

To Increase the Pensions Granted under the Provisions of Act No. 218 of May 6, 1951, as amended

Act No. 47 of June 1, 1984

To increase the pensions granted under the provisions of Act No. 218 of May 6, 1951, as amended, which created the Teachers' Retirement System, under the funds or pensions superseded by it, and to provide for the necessary funds.

STATEMENT OF MOTIVES

The increase in the cost of living joined to a reduction in the purchasing power of the dollar has created a serious financial burden on the retired persons who depend on a fixed income for their subsistence. In full awareness of this situation' the Legislature granted an increase to the pensioners of the Government Retirement System whose pensions were less than \$300.00 a month. Inadvertently, and even though it was the Legislative intent that such benefit be extended to the retired teachers with similar pensions, this was not provided.

The Teachers' Retirement Board has estimated that the cost of granting this increase to the 3,077 teachers who receive pensions of less than \$300.00 a month would be around \$440,000 a year, of which the system is in a position to pay half. The Commonwealth would then have to make a contribution of \$220,000 a year.

Therefore, and according to the above-stated legislative intent, it is the decision of this Legislature to correct the indicated oversight, and to provide for the teachers with pensions under \$300.00 a month to receive equal benefits to those granted to the rest of the pensioners under the Government's Retirement System, and that such benefits be retroactive to July 1, 1983.

Be it enacted by the Legislature of Puerto Rico:

Section 1. — [18 L.P.R.A. § 366c (a)]

An increase in the amount of those pensions which are less than three thousand six hundred (3,600) dollars a year is hereby granted to all the pensionees in the Teachers' Retirement System, including those who are pensioned for occupational or nonoccupational disability, which shall be as follows:

<i>Years of Service</i>	<i>Amount of Increase (Annual)</i>
30 years	Three hundred (300) dollars
20 to 29 years	Two hundred and forty (240) dollars
10 to 19 years	One hundred and eighty (180) dollars

Provided, that in the ease of occupational or nonoccupational pensioners of the Teachers' Retirement System who had less than ten (10) years of service shall be entitled to an increase of one hundred and eighty (180) dollars a year.

Provided, also, that none of the increases to be granted can cause the pension to exceed the amount of three thousand six hundred (3,600) dollars a year.

Section 2. — [18 L.P.R.A. § 366c (b)]

The above-mentioned pensioners whose pension is in effect on or before June 30, 1983, shall be entitled to the increase provided by this act.

Section 3. — [18 L.P.R.A. § 366c (c)]

Half of the annual cost of this increase shall be absorbed by the Teachers' Retirement System's own resources. The Secretary of the Treasury shall transfer annually to the Funds of the Teachers' Retirement System half of the cost of the increase in these pensions provided by this act, from any available funds in the Commonwealth Treasury.

Section 4. — This act shall take effect immediately after its approval, but its effects shall be retroactive to July 1, 1983.

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