

“Judiciary Retirement Act”

Act No. 12 of October 19, 1954, as amended

(Contains amendments incorporated by:

Act No. 14 of April 30, 1956
Act No. 103 of June 26, 1962
Act No. 48 of June 15, 1962
Act No. 78 of June 25, 1964
Act No. 164 of June 29, 1968
Act No. 71 of June 25, 1969
Act No. 72 of June 25, 1969
Act No. 21 of April 26, 1972
Act No. 75 of May 31, 1972
Act No. 94 of June 9, 1972
Act No. 142 of July 23, 1974
Act No. 2 of January 4, 1983
Act No. 17 of July 24, 1985
Act No. 81 of July 9, 1986
Act No. 20 of December 8, 1989
Act No. 21 of December 8, 1989
Act No. 66 of September 16, 1993
Act No. 34 of July 28, 1993
Act No. 25 of April 28, 1996
Act No. 55 of April 11, 2002
Act No. 548 of October 1, 2004
Act No. 54 of June 28, 2007)

To provide for the establishing, maintaining, and administering of a Retirement System for the Judiciary of the Commonwealth of Puerto Rico; to provide for pensions and other benefits for the judges of the Supreme Court, the Superior Court, and the District Court; to provide for the financing of the said system; to repeal Acts No. 143 of May 1, 1950, and No. 30 of April 23, 1945, as amended; and for other purposes.

Be it enacted by the Legislature of Puerto Rico:

Section 1. — System created. (4 L.P.R.A. § 233)

There is hereby created a Retirement System for the Judiciary of the Commonwealth of Puerto Rico, to be administered pursuant to the provisions of this Act, the purpose of which is to establish an efficient and economically sound means of providing pensions and other

benefits through the setting up of a system under which the judges of the Commonwealth of Puerto Rico accumulate reserves for their old age, disability, separation from the service, or death. The system so created shall be known as the Puerto Rico Judiciary Retirement System.

Section 2. — Definitions. (4 L.P.R.A. § 234)

The words or phrases as used in this Act shall have the following meanings unless a different meaning is clearly indicated in the context:

(1) *Administrator.* — Shall mean the Administrator of the Retirement System of the Commonwealth of Puerto Rico and its Instrumentalities.

(2) *Fiscal year.* — Shall mean the period beginning July 1 of any year and ending June 30 of the following year.

(3) *Beneficiary.* — Shall mean each and every person or persons so designated by a participant or pensioner in the last written order duly recognized and filed with the Administrator. In the case that no such designation has been made, or if the person so designated does not survive the participant or pensioner, his/her legal heirs shall be deemed to be the beneficiaries.

(4) *Operative date of the System.* — [Will be] July 1, 1954.

(5) *Government.* — Shall mean the Commonwealth of Puerto Rico.

(6) *Actuarial guidelines.* — During the first five (5) years of operation of the system, shall mean the Combined Annuity and Mortality Tables for males, and thereafter, the tables or norms adopted by the Board of Trustees based on the system's experience and in accordance with the recommendations of the actuary.

(7) *Interest.* — Shall mean two-and-one-half percent (2.5%) annually, compounded annually, or any other rate as may subsequently be prescribed by the Board based on the System's experience.

(8) *Judge.* — Shall mean any person who holds a position as Justice of the Supreme Court, or Judge of the Court of First Instance or the District Court of the Commonwealth of Puerto Rico.

(9) *Board.* — Shall mean the Board of Trustees of the Retirement System of the Commonwealth of Puerto Rico and its Instrumentalities.

(10) *Participant.* — Shall mean any judge who is a member of this System, as specified in Section 3 of this Act.

(11) *Pension.* — Shall mean a series of monthly payments during the lifetime of the pensioner, payable at the end of each calendar month. The first pension payment shall be made for that part of the elapsed month until the end of the first month, and the last payment shall be made for the part of a month elapsed up to the death of the pensioner.

(12) *Pensioner.* — Shall mean any person who is receiving a pension from the System.

(13) *Services.* — Shall mean the services rendered starting on the first day that any person is appointed judge or enters the service for the first time at any agency, department or division of the Government of Puerto Rico, regardless of whether that date is prior to or after the effective date of this act and ending on date of separation from the service. All the intervening periods following a resignation, separation or expiration of any term by election or appointment during which a participant was not in government service, shall be excluded

and no credit shall be given for them. No credit shall be given for any service rendered to the Government in a capacity other than judge unless:

(a) They have rendered services as a judge for eight (8) years, and

(b) the participant returns to the System the contributions reimbursed to him/her as of the effective date of this act by any other Retirement System under which he/she has rendered services, including any interest that said contributions may have accrued up to the date of the refund at the rate prescribed by said System, except that, to the effects of qualifying for a nonoccupational disability pension exclusively, credit for services rendered to the Government in another capacity other than as a judge shall be given at any time, subject to that which is stated in clause (b) of this subsection; Provided, That the contribution of the participants provided in Section 10 of this Act shall be increased by one fourth of one percent (0.25%) in order to cover the cost of said benefit when this act takes effect. The services rendered during any fraction of a month shall be considered as a whole month of service; however, no more than one month of service shall be credited for all the services rendered during any calendar month.

(14) *System.* — Shall mean the Judiciary Retirement System of the Commonwealth of Puerto Rico.

(15) *Salary.* — Shall mean the annual compensation received by a judge for his/her services as such.

Section 3. — Membership. (4 L.P.R.A. § 235)

Every person who on the operative date of the System holds a position as judge and every person who from and after the operative date of the System holds a position as judge, shall be subject to the provisions of this Act.

The participation of any judge in the Retirement System shall continue throughout the entire time that he is in active service or receiving a retirement pension. Participation shall also continue throughout any period during which a judge renders services in the United States Armed Forces while the United States is at war or in a state of emergency declared by the President or the Congress, provided that this officer returns to the service of the government as judge within the 90 days following his honorable discharge and pays into the System the contributions corresponding to the time he spent in the Armed Forces, along with the corresponding interest. Such contribution shall be on the basis of the salary he was receiving on the date he was mustered into the Armed Forces.

Section 4. — Retirement pension. (4 L.P.R.A. § 236)

(1) 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.

(2) 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 [sic], and less than twenty (20) years of service.

(3) 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.

(4) The retirement pension of any participant shall be equal to twenty-five percent (25%) of the highest salary received as judge, plus $\frac{25}{60}$ 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.

(5) 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.

(6) 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:

(a) 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

(b) 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 4-A. — Pension for years of service over nineteen (19) years. (4 L.P.R.A. § 236a)

Regardless of what has been provided in Section 4 of this Act, in the case of those participants who without having attained the age of (60) years have completed eight (8) years in office as a judge, have thirty (30) years or more of accredited service and request that they be granted a pension, said pension shall be equal to seventy-five percent (75%) of the highest salary earned as a judge. Those participants who have completed eight (8) years of service in office as a judge and have the accredited years of service and have attained the age indicated below, shall also be entitled to receive a pension equal to seventy-five percent (75%) of the highest salary earned as a judge.

- (a) Twenty (20) years of accredited service and sixty-two (62) years of age.
- (b) Twenty-one (21) years of accredited service and sixty-one (61) years of age.
- (c) Twenty-two (22) years of accredited service and sixty (60) years of age.
- (d) Twenty-three (23) years of accredited service and fifty-nine (59) years of age.
- (e) Twenty-four (24) years of accredited service and fifty-eight (58) years of age.
- (f) Twenty-five (25) years of accredited service and fifty-seven (57) years of age.
- (g) Twenty-six (26) years of accredited service and have reached the age of fifty-six (56) years of age.
- (h) Twenty-seven (27) years of accredited service and have reached the age of fifty-five (55) years of age.

This annuity shall not be subject to the actuarial reduction provided in Section 4 of this Act, except in the case of a specific participant who, having the years of accredited service referred to in subsections (a), (b), (c), (d), (e), (f), (g) and (h) above, but has not attained the age required in the said subsection, is only entitled to a deferred retirement pension, and under such circumstances he/she requests and is granted a pension. In such a case, said participant shall be reduced to a sum which, as of the age attained on the retirement date, represents the equivalent of a pension payable when the participant attains the age required in said subsection.

The participant who resigns to the office of judge and that, without abandoning the public service, goes on to hold another public office, may continue to avail him/herself of, and contributing to the Judicature Retirement System, if on the date of resignation to the office of judge he/she had complied with the requirements to receive a pension pursuant to this chapter. The salary to be calculated for the purpose of the formula to calculate the pension shall be the last salary received in the public service. Furthermore, the employer contribution and the individual contribution shall be those established by the Judicature Retirement System.

Section 4-B. — Periodic increase; 1999. (4 L.P.R.A. § 236b)

Commencing on January 1, 1999, and subsequently, every three (3) years, there shall be a three percent (3%) increase in all annuities to be paid under Act Number 12 of October,

1954, as amended, that are in effect on that date and which have been received for at three (3) years prior to said date. The triennial increase in years following 1999 shall apply to all annuities paid under Act Number 12 of October, 1954, as amended, for age, years of service or disability, that are in effect on January 1 of the year the increase is granted and that have been received for at least three (3) years, provided there is a prior favorable recommendation of the Actuary of the system. If in any year the system has reserves for only twenty-four (24) months or less, no increase shall be granted. The amount provided herein, and that of subsequent years, shall be defrayed by the Courts Administration.

Section 5. — Reversionary annuities. (4 L.P.R.A. § 237)

On reaching minimum retirement age, every participant may elect to receive a retirement pension lower than that which he is entitled to on the basis of his total accumulated service credits up to that date and to provide an annuity for his widow with the remainder of his equity as actuarially determined upon his demise. Under this option, the sum of the pensions payable to the participant and to his widow shall be equal to the actuarial equivalent of the retirement pension which the participant was entitled to before electing such option. This option shall be inoperative if the participant dies within the year following the date on which he made such decision.

The annuity provided for the widow shall be paid upon the death of the participant. Whenever a reversionary annuity is provided, no death benefit shall be paid. If the option has been to provide a reversionary annuity and the death of the wife occurs before the participant has retired, the said option shall be automatically terminated. If the participant remarries he may file a new reversionary annuity, but same must be filed before the date of his retirement. The reduced retirement annuity which the participant may have elected for himself after providing a reversionary annuity may in no wise be changed if the wife dies after the participant has retired. If the participant dies within the 30 days following the date of his retirement and he has not provided for a reversionary annuity, he shall be considered as having died in active service and the regular death benefits provided by law shall be paid.

No reversionary annuity resulting from the exercise of this privilege shall amount to less than one hundred and twenty dollars (\$120) a year, nor shall the amount of said annuity exceed the amount of the reduced annuity payable to the participant in accordance with his option.

Section 6. — Disability pensions. (4 L.P.R.A. § 238)

(A) *Occupational disability pension.* Every participant who, as a result of a disability arising out of and in the course of employment, becomes disabled for duty shall be entitled to receive an occupational disability pension, provided that:

- (a) Proper proof is received from one or more physicians, as provided for in subsection (C) of this section, with regard to the mental or physical disability of the participant;
- (b) a formal application for a disability pension is filed with the Administrator of the System on the form prescribed by him, and
- (c) the disability be compensable under the Workmen's Accident Compensation Act [11 L.P.R.A. , §§ 1 et seq.].

The amount of the pension shall be equal to fifty percent (50%) of the base rate of compensation received by the participant when such disability occurred.

The pension shall be subject to offset by any amount to which the participant may be eligible from the State Insurance Fund under the provisions of the Workmen's Accident Compensation Act. Any amount due the participant from the said Fund, pursuant to the provisions of the Workmen's Accident Compensation Act, shall be paid by the said Fund to the System hereby created. The payment of such amounts by the State Insurance Fund shall release the said Insurance Fund from the liabilities which it may have contracted, under the provisions of the Workmen's Accident Compensation Act, for payments to the participant and said payments shall have the same legal validity as if they had been made directly to the participant. The Administrator is hereby authorized to make arrangements with the State Insurance Fund to receive the said payments.

(B) *Nonoccupational disability pension.* Every participant who has at least ten (10) years of creditable service and who, before reaching the age of sixty (60), is totally and permanently disabled for service while holding a position as judge, and who by reason of such condition is incapacitated for the proper discharge of his duties as judge, shall be entitled to a nonoccupational disability pension.

For the purposes of determining whether or not a participant is totally and permanently disabled, it shall be requisite for him to:

- (a) File with the Administrator of the System a formal application for a disability pension on the form prescribed by him.
- (b) Submit to a medical examination performed by one or more physicians, as provided for in subsection (C) of this section, and that said examination show, according to the physician's certificate, that the participant is totally and permanently disabled for service.

Upon retirement on account of disability, every participant shall receive an annuity equal to thirty percent (30%) of the average compensation for the first ten (10) years of creditable services, plus one percent (1%) of the average compensation for each year of creditable services, in excess of ten (10); Provided, however, That the annuity shall not, in any case, exceed fifty percent (50%) of the average compensation; Provided, further, That up to December 31, 1960, in the case of participants who on December 31, 1951, were members of superseded pension systems, the nonoccupational disability annuity shall not be less than what would have belonged to them in accordance with the provisions of the superseded systems.

The Administrator shall have authority to discontinue payment of the disability annuity in any case in which it is disclosed that the disability of the pensioner continues because of intemperance, misconduct or vicious habits. In such case, there shall be paid to the pensioner a refund of the excess, if any, of his accumulated contributions up to the time of retirement over the total amount paid as disability annuity.

(C) *Rules governing disability pensions.* For the purposes of an occupational or nonoccupational disability pension, a participant shall be considered as disabled by an examination performed by one (1) or more government physicians or at least two physicians designated by the Administrator, who are in the lawful practice of their profession, should it show that the participant is incapable or unable to discharge appropriately his duties as judge.

In the event that a participant who is receiving a disability pension should engage in gainful occupation or remunerative employment and his income from such sources together with his

disability annuity exceeds the wage rate he was drawing at the time of his retirement, the disability pension shall be reduced so that the pension plus his income from the new work or employment do not exceed the wage he was receiving at the time of his retirement.

Section 7. — Refunds. (4 L.P.R.A. § 239)

Any participant not entitled to a pension for either retirement or disability shall, upon his separation from service and upon his so requesting, receive a refund of his contributions to the System, including interest.

Every participant receiving a refund shall thereby forfeit and be understood as waiving all rights and all service credits he has acquired in the System. Should such person subsequently be reemployed in the Judiciary of Puerto Rico and again become a participant in the System and make his contributions for at least three (3) years, he shall then be entitled to make return of all sums theretofore received as refunds, together with the interest which the said sums would have earned at the regular rate during the period of his separation from the service. Upon such restoration, such participant shall again receive credit for the period of creditable service which he forfeited upon his withdrawal from the service.

Section 8. — Death benefits. (4 L.P.R.A. § 240)

(A) *Occupational death annuity.* If death of a participant shall arise out of and in the course of employment, from causes of a compensable character under the Workmen's Accident Compensation Act [11 L.P.R.A §§ 1 et seq.], his widow shall be entitled to receive an occupational death annuity equal to fifty percent (50%) of the participant rate of compensation at the time of death, payable during her widowhood. If children of the participant under eighteen (18) years of age or children pursuing studies also survive them, the widow shall be entitled to receive an additional amount of ten dollars (\$10) a month on account of each such child, subject to the limitation of seventy-five percent (75%) of said rate of compensation for the combined payments to the widow and children. If the wife does not survive the participant, or death of the widow occurs while in receipt of the annuity, and children of the participant under eighteen (18) years of age or children pursuing studies survive, each such child shall be entitled to receive an annuity equal to twenty dollars (\$20) a month until attaining the age of eighteen (18) years, or until finishing his studies, subject to a maximum payment of seventy-five percent (75%) of the participant rate of compensation at time of death, to all such children.

The annuities payable hereunder shall be additional to the compensation received by the widow or children under the provisions of the Workmen's Accident Compensation Act.

If neither a wife, nor children under eighteen (18) years of age, nor children pursuing studies, of a participant survive him, payments shall be made as provided in subsection (B) of this section. If the aggregate payments made to a widow and/or children are less than the total of the payments provided in subsection (B) of this section, the remainder shall be payable to the heirs of the deceased participant.

(B) *Payments upon death; active participant; retired participant.* Upon death of a participant while in active service or while enjoying any type of authorized leave, for un-compensable causes under the Workmen's Accident Compensation Act, the beneficiaries designated by

him or his heirs if he had not made such designation, shall be entitled to: (1) a refund of the contributions made by the participant to the System, including interest; and (2) a death benefit equal to the annual rate of compensation he was earning at the time of his death.

If a participant should die after he/she has been receiving a retirement or disability annuity, and provided he/she had not left an annuity by transfer, a payment shall be made for an amount equal to the excess, if any, of the contributions accrued in favor of the participant as of the date of his/her retirement, including interest, over the total amount paid on retirement or disability pension received the participant before his/her demise; Provided, That in all cases, a minimum amount of one thousand dollars (\$1,000) shall be payable. This benefit shall be given as a single payment to be made to the beneficiary or beneficiaries designated by the pensioner, or to the pensioner's heirs if no one had been designated, except that said benefit shall not be paid out in the event a pension is granted to beneficiaries or heirs pursuant to the provisions of special laws.

Section 8-A. — Pension for the surviving spouse and children. (4 L.P.R.A. § 240a)

(A) *In case of a retired participant.* When a participant of the Puerto Rico Judiciary Retirement System dies while receiving a retirement or disability annuity from said System, the surviving spouse and unemancipated children under twenty-one (21) years of age, or who are physically or mentally disabled, shall be entitled to sixty percent (60%) of the annuity received by the retired participant at the time of his death, pursuant to the provisions of Act No. 105 of June 28, 1969 as amended [3 L.P.R.A. § 788a].

(B) *In the case of an active participant entitled to a pension.* If at the time of his/her death, the participant had acquired the right to receive any type of retirement pension under this Act, the surviving spouse and unemancipated children under twenty-one (21) years of age, or disabled children, shall be entitled to sixty percent (60%) of the pension that the deceased participant would have received if he/she had been retired at that time. The requirements of Act No. 105 of June 28, 1969 as amended [3 L.P.R.A. § 788a] shall apply in these cases.

(C) In order to defray the cost of the benefit granted by this section, the Retirement Systems are hereby authorized to increase the contribution of the participants provided in Section 10 of this Act, by one fourth of one percent (0.25%) upon the effectiveness of this Act.

Section 9. — Administration. (4 L.P.R.A. § 241)

The System created by this Act shall be considered as a trust which is separate and distinct from any government entity and shall be maintained exclusively for the purpose of providing retirement or disability pensions and other benefits to participants, pensioners, and beneficiaries.

The Board of Trustees of the Employees Retirement System of the Commonwealth of Puerto Rico, described in Section 15 of Act No. 447, approved May 15, 1951 [3 L.P.R.A. § 775], shall be the Board of Trustees of the Puerto Rico Judiciary Retirement System and shall be responsible for carrying out the provisions of this Act and establishing the norms which are to govern the administration of this System.

The Director of Personnel of the Commonwealth of Puerto Rico shall be the Administrator of the Puerto Rico Judiciary Retirement System and shall administer this System pursuant to the provisions of this Act.

The Board shall approve and cause to be promulgated such regulations as the Administrator may from time to time prepare for the administration of the System, pursuant to this Act. The Board shall formulate such norms as it deems necessary for the proper operation of the System. It shall hold regular meetings at least once every three (3) months and whatever special meetings it deems necessary, which meetings may be held on the same day and at the same hour as those held by the same Board of Trustees for dealing with matters relating to the Employees Retirement System of the Commonwealth of Puerto Rico.

The Board shall keep complete minutes of all its proceedings, shall approve the investment of accumulated reserves by the System pursuant to the recommendations of the Administrator, and shall consider and take action on all proposed changes in or amendments to the provisions of this Act. The Board shall also require the Administrator to prepare an annual report setting forth the results of the operations of the System and the financial condition thereof at the end of each fiscal year.

The provisions of Sections 16, 17, 18 and 19 [3 L.P.R.A. §§ 776-779], as heretofore or hereafter amended, of Act No. 447, approved May 15, 1951, creating the Employees Retirement System of the Commonwealth of Puerto Rico, shall govern the administration and operation of the Puerto Rico Judiciary Retirement System. The Board of Trustees is hereby vested with the same authority to direct the affairs of this System as it was vested with by the said Act No. 447 to direct the affairs of the Employees Retirement System of the Commonwealth of Puerto Rico. The Administrator shall, pursuant to the provisions of this Act, direct and supervise all technical and administrative activities of the System, and he shall have the same duties and obligations in the administration and operation of this System as are imposed upon him by the provisions of the said Act No. 447. Such other officers of the Commonwealth of Puerto Rico as are designated by the said Act No. 447 shall exercise their respective duties and functions in the operation of this System in the same manner as they exercise them in the case of the aforesaid Employees Retirement System of the Commonwealth of Puerto Rico.

Section 9-A. — Provisions to expedite the processes. (4 L.P.R.A. § 241a)

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 filing 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 10. — Finances. (4 L.P.R.A. § 242)

The contribution of every participant to the Retirement System shall be seven and one half percent (7.5%) percent of his salary from and after the operative date of the System or from and after the date of his becoming a judge if his appointment is subsequent thereto. The participant shall continue making the said contribution as long as he is in active service, regardless of whether or not he has accumulated enough credits to assure him of the maximum retirement pension provided by law.

The Government shall contribute to the System such amounts as, together with the contributions of the participants, interest on investments, and any other income deriving to the System, are necessary for meeting the maintenance and administration costs of the System.

Section 11. — Members of employees retirement system. (4 L.P.R.A. § 243)

On July 1, 1954, all judges who are members of the Employees Retirement System of the Commonwealth of Puerto Rico shall cease as such and automatically become participants in this System, with all the rights and subject to all the conditions and obligations attaching to membership in same. The contributions made by such participants to the Employees Retirement System of the Commonwealth of Puerto Rico, including interest up to the said date, shall be transferred to the System created by this Act and credited to the respective accounts of the participants for the use and purposes set forth in the provisions of said sections. The Administrator is hereby authorized to accept the said funds.

The amounts so transferred from the Employees Retirement System of the Government of Puerto Rico and its instrumentalities may be reimbursed to said System if the participant has not served as a judge for the last eight (8) years of service preceding his resignation or retirement by reason of age or disability, in order to obtain credit for the years served to the Government in any capacity other than as a judge, as provided in Section 2 of this Act. The amounts reimbursed shall include interest earned up to the date of the reimbursement. After said reimbursement is made, the provisions of Act No. 59 of June 11, 1953, shall apply. The obtainment of service credits for retirement purposes in the Employees Retirement System of the Government of Puerto Rico and its instrumentalities shall be governed by the provisions of Act No. 447 of May 15, 1951 [3 L.P.R.A. §§ 761-788], and their regulations.

Section 12. — Vested rights; statutory intent. (4 L.P.R.A. § 244)

Every participant shall, by reason of his contributions to the System, have a vested right in the refunds and the death benefits provided by this Act. By virtue of this vested right, it shall be taken for granted that every participant consents and agrees to having his contributions to the System herein created deducted from his salary. These contributions shall be made in the form of deductions from the salary of the employee; the Secretary of the Treasury of Puerto Rico or any paymaster of an employer is hereby authorized to make the said deductions.

Payment to the participant of his salary less the deduction, together with his vested right to refund, shall constitute a total and complete discharge of any and all claims for services rendered during the period covered by said payment.

If any section, sentence, clause, or phrase of this Act is declared null or unconstitutional, such declaration shall in no manner affect the other sections, sentences, clauses, or phrases of such sections, which shall remain as fully in force and effect as if the section, sentence, clause, or phrase so declared null or unconstitutional were not a part of such sections.

Section 13. — Exemptions. (4 L.P.R.A. § 245)

The right to a retirement pension, disability pension, death benefit, refund, or any other benefit under the provisions of this Act, by whatever name known, is a personal right of the recipient thereof, and the assignment or transfer of said benefits or refunds, or of any part thereof, shall be null and void, except as provided by such sections. No such annuity, benefit, or refund may be claimed for the payment of debts contracted by the persons receiving same, except as otherwise provided herein. However, such amounts, including interest, as have been credited to a member of the System through contributions made in the form of salary deductions, may be assigned by the participant to provide security for any loan made by him from any fund, association, or other agency created by the Government for the purpose of making loans to its employees. The Secretary of the Treasury of Puerto Rico may, through the pertinent judicial proceeding, withhold or attach such amounts for the repayment of any loan made by any such agency only in the event that the participant has permanently left government service without having made proper arrangements, suitable to such agency, for repayment of the said loan.

Section 14. — Repeal. (4 L.P.R.A. § 243 note)

All laws or parts of laws in conflict herewith are hereby repealed. Act No. 143, of May 1, 1950, as amended, and Act No. 30, approved April 23, 1945, as subsequently amended, are hereby specifically repealed; Provided, That the benefits and annuities already granted thereunder shall continue in force after the date of effectiveness of this Act, so as to protect the vested rights of members of the Judiciary pensioned under said Acts.

Section 15. — Appropriations. (4 L.P.R.A. § 246)

The appropriations carried in the Operating Budget of the Commonwealth of Puerto Rico for paying annuities granted prior to the date of effectiveness of this act to members of the Judiciary who may become a part of the System created by this Act, or to the beneficiaries thereof, shall be covered into the fund of the Judiciary Retirement System of the Commonwealth of Puerto Rico. The System shall administer the said annuities.

In case there are no funds in the System for meeting the obligations thereof, payments shall be made chargeable to the general funds of the Treasury of Puerto Rico, and the Secretary of the Treasury shall pay to the System the said sums as certified by the Administrator.

Section 16. — Title. (4 L.P.R.A. § 233 note)

This Act shall be known by the short title of "Judiciary Retirement Act".

Section 17. — Date of Effectiveness. (4 L.P.R.A. § 233 note)

This Act shall take effect immediately after its approval, but its effects are made retroactive to July 1, 1954.

Note. This compilation was prepared by the Puerto Rico OMB staff who have striven to ensure it is complete and accurate. However, this is not an official compilation and may not be completely free of error. It contains all amendments incorporated for reading purposes only. For accuracy and exactitude please refer to the act original text. Compiled by the Office of Management and Budget Library.