

***Extend to the Participants in the Latter the Periodic Three Percent (3%)
Increase Every Three Years***

Act No. 134 of August 13, 1996

To amend section 6-E of Act No. 447 of May 15, 1951, as amended, add a Section 3A to Act No. 127 of June 27, 1958, as amended, in order to extend to the participants in the latter the periodic three percent (3%) increase every three years, as provided in Act No. 10 of May 21, 1992, as amended.

STATEMENT OF MOTIVES

Act No. 10 of May 21, 1992, as amended, adds section 6-E to Act No. 447 of May 15, 1951, as amended, which provides a three percent (3%) adjustment every three years in the pensions granted or to be granted by the Employees Retirement of the Government of Puerto Rico, commencing January 1, 1992.

This provision does not apply to members of the Police Force, the Firefighters Corps, Penal Guards, National Guardsmen, Internal Revenue Agents, Penal Institution Superintendents of the Department of Justice, the General Administrator and the Assistant General Administration of the Prison Industry Corporation of Puerto Rico, nor the Assistant Directors of Correction and their beneficiaries, pursuant to Act No. 127 of June 27, 1958 as amended.

The above-mentioned Police officers and public servants hold positions of prestige and reliability in our society through their work ensuring the safety of the citizenry. At present, however, these public servants are financially limited, since the cost of living of said pensioners has doubled while their purchasing power has been reduced.

In recognition of the years of devoted service of the members of the public safety Corps, it is justified to put into effect the above mentioned adjustment in the pensions of the Employees Retirement System of the Government of Puerto Rico:

Be it enacted by the Legislature of Puerto Rico:

Section 1. — Section 6-E of Act No. 447 of May 15, 1951, as amended [3 L.P.R.A. § 766e], is hereby amended to read as follows:

"Section 6-E.-Periodic Increase in Pensions.-

Commencing January 1, 1992, and subsequently every three (3) years, there shall be a three percent (3%) increase in all annuities paid under this Act, for age, years of service or disability, that are in effect to that date and which have been received for at least three (3) years before that date. In the years subsequent to 1992, the triennial increase shall be subject to a prior favorable recommendation by the actuary of the System, and to compliance of the provisions of Section 15 of this Act with regard to the financing of the increase. Once these

requirements are met, the Board of Trustees shall submit the increase to the Legislature of Puerto Rico for its approval.

The triennial increase in years subsequent to 1992, shall also benefit participants in Act No. 127 of June 27, 1958, as amended, commencing July 1, 1996. Said increase shall cover all of the annuities paid under this Act for age, years of service or disability, which are in effect as of January 1 of the last three (3) years before that date. If in any year, the System were to have reserves for only twenty-four (24) months or less, no increase whatsoever shall be granted."

Section 2. — A section 3A is hereby added to Act No. 127 of June 27, 1958, as amended [25 L.P.R.A. § 378a], to read as follows:

"Section 3A.-Periodic Increase in Pensions

As of July 1, 1996, and subsequently every three (3) years, a three percent (3%) adjustment shall be made to all annuities paid under this Act, which are effective as of July 1 of the year in which the increase is granted, and which have been received for at least three (3) years before the date of the increase."

Section 3. — This Act shall take effect immediately after its approval.

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