

(H. B. 2762)

**(No. 243-2010)**

(Approved December 30, 2010)

**AN ACT**

To create the “Save and Double your Money” Program for employees of the Government of Puerto Rico; provide on the incentives that Program participants may receive; establish the requirements to qualify for this Program; fix the penalty percentage for early withdrawals; and for other purposes.

**STATEMENT OF MOTIVES**

Saving has become crucially important in our society. Everyone, from heads of household to persons engaged in business, knows that saving is fundamental to securing a future and providing for our children.

This Administration acknowledges that saving and investing, from a governmental as well as a personal standpoint, are vital for our economic recovery, progress, and self-sufficiency. Moreover, we are aware that, through the various economic policies promulgated, the Government can help in effectively encouraging this behavior. Therefore, the “Save and Double your Money” Program is hereby created.

Only career employees that work in any of the agencies of the Government of Puerto Rico may benefit from this Program, which allows them to contribute three percent (3%) of their annual gross salary. The term to make this contribution is forty-eight (48) consecutive months, with the benefit of obtaining twice the amount contributed after ten (10) years of having entered the Program.

In establishing this Program, this Administration seeks to help career government employees achieve their financial goals in a secure manner with the objective of having a better quality of life.

***BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:***

Section 1. – The “Save and Double your Money” Program is hereby created under the Administration of the Human Resources Office of the Commonwealth of Puerto Rico, in coordination with the Government Development Bank for Puerto Rico and the Office of Management and Budget.

Section 2. – Definitions. –

(a) “Program Administrator” – shall mean the Executive Director of the Human Resources Office of the Commonwealth of Puerto Rico.

(b) “Agencies” – shall include all agencies, departments, offices, commissions, boards, administrations, entities, and other instrumentalities of the Executive Branch of the Government of Puerto Rico whose budget is covered, in whole or in part, by the General Fund as of the date of effectiveness of this Act, regardless of whether the provisions of Act. No. 184 of August 3, 2004, as amended, apply to them or not. The following shall be excluded from this definition and from the application of this Act: (i) public corporations or instrumentalities and public-private partnerships that operate as private businesses with their own funds; (ii) the University of Puerto Rico; (iii) the Puerto Rico State Elections Commission; and (iv) the Office of Government Ethics of Puerto Rico.

(c) “Program” – shall mean the “Save and Double your Money” Program created by this Act.

(d) “Participant” – shall mean any career employee of an Agency that participates in the Program.

(e) “Salary” – shall mean the gross compensation earned by an employee for services rendered to the Agency. Additional bonuses and fringe benefit costs shall be excluded when computing a salary.

Section 3. – Any career employee of an Agency may participate in the Program. Employees participating in the Program shall contribute an amount equivalent to three percent (3%) of their gross salary for a term of forty-eight (48) consecutive months. This contribution shall be deducted from each paycheck. Seventy-two (72) months after the end of such term, that is, ten (10) years after entering the Program, employees shall receive the total amount of their contributions thereto, plus an additional amount equal to the total contribution. Each Participant shall receive twice the amount contributed to the Program.

Section 4. – Participation in the Program may be canceled subject to the following rules. If an employee cancels his/her participation on or before the first forty-eight (48) months, the Administrator shall reimburse the contributions he/she has made, without interests, within ninety (90) days after the end of such forty-eight (48)-month term. Interest accrual in the Program begins as of the forty-eighth (48<sup>th</sup>) month. If an employee cancels his/her participation between the forty-ninth (49<sup>th</sup>) month and the end of the ten (10)-year term, the Administrator shall reimburse the contributions he/she has made, plus half the interests accrued as of the date on which the cancellation becomes effective. To ensure a smooth process in cases of early termination of Program participation, the Administrator shall establish an annual period to file and process such applications.

Section 5. –Program contribution deductions shall begin on January 1, (2011), at the latest. The Program’s Administrator shall establish procedures for Program participation. The Administrator, upon previous authorization of the Government Development Bank for Puerto Rico, may open a thirty (30)-day window on Fiscal Years 2011-12 and 2012-13 so that the employees of eligible

agencies who did not enroll in the Program during the initial period, namely, on or before January 1, (2011), may do so.

Section 6. – Contributions made by Program Participants shall be deemed excludable from the gross income of the Participant. Interest distributions to Program Participants shall not be subject to taxation, except in cases where Participants choose to receive a distribution before the end of the ten (10)-year term. In these cases, such distribution shall be includable as income for the year in which it is made.

Section 7. – Employee contributions to the Program may be pledged as collateral, up to the total amount accrued, to secure loans that employees may take with financial institutions. The Administrator, in coordination with the Government Development Bank, shall adopt the necessary measures to make the use of Program contributions feasible for this purpose.

Section 8. – The Administrator shall have all the powers that are necessary and convenient to implement this Act. The Administrator may require the Agencies to take any action he/she may deem necessary and convenient to implement the Program in such Agencies, and require them to submit all the information that he/she deems necessary to evaluate applications for participation in the Program. The Administrator shall promulgate regulations to implement the Program and the provisions of this Act without being subject to Act No. 170 of August 12, 1988, as amended.

Such regulations shall establish the formula for computing the interests that participant contributions shall accrue. They shall also include how to address the withdrawal of contributions when the reasons therefor are not attributable to the Participant. These considerations shall not constitute a limitation to the rulemaking power granted herein.

Section 9. – The Program Administrator shall implement any measures he/she deems necessary and convenient to provide information and orientation regarding the Program and the provisions of this Act to public employees of the Agencies, including, but not limited to advertisements and notices in public communication media.

Section 10. – The Government Development Bank for Puerto Rico shall be the custodian of all contributions made by Program participants, and shall deposit the same in a special account created solely for such purposes.

Section 11. – Beginning in Fiscal Year 2014, the Office of Management and Budget shall appropriate the necessary funds to meet the obligations assumed hereunder in the Joint Budget Resolution of each subsequent fiscal year.

Section 12. – Severability Clause. –

If any word or phrase, paragraph, sentence, or part of this Act were held to be null or unconstitutional by a competent court with jurisdiction, the holding or ruling to such effects shall not invalidate or impair the remaining provisions thereof.

Section 13. – This Act shall take effect immediately after its approval.

## CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 243-2010 (H. B. 2762)** of the **4<sup>th</sup> Session of the 16<sup>th</sup> Legislature** of Puerto Rico:

**AN ACT** to create the "Save and Double your Money" Program for employees of the Government of Puerto Rico; provide on the incentives that Program participants may receive; establish the requirements to qualify for this Program; fix the penalty percentage for early withdrawals; and for other purposes.

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

In San Juan, Puerto Rico, on this 6<sup>th</sup> day of June, 2013.

Juan Luis Martínez-Martínez  
Acting Director