



COMMONWEALTH OF
PUERTO RICO
Government Development Bank
for Puerto Rico



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PUERTO RICO
Treasury Department



Treasury Contact: María E. Quintero (787) 398-0486/ GDB Contact: Betsy Nazario (787) 415-1231
Maru.Quintero@hacienda.gobierno.pr Betsy.Nazario@bqfpr.com

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GDB CHAIRMAN AND TREASURY SECRETARY COMMENT ON SUPREME COURT'S DECISION ON TEACHERS PENSION REFORM

San Juan, P.R. – Today, Government Development Bank for Puerto Rico (“GDB”) Chairman David H. Chafey and Treasury Secretary Melba Acosta Febo provided a joint statement regarding the Supreme Court of Puerto Rico’s decision with respect to Act 160-2013, which provided for critical and comprehensive reform of the Commonwealth’s Teacher Retirement System (“PRTRS”).

“Reforming the Commonwealth’s pension systems is essential to Puerto Rico’s long-term financial and economic health. Since January 2013, this Administration has taken swift and unprecedented action to strengthen Puerto Rico’s fiscal condition, including enacting meaningful and comprehensive reforms to Puerto Rico’s main pension systems. We are disappointed with the Court’s ruling that certain portions of Act 160 are unconstitutional. We believe that Act 160 is consistent with Act 3-2013, which reformed the Employees Retirement System and was upheld by the Court in its June 2013. We will conduct a careful reading of the Court’s decision and analyze alternative courses of action. We remain committed to addressing the PRTRS’s unfunded pension liability in order to protect our retirees and ensure the Commonwealth’s fiscal stability.”

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Forward-Looking Statements

The information included in this statement contains certain forward-looking statements. These forward looking statements may relate to the fiscal and economic condition, economic performance, plans and objectives of the Commonwealth of Puerto Rico or its agencies or instrumentalities. All statements contained herein that are not clearly historical in nature are forward looking.

This statement is not a guarantee of future performance and involves certain risks, uncertainties, estimates, and assumptions by the Commonwealth and/or its agencies or instrumentalities that are difficult to predict. The economic and financial condition of the Commonwealth and its agencies or instrumentalities is affected by various financial, social, economic, environmental, and political factors. These factors can be very complex, may vary from one fiscal year to the next, and are frequently the result of actions taken or not taken, not only by the Commonwealth and/or its agencies or instrumentalities, but also by entities such as the government of the United States of America or other nations that are not under the control of the Commonwealth. Because of the uncertainty and unpredictability of these factors, their impact cannot, as a practical matter, be included in the assumptions underlying the Commonwealth’s or its agencies or instrumentalities’ projections.
