

(H. B. 119)

(No. 17)

(Approved January 23, 2006)

AN ACT

To establish the public policy of the Government of Puerto Rico regarding the priority employment or the granting of incentives for the employment of persons of over sixty (60) years of age, especially women aged sixty-two (62) or older, or men aged sixty-five (65) or older who have not earned the minimum number of credits required per quarter to be eligible for a Social Security pension, and who have accrued at least twenty seven (27) of the required forty (40) quarters.

STATEMENT OF MOTIVES

In Puerto Rico a great number of persons are about to retire and for different reasons were unable to pay, the required minimum of forty quarters although they worked part to be of these beneficiaries of the Social Security created by virtue of Chapter 35, Title 42, Section 1 of the United States Code of August 14, 1935, even when these persons paid a certain sum to the system.

We must indicate that under the present code of laws a bona fide worker may pay up to a maximum of thirteen and a half (13.5) quarters which he/she would have worked but not accrued, to meet the 40 quarters minimum.

According to 2000 census data, Puerto Rico has around 518,249 persons aged 62 or more out of an approximate population of 3,808,610 individuals, for a population of 13.6%. Of the aforementioned number,

229,550 (44.3%) are men and 288,699 (55.7%) are women. According to the Department of Labor and Human Resources, in calendar year 2000 it was estimated that approximately 33,000 persons aged 65 or more were working.

All Puerto Ricans have the duty and responsibility of improving the quality of life for us all. As the years go by, the foreseen increase in the life expectancy will cause the elderly population of the Island to reach increasingly higher percentage rates as compared to the younger population. Likewise, some studies show that for the year 2020 persons of 65 years of age or more may constitute 16.1% of the total population of Puerto Rico.

It is well known that the specific needs of this sector increase as time goes by, a fact that entails a higher demand for resources, since longevity is not exempt from prevailing conditions and diseases significantly related to this sector of the population. The main causes for the death of elderly persons are derived from heart conditions, hypertension, malignant tumors, pneumonia, and diabetes. To these are added conditions relative to gender such as osteoporosis, breast cancer, or prostate cancer. Many medications needed for treating these conditions, which require continuous treatment and maintenance, involve high costs while this sector's income is usually limited.

According to the Department of Labor's study on Income and Expenses, the percentage of elderly persons living in poverty on the Island is 63%, of which 79% live in rural areas and 56% live in urban areas. Considering the foregoing, this measure intends to establish a public policy geared towards promoting the priority employment of eligible persons so that they may complete the necessary minimum to be entitled to a Social Security pension. This is so, in order to guarantee the availability of financial resources of elderly persons and to improve their quality of life.

The responsibility of the Commonwealth towards social welfare matters for all population sectors is unquestionable. The Legislature has the obligation of creating a public policy geared towards promoting and helping elderly bona fide workers to cover the costs of the quarters needed for them to be entitled to a Social Security pension.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- It is hereby established as public policy of the Commonwealth of Puerto Rico to give priority employment or grant incentives to persons of over sixty years (60) of age, specially to women aged sixty-two (62) and older or men aged sixty-five (65) or older, who have not been able to pay the required minimum per quarter which entitles them to receive a Social Security pension, and who have accrued at least twenty-seven (27) of the forty (40) quarters required by Chapter 35, Title 42, Section 1 of the United States Code of August 14, 1935, which creates the Social Security.

Section 2.- The Secretary of the Department of Labor and Human Resources is hereby empowered to establish through any necessary regulations, the terms for the staggered applicability of these benefits to other individuals who owe more than eight (8) quarters but less than thirteen and a half (13.5) quarters, provided there is a legislative authorization that allows for the distribution of the corresponding funds.

Section 3.- Public and Private Priority Employment

The Secretary of Labor and Human Resources shall regulate the use of any fund created or that may be created for the priority employment or for granting incentives geared towards the employment of women aged sixty-two (62) or older and men aged sixty-five (65) or older which shall also include those persons who have not paid the required minimum of forty (40)

quarters to the Social Security. To these ends, the Secretary is empowered to accept monetary donations to be deposited in any fund created or that may be created pursuant to this Act.

In addition, the Secretary shall also provide for the creation of an inventory of any suitable and unsuitable tasks for the persons covered in this Act. Said inventory shall be available and updated at all times so that it may serve as a guide for the beneficiaries thereof and for potential public and private employers.

Section 4.- In the case of the private sector, the implementation of this public policy and the application of this benefit shall include any project or program which use government, state, or municipal funds, financing or incentives, and funds from Federal Government legislation or proposals.

Section 5.- It is hereby established that in the public sector as well as in the participating private sector, a minimum of ten (10) percent of the generated jobs shall be reserved for the purposes of the public policy herein established. This shall be subject to compliance with the required qualifications for each post, position, or office.

Section 6.- To establish this public policy oversight shall be exercised firstly to benefit men aged sixty-five (65) or older and women aged sixty-two (62) or older in agreement with Social Security age regulations. Likewise, to the degree possible, it shall be extended to persons aged sixty (60) or older regardless of gender.

Section 7.- A Board which shall be known as the “Board for the Priority Employment of the Elderly” is hereby created. It shall be composed by the Secretary of Labor and Human Resources, who shall preside it; the Secretary of the Department of Economic Development and Commerce; the Advocate for the Elderly; and two private citizens appointed by the

Governor and with the consent of the Senate of Puerto Rico for a term of four (4) years. These private citizens shall respectively represent the business sector and the pensioners or retirees and shall be bound to comply with the provisions of Act No. 12 of July 24, 1985, as amended, known as the “Ethics in Government Act of the Commonwealth of Puerto Rico.”

Section 8.- The Secretary of the Department of Labor and Human Resources by the majority vote of the Board members shall approve any additional regulations needed to guarantee the achievement of the purposes of this Act and of any fund created or that may be created pursuant to Section 3 thereof.

Section 9.- The order for granting employment incentives or benefits shall be subject to the priority employment of the persons comprised within the age groups covered under this public policy in agreement with the following criteria:

- (1) Persons with disabilities who do not have an obligor and live below the poverty line.
- (2) Persons who live below the poverty line as defined by the Planning Board who are not assisted by an obligor.
- (3) Persons with disabilities who do not have an obligor who complements their income originating from social assistance programs.
- (4) Persons who although living above the poverty line are unemployed.
- (5) Persons with an average income over the poverty line who work.

Section 10.- The Board shall submit a report on its works and the attainment of this public policy every six (6) months to the Legislature and to the Governor.

Section 11.- This Act shall take effect immediately after its approval, and its effects as to the priority employment and granting of incentives shall take effect sixty (60) days after the approval of the regulations contemplated in Section 2 of this Act.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No.17 (H.B. 119) of the 3rd Session of the 15th Legislature of Puerto Rico:

AN ACT to establish the public policy of the Government of Puerto Rico regarding the priority employment or the granting of incentives for the employment of persons of over sixty (60) years of age, especially women aged sixty-two (62) or older, or men aged sixty-five (65) or older who have not earned the minimum number of credits required per quarter to be eligible for a Social Security pension, and who have accrued at least twenty seven (27) of the required forty (40) quarters,

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

In San Juan, Puerto Rico, today 1st of September of 2006.

Francisco J. Domenech
Director