

To Increase the Pensions Granted to Pensioners Before July 1973

Act No. 124 of June 8, 1973, as amended

(Contains amendments incorporated by:
Act No. 108 of July 16, 1979)

To increase the pensions granted to under the provisions of Act No. 447 of May 15, 1951 as amended or of the pension plans superseded by it, and of Act No. 218 of May 6, 1951, as amended; to authorize the Administrator of the Government Employees Retirement System and the Executive Secretary of the Teachers Retirement System to implement this act; to provide the structure to defray the cost of said increases.

STATEMENT OF MOTIVES

During the last years the economy has registered a noted inflationary trend which has resulted in an increase in the general level of prices and in a shrinkage in the purchasing power of the dollar. This situation affects particularly the pensioners, who receive a fixed income whose purchasing power is continuously narrowed. Especially affected are the pensioners who receive a low pension that barely covers their basic needs. The public policy in the matter of pensions should be modified to provide a mechanism of readjustment in pensions to counterpart the increases in the cost of living. While the necessary surveys for such purposes are carried out, it is imperative to adopt some measure to make feasible the immediate improvement of the condition confronting the pensioners of the Government Retirement System and the Teachers Retirement System, and especially those receiving the lowest pensions and covered by retirement for the longest time. This act pursues such purpose.

Be it enacted by the Legislature of Puerto Rico:

Section 1. — (3 L.P.R.A. § 761 note)

Any person pensioned under compulsory retirement age or for occupational or nonoccupational disability before July 1, 1973, under the terms of Act No. 447 of May 15, 1951, as amended, or of the pension plans superseded by it, and of Act No. 218 of May 6, 1951, as amended, and of Act No. 127 of June 27, 1958, as amended, or by the pension plans superseded by it shall be entitled to receive an increase in his monthly pension, according to the following schedule:

<i>Pension</i>	<i>Percent increase</i>
For the first \$500	10%
For the following \$100	6%
In excess of \$600	2%

Section 2. — (3 L.P.R.A. § 761 note)

Any person pensioned under the provisions of the laws mentioned in Sección 1 of this act, who is not eligible to receive the increases provided in said section, shall be entitled to receive an increase in his pension in accordance with the following schedule:

<i>Pension</i>	<i>Percent increase</i>
For the first \$500	6%
For the following \$100	4%
In excess of \$600	2%

Section 3. — (3 L.P.R.A. § 761 note)

The amount of the pension for the purposes of the increase computation provided in this act shall take into account the increase provided by Act No. 28 of May 11, 1972 and which shall be effective July 1, 1973. The Benefits herein provided shall be in addition to the said increase.

Section 4. — (3 L.P.R.A. § 761 note)

The Administrator of the Government Employees Retirement System and the Executive Secretary of the Teachers Retirement Board shall take the necessary measures to enforce the pensions increase plan provided by this act.

Section 5. — (3 L.P.R.A. § 761 note)

The cost of the increases in pensions corresponding to pensioners in accordance with the provisions of Act 447 of May 15, 1951, as amended, or of the pension plans superseded by it, shall be charged during fiscal year 1973-74 to the funds of the Retirement System of the Employees of the Government of Puerto Rico and its Instrumentalities. The cost of the increases in pensions corresponding to pensioners under the provisions of Act No. 218 of May 6, 1951, as amended, shall be charged during fiscal year 1973-74 to the funds of the Teachers Retirement System. In subsequent years, only 50 percent of the cost of the increases in pensions provided herein shall be charged to the funds of the corresponding Retirement System. The remaining 50 percent shall be appropriated in the General Budget Act.

Section 6. — This act shall take effect July 1, 1973.

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.