Ammendments – 2004 to 2008

(H. B. 344)

(No. 94)

(Approved August 26, 2005)

AN ACT

To amend Sections 52 and 53 of Act No. 91 of March 29, 2004, known as the "Commonwealth of Puerto Rico Teacher's Retirement System Organic Act" and add a new Section 9-A to Act No. 12 of October 19, 1954, as amended, known as the "Judiciary Retirement Act," which govern the retirement and pensions of the public education system and judicial branch personnel, to provide a fixed term for employers to process the documents of participants who avail themselves of a pension and to establish penalties for noncompliance thereof.

STATEMENT OF MOTIVES

In June 2003, the Special Standing Committee on Retirement Systems presented the general summary of the Study on the Socioeconomic Situation of the Pensioners of the Government de Puerto Rico to the Legislature. In its Recommendation No. 2, on page 13, the Committee stated that one of the problems most frequently faced by our pensioners is the delay in the payment of their pensions. However, one of the most common causes of this is that at the time in which these payments are processed, the government agencies are late in submitting all the necessary documentation.

With respect to this topic, Act No. 124 of July 20, 2000, was approved to amend Section 25 of Act No. 447 of May 15, 1951, imposing upon employees of the public sector a fixed term of sixty (60) days for the agencies subject to the Commonwealth Government Retirement System to process such documents. Nevertheless, the Committee indicates that the Teacher's Retirement System is the entity that requires more attention with

respect to this problem. Although Act No. 91 of March 29, 2004, provides that the Teacher's Retirement System may face a penalty if it is late for more than thirty (30) days in the processing a pension, it does not similarly require from employers to perform their own part in the process. Given this circumstance, it is reasonable to impose on the Department of Education the same responsibility to carry out its procedures on time. Through this Act, we incorporate this provision to expedite the processes for the employees of the public education system and of the Judicial Branch.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- Section 52 of Act No. 91 of March 29, 2004, is hereby amended to read as follows:

"Section 52.- Obligation of the System and the Employer to Expedite the Processes

The Teacher's Retirement System shall process the application for retirement within thirty (30) days after receipt of the resignation acceptance Certification and all corresponding documentation required by the Retirement System.

The employer is hereby bound to submit all required documents to the System within thirty (30) days as of the date of the application for retirement benefits or liquidation of funds."

Section 2.- Section 53 of Act No. 91 of March 29, 2004, is hereby amended to read as follows:

"Section 53.- Penalties for Noncompliance with the Terms for Expediting the Processes

As of May 1, 2004, if the Teachers' Retirement System fails to comply with the obligation provided in Section 52 of this Act, it shall be responsible for paying to the participant an amount equal to the monthly salary that the

letter received by the date of the application of retirement, except in situations of force *majeure* not related to administrative procedures. Such penalty shall be established at the request of the teacher.

If it is the employer who fails to comply with the obligation established in said Section 52, he/she shall be responsible for paying to the participant an amount equal to the monthly of salary he/she received on the date of the application for retirement benefits or liquidation of funds."

Section 3.- A new Section 9-A is hereby added to Act No. 12 of October 19, 1954, as amended, to read as follows:

"Section 9-A: Provisions to Expedite the Processes

The Courts Administration Office shall submit all required documents to the Retirement Systems Administration within the thirty (30) days following the date of any application for retirement benefits or liquidation of funds. The System shall process the application for benefits or liquidation of funds within the thirty (30) days following the date of filling of the application with the required documents, as required by the Retirement System.

If the Courts Administration Office fails to comply with the obligation established in this Section, it shall be responsible for paying the participant an amount equal to the monthly salary he/she received on the date of the application for retirement benefits or liquidation of funds."

Section 4.- This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 94 (H.B. 344) of the 1st Session of the 15th Legislature of Puerto Rico:

AN ACT to amend Sections 52 and 53 of Act No. 91 of March 29, 2004, known as the "Commonwealth of Puerto Rico Teacher's Retirement System Organic Act" and add a new Section 9-A to Act No. 12 of October 19, 1954, as amended, known as the "Judiciary Retirement Act," which govern the retirement and pensions of the public education system and judicial branch personnel, to provide a fixed term for employers to process the documents of participants who avail themselves of a pension and to establish penalties for noncompliance thereof,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 18th of August of 2006.

Francisco J. Domenech
Director

(H.B. 2206)

(No. 54)

(Approved June 28, 2007)

AN ACT

To amend Section 4 of Act No. 12 of October 19, 1954, as amended, which established the Puerto Rico Judicature Retirement System, for the purpose of placing all judges on the same level with respect to the formula for computing their pensions; and for other purposes.

STATEMENT OF MOTIVES

The judicature is an institution that must be protected, promoted and provided with the best talent. The Judicial Branch must be constituted by excellent professionals with a public service vocation and the desire to take roots in the public institution so that such an interest is well served. In view of the latter, we deem it proper to do justice to all judges of the General Court of Justice by imposing uniform standards for calculating the pensions to which they shall be entitled as judges. Through this legislation, the efforts of all judges shall be equally measured for calculating their pensions.

The Puerto Rico Judicature Retirement System was created by virtue of Act No. 12 of October 19, 1954, as amended, for the purpose of establishing an efficient and financially solvent means for providing pensions and other benefits through which the judges of the Commonwealth of Puerto Rico may accumulate reserves for their old age, disability, separation from service or death.

In making uniform the calculation for the pensions of the judges we also try to encourage that the fact of judges not having a fixed term of office

should not be seen as an easy bridge for obtaining a juicy pension in exchange for a short period in public service. On the other hand, this Act tends to favor the economies of the retirement system for the judicature by not subjecting the same, and thus affecting the current pensions, to the salary increases for the offices of judges whose appointments are not subject to fixed terms of office.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.-Section 4 of Act No. 12 of October 19, 1954, as amended, is hereby amended to read as follows:

"Section 4.-Retirement Pension

Any participant who for any cause other than removal which implies moral turpitude, ceases in his/her functions as judge, shall be entitled to a retirement pension which shall commence on the date he/she specifies on the written application for retirement, subject to the following provisions:

(a) In no case shall payment of the pension start on a date prior to the date of his/her separation from service nor shall it be made retroactive for more than thirty (30) days as of the date on which the application for pension is filed.

(b) That the participant has reached the age of sixty (60) or more and has at least ten (10) years of creditable service.

(c) That the participant is not receiving or entitled to receive any salary or remuneration from the Government for services rendered in any capacity on the date fixed for him/her to receive a retirement pension.

Any participant whose separation occurs before he/she reaches the age of sixty (60) and who has at least ten (10) years of creditable service and who has neither solicited nor received reimbursement of the accrued contributions, shall be entitled to a deferred retirement pension. Said

participant shall receive a deferred retirement pension upon reaching the age of sixty (60) or on any subsequent date, at his/her option, if he/she has completed ten (10) or more years or more, and less than twenty (20) years of service.

Those participants, who without having reached the age of sixty (60), have twenty (20) years or more of creditable service solicit and are granted a pension, their pension shall be computed as indicated below, except that it shall be reduced to a sum which, according to said participant's age on the date of retirement, represents the actuarial equivalent of a pension payable when the participant reaches the age of sixty (60), except that in the case of participants who hold office as judges without fixed terms of office the actuarial reductions shall not apply.

The retirement pension of any participant shall be equal to twenty-five percent (25%) of the highest salary received as judge, plus 25/60 of one percent (1%) of the highest salary received as judge for each month of creditable service in excess of ten (10) years of service. In such cases, the retirement pension shall not exceed seventy-five percent (75%) of the highest salary received as judge.

Separation from service shall be compulsory for every participant who reaches the age of seventy (70). If a participant reaches the compulsory age for retirement without meeting the ten (10) years of service requirement, said participant is entitled to receive the reimbursement of the contributions accrued in his/her favor including interest or, in lieu thereof, a proportional retirement pension. In case a pensioner returns to Government service in any capacity, he/she shall have the option of receiving the salary corresponding to the position or continue receiving payments from the Judicature Retirement System. If the pensioner has chosen the salary corresponding to

the position by the termination of his/her incumbency, the pension payments shall be resumed at the same type received by the pensioner before his/her return to Government service.

If the pensioner is reinstated to office as judge, his/her condition as participant shall be reestablished and he/she shall obtain credit for services rendered after being reinstated through the payment of the contributions corresponding to the System on the basis of the services rendered and the salaries earned after reinstatement. The pensioner reinstated to office as judge may choose:

(1) To return all pension payments received from the System, in which case, upon his/her separation from service the pension shall be computed anew on the basis of all services rendered before and after his/her reinstatement in the manner prescribed in this Chapter for retirement annuities, or

(2) Not to return the pension payments already received, in which case, upon his/her definitive separation from service, payment of the suspended pension shall be resumed and a supplementary annuity shall also be paid on the basis of the services rendered and the average annual salary received as of his/her reinstatement to service. The supplementary annuity shall be computed according to the formula established in this Chapter for retirement annuities."

Section 2.-This Act shall not apply to the judges of the Supreme Court who are in office at the time of its approval.

Section 3.-If any paragraph, section or part of this Act were to be declared unconstitutional by a competent court with jurisdiction, the judgment rendered shall neither affect nor invalidate the rest of this Act and

its effect shall be limited to the paragraph, section or part declared unconstitutional.

Section 4.-This Act shall take effect ninety (90) days after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 54 (H.B. 2206) of the 5th Session of the 15th Legislature of Puerto Rico:

AN ACT to amend Section 4 of Act No. 12 of October 19, 1954, as amended, which established the Puerto Rico Judicature Retirement System, for the purpose of placing all judges on the same level with respect to the formula for computing their pensions; and for other purposes,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 28th of September of 2007.

Francisco J. Domenech
Director