AN ACT

To provide for the continuity of credits for services of the public employees and officials covered by the Employees Retirement System of the Government of Puerto Rico, the Annuity and Pension System for the Teachers of Puerto Rico, the Retirement System of the University of Puerto Rico, the Employees Retirement System of the Water Resources Authority of Puerto Rico, and any other system hereafter created; to repeal Act No. 206, approved May 7, 1952, and for other purposes.

Be it enacted by the Legislature of Puerto Rico:

Section 1.—Plan Established

There is hereby established a plan to guarantee the continuity of credits for services, pursuant to the provisions of this Act, between the Employees Retirement System of the Government of Puerto Rico and its Instrumentalities, the Annuity and Pension System for the Teachers of Puerto Rico, the Retirement System of the University of Puerto Rico, the Employees Retirement System of the Puerto Rico Water Resources Authority, and any other system hereafter created, by means of which the employees participants in said system will maintain the continuity of all of their rights for all services rendered to the Commonwealth of Puerto Rico and its instrumentalities and dependencies covered by any retirement system.

Section 2.—Definitions

The following words and phrases as used in this Act shall, unless a different meaning is plainly required by the context, have the following meanings:

“Retirement System” shall mean the “Employees Retirement System of the Government of Puerto Rico and its Instrumentalities”, the “Annuity and Pensions System for the Teachers of Puerto Rico” and the “Employees Retirement System of The
Puerto Rico Water Resources Authority”; and shall include any pension system or fund superseded by any of the systems above mentioned and any other retirement system hereafter created.

“Employee” shall mean any person at the service of an employer who is a member or participant of a retirement system.

“Employer” shall mean the Government of the Commonwealth of Puerto Rico and any public enterprise or instrumentality of the Puerto Rico Commonwealth Government, but excluding subsidiary enterprises of such public instrumentalities or enterprises, and shall include the University of Puerto Rico and the Teachers Association of Puerto Rico.

“Credits for services” shall mean the services credited to an employee for services rendered to an employer, including prior and membership services, pursuant to the provisions of the respective retirement system bearing on the subject.

“Accumulated contributions” shall mean the total contributions made by an employee to a retirement system, plus accrued interest at the regular rate, if any.

“Actuarial tables” shall mean the “Men’s Annuity and Mortality Combined Table” and a two and one-half per cent (2½%) annual interest.

“Actuarial value” shall mean the value of a deferred retirement annuity computed as of the date on which the employee requests and obtains a retirement annuity under the system to which he belongs on the date of his retirement, in accordance with the actuarial tables as herein defined.

“Regular interest rate” shall mean interest at the rate of two and one-half per cent (2½%) per annum capitalized annually.

“Retirement annuity” shall be understood in its broad sense, and shall include a pension, life annuity, retirement or disability annuity, and shall mean the payment made as pension or life annuity for retirement because of age, years of service or disability.

“Proportional retirement annuity” shall mean the portion of the retirement annuity payable to an employee by two or more systems based on the credits established in each system.
Section 3.—Continuity of Credit for Services

Any employee who leaves the service of an employer to enter in the service of another employer maintaining a retirement plan as herein defined shall automatically become a member of that system, wherefore he shall not be entitled to reimbursement of the contributions accumulated in his favor in the retirement system from which he withdrew. Said contributions and the credits for accumulated services in his favor, as recognized to the employee by the system to which he belonged, shall remain in the system in which they were established until the employee retires by reason of age, disability or years of service, under the provisions of the laws or regulations in force governing the retirement system to which he belongs at the time of his retirement. At that time the system or systems in which such credits have been established shall compute a proportional retirement annuity to the services credited to the employee in said system or systems.

Section 4.—Computation of the Proportional Retirement Annuity

On the date of his retirement there shall be computed to the employee the proportional retirement annuity to which he is entitled, based on the credits for services accumulated in each system in accordance with the rules prescribed and in force on the date on which the employee retires. The computation shall be made even where the employee does not meet the requirement of years of service fixed for the enjoyment of a retirement annuity in the system to which he belongs on the date of his retirement. The employee shall be entitled to receive the minimum retirement annuity provided by the system to which he belongs as of the date of his retirement and which is payable by said system, only when he is a member or participant of said system and meets the requirements prescribed by the said system for the payment of such minimum retirement annuity.

If the period of creditable services accumulated by any employee for whom a proportional retirement annuity is to be provided is less than the period of services prescribed for determining the average salary to be used in computing the annuity, the period of services to be used in determining the average salary shall be the number of years of creditable services recognized to the employee in that system.
In any case in which the employee retires under the provisions of a system at an age below the lowest or minimum optional retirement age fixed by another system which is to provide a proportional retirement annuity, the beginning of the payments for such annuity shall be postponed until the employee shall attain the minimum retirement age prescribed by the system providing such annuity. If the system which is to provide the proportional retirement annuity requires only years of service as the sole condition for an optional retirement, or if a minimum age and a minimum of years of service is required, the lowest optional or minimum retirement age in which payment of the proportional annuity shall begin shall be that in which the employee meets the requirements of years of service, or of age and years of service, as the case may be, by using the credits for services combined under all systems. It is the intent of this paragraph that any employee entitled to a proportional retirement annuity shall begin to receive the corresponding payments from the retirement system providing such annuity at the same age and under the same conditions—including an actuarial reduction where same is provided—as all other employees covered by said system, by using, in the case of such employee, the credits for services established under all systems, as herein provided, to the end that no privileges are established for any employee under the provisions of this Act as to the date on which retirement payments shall begin.

Section 5.—Eligibility

The provisions of the law or regulations in force in the system to which the employee belongs on the date of his retirement shall govern and determine his eligibility for retirement or other benefits. However, if the latest system to which the employee belongs requires a minimum of years of service as a requisite for the enjoyment of a retirement annuity, all periods of creditable services certified by other systems in accordance with the foregoing provisions shall be added to the years of service credited in the system under which he is to retire, in order that such employee may establish his eligibility for a retirement annuity.

Section 6.—Reinstatement of credits for services

Any employee who, because of his having received the contributions accumulated in his favor, has, prior to the effective-

En cualquier caso en que el empleado se retire bajo las disposiciones de un sistema a una edad menor que la edad opcional más baja o mínima de retiro que prescriba otro sistema que vaya a proveer una anualidad proporcional por retiro, el comienzo de los pagos por tal anualidad se pospondrá hasta que el empleado llegue a la edad mínima de retiro prescrita por el sistema que provea tal anualidad. Si el sistema que ha de proveer la anualidad proporcional por retiro sólo exige años de servicios como condición única para un retiro opcional, o si se exige una edad mínima y un mínimo de años de servicios, la edad opcional o mínima de retiro más baja en la que comenzará el pago de la anualidad proporcional será aquélla en que el empleado lleve las condiciones de años de servicio, o edad y años de servicio, según sea el caso, usando los créditos por servicios combinados bajo todos los sistemas. Es la intención de este párrafo que cualquier empleado con derecho a una anualidad proporcional por retiro empiece a recibir los pagos correspondientes del sistema de retiro que provee tal anualidad a la misma edad y bajo las mismas condiciones,—incluyendo una reducción actuaria donde se provea para ésta—que para aquellos otros empleados cubiertos por ese sistema, usando en el caso de ese empleado los créditos por servicios establecidos bajo todos los sistemas, según se provee en la presente, con el fin de que no se establezcan privilegios para ningún empleado mediante las disposiciones de esta Ley en lo que respecta a la fecha en que comenzarán los pagos por retiro.

ARTÍCULO 5.—Elegibilidad

Las disposiciones de la ley o reglamento en vigor en el sistema al cual el empleado esté acogido a la fecha de su jubilación regirán y determinarán su elegibilidad para retiro u otros beneficios. Sin embargo, si el último sistema en que el empleado se encuentre exige como requisito un mínimo de años de servicios para el disfrute de una anualidad por retiro, todos los períodos de servicios acreditables que hayan sido certificados por otros sistemas de acuerdo con las disposiciones que anteceden, se sumarán a los años de servicios acreditados en el sistema en que él vaya a jubilarse para que el empleado pueda establecer su elegibilidad para una anualidad por retiro.

ARTÍCULO 6.—Reinstalación de Crédito por Servicios

Cualquier empleado que con anterioridad a la fecha de aplicación de esta Ley mediante el recibo de las aportaciones acu-
ness of this Act, relinquished all his rights and forfeited all credits for services in any retirement system, may return, as reimbursement, the amounts so received and thus secure again credit for the time served, provided on the date of such reimbursement he is a member or participant of one of the retirement systems covered by this Act and meets the other existing requisites of the system receiving the reimbursement. The amount so reimbursed shall be paid into the retirement system originally making the return. This section shall not apply in the case of such system as do not allow reinstatement of credit for services.

Section 7.—General Provisions

Credits for combined services in all retirement systems to which a participant has belonged shall be used for determining his eligibility as a member of any retirement system requiring a minimum period of years of service as a condition to become a member of that system.

Maximum age as a restriction to become a participant of any retirement system shall not apply to an employee covered by the provisions of this Act, if said employee became a member of another retirement system at an age provided by the system to which he applies for membership.

At the time of the death of a pensioner, the provisions of the system to which he belonged shall govern. On the date of separation of an employee due to death, resignation or otherwise, the benefits of insurance, death, or other benefits, excluding disability retirement annuities, shall be governed by the provisions of the system to which he belongs at the time of separation and entitling said employee or his heirs or beneficiaries to the payments prescribed by said system.

Section 8.—Transfer and Authorization

Any retirement system providing a proportional retirement annuity, pursuant to the provisions of this Act, shall transfer to the system under which the employee Retires, at the end of each fiscal year, a sum equal to the amount of the payment of the proportional retirement annuity to which the employee is entitled under this system. However, any retirement system may choose to transfer to the system under which the employee re-

muladas a su favor haya renunciado a todo derecho y perdido todos los créditos por servicios en cualquier sistema de retiro, podrá devolver las sumas recibidas en calidad de reembolso y de esta manera obtener nuevamente crédito por el tiempo servido, siempre y cuando a la fecha de dicho reembolso sea miembro o participante de uno de los sistemas de retiro cubiertos por esta Ley y lleve los demás requisitos en vigor del sistema que lo reciba. El pago de este reembolso se hará al sistema de retiro que hizo la devolución originalmente. Este artículo no se aplicará a aquellos sistemas que no permitan la reinstalación de crédito por servicios.

ARTÍCULO 7.—Dispiciones Generales

Los créditos por servicios combinados en todos los sistemas de retiro a los cuales haya pertenecido un participante se usarán para determinar su elegibilidad como miembro de cualquier sistema de retiro que exija un periodo mínimo de años de servicio como una condición para ser miembro de ese sistema.

La edad máxima como limitación para hacerse participante en un sistema de retiro no se aplicará a un empleado cubierto por las disposiciones de esta Ley si ese empleado se hizo participante de otro sistema de retiro a una edad menor que la edad máxima que dispone el sistema en el cual solicita participación.

A la fecha de la muerte de un jubilado, regirán las disposiciones del sistema del cual se jubiló. A la fecha de separación de un empleado, ya sea por muerte, renuncia o cualquier otra causa, los beneficios por seguro, defunción o cualquier otro beneficio, excluyendo las anualidades por retiro o por incapacidad, se regirán por las disposiciones del sistema en que se encuentre cuando ocurra dicha separación y que le dé derecho a dicho empleado o a sus herederos o beneficiarios a los pagos prescritos por dicho sistema.

ARTÍCULO 8.—Transferencia y Autorización

Todo sistema de retiro que provea una anualidad proporcional por retiro, según las disposiciones de esta Ley, transferirá al sistema en que en el empleado se retire, a la terminación de cada año económico, una cantidad igual al pago de la anualidad proporcional por retiro a que el empleado fuere acreedor en este sistema. Sin embargo, cualquier sistema de retiro puede optar por transferir al sistema bajo el cual se jubile el empleado una.
tires a sum equal to the actuarial value of a retirement pension, determined in accordance with the actuarial tables and regular rate of interest herein defined. Upon receipt of such transfer, the total obligation for said proportional retirement annuity shall be assumed by the retirement system under which the employee retires.

The retirement system under which an employee retires is hereby authorized to receive from any other system in which an employee has established credits for services, the amount of the actuarial value of such credited contributions or a sum equal to the amount of the annual payment of said proportional retirement annuity. Any retirement system distinct from the one to which the employee belongs on the date of his retirement shall transfer the amounts above mentioned, as the case may be, in accordance with the provisions herein prescribed.

The system granting a proportional retirement annuity shall submit a report to the system to which the employee belongs at the time of his retirement, showing the contributions made, the services credited in favor of said employee and the amount of the proportional retirement annuity acquired by said contributions and creditable services.

Section 9.—Effectiveness

With the exception of those employees who became members of the Employees Retirement System of the Government of Puerto Rico under the provisions of Act No. 210 of May 8, 1952, every employee who, on the date this Act takes effect, has availed himself of the benefits of a retirement system other than the one favored by his employer, shall cease as a participant of said retirement system and shall become a participant of the retirement system administered by his present employer.

Section 10.—

This Act shall be known and cited by the short title of “Reciprocity Act.”

Section 11.—Effective Date.

This Act shall take effect July 1, 1953, but its provisions may be made retroactive to July 1, 1951.

Approved, June 10, 1953.

cantidad igual al valor actuarial de una pensión por retiro, determinado de acuerdo con las guías actariales y tipo corriente de interés definidos en la presente. Mediante el recibo de esta transferencia, la obligación total por esa anualidad proporcional por retiro la asumirá el sistema de retiro en que el empleado se jubile.

El sistema de retiro en que un empleado se jubile queda por la presente autorizado a recibir de cualquier otro sistema en que un empleado haya establecido créditos por servicios, el monto del valor actuarial de esas contribuciones acreditadas o una cantidad igual al pago anual de esa anualidad proporcional por retiro. Todo sistema de retiro distinto al que el empleado se encuentre a la fecha de su retiro transferirá las cantidades arriba mencionadas, según sea el caso, de acuerdo con las disposiciones aquí descritas.

El sistema que conceda una anualidad proporcional por retiro someterá un informe al sistema en el cual el empleado esté a la fecha de su retiro, informando las contribuciones hechas, los servicios acreditados a favor de ese empleado y el monto de la anualidad proporcional por retiro adquirida por esas contribuciones y servicios acreditables.

ARTÍCULO 9.—Efectividad

Todo empleado, con excepción de aquellos que hicieron su ingreso al Sistema de Retiro de los Empleados del Gobierno de Puerto Rico bajo las disposiciones de la Ley Núm. 210 de 8 de mayo de 1952, que al entrar en vigor esta Ley esté acogido a un sistema de retiro distinto al que patrociná su patrono, cesará como participante de dicho sistema de retiro y vendrá a ser participante del sistema de retiro administrado por su actual patrono.

ARTÍCULO 10.

Esta Ley será conocida y citada por el título corto de “Ley de Reciprocidad.”

ARTÍCULO 11.—Fecha de Vigencia

Esta Ley empezará a regir el 1ro. de julio de 1953 pero sus disposiciones podrán retrotraerse al 1ro. de julio de 1951.

Aprobada en 10 de junio de 1953.