

(H. B. 344)

**(No. 94)**

(Approved August 26, 2005)

## **AN ACT**

To amend Sections 52 and 53 of Act No. 91 of March 29, 2004, known as the “Commonwealth of Puerto Rico Teacher’s Retirement System Organic Act” and add a new Section 9-A to Act No. 12 of October 19, 1954, as amended, known as the “Judiciary Retirement Act,” which govern the retirement and pensions of the public education system and judicial branch personnel, to provide a fixed term for employers to process the documents of participants who avail themselves of a pension and to establish penalties for noncompliance thereof.

## **STATEMENT OF MOTIVES**

In June 2003, the Special Standing Committee on Retirement Systems presented the general summary of the Study on the Socioeconomic Situation of the Pensioners of the Government de Puerto Rico to the Legislature. In its Recommendation No. 2, on page 13, the Committee stated that one of the problems most frequently faced by our pensioners is the delay in the payment of their pensions. However, one of the most common causes of this is that at the time in which these payments are processed, the government agencies are late in submitting all the necessary documentation.

With respect to this topic, Act No. 124 of July 20, 2000, was approved to amend Section 25 of Act No. 447 of May 15, 1951, imposing upon employees of the public sector a fixed term of sixty (60) days for the agencies subject to the Commonwealth Government Retirement System to process such documents. Nevertheless, the Committee indicates that the Teacher’s Retirement System is the entity that requires more attention with

respect to this problem. Although Act No. 91 of March 29, 2004, provides that the Teacher's Retirement System may face a penalty if it is late for more than thirty (30) days in the processing a pension, it does not similarly require from employers to perform their own part in the process. Given this circumstance, it is reasonable to impose on the Department of Education the same responsibility to carry out its procedures on time. Through this Act, we incorporate this provision to expedite the processes for the employees of the public education system and of the Judicial Branch.

***BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:***

Section 1.- Section 52 of Act No. 91 of March 29, 2004, is hereby amended to read as follows:

“Section 52.- Obligation of the System and the Employer to Expedite the Processes

The Teacher's Retirement System shall process the application for retirement within thirty (30) days after receipt of the resignation acceptance Certification and all corresponding documentation required by the Retirement System.

The employer is hereby bound to submit all required documents to the System within thirty (30) days as of the date of the application for retirement benefits or liquidation of funds.”

Section 2.- Section 53 of Act No. 91 of March 29, 2004, is hereby amended to read as follows:

“Section 53.- Penalties for Noncompliance with the Terms for Expediting the Processes

As of May 1, 2004, if the Teachers' Retirement System fails to comply with the obligation provided in Section 52 of this Act, it shall be responsible for paying to the participant an amount equal to the monthly salary that the

letter received by the date of the application of retirement, except in situations of force *majeure* not related to administrative procedures. Such penalty shall be established at the request of the teacher.

If it is the employer who fails to comply with the obligation established in said Section 52, he/she shall be responsible for paying to the participant an amount equal to the monthly of salary he/she received on the date of the application for retirement benefits or liquidation of funds.”

Section 3.- A new Section 9-A is hereby added to Act No. 12 of October 19, 1954, as amended, to read as follows:

“Section 9-A: Provisions to Expedite the Processes

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 filling 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 4.- This Act shall take effect immediately after its approval.

**CERTIFICATION**

I hereby certify to the Secretary of State that the following Act No. 94 (H.B. 344) of the 1<sup>st</sup> Session of the 15<sup>th</sup> Legislature of Puerto Rico:

**AN ACT** to amend Sections 52 and 53 of Act No. 91 of March 29, 2004, known as the “Commonwealth of Puerto Rico Teacher’s Retirement System Organic Act” and add a new Section 9-A to Act No. 12 of October 19, 1954, as amended, known as the “Judiciary Retirement Act,” which govern the retirement and pensions of the public education system and judicial branch personnel, to provide a fixed term for employers to process the documents of participants who avail themselves of a pension and to establish penalties for noncompliance thereof,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 18<sup>th</sup> of August of 2006.

Francisco J. Domenech  
Director