

CONSEJO DE EDUCACION SUPERIOR  
UNIVERSIDAD DE PUERTO RICO  
Río Piedras, Puerto Rico

1973-74  
Certificación número 27

Yo, Luis E. González Vales, Secretario Ejecutivo del Consejo de Educación Superior, CERTIFICO - - - - -

Que el Consejo de Educación Superior, en su reunión ordinaria del viernes 14 de septiembre de 1973, aprobó los siguientes documentos, que se hacen formar parte de esta certificación y los cuales recogen fielmente las disposiciones de la Resolución original del Consejo de Educación Superior estableciendo el Sistema de Retiro de la Universidad de Puerto Rico, según ha sido subsiguientemente enmendada:

1. Resolution of the Council on Higher Education Restructuring the Retirement System of the University of Puerto Rico
2. Rules and Regulations of the University of Puerto Rico Retirement System as amended effective July 1st., 1973
3. Resolución del Consejo de Educación Superior Reorganizando el Sistema de Retiro de la Universidad de Puerto Rico
4. Reglas y Reglamento del Sistema de Retiro de la Universidad de Puerto Rico según enmendado efectivo el 1ro. de julio de 1973

Acordó por unanimidad el Consejo de Educación Superior que, en caso de discrepancia, prevalecerá el texto en inglés, tanto de la Resolución como de las Reglas y Reglamento, por ser el documento original sometido por los actuarios del Sistema de Retiro de la Universidad de Puerto Rico.

CERTIFICO, además, que en dicha reunión ordinaria celebrada el viernes 14 de septiembre de 1973, el Consejo de Educación Superior aprobó ofrecer a los participantes del Sistema de Retiro, efectivo el 1ro. de octubre de 1973, la opción de acogerse a un plan de completa suplementación de beneficios con los que ofrece la Ley de Seguridad Social Federal, de acuerdo con los siguientes términos:

1. Los participantes que opten por acogerse a este plan de completa suplementación aportarán al Sistema de Retiro siete por ciento (7%) de sus salarios cotizables. Mediante esta aportación mayor, sus anualidades de retiro no serán reducidas al cumplir dichos participantes la edad de 65 años.

2. Los participantes activos al lro. de octubre de 1973 que se acojan a este plan de suplementación pagarán la aportación individual de siete por ciento (7%) de sus sueldos a partir de dicha fecha. En caso de empleados futuros, pagarán dicha aportación individual a partir de la fecha de su ingreso al Sistema.
3. A los participantes activos al lro. de octubre de 1973 se les concederá un máximo de seis (6) meses para acogerse a esta opción pero pagarán intereses retroactivos a la fecha de efectividad del plan de suplementación si no se acogen al mismo en el transcurso de treinta (30) días de dicha fecha de efectividad.
4. En caso de empleados futuros, contratados con posterioridad a la fecha de efectividad del plan de suplementación, se les concederá treinta (30) días a partir de la fecha de su ingreso al Sistema para acogerse a esta opción.
5. El costo de este beneficio durante su primer año de operación (1973-74) se cargará contra los fondos del Sistema.
6. En años subsiguientes la Universidad pagará, en el transcurso de los primeros diez (10) días del mes de julio, la mitad del costo del beneficio agregado por este concepto en el año inmediatamente anterior.

Las anteriores disposiciones sobre el plan de suplementación han sido incorporadas a las Reglas y Reglamentos antes citados, en la Sección 7 del Artículo III y Secciones 1 c y 2 b del Artículo VIII.

Y para que así conste, expido la presente certificación bajo el sello de la Universidad de Puerto Rico, en Río Piedras, Puerto Rico, hoy 14 de septiembre de 1973.

Luis E. González Vales  
Secretario Ejecutivo

RESOLUTION OF THE  
COUNCIL ON HIGHER EDUCATION  
RESTRUCTURING THE RETIREMENT SYSTEM OF THE  
UNIVERSITY OF PUERTO RICO

RESOLUTION OF THE  
COUNCIL ON HIGHER EDUCATION  
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PURSUANT TO LAW NO. 135 OF MAY 7, 1942, ACT OF THE UNIVERSITY OF PUERTO RICO (SUPERSEDED BY LAW NO. 1 OF JANUARY 1966) AUTHORIZING THE ESTABLISHMENT OF A RETIREMENT SYSTEM FOR THE EMPLOYEES OF THE UNIVERSITY, THE COUNCIL ON HIGHER EDUCATION, BY ITS RESOLUTION OF FEBRUARY 21, 1945, EFFECTIVE JANUARY 1, 1945, ESTABLISHED THE UNIVERSITY OF PUERTO RICO RETIREMENT SYSTEM AND PROVIDED FOR ITS MAINTENANCE, FINANCING AND ADMINISTRATION. THE SYSTEM WAS REVISED EFFECTIVE JULY 1, 1949, BY RESOLUTION OF NOVEMBER 29, 1950, AND IS HEREBY FURTHER REVISED EFFECTIVE JULY 1, 1973.

ARTICLE I - PURPOSE

The purpose of the System is to provide benefits for staff members and other employees of the University against the hazards of old age, disability, death, and termination of employment, with the objective of encouraging qualified persons to enter into and remain in the service of the University, thereby contributing to its efficient administration.

ARTICLE II - DEFINITIONS

Terms used herein, unless a different meaning is clearly indicated by the context, shall have the following meanings:

- |                   |                                                                                                                    |
|-------------------|--------------------------------------------------------------------------------------------------------------------|
| <u>System</u>     | - The University of Puerto Rico Retirement System.                                                                 |
| <u>University</u> | - The University of Puerto Rico, including its several campuses and affiliated bodies.                             |
| <u>Council</u>    | - The Council on Higher Education of the University of Puerto Rico.                                                |
| <u>Board</u>      | - The Retirement Board provided for in Article III.                                                                |
| <u>Government</u> | - The Government of Puerto Rico, including its agencies, instrumentalities, public corporation and municipalities. |

of the System representing the same constituency as that of the replaced member, and his election or designation shall take place within 60 days after the vacancy occurs and in accordance with the procedure established in Article III.

## Section 2 - Extended leave of Absence

A member of the Board entering upon a leave of absence to exceed a period of 90 days shall be replaced for such period, but not beyond the remainder of this term, by another member of the System representing the same constituency. Such replacement shall be appointed by the President within 30 days after the beginning of the leave, on the recommendation of the administration of such constituency.

# ARTICLE VI - OFFICERS

## Section 1 - Election

The Board shall elect from its own members a President, a First Vice President, and a Second Vice President, who shall represent three different jurisdictions from among those enumerated in Article III, and who shall serve terms of two calendar years.

## Section 2 - Vacancy or Absence

A vacancy in the office of President or Vice President shall be filled for the remainder of the term of office by Board election from among Board members.

An officer absent on leave or for reason of incapacity for a period to exceed 90 days shall be replaced for such period, but not beyond the remainder of his term, by Board election from among Board members.

## Section 3 - Duties

The President shall call, preside over, and direct meetings of the Board; be the spokesman of the Board; and represent the Board in all official acts entrusted to him by the Board.

The Vice Presidents shall carry out such duties as may be assigned to them by the President or by the Board and, in order of rank, shall replace the President during his absence or incapacity for less than 90 days in all functions assigned to the President.

#### Section 4 - Acting Officer

In the absence of the President and Vice Presidents at a Board meeting, and acting officer to preside over such meeting shall be elected from among the Board members present.

#### Section 5 - Executive Director

The Executive Director of the System appointed by the Board shall serve as Secretary of the Board with a voice but no vote and with responsibility for executive and administrative direction of the System in accordance with this Resolution and the directives of the Board.

### ARTICLE VII - DUTIES OF THE BOARD

The Board shall be entrusted with the funds of the System, with administration of the System, and, except as otherwise provided herein, with policy-making responsibility, and shall be directly responsible to the Council for the discharge of those functions in accordance with the purposes and provisions of this Resolution.

### ARTICLE VIII - MEETINGS

Meetings shall be held at such times and places as the President may designate or at the written request of any three members of the Board. The meeting at which a President and Vice Presidents are elected for a new term of office shall be held during the last month of the term of office of the current officers.

### ARTICLE IX - QUORUM

The presence of a majority of the Board at a Board meeting shall constitute a quorum.

## ARTICLE X - BOARD ACTIONS

All actions and decisions of the Board shall be approved at a duly constituted meeting by a majority of Board members present.

Any questions previously acted upon may be brought up for reconsideration by a petition of at least three members of the Board.

## ARTICLE XI - POLICY MAKING

Rules and regulations established by the Board shall be subject to review and approval by the Council. Proposed new rules and regulations and changes or additions to them involving membership or exclusion from membership, service credit, conditions for the payment of benefits or refunds, amounts of benefits, the custody of the Fund or its investments, the rate of member contributions, or any other proposals shall have a Council review period of 60 days. A review period shall begin on receipt of the Board's written proposal by the Council Chairman. If the Council fails to take action on changes or additions to rules or regulations proposed by the Board within the review period, the proposed change or addition shall go into effect as of the end of that review period.

Any decision or resolution of the Board may be revised at any time by the Council.

## ARTICLE XII - OBLIGATIONS OF THE UNIVERSITY

The University will furnish the Board with written information on periods of service, dates of birth, compensation, new entrants into service, deaths, withdrawals, and such other data related to the employees as may be necessary for the proper and effective operation of the System. The payment of annuities and benefits granted under the provisions of this System and of the required contributions by the University necessary to maintain the System are hereby made obligations of the University.

## ARTICLE VIII - RIGHTS OF THE MEMBERS OF THE BOARD

All members of the Board including the Executive Director, as members of the System, shall have the right, within the limits established by this Resolution and the rules and regulations of the Board, to request any of the benefits provided by the System.

## ARTICLE XIV - RESTRICTIONS ON MEMBERS OF THE BOARD

### Section 1 - Benefits to Board Members

Any benefits, loan or other member service applied for by a Board member or the Executive Director shall be subject to approval by the Board, and the applicant shall be excluded from the meetings during consideration of an action on his applications.

### Section 2 - Conflict of Interest

a. A member of the Board or the Executive Director may not have any interest in any revenues, profits, or benefits accruing from any investments of the System; receive any payments or emoluments in connection with any investments made by the Board; or act as endorser or co-signer, or assume any obligations with respect to money lent by the System, except as required to borrow and repay loans in his own name under Section 1 of this Article.

b. A member of the Board or the Executive Director shall exclude himself from a meeting while action is being taken on a matter which might involve him in a conflict of interest.

## ARTICLE XV - FUND

A Fund to be known as the University of Puerto Rico Retirement Fund is hereby created to receive income, hold monies, and make disbursements on behalf of the System in order to achieve the purposes described herein.



## ARTICLE XVI - INVESTMENTS

The assets of the System shall be invested with due care and prudence. The Board shall propose policies for the investment of assets of the System, and shall propose revisions in these policies from time to time, such proposals to be subject to review and approval by the Council. The Board may delegate the administration and the selection of investments to employees of the System or to professional investment advisors, who shall carry out their duties consistent with the policies established by the Board and approved by the Council. The marketable securities owned by the System shall be held in custody by the Secretary of the Treasury.

A substantial portion of the investments, as determined by the Board, shall be invested in loans to the members of the System.

The Board shall establish from time to time any rules and regulations as they deem necessary in the areas of investment policy, custody of assets, administration of the investment program, and audit of the investment of the System.

RULES AND REGULATIONS OF THE  
UNIVERSITY OF PUERTO RICO RETIREMENT SYSTEM  
AS AMENDED EFFECTIVE JULY 1, 1973

RULES AND REGULATIONS OF THE  
UNIVERSITY OF PUERTO RICO RETIREMENT SYSTEM  
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RULES AND REGULATIONS OF THE  
UNIVERSITY OF PUERTO RICO RETIREMENT SYSTEM  
AS AMENDED EFFECTIVE JULY 1, 1973

ARTICLE 1 - DEFINITIONS

Terms used herein, unless a different meaning is clearly indicated by the context, shall have the following meanings:

- University - The University of Puerto Rico, including its several campuses and affiliated bodies.
- Council - The Council on Higher Education of the University of Puerto Rico.
- Resolution - The Resolution of the Council on Higher Education establishing the Retirement System.
- System - The University of Puerto Rico Retirement System.
- Board - The Retirement Board provided for in the Resolution.
- Fund - The University of Puerto Rico Retirement Fund provided for in the Resolution.
- Government - The Government of Puerto Rico, including its agencies, instrumentalities, public corporations, and municipalities.
- Member - With respect to service before July 1973, any person who was a member in accordance with the Resolution as in effect at the time the service was rendered. With respect to service after June 1973, any person employed by the University, other than a person who is:
  - Compensated on an hourly basis;
  - Employed in a temporary position for less than nine (9) months;
  - Regularly employed for less than 18 hours per week;

- Employed in a substitute position;
- Employed as a visiting professor;
- Providing services under contract, except if such contract requires the employee to render full-time or part time employment and is entitled to similar benefits and obligations as a regular employee, member of the System;
- Appointed after his attainment of age 55, unless he establishes credit for service rendered before age 55 under this or another Government Retirement System;
- Receiving a pension under another Government Retirement System, unless such pension is suspended during the period of his employment by the University; or
- Receiving credit for his University employment as service under any Retirement System of the Federal Government, but only to the extent of such service.

#### Service

- rendered to the University by a member for compensation,
- credited to a member in accordance with Article II,
- credited to a member in accordance with any law of the Commonwealth of Puerto Rico governing the crediting of a period of service rendered under another Retirement System, a period of military service, or a period of study following military service.

#### Full-time employment

- Employment based on a work-week of 30 hours or more.

#### Part-time employment

- Employment based on a work-week of 18 hours but less than 30 hours.

Compensation - Compensation or salary paid to a member, including amounts with respect to which contributions are made by the member for the purpose of purchasing service credit in accordance with Article II and amounts credited to the member in accordance with any law as described in Service definition, but excluding payments for overtime work and other extra payments for services in addition to his normal duties.

Average Compensation - Average monthly compensation paid or credited to a member during the 36 months of service for which such average is highest, or, in the case of a member with less than 36 months of service, during his entire period of service.

Regular Interest - Interest at such annual rate as the Board shall from time to time determine.

Fiscal Year - The fiscal year of the University.

## ARTICLE II - SERVICE CREDIT

### Section 1 - Crediting of Service

a. A calendar month in which a member had at least 15 days of service shall be credited as a month of service.

b. A member shall receive credit for service in any fiscal year on the following basis:

<u>Number of Months of Service in Fiscal Year</u>	<u>Service Credit</u>
9 - 12	one year
6 - 8	3/4 year
3 - 5	1/2 year
1 - 2	1/4 year

c. Notwithstanding subsection a., if, during a calendar month which would otherwise be credited as a month of service, the member was in part-time employment (but not

if he was in such employment during his entire period of service, in which case subsection a shall apply), such month shall be credited as a fraction of a month of service equal to the ratio of the number of hours in his work week to 30. Such fractional month of service shall nevertheless be treated as a month of service for the purpose of determining the member's average compensation.

## Section 2 - Prior Service Credit

Every member or former member as of July 1, 1973, shall have credit for all the service with which he is already credited in accordance with the Resolution as in effect before such date.

## Section 3 - Purchasing Service Credit

a Any member as of July 1, 1973, who has previously rendered service to the University for which he did not receive credit, but for which he was entitled under the Resolution then in effect to receive credit subject to the payment of a contribution, shall continue to have such right as if such Resolution were still in effect.

b Any member who, prior to becoming a member, had rendered service to the University under conditions that did not qualify him for membership shall receive credit for such service, provided he makes a contribution to the System on the basis of his compensation during such service and at the combined rate of member and employer contributions then in effect. Unless he begins to make the required payments within one year after the date on which he became a member, he shall be charged regular interest from such date to the date on which his payments begin.

c Any member who claims credit for service in accordance with Act 110 of June 28, 1969, and who does not begin to make the required contribution payments within one year after the date on which he became a member, shall be charged regular interest from such date to the date on which his payments begin.

d Any member who has credit for at least ten (10) years of service shall receive credit for any previous service rendered on a full-time basis to any Federal Agency in Puerto Rico for which he does not have credit under any Federal or Government Retirement System, provided he makes

a contribution to the System on the basis of his compensation during such service and at the combined rate of member and employer contributions then in effect. Unless he begins to make the required payments within one year after the date on which he acquired 10 years of service credit or July 1, 1969, if later, he shall be charged regular interest from such date to the date on which his payments begin.

e. Any member who has completed three (3) years of service on the basis of full-time employment and who has proportionate credit for service on the basis of part-time employment shall receive full credit for such proportionate service, provided he makes a contribution to the System on the basis of the additional compensation he would have proportionately received during such service for a 30 hour workweek and at the rate of member contribution then in effect. Unless he begins to make the required payments within one (1) year after the date on which he completed three (3) years of service on the basis of full-time employment, he shall be charged regular interest from such date to the date on which his payments begin.

f. Any member who has completed at least three (3) years of service credit, shall receive credit for periods of graduate studies not to exceed four (4) years, under the following conditions: (1) graduate studies shall mean those studies, pursued after obtaining a Bachelor's Degree, leading to a Superior Degree; (2) the member shall have satisfactorily completed the requirements leading to such Superior Degree, Diploma or Certificate, as the case may be, on a recognized Institution; (3) must have been enrolled as a regular diurnal, full-time student; (4) must reenter, or begin, public service within 12 months after the date such degree was obtained and (5) provided he makes the individual and employer's contributions in effect as of the time he pursued such graduate studies based on the salaries earned as a government employee, before or after such studies depending whether he entered government service before or after pursuing such studies, with interest as determined by the Board.

g. Any member who has completed at least ten (10) years of service credit, shall receive credit for any active service rendered in the Armed Forces of the



United States during peace time under the following conditions: (1) has been honorably discharged from the Armed Forces; (2) such active services have not been credited for retirement purposes in the Armed Forces or in any other Retirement System and (3) provided he makes the individual and employer's contributions in effect as of the time of such services based on the salaries earned at such time in the Armed Forces, with interest as determined by the Board.

h. Any member who claims credit for service in accordance with subsection a, b, c, d, e, f or g, shall file a statement of such service with the Board in such form as it may prescribe. Upon verification of the claim, the Board shall issue a statement certifying the length of service credited.

#### Section 4 - Leaves of Absence

a. A member shall receive service credit for a period of approved leave of absence without pay, provided he makes a contribution to the System, on the basis of the rate of compensation that would have been paid to him if he had continued in the same position he held immediately before the beginning of such period, (1) at the rate of member contribution then in effect, if the leave was for the purpose of professional advancement or on account of illness, and (2) at the combined rate of member and employer contributions, if the leave was for other reasons. Unless he begins to make the required payments within one year after the date he returns to employment, he shall be charged regular interest from such date to the date on which payments begin.

b. A member on leave of absence shall be deemed to be a member in service during such leave for the purpose of determining eligibility for benefits and loans, provided (1) the leave is granted for the purpose of professional advancement or on account of illness, or (2) the leave is granted for any other reason and the member is making the current contributions required to receive credit for service during such leave.

## ARTICLE III - SERVICE RETIREMENT ANNUITIES

### Section 1 - Eligibility

A member shall be eligible for a service retirement annuity if he has:

- a. completed 30 years of service,
- b. attained age 58 and completed 10 years of service, or
- c. attained age 55 and completed 25 years of service.

### Section 2 - Payment of Annuity

a. A member's service retirement annuity shall be payable monthly. It shall begin as of the day next following the later of: (1) the date on which he becomes eligible for the annuity, and (2) the date of his separation from service.

b. In the case of a member of the teaching staff whose annuity would otherwise begin during a semester, the annuity shall begin as of the first day of the following semester, unless otherwise authorized by the Board upon the recommendation of the Dean or the Head of the Agency concerned.

c. Payment of an annuity shall be made on the filing with the Board of a written application, but in no event shall the beginning date of the annuity be earlier than 60 days before the date of filing.

### Section 3 - Amount of Annuity

a. The amount of the service retirement annuity payable to a member with at least 30 years of service shall be as follows:

- (1) During the period preceding the month in which he attains age 65.
  - (a) If he has attained age 55 as of the beginning date, 75% of his average compensation.

- (b) If he has not attained age 55 as of the beginning date, 65% of his average compensation.
  - (c) If he has over 30 years of service credit as of 1 July 1973, excluding any service credited after such date, 75% or 65% of his average salary in accordance with paragraphs (a) and (b) above, for the first 30 years of service credit, plus two per cent (2%) of such average multiplied by the number of his years of service in excess of 30, but not more than 85% of such average. Service credit in excess of 30 years, attained after 1 July 1973, will only be credited for the purpose of computing his average salary.
- (2) During the period beginning with the month in which he attains age 65, the amount as determined in accordance with paragraph a reduced by 1/2% of his average compensation not in excess of \$350, multiplied by the number of his years of service.

b. The amount of the service retirement annuity payable to a member with less than 30 years of service shall be as follows:

- (1) During the period preceding the month in which he attains age 65, a percentage of his average compensation depending on the number of his years of service in accordance with the following schedule, multiplied by such number of years of service:

<u>Number of Years of Service</u>	<u>Percentage</u>
Not more than 20	1.50%
20-1/4 - 21	1.55
21-1/4 - 22	1.60
22-1/4 - 23	1.65
23-1/4 - 24	1.70
24-1/4 - 25	1.75
25-1/4 - 26	1.80
26-1/4 - 27	1.85
27-1/4 - 28	1.90
28-1/4 - 29-3/4	1.95

In the case of an annuity beginning before July 1, 1977, the amount so determined may not be less than the amount that would have been payable in accordance with the provisions of the Resolution in effect on June 30, 1973.

- (2) During the period beginning with the month in which he attains age 65, the amount as determined in accordance with paragraph (1), reduced by 1/2% of his average compensation not in excess of \$350, multiplied by the number of his years of service.

c. The amount determined in accordance with paragraph a or b (2), when added to the member's primary insurance amount under the Social Security Act, shall in no event be less than the amount determined in accordance with paragraph a (1) or b (1), respectively. For this purpose, the primary insurance amount shall be the amount which the member would be entitled to receive if he had filed a timely application for it, did not begin to receive an old-age insurance benefit before he attained age 65, and was not subject to a reduction or withholding of benefits because of employment or other reasons, regardless of whether he was actually receiving such amount. An annuity adjusted in accordance with this subsection shall not thereafter be redetermined on account of any change in insurance amounts payable under the Social Security Act.

d. In the case of a member with less than 30 years of service whose annuity begins before he has attained age 58, the amount determined in accordance with subsection b, adjusted in accordance with subsection c if applicable, shall be reduced by 1/2% for each month or fraction of a month from the beginning date of the annuity to the date of his attainment of age 58.

e. The minimum amount of annuity shall be \$125.00 per month.

#### Section 4 - Compulsory Retirement

A member who has attained age 65 shall be retired from service as of the June 30 coincident with or next following the attainment of such age, unless his retirement is deferred in accordance with University regulations.

## Section 5 - Vesting

A member who terminates his service after having completed 10 years of service but before he has become eligible for an annuity, and who does not withdraw his contributions, shall be eligible for an annuity in accordance with Section 1 upon his attainment of the applicable age specified therein, as if he were then a member.

## Section 6 - Reversionary Annuity

a. A member may elect to accept a reduction in the service retirement annuity otherwise payable to him, in return for which a reversionary annuity may be paid to a survivor annuitant. The election and the designation of the survivor annuitant shall be made in writing, in a manner prescribed by the Board, at least one year before the date as of which the retirement annuity becomes payable. The designated survivor annuitant may be the spouse or any person within the second degree of blood relationship, direct or collateral.

b. The election of a reversionary annuity shall be irrevocable except that:

- (1) It may be changed or revoked by a written communication filed with the Board before the date as of which the retirement annuity becomes payable, in which case such annuity may not become payable until at least one year following the change or revocation;
- (2) It shall be revoked if, before the date as of which the retirement annuity becomes payable, the member or the survivor annuitant dies, or, if the survivor annuitant is the spouse of the member, their marriage is terminated by divorce, in which case the member, if alive, shall have the right to make a new election.

c. The amount of the reduction to be made in the retirement annuity shall be determined by the actuary, in accordance with actuarial tables and assumptions approved by the Board, as the actuarial equivalent of the reversionary annuity. The amount of the reversionary annuity shall be specified by the member but shall be not less than \$25 nor more than the reduced retirement annuity payable to the member.

d. The reversionary annuity shall be payable monthly. It shall begin as of the first day of the month following the month in which the retired member dies and shall terminate as of the end of the month in which the survivor annuitant dies.

#### Section 7 - Full Social Security Supplementation

a. Effective 1 October 1973, a member may elect to accept a full social security supplemented annuity in return for which his retirement annuity will not be reduced at age 65. If such election is made his rate of member contribution will be determined in accordance with Section 1 c of Article VIII.

b. Any member in active service as of 1 October 1973, will have six (6) months as of such date to make this election and authorize the corresponding rate of individual contributions. If the election is made after thirty (30) days of the effective date, interest will be charged from 1 October 1973 to the date of election.

c. Any person who becomes a member after 1 October 1973, will have a thirty (30) days period, from the date he became a member, to make this election.

d. The annuity reduction prescribed in Section 3 a (2) and b (2) of this Article, shall not apply in the case of members who have made the election prescribed in this Section.

### ARTICLE IV - DISABILITY RETIREMENT

#### Section 1 - Eligibility

a. A disabled member whose disability is service-connected or who has completed 10 years of service shall be eligible for a disability annuity.

b. A disabled member whose disability is not service-connected and who has completed less than 10 years of service shall be eligible for a one-year temporary disability annuity.

#### Section 2 - Disability

A member shall be deemed to be disabled if he is found, on medical examination by a physician or physicians designated by the Board, to be totally and permanently incapacitated for the performance of the duties of his regularly

assigned position. He shall be deemed to have a service connected disability if the disability was incurred in line of duty and is compensated under the Workmen's Compensation Act. Otherwise, he shall be deemed to have a non-service connected disability.

### Section 3 - Payment of Annuity

a. A member's disability annuity shall be payable monthly. It shall begin as of the day next following the later of:

- (1) the date of which his disability is deemed to have begun, and
- (2) the date of his separation from service, and shall terminate as of the end of the month in which he dies, or the third month after the month in which he is found to be no longer disabled.

The termination of an annuity because the annuitant is deemed no longer to be disabled shall be without prejudice to any vested right he may have in accordance with Section 5 of Article III. If he is again employed by the University, he shall be reinstated as a member and receive credit for the service on which his annuity was based.

b. A member's one-year temporary disability annuity shall be payable monthly. It shall begin as provided for in accordance with subsection a and shall terminate at the end of one year, or, if earlier, as of the end of the month in which he dies. If the member is alive at the end of the year, he shall receive a lump-sum payment consisting of the excess, if any, of the amount of his employee contributions over the total of the annuity payments he received.

c. Payment of an annuity shall be made on the filing with the Board of a written application, but in no event shall the beginning date of the annuity be earlier than one year before the date of filing.

d. The Board, in its discretion, may require a recipient of a disability annuity who has not yet attained age 58 to submit periodically to a medical examination, at his home or other mutually agreed upon location, by a physician or physicians designated by the Board, in order to determine whether he may still be deemed disabled. If an annuitant refuses to submit to a medical examination, his annuity shall be discontinued until he consents to submit, except that, if he does not so consent within one year after he has been notified that he is subject to re-examination, his rights to any subsequent payments of a disability annuity shall thereupon be revoked.

#### Section 4 - Amount of Annuity

a. The amount of the disability annuity shall be as follows:

(1) For the period preceding the month in which attains age 65:

(a) If his disability is service-connected, 50% of the monthly rate of compensation applicable, as of the beginning date of the annuity, to the position he held at the time he became disabled.



(b) If his disability is not service-connected, 30% of his average compensation plus one per cent (1%) of such average multiplied by the number of his years of service in excess of 10.

(2) For the period beginning with the month in which he attains age 65, the amount payable as a service retirement annuity in accordance with Article III, Section 3, except that such amount shall in no event be more than the amount he was receiving before such month, nor, when added to his primary insurance amount under the Social Security Act, be less than the amount he was receiving before such month.

b. The amount of the disability annuity as determined in subsection a shall be subject to the provisions of subsection e of Article III, Section 3.

c. In the case of a member eligible to receive both a disability annuity and a service retirement annuity, the highest of the two amounts shall be payable.

d. The amount of the one-year temporary annuity payable to a member shall be 30% of his average compensation, but not less than \$50 nor more than \$100.00.

## ARTICLE V - DEATH BENEFITS

### Section 1 - Death in Service, Service-Connected

a. Upon the death of a member, if such death is service-connected and compensated under the Workmen's Compensation Act, benefits shall be payable to his survivors as follows:

- (1) To his widow, an annuity in an amount equal to 50% of the member's monthly rate of compensation at the time of his death.
- (2) To each of his eligible children, an annuity equal to \$10 if an annuity is being paid to the widow, and to \$20 if no annuity is being paid to a widow.

- (3) To his designated beneficiary, or, in the absence of a designation, to his estate, if there is no eligible widow or child, a lump-sum payment as determined in accordance with Section 2.

b. The total of the annuities payable in accordance with subsection a may not exceed 75% of the member's monthly rate of compensation at the time of death.

c. For the purpose of subsection a, an eligible child shall be a child who:

- (1) has not attained age 18,
- (2) has attained age 18 but not age 21 and is in full-time attendance at a school accredited by the Department of Education of the Commonwealth of Puerto Rico, or
- (3) is disabled.

d. An annuity payable in accordance with subsection a shall be payable monthly. It shall begin as of the day following the death of the member and shall terminate:

- (1) in the case of the widow, as of the end of the month in which she dies or remarries, and
- (2) in the case of a child, as of the end of the month in which he dies or ceases to be eligible.

## Section 2 - Death in Service, not Service-Connected

a. Upon the death of a member, if such a death is not service-connected, benefits shall be payable as follows:

- (1) To his widow, an annuity in an amount equal to 50% of the retirement annuity accrued to him, notwithstanding that he may not yet have become eligible for such annuity, but not less than \$50 nor more than \$100, and
- (2) To his designated beneficiary or, in the absence of a designation, to his widow or to

his estate, a lump-sum payment consisting of the greater of \$6,000 or the sum of the total amount of the member's employee contributions, and an amount equal to his annual rate of compensation at the time of his death.

b. The annuity payable in accordance with subsection a shall be payable monthly. It shall begin as of the day following the death of the member and shall terminate as of the end of the month in which the widow dies, remarries, or begins to receive an insurance benefit under the Social Security Act.

### Section 3 - Death after Retirement

a. Upon the death of a member receiving an annuity other than a one-year temporary disability annuity, benefits shall be payable as follows:

- (1) To his widow, an annuity in an amount equal to 50% of the annuity payable to him at the time of his death, but not less than \$50 nor more than \$100, and
- (2) To his designated beneficiary or, in the absence of a designation, to his widow or to his estate, a lump-sum payment equal to the excess, if any, of the amount of his employee contributions over the total of the annuity payments he received, but not less than \$600, except that such lump-sum shall not be payable if the member elected a reversionary annuity.

b. The annuity payable in accordance with subsection a shall be payable monthly. It shall begin as of the first day of the month following the month in which the retired member dies and shall terminate as of the end of the month in which the widow dies, remarries, or begins to receive an insurance benefit under the Social Security Act.

c. Upon the death of a member receiving a one year temporary annuity, there shall be paid to his designated beneficiary or, in the absence of a designation, to his widow or to his estate, a lump-sum payment equal to the excess, if any, of the amount of his employee contributions over the total of the annuity payments he received.

#### Section 4 - Application

Payment of an annuity or lump-sum payment shall be made on the filing with the Board of a written application, but in no event shall the beginning date of the annuity be earlier than 60 days before the date of filing. A designated beneficiary shall be an individual designated in a written filing with the Board to receive a lump-sum payment.

### ARTICLE VI - REFUNDS

#### Section 1 - Refund

A member who is separated from service, provided he is not eligible for an annuity and has not entered the employment of another employer maintaining a Retirement System covered by the Reciprocity Act, shall be eligible, on filing a written application with the Board, to receive a refund of the total amount of his contributions. Upon receipt of such refund, he shall forfeit all his credited services.

#### Section 2 - Repayment of Refund

A former member who has received a refund in accordance with Section 1, and who subsequently again becomes

a member, or who re-enters employment when he has already attained age 55 and solely for that reason does not become a member, may have his forfeited service credit reinstated, provided he makes a repayment to the System of all amounts previously refunded to him, with regular interest from the respective date of refund to the date of repayment.

#### ARTICLE VII - RETURN TO SERVICE

If the recipient of a service retirement annuity enters Government service, his annuity shall be suspended during such service, but shall be resumed at the same rate upon termination of such service. If he is employed by the University, he shall be reinstated as a member and shall be given the option of:

Refunding to the System the total of the annuity payments he received, in which case his annuity on his subsequent separation shall be recomputed on the basis of his total service, or

Not making such refund, in which case he shall receive, on his subsequent separation, his suspended annuity and, in addition, an annuity based on his additional service and determined in accordance with Article III, notwithstanding that such additional service may be less than 10 years.

#### ARTICLE VIII - CONTRIBUTIONS AND FUND

##### Section 1 - Rate of Member Contributions

Each member shall make a contribution to the System each month, beginning on 1 September 1973, in an amount equal to:

a. Four per cent (4%) of the first \$350.00 of compensation paid to him for such month, and

b. Six and a half per cent (6 1/2%) of such compensation in excess of \$350.00.

c. Seven per cent (7%) of compensation paid to him for such month if he has elected the supplemented annuity prescribed in Article III, Section 7.

##### Section 2 - Employer Contributions

a. On the basis of periodic actuarial valuations of the assets and liabilities of the System the actuary retained by the Board shall determine an employer contribution rate, expressed as a percentage of the payroll of all members, which he deems necessary to meet the costs of the System. Such valuations shall be prepared on the basis of accepted actuarial

principles and reasonable actuarial assumptions and tables approved by the Board. Before the beginning of each fiscal year, the Board shall, through the Council, certify to the University the amount to be appropriated to the Fund for the year on the basis of the employer contribution rate determined by the actuary.

b. The employer contributions in regards to the supplemented annuity prescribed in Article III, Section 7, shall be paid as follows:

- (1) The total cost for the first year of operation (1973-74) shall be charged to the fund.
- (2) In subsequent years the University shall make an annual contribution to the fund equal to one half of the aggregate cost of this benefit as determined in the immediate previous year. This contribution shall be made within the first ten (10) days of the month of July.

### Section 3 - Fund

a. Member and employer contributions received by the System shall be deposited in the Fund and the costs of paying benefits and administering the System shall be met by the Fund.

b. The Fund shall receive all the assets and assume all the liabilities of the System as of June 30, 1973.

### Section 4 - Member's Debt to Fund

a. If a member has an outstanding debt due to the System or another Government Retirement System at the time of his application for a refund of contributions, the amount of such debt shall be deducted from the amount of the refund otherwise payable.

b. If a member has an outstanding debt due to the System or another Government Retirement System at the time of his death or retirement, the amount of such debt shall be deducted from any benefits payable to him or his beneficiary.

## ARTICLE IX - BENEFICIARIES UNDER PREVIOUS RESOLUTION

Any person who, as of June 30, 1973, was receiving a benefit under the Resolution then in effect shall continue to receive such benefit as if such Resolution were still in effect.

## ARTICLE X - NON-ASSIGNMENT OF BENEFITS

The right of any member or beneficiary to an annuity, death benefit, refund of contributions, or any other right accrued or accruing under this System shall not be assignable or subject to sale. Nothing in this provision, however, shall be deemed to prohibit the application of Article VIII, Section 4.

## ARTICLE XI - ADMINISTRATION

### Section 1 - Duties of the Board

The Board shall, in a manner consistent with the purposes and requirements of the Resolution:

a. Appoint an Executive Director of the System, who shall be responsible to the Board.

b. Provide for adequate facilities and staff necessary for the efficient administration of the System.

c. Contract for such professional and consulting services as it considers necessary to carry out its functions, including the services of an actuary who shall be, or have on his staff, a member of the American Academy of Actuaries.

d. Contract for an independent audit as of the end of each fiscal year.

e. Approve an annual budget for the administration of the System.

f. Request from the University and from participating members such information as may be needed for the proper operation of the System.

g. Consider and take action on matters referred to it by the Executive Director.

h. Investigate and settle on appeal all disputes arising between the Executive Director and the members of the System.

i. Determine the rate of regular interest.

j. Approve, on the recommendation of its actuary, such actuarial tables and assumptions as may be required for the valuation of the System and the determination of benefits.

k. Submit an annual report to the Council as soon as possible following the close of the fiscal year. The report shall include statements showing the financial and actuarial conditions of the System, the income and expenditures for the year, the changes in the assets and liabilities during the year, the investments held by the System, and the investments acquired and disposed of during the year (including a description of each such investment, its purchase or sale price, the name of the vendor or vendee, and such other financial or statistical data as are necessary for a proper interpretation of the financial operations of the System).

l. Submit to the Council such other reports as it may require.

m. Publish and distribute among the members a synopsis of its annual report to the Council.

## Section 2 - Duties of the Officers

a. The President shall:

- (1) Approve and sign all contracts for professional and consulting services in accordance with the decisions of the Board.
- (2) Appoint such committees as the Board considers necessary to carry out its functions.
- (3) Ensure that the Board efficiently carries out the duties assigned to it.

b. The First Vice President, or, in his absence, the Second Vice President shall:

- (1) Preside over all administrative hearings necessary to settle disputes between the Director and members of the System.
- (2) Submit reports on such hearings to the Board with his recommendations.

## Section 3 - Duties of the Executive Director

The Executive Director shall:



- a. Send out notices of meetings and the agenda and other documents to be discussed.
- b. Prepare, certify, and keep the minutes of meetings.
- c. Prepare documents, including the by-laws, as directed by the Board.
- d. Represent the Board in the examination and approval or disapproval of applications for benefits and for personal loans or loans on homes provided for members of the System.
- e. Represent the Board in signing bonds and mortgages and loans on homes allowed by the System, in endorsing the promissory notes of such loans, and in signing promissory notes for FHA mortgages in the investment portfolio, subject to limits prescribed by the Board and Council.
- f. Submit reports to the Board of benefits approved.
- g. Submit for the consideration and approval of the Board proposed changes in rules, regulations and procedures.
- h. Be the custodian of all System records and documents other than those for which custody is assigned elsewhere by the Board or Council.
- i. Serve as secretary of the Committees established by the President unless that responsibility is otherwise assigned by the President.
- j. Prepare, for the approval of the Board, its annual budget and annual and other reports.
- k. Keep the members of the System informed of all decisions taken by the Board which directly affect them.
- l. Draw the attention of the Board, for its final decision, to any application submitted by a member of the System not covered by established procedures.

- m. Keep abreast of all trends and changes, including the investment programs, which may affect standard procedures in order to advise the Board.
- n. Establish and maintain facilities and staff for the conduct of Board meetings and the efficient execution of its administrative functions.
- o. Carry out any other responsibilities assigned to him by the Board.

#### Section 4 - Meetings

a. The Board shall hold such meetings as it deems necessary to fulfill its functions, and at such dates as it shall decide.

b. Special meetings may be called, on at least three days' notice, by the President or at the request of at least three of its members.

#### Section 5 - Assistance to the Board

The Board may, at its discretion, employ such professional and clerical service as may be required for the proper operation of the System.

#### Section 6 - Administrative Expenses

Expenses incurred in the administration of the System shall be approved by the Board and paid from the Fund.

### ARTICLE XII - INVESTMENTS

#### Section 1 - Investment Policy

The funds of the System in excess of cash requirements for current operations and for meeting members requests for personal and mortgage loans shall be invested in securities, notes, and other types of investments selected with due care and prudence. The administrator of the investments shall propose policies to the Board from time to time for the investment of assets of the System. These

policies may include decisions as to the types of securities in which assets may be invested, definitions as to the types of loans and the types of collateral that may be required for such loans, the rates of interest under which various types of loans shall be granted, and other terms and conditions of the investments, securities and loans. These policies may also include the suggested portions of the total investment fund that may be invested in various types of securities and loans. These policies may also make further restrictions as to types of loans that may not be made to certain members or employees of the University or related entities. Securities acquired or sold by the Board shall be at prices not to exceed the prevailing market values for such securities.

## Section 2 - Custody of Assets

The Secretary of the Treasury of the Commonwealth of Puerto Rico shall be the custodian of the marketable securities of the System. The System shall transfer assets in excess of the cash requirements for current operations and members loans to the Secretary of the Treasury for investment. Subject to direction by the Board and any employees of the System or professional investment advisors to which the Board may have delegated the administration and selection of investments, the Secretary of the Treasury shall have full power to hold, purchase, sell, assign, transfer and dispose of any of the securities and investments of the System. Any transactions entered into by the Secretary of the Treasury regarding assets of the System shall be made on behalf of the System and all interest and dividends derived from such investments, and gains or losses from the sale of investments, shall be credited to the account of the System. Securities, notes or other evidences of loans shall be clearly marked to indicate ownership by the System and, to the extent possible, shall be registered in the name of the System.

## Section 3 - Administration

The Board may delegate its responsibility for the administration of the investments of the System, and the selection of specific securities or loans, to an employee or employees of the System or to professional investment advisors. The Board may pay a reasonable fee to such professional investment advisors for their efforts. Each and every employee or advisor to whom such responsibilities are delegated shall carry out such duties within the policies established by the Board and approved by the Council.

#### Section 4 - Audit of the Investment

The Board shall provide for an annual investment audit which shall include at least:

a. A financial audit of the transactions with respect to the investments, including an analysis of the adherence to stated investment policies during the year, and

b. A review of the investment policies established by the Board and approved by the Council.

At least once every three years, the investment audit shall include an analysis of the investment performance of the assets of the System. Each element of the investment audit shall be conducted by a firm or person qualified to conduct such a study, with a written report of their findings to be presented to the Board and to the Council.

RESOLUCION DEL CONSEJO DE EDUCACION SUPERIOR  
REORGANIZANDO EL SISTEMA DE RETIRO DE LA  
UNIVERSIDAD DE PUERTO RICO

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RESOLUCION DEL CONSEJO DE EDUCACION SUPERIOR  
REORGANIZANDO EL SISTEMA DE RETIRO DE LA  
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DE ACUERDO CON LAS DISPOSICIONES DE LA LEY NUMERO 135 DEL 7 DE MAYO DE 1942, LEY DE LA UNIVERSIDAD DE PUERTO RICO (SOBRESEIDA POR LA LEY NUMERO 1 DEL 20 DE ENERO DE 1966) AUTORIZANDO EL ESTABLECIMIENTO DE UN SISTEMA DE RETIRO PARA LOS EMPLEADOS DE LA UNIVERSIDAD, EL CONSEJO DE EDUCACION SUPERIOR EN VIRTUD DE LA RESOLUCION DEL 21 DE FEBRERO DE 1945, EFECTIVA EL 1 DE ENERO DE 1945, ESTABLECIO EL SISTEMA DE RETIRO DE LA UNIVERSIDAD DE PUERTO RICO Y PROVEYO PARA SU SOSTENIMIENTO, FINANCIAMIENTO Y ADMINISTRACION. EL SISTEMA FUE REVISADO EFECTIVO EL 1 DE JULIO DE 1949 POR LA RESOLUCION DEL 29 DE NOVIEMBRE DE 1950 Y ES POR LA PRESENTE NUEVAMENTE REVISADO EFECTIVO EL 1 DE JULIO DE 1973.

ARTICULO I - PROPOSITO

El propósito del Sistema es el de proveer beneficios para los funcionarios y empleados de la Universidad contra los riesgos de edad avanzada, incapacidad, muerte o cesantía con el objetivo de inducir a personas idóneas a entrar y permanecer en el servicio de la Universidad, contribuyendo así a una administración eficiente.

ARTICULO II - DEFINICIONES

Las siguientes palabras y frases usadas en esta Resolución tendrán los significados que a continuación se expresan a menos que del contexto se indique claramente un significado diferente:

- |                    |                                                                                    |
|--------------------|------------------------------------------------------------------------------------|
| <u>Sistema</u>     | - El Sistema de Retiro de la Universidad de Puerto Rico.                           |
| <u>Universidad</u> | - La Universidad de Puerto Rico incluyendo sus diferentes Recintos y Dependencias. |
| <u>Consejo</u>     | - El Consejo de Educación Superior de la Universidad de Puerto Rico.               |
| <u>Junta</u>       | - La Junta de Retiro establecida en el Artículo III.                               |

Gobierno - El Gobierno de Puerto Rico incluyendo sus Agencias, Instrumentalidades, Corporaciones Públicas y Municipios.

### ARTICULO III - LA JUNTA DE RETIRO

El Sistema será administrado por una Junta de Retiro que será responsable directamente al Consejo y que consistirá de once (11) miembros designados como sigue:

Dos representantes de cada uno de los Recintos Universitarios de Río Piedras, Mayaguez, Ciencias Médicas y Administración de los Colegios Regionales. En cada caso un representante será electo por el Senado Académico correspondiente y el otro representante será electo por referendun entre los participantes del Sistema en la jurisdicción correspondiente.

Un representante del Colegio Universitario de Cayey electo por referendun entre los participantes del Sistema en dicho Colegio.

Un representante del interés general de la Universidad designado por el Presidente de la Universidad.

El Director de Finanzas de la Universidad como miembro ex-officio y quien podrá delegar en un sustituto para representarlo.

### ARTICULO IV - TERMINO DE LOS MIEMBROS DE LA JUNTA

Los miembros de la Junta servirán por un término de cinco (5) años. Los miembros de la Junta en funciones el 30 de junio de 1973, continuarán como miembros hasta la expiración del término para el cual fueron nombrados de acuerdo con la Resolución en vigor en dicha fecha.

Ningún miembro de la Junta electo o designado podrá servir más de dos términos completos consecutivamente.



ARTICULO V - SUSTITUCION DE UN MIEMBRO DE LA JUNTA  
ANTES DE COMPLETAR SU TERMINO

Sección 1 - Vacantes en la Junta

Cualquier miembro de la Junta que renuncie o cese como representante del Recinto, Dependencia u Oficial que lo eligió o designó será sustituido por el resto de su término por otro participante del Sistema que represente la misma Dependencia a la cual pertenecía el miembro sustituido y su elección o designación deberá efectuarse dentro de sesenta (60) días después de haber ocurrido la vacante y de acuerdo con los procedimientos establecidos en el Artículo III.

Sección 2 - Licencia para Ausencia Prolongada

Un miembro de la Junta que disfrute de una licencia que exceda un período de noventa (90) días será sustituido durante dicho período, pero no más allá del resto de su término, por otro participante del Sistema como representante del mismo Recinto, Dependencia u Oficial que lo eligió. El sustituto será nombrado por el Presidente dentro de treinta (30) días de haber comenzado la licencia de acuerdo con la recomendación de la administración del Recinto, Dependencia u Oficial que lo eligió.

ARTICULO VI - OFICIALES DE LA JUNTA

Sección 1 - Elecciones

La Junta elegirá de su seno un Presidente, un Primer Vicepresidente y Segundo Vicepresidente, quienes deberán representar tres diferentes Dependencias de las enumeradas en el Artículo III y quienes servirán por un término de dos (2) años calendario.

Sección 2 - Vacante o Ausencia

La vacante del puesto de Presidente o Vicepresidente será cubierta, por el resto del término del incumbente, por elección entre los miembros de la Junta.

Cualquier oficial ausente por licencia o incapacidad por un término en exceso de noventa (90) días será sustituido por el período de ausencia mediante elección entre los miembros de la Junta, pero el período de la sustitución no podrá exceder el remanente del término de su cargo.

### Sección 3 - Deberes

El Presidente convocará y presidirá las reuniones de la Junta; será el portavoz de la Junta y representará a ésta en todas las gestiones oficiales que la Junta le confíe.

Los Vicepresidentes desempeñarán aquellos deberes que les sean asignados por el Presidente o por la Junta y en orden de rango, sustituirán al Presidente durante la ausencia o incapacidad de éste, por un período que no excederá de noventa (90) días, en todas las funciones que correspondan al Presidente.

### Sección 4 - Oficial Interino

En casos de ausencia del Presidente y los Vicepresidentes en una reunión de la Junta, se elegirá del seno de la Junta un Presidente Interino para presidir la reunión.

### Sección 5 - Director Ejecutivo

El Director Ejecutivo del Sistema, nombrado por la Junta, servirá como Secretario de la Junta con voz pero sin voto, y tendrá además la responsabilidad de ejecutar y administrar las disposiciones del Sistema de acuerdo con esta Resolución y las decisiones de la Junta.

## ARTICULO VII - DEBERES DE LA JUNTA

La Junta será el custodio de todos los fondos del Sistema, dirigirá la administración del Sistema y a menos que se disponga lo contrario tendrá la responsabilidad de establecer la política del Sistema y será directamente responsable al Consejo del descargo de estas funciones de acuerdo con los propósitos y disposiciones de esta Resolución.

## ARTICULO VIII - REUNIONES

Las reuniones de la Junta se celebrarán en los días y sitios que designe el Presidente o por solicitud escrita de por lo menos tres (3) miembros de la Junta. La reunión en que se elija el Presidente y los Vicepresidentes se celebrará en el mes en que expire el término de los oficiales en funciones.

## ARTICULO IX - QUORUM

La presencia de una mayoría de los miembros de la Junta, constituirá el quórum.

## ARTICULO X - DECISIONES DE LA JUNTA

Todas las decisiones de la Junta deberán ser aprobadas por mayoría de sus miembros presentes en reuniones debidamente constituidas.

Cualquier asunto previamente resuelto podrá ser traído para reconsideración por la Junta mediante petición de por lo menos tres (3) miembros de la Junta.

## ARTICULO XI - FORMULACION DE NORMAS

Las normas y reglamentos promulgados por la Junta estarán sujetos a la revisión y aprobación del Consejo. En casos de propuestas nuevas normas y reglamentos así como los cambios o adiciones que afecten los derechos de los participantes, crédito por servicio, condiciones para el pago de beneficios o reembolsos, cantidad de los beneficios, el custodio de los fondos o su inversión, el tipo de contribución de los participantes o cualquier otra propuesta, el Consejo tendrá un período de revisión de sesenta (60) días. El período de revisión comenzará en la fecha del recibo por el Consejo de la proposición escrita de la Junta. Si el Consejo dejara de tomar acción sobre los cambios o adiciones a las normas o reglamentos propuestos por la Junta dentro del período de revisión, los propuestos cambios o adiciones serán efectivos al finalizar el período de revisión.

Cualquier decisión o resolución de la Junta podrá ser revisada en cualquier momento por el Consejo.

## ARTICULO XII - OBLIGACIONES DE LA UNIVERSIDAD

La Universidad vendrá obligada a suministrar a la Junta información escrita sobre, períodos de servicio, fecha de nacimiento, salarios, nuevos ingresos al servicio, defunciones, ceses, renuncias y cualquier otra información relacionada con los empleados que sea necesaria para el funcionamiento efectivo de las operaciones del Sistema. El pago de las anualidades y beneficios que se conceden de acuerdo con las disposiciones de este Sistema, así como el pago de las aportaciones de la Universidad necesarias para sostener el Sistema, serán obligaciones de la Universidad según aquí se definen.

## ARTICULO XIII - DERECHOS DE LOS MIEMBROS DE LA JUNTA

Todos los miembros de la Junta incluyendo al Director Ejecutivo, como participantes del Sistema, tendrán el derecho dentro de los límites establecidos por esta Resolución y las reglas y reglamentos de la Junta, a solicitar cualquier beneficio que provea el Sistema.

## ARTICULO XIV - LIMITACIONES A LOS MIEMBROS DE LA JUNTA

### Sección 1 - Beneficios a los Miembros de la Junta

Cualquier solicitud de préstamo, beneficios o cualquier otra petición de un miembro de la Junta o del Director Ejecutivo estará sujeta a la aprobación de la Junta. El solicitante se inhibirá de participar en la reunión donde se considere y se tome acción sobre su solicitud.

### Sección 2 - Conflicto de Intereses

a. Ningún miembro de la Junta ni el Director Ejecutivo podrá estar interesado directa o indirectamente en las rentas, ganancias o beneficios de cualquier inversión realizada por la Junta; ni recibir pago o emolumento alguno por servicios en relación con inversiones hechas por la Junta, o servir de endosante o fiador u obligarse en forma alguna con respecto al dinero prestado por el Sistema con excepción del derecho a solicitar, obtener y pagar préstamos hechos a su nombre de acuerdo con las disposiciones de la Sección 1 de este Artículo.

b. Cualquier miembro de la Junta o el Director Ejecutivo se abstendrá de participar en cualquier reunión en donde se considere un asunto en el cual pueda existir para él un conflicto de intereses.

#### ARTICULO XV - FONDO

Se crea por la presente un Fondo que se conocerá como Fondo de Retiro de la Universidad de Puerto Rico autorizado para recibir y poseer dinero y a hacer desembolsos a nombre del Sistema con el propósito de realizar los fines aquí descritos.

#### ARTICULO XVI - INVERSIONES

Los activos del Sistema serán invertidos con el debido cuidado y prudencia. La Junta propondrá las normas para la inversión de los activos del Sistema y de cuando en cuando podrá proponer revisiones de estas pautas, pero estas proposiciones estarán sujetas a la revisión y aprobación del Consejo. La Junta podrá delegar la administración y selección de las inversiones a empleados del Sistema o a consultores profesionales sobre inversiones, quienes desempeñarán sus obligaciones en forma consistente con la política establecida por la Junta y aprobada por el Consejo. Los valores en el mercado que posea el Sistema quedarán en custodia del Secretario del Secretario de Hacienda del Gobierno de Puerto Rico.

Una parte substancial de las inversiones según lo determine la Junta constituirán préstamos a los participantes del Sistema.

La Junta deberá establecer aquellas reglas y reglamentos que estime conveniente en cuanto a política sobre inversiones, custodia de los activos, administración del programa de inversiones e intervención de las inversiones del Sistema.