secretary of the DDEC, in consultation with and with the approval of the Secretary of Agriculture, shall establish through the incentive regulations or through special regulations, which may be delegated to the Secretary of Agriculture, the criteria that will govern the determination of agricultural workers who will be eligible to receive the benefits of this Section. Among these criteria, the Secretary of Agriculture shall consider the number of hours to be worked weekly by workers in relation to seasonal and non-seasonal crops and agricultural activities, the wage subsidies to be paid, taking into consideration the different human labor needs required to produce each kind of harvest based on the degree of mechanization achieved by each enterprise and each group of entrepreneurs. the wages paid in Puerto Rico in each class of agricultural activity, and any other factors that in the opinion of the Secretary of Agriculture should be taken into consideration. The Secretary of Agriculture shall fix the wage subsidy to be paid considering the number of hours worked weekly by the workers in connection with seasonal and non-seasonal crops and agricultural activities, taking into consideration the different human labor needs required to produce each kind of harvest based on the degree of mechanization

achieved by each enterprise and each group of entrepreneurs, the wages paid in Puerto Rico in each class of agricultural activity, and any other factor which, in the opinion of the Secretary of Agriculture, should be taken into consideration. For the purposes of the Wage Subsidy in the egg, milk and broiler production industries, the Secretary of Agriculture shall use as a basis the Production Unit or such other bases as may be determined by regulation.

In accordance with the foregoing and protected by the powers and faculties conferred by the Reorganization Plan Number 4-1994, as amended, the Puerto Rico Incentives Code and applicable laws, Manuel Cidre Miranda, Secretary of the DDEC, signed Administrative Order number 2021-006, on July 1, 2021. Administrative Order No. 2021-006 provides that the Secretary of Agriculture is delegated the approval and issuance of a special regulation to establish the criteria that will govern the determination of eligibility of Agricultural Workers who will receive benefits under the Incentive Code in connection with the Wage Subsidy Program. In addition, it establishes that it will be the Secretary of Agriculture who will direct and administer the Wage Subsidy Program in compliance with the duties and obligations imposed by the Incentives Code.

## **ARTICLE I – DEFINITIONS**

For a better interpretation of these Regulations, the following terms shall have the meanings indicated below:

1. **Administration:** The Administration for the Development of Agricultural Enterprises (ADEA), created under Reorganization Plan No. 4 of July 26, 2010, known as the "Department of Agriculture Reorganization Plan", as amended.
2. **Administrator:** The Administrator of the Administration for the Development of Agricultural Enterprises (ADEA).

3. **Eligible Farmer:** Any natural or legal person who owns a farm in any concept of legal tenure, and who engages in general agriculture, including all its ramifications such as livestock, poultry, beekeeping, minor fruits, horticulture and others; and who employs and pays his agricultural workers the salary guaranteed in Law 60 of 2019, as amended and fulfils its employer responsibilities.
4. **Agronomist:** An official who inspects, recommends, certifies, evaluates agricultural work for a given municipality or municipalities in relation to the Authorized Wage Subsidy Program.
5. **Agricultural Services Coordinator:** An official of the Agricultural Enterprise Development Administration (ADEA), who coordinates, supervises and recommends for payment the applications of the Wage Subsidy Program in any of the Agricultural Super Regions of the Department of Agriculture.
6. **Department:** The Department of Agriculture of Puerto Rico and its programmatic and/or operational components attached.
7. **Agricultural Inspector:** An official who assists the Agronomist in field pre-investigations in reference to agricultural work for a given municipality in relation to the Wage Subsidy Program.
8. **Law:** Act. No. 60 of July 1, 2019, known as the “Incentives Code of Puerto Rico”, as amended.
9. **Producer Worker:** An agricultural worker who has his own farm under cultivation and operates it in any tenure concept, but in turn performs agricultural tasks for another farmer eligible for the Wage Subsidy Program as an agricultural worker.
10. **Program:** Wage Subsidy Program.

11. **Regulations:** Approved pursuant to Section 30(b) of Act 96 of June 26, 1956, as amended, (Puerto Rico Minimum Wage Act), and in accordance with the provisions of Act No. 1 of December 1, 1989 (Act to Regulate the Operations of Commercial Establishments).
12. **Responsibilities:** The legal responsibilities of employers with respect to their employer workers, among these: Social Security, Unemployment Insurance and Workers' Insurance of the State Insurance Fund Corporation.
13. **Secretary:** The Secretary of the Department of Agriculture of the Commonwealth of Puerto Rico.
14. **Wage Subsidy:** Money to be paid to eligible farmers, for the hours worked by agricultural workers who receive hourly remuneration of at least the minimum guarantee, as provided by Act. No. 60 of July 1, 2019, known as the "Puerto Rico Incentives Code", as amended, as well as the agricultural sectors that receive the production-based subsidy.
15. **Agricultural Super Region:** Any of the Agricultural Super Regions of the Department of Agriculture.
16. **Agronomy Supervisor:** Immediate supervisor of the Agronomist and Agricultural Inspector.
17. **Legal Tenure:** It means the existence of a right expressed by means of a reliable and complete document that evidences the possession, management, administration, usufruct or any other exclusive enjoyment of an eligible farmer on one or more farms.
18. **Agricultural Worker:** Any person who performs eligible agricultural tasks necessary or related to the preparation of the land, sowing, cultivation, harvesting or any other operation of an agricultural nature that does not require mastery of any manual technique or skill generally recognized to workers of

Arts and Crafts. Also, the tractor driver and the caretaker are considered as eligible workers.

19. **Skilled Worker:** Any person who exercises, performs, performs any art or trade that requires mechanical or manual dexterity, including, but not limited to, drivers, carpenters, cabinetmakers, mechanics, electricians, plumbers, foremen, butlers, managers, administrators, timekeeper, managers, wage clerks, clerks, managers, secretaries, agronomists and any other worker with a similar occupation.

## **ARTICLE II – WAGES GREATER THAN THE WAGE GUARANTEE**

If on any date subsequent to the effective date of the law, eligible agricultural workers achieve, by virtue of employment contracts, collective agreements, federal legislation or by mandatory decrees promulgated by the Minimum Wage Board of Puerto Rico, wages higher than those guaranteed by it, such wage increases will be received by the workers on the income guarantee, without affecting the wage subsidy to which the eligible farmer was entitled.

## **ARTICLE III – ELIGIBILITY**

Any farmer who meets the following requirements shall be eligible to receive the wage subsidy:

### **A. Recruitment of Local Agricultural Workers**

1. Legally operate a farm in any concept of legal tenure and present documentation that accredits it and dedicates it to one of the ramifications of agriculture listed in the Article VI of this Regulation.
2. Employ agricultural workers and pay them at least the minimum guarantee as provided by Act. No. 60 of July 1, 2019, known as the “Incentives Code of Puerto Rico”, as amended.
3. Fulfill employer responsibilities with the following agencies: State Insurance Fund Corporation (Workers' Insurance), Department of Labor and Human



Resources (Unemployment Insurance), Federal Social Security (Internal Revenue Services) and present evidence of payment thereof to the Regional Administrator or Director.

4. Keep for a term of five (5) years, records with the history of workers including: name, social security number, hours worked, earned wages and any other necessary information.
5. Comply with the requirements of Act 99 of July 2, 2022 and Article 4 (o) of Act No. 12 of December 12, 1966, as amended, known as the "Puerto Rico Agricultural Insurance Act", which requires each farmer to obtain at least catastrophic insurance to participate in the subsidies and incentives offered by the Department of Agriculture. Act No. 12 also established the Agricultural Insurance Corporation (CSA) under the Department of Agriculture. The CSA owns 90% of the agricultural insurance policies in Puerto Rico and maintains continuous visibility over all those policies. Any farmer who chooses to purchase a private catastrophic insurance policy, not through the Department of Agriculture confirming its term and coverage. Any farmer who does not provide proof of insurance at the time of the wage subsidy application will be considered ineligible. In the event that a holder cannot verify that he is insured in a given month, the wage subsidy will be put on hold until the farmer can show proof of insurance. The retention period is only refundable for the days that the farmer was insured.

#### **B. Recruitment of Agricultural Workers under H-2A Visa**

1. Legally operate a farm in any concept of legal tenure and present documentation that accredits it and dedicates it to one of the ramifications of agriculture in the Article VI of this Regulation.
2. Employ seasonal agricultural workers (H-2A workers), nonimmigrants, to perform agricultural work or temporary or seasonal services during the period of the work order and pay them as provided by the Immigration and Nationality Act (INA), as amended by the Immigration Reform and Control Act (IRCA) of 1986.
3. You must accompany your application with a copy of the employment contract signed with the H-2A workers. Your employment contract will have

to set a pay of at least twice a month, at the specified rate and each payday you will have to be given a pay stub specifying the pay rate(s), hours worked, deductions and income. The employer will have to guarantee at least 3/4 of the total working hours fixed in his employment contract.

4. Employ agricultural workers and pay them at least the minimum guarantee, as provided by Act. No. 60 of July 1, 2019, known as the "Puerto Rico Incentives Code", as amended.
5. Fulfill their employer responsibilities related to transportation and housing.
6. Keep for a term of five (5) years, records with the history of workers including: name, order number, H-2A visa, hours worked, earned wages and any other necessary information.
7. Comply with the requirements of Act 99 of July 2, 2022 and Article 4 (o) of Act No. 12 of December 12, 1966, as amended, known as the "Puerto Rico Agricultural Insurance Act", which requires each farmer to obtain at least catastrophic insurance to participate in the subsidies and incentives offered by the Department of Agriculture. Act No. 12 also established the Agricultural Insurance Corporation (CSA) under the Department of Agriculture. The CSA owns 90% of the agricultural insurance policies in Puerto Rico and maintains continuous visibility over all those policies. Any farmer who chooses to purchase a private catastrophic insurance policy, not through the Department of Agriculture confirming its term and coverage. Any farmer who does not provide proof of insurance at the time of the wage subsidy application will be considered ineligible. In the event that a holder cannot verify that he is insured in a given month, the wage subsidy will be put on hold until the farmer can show proof of insurance. The retention period is only refundable for the days that the farmer was insured.

#### **ARTICLE IV – DOCUMENTS TO BE FILED BY ELIGIBLE FARMERS TO APPLY FOR REIMBURSEMENT OF WAGE SUBSIDY BASED ON QUARTERLY CLAIMS**

Farmers who meet the Wage Subsidy Program eligibility requirements based on quarterly claims will be required to complete the following documents:

1. Annual Application for Farmers Eligible to Receive Wage Subsidy for Agricultural Wage Payments (ADEA-PSS-001). This application must be submitted annually, at the beginning of July and expires on June 30 of the following year. However, any eligible farmer who is interested in entering the Wage Subsidy Program for the first time can apply at any time of the year. This application will be submitted by farmers claiming the hourly and production-based subsidy.
2. Quarterly Application for the Payment of the Agricultural Wage Subsidy (ADEA-PSS-002). This application will be submitted by farmers claiming the hourly subsidy. The Quarterly Application is located in the Area Office or in the Agricultural Super Region to which the farm corresponds. Must be submitted within thirty (30) days of the closing or end of the semester. The Secretary of Agriculture may extend the filing date by administrative order, when he deems it necessary. The following are the quarterly and the employer obligations that will be presented in these:

QUARTER	RADICATION	REQUIRED OBLIGATIONS OF THE EMPLOYER
1st quarter – July, August and September	October	Employer's Social Security, Unemployment Insurance and Workers' Insurance (CFSE)
2nd quarter – October, November and December	January	Unemployment Insurance
3rd quarter – January, February and March	April	Unemployment Insurance
4th quarter – April, May and June	July	Unemployment Insurance

- a. The farmer will have thirty (30) calendar days to complete the application with all documents required to be eligible for the wage subsidy incentive. If the documents are not received within the specified period, the farmer is exposed to having his application automatically cancelled.
- b. Forms: In the event that the Annual Application for Farmers Eligible to Receive Wage Subsidy for Agricultural Wage Payments (ADEA-PSS-001) and the Quarterly Application for Payment of Agricultural Wage Allowance (ADEA-PSS-002), Field Pre-Investigation and Certification of Agricultural Workers (ADEA-PSS-003), are not available, they may be replaced by a digitized hard copy of the original document containing all the information

that the original printed form has. Applications must be completed in all parts to be accepted.

## **ARTICLE V – APPROVAL OF WAGE SUBSIDY APPLICATIONS**

To evaluate and process the wage subsidy incentive payment, the eligible farmer must allow employees of the Department of Agriculture and its affiliated agencies to enter the farm(s) or designated agricultural work location, to verify the data included in the claim. These visits will be unannounced. Refusal to allow Department of Agriculture personnel access to facilities, or refusal to provide information, shall be sufficient cause to deny the annual application for the Payroll Subsidy Program.

Each Agricultural Super Region will be divided by municipalities. Each municipality shall be headed by an authorized official or agronomist. The Agronomist will receive help in the visits to the farms by an Agricultural Inspector, in those Super Agricultural Regions that have these officials.

Act 60-2019, Section 4010.01, Subsection b (5), specifies that funds for the wage subsidy shall originate from the budget line allocated annually as part of the General Fund budget. Annual wage subsidies are paid only from the apportionment and/or allocation of funds for this purpose. The Secretary shall implement measures to ensure that the government's finite resource commitments do not exceed fiscal year appropriations. Measures may include, inter alia, limitations on the hours eligible for subsidy payments and regional limits on subsidy payments.

For the above purposes, the Secretary of Agriculture will set a quarterly cap on subsidies as a whole, by region, by volume of production of raw materials and for eligible hours of wage subsidy, these will be established by Circular Letter, subject to the availability of funds for the program.

## **SECTION I – APPROVAL OF THE HOURLY WAGE SUBSIDY**

The Agronomist will visit at least two (2) times each quarter, the farm or place designated by agricultural works and will carry out the corresponding investigation to

verify the data reported in the Quarterly Application. To do this, the official will interview and certify the Agricultural Workers using the Field Pre-investigation and Certification of Agricultural Workers sheet (ADEA-PSS-003), the work performed by them during the quarter, cultivated area, harvested products and any other reasonable information that allows corroborating the total hours reported in the Quarterly Application. The official may also make appropriate adjustments to the Quarterly Applications, based on the research previously carried out and, on the information provided by the farmer in the employer contributions. The officer will be responsible for certifying quarterly hours for reimbursement to the farmer and sending to the Program in the Agricultural Super Region for due process payment. The hourly wage subsidy approval limit shall not exceed two hundred and fifty thousand dollars (\$250,000.00) per farmer per year, subject to the availability of funds for the program.

## **SECTION II – APPROVAL OF THE PRODUCTION-BASED WAGE SUBSIDY**

An agronomist will visit the farm or place designated for agricultural work and conduct the corresponding research to verify the data reported in the Annual Application on the production of milk, broiler chickens, eggs and replacement pullets. For this, the official will interview and certify from the Agricultural Workers the work done by them during the first (1st) quarter of the Fiscal Year only. Likewise, for the first (1st) quarter, the farmer will be asked for proof of the employer's contributions of Social Security, Unemployment Insurance and Workers' Insurance (CFSE) and evidence of payment.

The Agronomist will ask the farmer for information about the second (2nd), third (3rd) and fourth (4th) quarter of the Unemployment Insurance Fiscal Year (Payroll or wage book, list of agricultural workers and evidence of payments). For the aforementioned quarters, only the previous field research will be carried out. The certification of the Agricultural Worker will not be necessary for those workers whose signature has been registered in the first (1st) quarter. For this, the information of the Quarterly Declaration of Insurance Contributions for Unemployment and Disability will be used. Those workers who have not been certified in the first trimester will be required to complete and sign the Pre-Field Investigation and Agricultural Worker Certifications.

The Agronomist will send the farmer's documents to the Program in the Agricultural Super Region for payment processing. The Poultry Meat Processing Plants (TO-RICO and others), Office for Dairy Industry Regulation (ORIL) and Egg Industry Development Fund (FFIH), will send information on the production of pounds of chicken and pullets, milk quarts and egg cartons to the Office of Agricultural Innovation and Marketing and the Office of Assistant Incentive Administration, for the quarter that corresponds to the incentive. The approval cap for the production-based wage subsidy shall be no more than two hundred and fifty thousand dollars (\$250,000.00) per farmer per year, subject to the availability of funds for the program.

### **SECTION III – ALLOCATION OF HOURLY WAGE SUBSIDIES OR PRODUCTION WAGE SUBSIDIES FOR HYBRID (MIXED) FARMING OPERATIONS**

Hybrid (mixed) farming operations may receive hourly wage subsidy or production subsidy, as verified by the agronomist. The farmer will have the option of choosing a single method of calculating wage subsidy per hour or per production. By choosing a single method, it is ensured that hybrid (mixed) farming operations are not doubly compensated by labor equivalents in production and hourly wage subsidy.

### **ARTICLE VI – PAYMENT OF WAGE SUBSIDY REIMBURSEMENT**

#### **SECTION I – PAYMENT OF HOURLY WAGE SUBSIDY**

The Secretary of Agriculture shall consider the number of hours to be worked weekly by workers in relation to seasonal and non-seasonal crops and agricultural activities, the wage subsidies to be paid, taking into consideration the different human labor needs required to produce each kind of harvest based on the degree of mechanization achieved by each enterprise and each group of entrepreneurs, the wages paid in Puerto Rico in each kind of agricultural activity, and any other fact that in the opinion of the Secretary of Agriculture should be taken into consideration.

The Secretary of Agriculture shall have the discretion to establish the reimbursement of the wage subsidy at fifty percent (50%) of the rate paid by the employer, per certified hour and worked and shall not exceed fifty percent (50%) of the federal minimum wage

or the state minimum wage, whichever is greater, subject to the budget available for the Program per Fiscal Year.

In the Agricultural Super Region, the Administration will have an official for the entry of data from the Program into the Agency's electronic system. The agricultural enterprises are as follows:

- Dairies
- Pork industry
- Poultry Industry
- Beef Cattle Industry
- Milk Industry
- Milk Producers for Cheeses
- Coffee
- Tobacco
- Plantain
- Bananas
- Aquaculture
- Timber Trees
- Nurseries
- Farinaceous
- Vegetables
- Reviews
- Fruit, Grains and Legumes Trees
- Ornamental
- Pineapples
- Pasture or Fodder
- Hydroponic
- Apiculture
- Medicinal Plants
- Seed Producers
- Sugar industry

- Racehorse Breeders
- Horse Breeders "Paso Fino" (Puerto Rico Puro)
- Other companies (duly authorized by the Secretary)

The Secretary or Administrator shall determine and provide to the Regional Director and the Agricultural Services Coordinator information on the maximum hours to be reimbursed per eligible farmer, to ensure quarterly distribution and that the allocation of funds does not exceed the quarterly program limits.

## **SECTION II – PAYMENT OF THE WAGE SUBSIDY ON A PRODUCTION BASIS**

The Administration will pay the production-based Wage Subsidy to eligible farmers who have paid their agricultural workers, the wage guarantee stipulated by the Law and dedicate their farms to the production of milk in first-class dairies, the production of poultry meat (broiler chickens) or the production of table eggs and chickens. The subsidy shall be computed and paid as follows:

### **A. Milk Producers**

Twenty-two thousandths of a cent (\$0.022) per quart of gallon produced, certified by ORIL.

The reimbursement to be paid to milk producers will be determined once the quarterly report from ORIL is received, indicating the amount of milk produced and delivered to processing plants by each farmer covered by the Program.

The quarterly report must be certified by the ORIL Administrator. It must include the name of each eligible farmer, the license number of the dairy, the number of quarts of milk produced, and the plant to which the milk was delivered, the delivery period, and any other information deemed necessary. The Office of Agricultural Innovation and Marketing will approve this report before proceeding to make the payment of the Wage Subsidy. Once approved, it goes to the Office of Assistant Incentive Administration, who will send the report to the Agricultural Super Regions for payment. This can be prepared on electronic equipment, if all the required information is included.



**B. Producers of broiler chickens**

Five dollars and fifty-five cents (\$5.55) per thousand (1,000) pounds of chicken produced, certified by the recognized processed plants in Puerto Rico. In the case of broiler chicken producers, the payment of the wage subsidy will be made to those eligible farmers who market their product with one of the chicken processing plants established and recognized in Puerto Rico. Processing plants will have to submit to the Office of Agricultural Marketing Innovation, who will have to inform the Office of Assistant Administration of Incentives, who must also inform the corresponding Agricultural Super Region, a report that includes the name of the poultry farmer, personal or employer social security number, the amount in pounds of meat produced during the quarter and other information deemed necessary.

**C. Egg Producers**

One dollar and forty cents (\$1.40) for every thirty (30) dozen eggs and chicks at fifteen cents (\$0.15) per hen certified by the Egg Industry Promotion Fund (FFIH).

In the case of producers of eggs and replacement chicks, the Sub-Computer of the Egg Industry shall certify and send to the Administration the quarterly certified production report. The report shall include names, number of boxes of thirty (30) dozen eggs produced and replacement chicks produced by the farmer or other information deemed necessary.

The following are the quarters and employers' obligations that farmers must submit based on the production of milk, broiler chickens, eggs and replacement pullets.

<b>QUARTER</b>	<b>RADICATION</b>	<b>REQUIRED OBLIGATIONS OF THE EMPLOYER</b>
1st trimester – July, August and September	October	Employer's Social Security, Unemployment Insurance and Workers' Insurance (CFSE)
2nd quarter – October, November and December	January	Unemployment Insurance
3rd quarter – January, February and March	April	Unemployment Insurance
4th quarter – April, May and June	July	Unemployment Insurance

The Secretary or Administrator shall determine and provide to the Regional Director and the Agricultural Services Coordinator information on the maximum quantities of production to be reimbursed per eligible farmer per quarter in a manner that ensures quarterly distribution and allocation of funds in a manner not to exceed the quarterly program limits.

#### **ARTICLE VII – PRE-INTERVENTION OF RECORDS AND PAYMENT OF THE INCENTIVE**

The Regional Financial Affairs Office will be responsible for intervening, correcting, verifying the accuracy, ownership, legality and issuance of payments. To this end, it will interpret and analyze the Law, procedures, norms, circular letters and others of the Program. Payments shall be made in accordance with the Accounting Law of the Government of Puerto Rico, Act No. 230 of July 23, 1974.

#### **ARTICLE VIII – POST-INTERVENTION OF RECORDS**

After receiving the Wage Subsidy, the farmer will keep all the evidence used to apply for this incentive such as: daily wage books, payroll, spreadsheets and evidence of Federal Social Security payments, Quarterly Statements of Unemployment and Disability Insurance Contributions, Workers' Insurance from the State Insurance Fund Corporation and/or also any other verification document. This evidence must be available to prove it or deliver it to the official or employee of the Administration in charge of intervening the files that justified the payment of the Salary Subsidy, for a period of five (5) years.

#### **ARTICLE IX – GENERAL PROVISIONS**

1. The reimbursement of the Wage Subsidy based on hours for the payment of wages in the harvesting of coffee or other agricultural activities that are assigned by tasks, regardless of the system used, will not proceed.
2. The wage subsidy is limited to the availability of funds and the specification of minimum levels of subsidy per hour and production within these Regulations, do not represent a guarantee or right of any eligible farmer to an allowance

equal to the totality of agricultural work hours worked or production produced. The Secretary shall distribute subsidies to eligible farmers on the basis of objectively determined proportional allocation criteria.

3. There shall be no reimbursement of the hourly wage subsidy for overtime pay, as defined in Act No. 379 of 15 May 1948, as amended.
4. The Agricultural Worker who works with two (2) or more farmers, the maximum hours allowed per quarter will be in the amount of five hundred eighty (580) certified hours.
5. Skilled arts and crafts workers and executive and professional workers shall not be entitled to be classified as Agricultural Workers for the Wage Subsidy Program, except guards (security guards) and tractor drivers (tractor drivers, D4, D5 and other heavy agricultural technique, excavator, digger, loader, bobcat tractor and other heavy agricultural machinery equipment). In the Quarterly Application for the Payment of the Agricultural Wage Subsidy (ADEA-PSS-02), the caretaker worker and the tractor worker will always be identified.
6. The farmer's child may participate as an eligible agricultural worker. For this, the farmer will pay the guaranteed income and the employer's contributions to it. To be eligible, the farmer's child must meet all the requirements of an eligible agricultural worker, as identified in this Regulation.
7. The eligible farmer's spouse cannot participate as an agricultural worker.
8. The producer worker may participate as an agricultural worker if he does not participate as an employer in the Wage Subsidy Program. Up to fifty percent (50%) of the maximum hours per company and quarter may be certified.
9. When an agricultural worker performs tasks in different enterprises or agricultural activities, he will be classified where he has performed the task with sixty percent (60%) or more than the total hours worked and reported by the farmer. When the total hours worked and reported in a given activity or company is less than sixty percent (60%), it must be awarded according to the different activities in which the work was performed. When the diversity of work in different agricultural activities occurs, those of equal classification of Wage Subsidy to be paid, stratification is not necessary.
10. In case of change in the Legal Tenure of a farm that is paid on the basis of certified hours, it will be understood that the eligible farmer entitled to the Wage

Subsidy will be the one who made the payment of the guaranteed wage to the workers within the period covered by the application.

11. In case of change in the Legal Tenure of a farm that is paid on the basis of production, it will be understood that the eligible farmer entitled to the Wage Subsidy will be the one who made the payment of the wage guaranteed to the workers by law and handed over the production to the broiler meat processing plant to the FFIH and the ORIL, within that period or quarter.
12. The heirs of a deceased eligible farmer may receive the payment of the Wage Subsidy, provided that they have complied with the provisions of these Regulations and that the corresponding will, affidavit of the heirs, authorizing the representative of the succession and the Employer's Social Security of the Succession to sign. If there is no will, a declaration of heirs will be submitted. In the absence of a will or declaration of heirs, if there is a surviving spouse owner and owner of half (50%) of the property, he or she may together with any other heir (1%), appoint an administrator, who can be himself or any other person; In these cases, it is enough with the birth certificate that proves that the additional companion given by the majority (51%) is the son of the deceased, so that among them they can decide the administration by means of an affidavit or a power of attorney before a notary public. It may happen that one of the heirs is not in Puerto Rico and in these circumstances, he or she has to send a power of attorney authorizing another person to appear for him. Power of attorney is granted before a notary public. In these the Administration will issue any payment in the name of the Succession.
13. The payment of the Wage Subsidy will not proceed based on certified hours or based on production, when some type of economic aid has been received from any agency of the Government of Puerto Rico or the Government of the United States of America, for the payment of the same agricultural incentives. It is provided that the Administration will only pay that part of the guaranteed wages which the farmer would have paid with his own money.
14. Every farmer who begins operating a dairy for the first time will be eligible for the benefits of the Program, submitting the quarterly payroll during the first four (4) quarters of operation. After this time, the payment of the production subsidy will be automatically transferred. This option does not apply when a farmer

buys a dairy that is operating. In any case, when a situation similar to the one described above arises, the intention to allow the farmer to enter the hourly program should be taken into account, which is to give a reasonable transition time in which he achieves a production high enough to compensate for the labor used.

15. The Secretary of Agriculture shall consider the number of hours to be worked weekly by workers in relation to seasonal and non-seasonal crops and agricultural activities, the wage subsidies to be paid, taking into consideration the different human labor needs required to produce each kind of harvest based on the degree of mechanization achieved by each enterprise and each group of entrepreneurs, the wages paid in Puerto Rico in each class of agricultural activity, and any other factors that in the opinion of the Secretary of Agriculture should be taken into consideration. For the purposes of the Wage Subsidy in the egg, milk and broiler production industries, the Secretary of Agriculture shall use as a basis the Production Unit or such other bases as may be determined by regulation.
16. The reimbursement of Wage Subsidy based on hours, to the natural or legal person who owns a farm in any concept of legal tenure, and who dedicates it to agriculture, for the employment and payment of wages to Agricultural Workers guaranteed in Act 60 of 2019, as amended, through any agency or company hiring temporary jobs of these workers. You will be listed as an eligible farmer, if you also meet the other requirements of the Program.
17. The Annual Application for Farmers Eligible to Receive Wage Subsidy for Agricultural Wage Payments (ADEA-PSS-001) and the Quarterly Application for Payment of Agricultural Wage Subsidy (ADEA-PSS-002) must be signed by the farmer, or by a representative of this authorized by Affidavit or Corporate Resolution (the Resolution does not have to be notarized), this would represent him before the ADEA in the acts that the farmer deems appropriate. The document would become part of the farmer's file in Regional Financial Affairs and will be effective for any official document that the farmer has to sign.
18. Every eligible farmer is required to be available to participate in the Department's Bureau of Agricultural Statistics and the Federal Census of Agriculture.

19. Any farmer who has not submitted for one (1) year, the Annual Application for Farmers Eligible to Receive Wage Subsidy for Agricultural Wage Payments (ADEA-PSS-001) and the Quarterly Application for Payment of Agricultural Wage Subsidy (ADEA-PSS-002), will be considered inactive.
20. The Agronomist will not consider fractions of hours in the time certifications in the Quarterly Applications.
21. As far as possible, a rotation of Agronomists and Agricultural Inspectors will be established among the municipalities of the Agricultural Super Region, as determined by the Regional Director in coordination with the Agronomist Supervisor.
22. The Agronomist can be in charge of a municipality or several municipalities, depending on the need for service in the Program.
23. The Administration may request from the farmer additional information related to employer responsibilities, payroll, daily wage books and others, if necessary.
24. The Quarterly Application for Payment of Agricultural Wage Subsidy form (ADEA-PSS-002) will be used exclusively for the payment of hourly wage subsidy.
25. The Secretary may not attach other types of agricultural workers by Administrative Order. This attachment of other agricultural workers is only permissible through the Regulation authorized by Act No. 60 of 2019.
26. The Secretary or Administrator shall determine the hours to be reimbursed per company per quarter, based on the availability of funds allocated in the budget for ADEA. The method used to determine reimbursable hours should be based on objective and measurable criteria and should be applied universally to all eligible agricultural operations.

#### **ARTICLE X – REQUEST FOR HEARING BEFORE THE REGIONAL DIRECTOR**

Any person, natural or legal, who requests or is participating in the benefits of Law 60-2019, as amended, through the mechanisms provided for in these Regulations, and who does not agree with the initial determination of eligibility made by the agency official, may request a hearing before the Director of the Agricultural Super Region, who must grant a hearing within ten (10) days of the date of request. The Director of

the Agricultural Super Region shall inform the applicant in writing of the determination made.

#### **ARTICLE XI – REVIEW**

Any person, natural or legal, harmed by resolution or partial or final order of the Secretary or the official to whom he delegates, may request the reconsideration of said resolution or order before the corresponding official, within twenty (20) days from the notification of Resolution or Order.

The procedure to be followed will be that established in the Act. No. 38 of June 30, 2017, known as the " Government of Puerto Rico Uniform Administrative Procedure Act", as amended and the Uniform Administrative Procedure Regulations of the Department of Agriculture and its attached agencies (No. 3784 of June 20, 1989).

#### **ARTICLE XII – REVISION**

Any person, natural or legal, prejudiced by the decision of the Registrar or official to whom he delegates, may apply to the Court of First Instance for review of said decision within thirty (30) days from the date of submission of the copy of the notification of the Agency's Final Order or Decision. While the remedy for review provided for in this article is pending, the effects of the Order or Decision shall not be suspended, except in those cases where it is demonstrated to the satisfaction of the Court that the execution of the Order or Decision will cause irreparable harm to the affected party.

#### **ARTICLE XIII – PENALTIES**

Any eligible farmer who violates the provision of these Regulations, concerning the payment of the wage subsidy, shall reimburse the amount of money received in excess of the amount due to him through regulations. In addition, it will be subject to sanctions established by the Criminal Code of Puerto Rico and the elimination of participation in the program established in these Regulations.

#### **ARTICLE XIV – SEVERABILITY**

If any clause, paragraph, subparagraph, article, provision, paragraph or part of these Regulations is annulled or declared unconstitutional, the judgment to that effect issued will not affect, prejudice or invalidate the rest of it. The effect of such judgment shall be limited to the clause, paragraph, subparagraph, article, provision, section or part thereof that has thus been annulled or declared unconstitutional.

#### **ARTICLE XV – REPEAL**

These Regulations supersede any other Regulations, Administrative Orders, Circular Letters or Rules promulgated to regulate the Wage Subsidy Program.

#### **ARTICLE XVI – LEGAL AUTHORITY AND VALIDITY**

These Regulations are issued in accordance with the powers conferred on the Secretary by Act. No. 60 of July 1, 2019, known as the "Incentives Code of Puerto Rico", as amended ("Code" or "Law 60"). They shall begin to apply thirty (30) days after filing the original and two (2) copies with the Department of State of Puerto Rico, in accordance with the provisions of Act. No. 38 of June 30, 2017, known as the "Government of Puerto Rico Uniform Administrative Procedure Act", as amended.

Approved in San Juan, Puerto Rico, on April \_\_\_\_, 2023.

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**Ramón González Beiró**  
Secretary of Agriculture