



LEGISLATURE OF PUERTO RICO

*Office of Legislative Services*


**CERTIFICATION**

I hereby certify to the Secretary of State that the following Act No. 171 (H.B. 3832) of the 5<sup>th</sup> Session of the 14<sup>th</sup> Legislature of Puerto Rico:

**AN ACT** to increase by three percent (3%) the pensions under the provisions set forth in Act No. 218 of May 6, 1951, as amended, granted effective on or before January 1, 2001; and to identify the source of financing for the appropriation the necessary funds to defray the economic impact of said increase,

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

In San Juan, Puerto Rico, today 15<sup>th</sup> of April of 2004.

  
Elba Rosa Rodríguez-Fuentes  
Director

(H. B. 3832)

(No. 171)

(Approved July 30, 2003)

**AN ACT**

To increase by three percent (3%) the pensions under the provisions set forth in Act No. 218 of May 6, 1951, as amended, granted effective on or before January 1, 2001; and to identify the source of financing for the appropriation the necessary funds to defray the economic impact of said increase.

**STATEMENT OF MOTIVES**

Act No. 218 of May 6, 1951, as amended, set forth the Puerto Rico Teachers' Retirement System, which according to the provisions of law in effect, operates as a trust comprised by all the teachers who are members of the System, in charge of investing and holding the periodic contributions made by the teachers and their respective employers, to make the corresponding retirement or disability pension payments to the teachers in the future.

With time, it is acknowledged that the increase in the cost of living entails a relative decrease in the value of the annuities of the teachers. For this reason, it was set forth by means of the approval of a special law that as of January 1, 1992, and subsequently every three years, all annuities paid pursuant to

said Act due to age, years of service, or disability, that are in effect at that date and which had been received during three (3) previous years would be increased by three percent (3%). Thus, the Government faced the moral obligation of helping improve the living conditions of the pensioned

teachers, who gave the best years of their lives to the service of Puerto Rico's Education System.

It is the duty of the Government to address the needs of the pensioned teachers. To fulfill the pre-established moral commitment, it is hereby set forth that the pensions under the foregoing provisions set forth by Act No. 218, granted effective on or before January 1, 2001, and in effect January 1, 2004, are hereby increased by three percent (3%).

It must be mentioned that the necessary funds to defray the cost of said increase shall be appropriated to the General Budget of Expenses of the Commonwealth of Puerto Rico for each fiscal year, starting with fiscal year 2003-2004.

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

Section 1.- Effective January 1, 2004, the annuities to be paid under Act No. 218 of May 6, 1951, as amended, due to age and years of service, or disability that are in effect at said date and which have been granted prior to January 1, 2001, or before, are hereby increased by three percent (3%).

Section 2.- The necessary funds to defray the cost entailed by said increase in the Teachers' Retirement Board pensions shall be appropriated from the General Budget of Expenses of the Commonwealth of Puerto Rico for each fiscal year, starting with fiscal year 2003-2004. It is hereby set forth that the System shall submit to the Management and Budget Office, no later than February 28 of the next natural year, all the information with respect to the payment of the three percent (3%) increase to have said Office reimburse the funds so appropriated to the Teachers' Annuities and Pensions System no later than May 31 of each year.

Section 3.- This Act shall take effect on January 1, 2004.