

***To Increase by 3% the Pensions Granted Pursuant to the Provisions of  
Act No. 12 of October 19, 1954, as amended***

Act No. 41 of June 13, 2001

To increase by three percent (3%) the pensions granted pursuant to the provisions of Act No. 12 of October 19, 1954, as amended, to become effective January 1, 1999, or before; and provide the funds needed to cover the impact of said raise.

**STATEMENT OF MOTIVES**

Act No. 12 of October 19, 1954, as amended, established a retirement system that covers former judges exclusively. Said system was created with the intention of benefiting the persons who have devoted their productive life to the honorable task of doing justice.

It has been acknowledged that with the passing of time, the rise in the cost of living entails a relative reduction of the value of the pensioner's annuities. Therefore, it was established through Act No. 10 of May 21, 1992, that as of January 1, 1992, and subsequently, every three years, there would be a three percent (3%) raise in all annuities paid by virtue of said laws, for age, years of service or disability, and that were being received at least three years before by the employees who had availed themselves of the Employees Retirement System of the Government of Puerto Rico and its Instrumentalities. On the other hand, through Act No. 177 of December 20, 1997, the three percent (3%) increase was extended to the members of the Retirement System for the Judiciary. In this manner, the Government has faced its moral obligation to help to improve the living condition of pensioners, these persons who devoted the best of their life in the service of the people of Puerto Rico.

The funds needed to cover the cost of this raise shall be financed by the Retirement System of the Judiciary during the 2001-2002 fiscal year. The amounts financed by the Retirement System for the Judiciary with respect to the 2001-2002 fiscal year shall be consigned in the general budget of the 2002-2003 fiscal year, to be reimbursed to said System. To such effect, the Employees Retirement System Administration of the Government and the Judiciary shall certify said cost to the Management and Budget Office to be taken into account when drafting the general budget of expenses of the Government of the Commonwealth of Puerto Rico. As of the 2002-2003 fiscal year, the funds to cover said increase shall be consigned in the general budget of expenses of the Commonwealth of Puerto Rico.

*Be it enacted by the Legislature of Puerto Rico:*

**Section 1.** — (4 L.P.R.A. § 236c)

Effective January 1, 2001, and subsequently every three years, the annuities paid pursuant to Act No. 12 of October 19, 1954, as amended, for age, years of service or disability that are in

effect on that date and received for at least three (3) years, are hereby granted a three percent (3%) increase.

The Retirement System for the Judiciary shall cover the impact of this raise during the 2001-2002 fiscal year. The cost entailed by the increase in the pensions of former judges during those years shall be consigned in the budget of the 2002-2003 fiscal year and shall be reimbursed to the Retirement System for the Judiciary. To such effect, the Employees Retirement System Administration of the Government and the Judiciary shall certify said cost to the Management and Budget Office for it to be taken into account when drafting the budget. As of the 2002-2003 fiscal year, the funds to cover said increase shall be consigned in the general budget of expenses of the Commonwealth of Puerto Rico.

**Section 2.** —

This Act shall take effect January 1, 2002.

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