

Commonwealth of Puerto Rico
Department of the Treasury
Preaudit and Accounting Administration
San Juan, Puerto Rico

Regulation, No. 47
Supplement No. 1

47-01-01

Payroll Deductions to Private Enterprise
Employees for the Purchasing
of Savings Bonds of the
Commonwealth of Puerto Rico

1 - Legal Basis

Act No. 69 of May 28, 1976 authorizes the Secretary of the Treasury to float and to sell, at a time or from time to time, upon resolution to this effect and with the approval of the Governor, Savings Bonds of the Commonwealth of Puerto Rico.

This Supplement is established under the provisions of Sections 10 and 13 of said Act No. 69, which provide the following:

“Section 10 - Employees may authorize in writing their employer or official, to deduct regularly from their salary or wages the amounts they may authorize to be used in the purchase of Savings Bonds of the Commonwealth of Puerto Rico. Said amounts deducted shall be applied by the employers or officials as the Secretary of the Treasury may establish through regulation.”

“Section 13 - The Secretary of the Treasury is hereby empowered to adopt in coordination with the Government Development Bank for Puerto Rico the necessary and convenient regulations for the best administration of this act, including those applicable to remittance of discounts hereby authorized....”

2 - Application

This Supplement is applicable to all employers of the private enterprise whose employees may authorize deductions from their wages or salaries for the purchase of Savings Bonds of the Commonwealth of Puerto Rico.

3 - Purpose

The purpose of this Supplement is to establish the adequate controls and the procedure to be followed by private enterprise employers to make deductions to employees who thus authorize it for the purchasing of Savings Bonds.

4 – Definitions of Terms

Whenever used in this Supplement, the following terms shall have the meanings provided for hereinafter, unless otherwise deduced from its context:

a - Bonds - Savings Bonds of the Commonwealth of Puerto Rico issued under the provisions of Act No. 69 of May 28, 1976. Bonds shall be issued in \$25.00, \$50.00, \$100.00, \$500.00 and \$1,000.00 denominations.

b – Collectors’ Offices – ‘Internal Revenue Collectors’ Offices of the Department of the Treasury.

c - Secretary - Secretary of the Treasury

d - Banks - Those banking institutions authorized to carry out transactions in Puerto Rico pursuant to Act No. 55 of May 12, 1933, as amended, known as Banking Law (7 L.P.R.A. 1) and to Act No. 93 of June 26, 1964, as amended, (7 L.P.R.A 1001) known as Savings Bank Act of Puerto Rico.

e - Employer - Includes any natural or artificial person of any kind or his authorized representative, who for or without profit, employs or allows to work, any number of laborers, workers or employees for any kind of compensation.

5 - Authorization to make deductions

a - Interested employees shall make deduction authorizations in writing by using AS Form 4566 (Treasury), Payroll Deduction Authorization for the Purchase of Savings Bonds of the Commonwealth of Puerto Rico or Amendment to the Authorization - Private Enterprise Employees (Annex I). This form is self-explanatory and it shall be prepared in an original and a copy. After AS Form 4566 (Treasury) is signed by the employee requesting the deduction, he shall keep the copy and hand the original over to his employer. Employers shall provide interested persons with this form.

b - The employee shall execute said AS Form 4566 (Treasury) in advance so that the first deduction may be included in the payroll of the period in which he wants deductions to begin.

c - Employers shall inform their employees, in advance, of the last day on which they may file deduction authorizations so as to be included in the payroll.

d - There shall be no limit; as to the amount that may be authorized for deduction, but the sum authorized therefore must be fixed and constant until the employee requests that the deduction be discontinued or changed.

e - Whenever an employee wishes, for any reason whatsoever, to suspend, increase, decrease or amend in any way the salary deduction authorization for the purchasing of bonds or to change the bond denomination, he shall inform it to his employer through a new AS Form 4566 (Treasury), stating the change requested. Such notice shall revoke or amend automatically the deduction authorization on and from the date the employee files the same.

6 - Records and accounts to be kept by employers

a - Each employer shall keep up-to-date a record of the employees who have authorized deductions by filing in alphabetical order the originals of AS Form 4566 (Treasury). On the back of said form, the individual bond account of each employee shall be kept, wherein, the deductions made, as well as the charges for bonds purchased on behalf of the employee and the adjustments for any other concept shall be itemized.

b - Deductions for the purchase of bonds shall be clearly identified in the payrolls.

c - Deductions made to employees for the purchasing of bonds shall be credited to a separate account in the employer's accounting books. Said moneys shall not be used for any other purposes other than the purchase of bonds.

d - It shall be the duty of employers to make a monthly reconciliation of the account to which deductions were credited with the individual bond accounts, as the latter are reflected on the back of AS Form 4566 (Treasury).

7 Bond Purchase

a - As soon as one or several employees have completed the cash value of a bond, it shall be the duty of the employer to purchase the corresponding bond or bonds in a bank or in any collector's office within the next ten (10) working days following the date of payment. When bonds are purchased in a collector's office, the purchase may be made in cash and/or certified check, cashier's check, traveler's check or money order.

Checks or money orders shall be payable in the name of the Secretary of the Treasury. When bonds are purchased in a bank, payments shall be made in the way acceptable to the corresponding bank.

b - to effectuate the purchase of bonds the employer shall prepare an original and a copy of AS Form 4567 (Treasury), Purchase Order of Savings Bonds of the Commonwealth of Puerto Rico - Private Enterprise Employees (Annex 2). The form is self-explanatory and it shall be numbered in consecutive order beginning with number 1 every natural year. At the time of the sale of the bonds, the bank or the collector's office shall stamp on the original and copy of AS Form 4567 (Treasury) a seal of "Paid" to identify the bank or the collector's office, and shall return it to the employer. In the event that at the time of the purchase, the bank, or the collector's office, does not have some bonds available but sells the difference, it shall indicate on the back of AS Form 4567 (Treasury) the unsold bonds and initial the note made. The employer shall transmit the original of AS Form 4567 (Treasury) to the Secretary together with the original of AS Form 4568 (Treasury), Report on Payroll Deductions to Private Enterprise Employees for the Purchase of Savings Bonds of the Commonwealth of Puerto Rico (Annex 3), which shall be sent at the end of the month as shown in paragraph 8 of this Supplement, The copy of AS Form 4567 (treasury) shall be kept by the employer for his files.

c - The value of the bonds acquired, to be handed over to the employees requesting them, shall be immediately discounted from the individual account of the concerned employee or employees through the proper note in AS Form 4566 (Treasury). The date of purchase shall be noted down in column "Date or Period of Deduction or of Purchase of Bonds". There shall be noted down in the column of "Bonds Purchased" the quantity of bonds purchased, the value thereof and the number of AS Form 4567 (Treasury) with which the bonds were purchased. The value of the bonds shall be discounted from the previous "Accrued Balance" and the new total shall be set down in said column.

d - The bonds shall be handed over to the employees on or before the next period of payment.

e - Upon delivery of the bonds to the employee, the employer shall require that said employee put his signature in sub column "Bonds Received by" of column "Bonds Purchased" on the back of AS Form 4566 (Treasury).

8 - Report to be rendered by the Secretary of the Treasury

a - Monthly, employers shall prepare an original and a copy of AS Form 4568 (Treasury), Report on Payroll Deductions to Private Enterprise.

Employees for the Purchase of Savings Bonds of the Commonwealth of Puerto Rico, corresponding to the month of _____ AS Form 4568 (Treasury) is self-explanatory. The original of AS Form 4568 (Treasury) shall be transmitted to the Secretary, together with the originals of AS Form 4567 (Treasury), Purchase Order of Savings Bonds of the Commonwealth of Puerto Rico - Private Enterprise Employees, corresponding to the bonds purchased during the month, if any, stamped by the bank or collector's office, as the case may be the copy shall be withheld for future reference.

9 – General Provisions

a - Any claim the Employees may have regarding deductions for the purchasing of bonds shall be made directly to employer, who shall be responsible, all the time for the moneys deducted from the employees for this purpose.

b - If the employee who authorized the withholding is not satisfied with the action or actions taken by the employer with relation to the claim, he may resort to the Department of the Treasury.

c - Whenever an employee terminates his employment: or requests that: the deduction be discontinued, the employer shall return the money withheld, provided said amount is not enough to complete the purchase of the bond authorized by the employee. If at the time of termination of the employment, the amount withheld is enough to purchase the authorized bond, the employer shall buy in any bank or collector's office and hand it over to the employee.

d - Those enterprises which have mechanized accounting systems may produce mechanically the records, accounts and reports established in this Supplement, provided that the information herein established is included.


e - The Secretary may audit private enterprises to verify if the provisions herein established are being complied with.

f - Any violation of these provisions shall constitute a misdemeanor that shall entail a penalty of not less than \$50 nor more than \$500 or imprisonment in jail for not more than six (6) months or both penalties, in the discretion of the Court, as provided in Section 13 of Act No. 69 of May 28, 1976.

g - AS Form 4566 (Treasury), AS Form 4567 (Treasury) and AS Form 4568 (Treasury) shall be supplied to employers requesting them to by the Bureau of the Treasury of the Department of the Treasury.

10 - Effectiveness

This Regulation shall take effect thirty (30) days after it has been filed in the Office of the Secretary of State, for its publication in the Commonwealth Register, pursuant to the provisions of Act No. 112 of June 30, 1957, as amended.



Salvador E. Casellas

Secretary of the Treasury

Annexes

Approved on December 30, 1976

Filed in tile Department of State on January 4, 1977