

Puerto Rico House votes to resist pension cuts

Excerpt from...

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“Puerto Rico House votes to resist pension cuts”

By Robert Slavin, October 22 2019

The Puerto Rico House voted unanimously to not collaborate with pension cuts found in Puerto Rico’s proposed plan of adjustment.

The House voted 49 to 0 with two members absent on Monday for the resolution that was addressed at a Puerto Rico Oversight Board plan of adjustment. The plan includes 8.5% cuts to pension amounts over \$1200 per month.

Spiotto said Puerto Rico’s case was the first time since World War II in which at least one body of the local government is united in opposition to the actions of the control board. Gov. Wanda Vázquez has said that she supports the plan of adjustment as a package, even if she would rather it didn’t cut pensions.

“Ideally, you would want cooperation between the legislature and the Fiscal Oversight Board in order to structurally balance operations and for the commonwealth to re-enter the debt market,” said Howard Cure, director of municipal bond research at Evercore. “This will be a test of the board’s authority to go ahead with this pension cut in light of the opposition.”



Shaun Burgess of Cumberland Advisors

Shaun Burgess, portfolio analyst at Cumberland Advisors, said, "My understanding is that advancement of the plan depends on Judge Swain's approval and not legislative action.

"Whether [the House's action] could be road block at some point in the future remains to be seen," Burgess continued, cautioning that he is not a lawyer.

Read the full article here:

<https://www.bondbuyer.com/news/puerto-rico-house-votes-to-not-collaborate-with-pension-cuts>

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