



Puerto Rico Supreme Court Tightens “Just Cause” Under Law 80 in Injury-Firing Case

Insights

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The Puerto Rico Supreme Court recently ruled that an employer did not have just cause under local employment law to dismiss an employee who required additional medical treatment after the expiration of the job reserve period established by the Puerto Rico Worker’s Compensation Act. The June 26 decision in *Méndez Ruiz v. Techno Plastics Industries, Inc.*, saw the Court conclude that the dismissal lacked justification under Puerto Rico’s Unjustified Dismissal Statute, also known as Law 80. What do employers with operations in Puerto Rico need to know about this decision?

Case Background

Silmarie Méndez Ruiz experienced a workplace accident while working at Techno Plastics Industries on July 10, 2018, and reported it to the State Insurance Fund Corporation (SIFC).

- She was initially placed on rest until July 21, 2018, and then was allowed to continue treatment while working.
- By July 6, 2019, Méndez Ruiz was working with SIFC’s authorization. She worked without interruption from January 28, 2019, to February 10, 2021.
- On April 22, 2021, SIFC issued a leave recommendation until May 1, 2021.

However, Techno Plastics terminated Méndez Ruiz on April 26, 2021, alleging that the 12-month reserve period provided by the Puerto Rico Worker’s Compensation Act had expired and her absences from work were no longer protected.

The Law Court’s Decision

The Supreme Court ruled that the expiration of the 12-month reserve period did not justify the employee’s termination, as she had already returned to work and been reinstated within that timeframe. Central to the Court’s reasoning was that Méndez Ruiz had been actively working for more than two years after returning and had been reinstated before the reserve period lapsed. As a result, Techno Plastics could not rely on the reserve period’s end as grounds for dismissal and was required to offer an alternative legitimate reason.

It is important to note that the Supreme Court distinguished this case from a 1994 decision (*Torres v.*

Star Kist Caribe, Inc.) where the job reserve expired without the employee being released to work. In contrast, Méndez Ruiz was reinstated before the reserve period expired and worked for two years. The Court concluded that a relapse after the reserve period does not justify termination, considering the circumstances and public policy.

Key Implications for Puerto Rico Employers

- 1. “Just Cause” Under Law 80:** The expiration of a 12-month reserve period does not constitute “just cause” for termination under Law 80 when an employee returns to work and is reinstated during that period.
- 2. Employment Continuity:** The employee’s continuously working for over two years after her initial leave return was central to the decision that the reserve period’s expiration was not a valid reason for dismissal in this case.
- 3. Legal Distinction and Public Policy:** The Court distinguished this case from others where the reserve period expired without reinstatement, emphasizing that a relapse after the reserve period does not justify termination, aligning with public policy considerations.

Conclusion

If you have any questions about the impact of this decision, please contact your Fisher Phillips attorney or the author of this insight. Make sure you are subscribed to the [Fisher Phillips Insight System](#) to get the most up-to-date information.

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Maritza I. Gomez
Partner
954.847.4733
[Email](#)

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