

**EXECUTIVE SUMMARY OF THE PROPOSALS OF THE ASSOCIATIONS OF RETIREES AND PENSIONERS TO THE TRANSITION COMMISSION OF THE NEW GOVERNMENT CHAIRED BY PRESIDENT XIOMARA CASTRO SARMIENTO. JANUARY 18, 2022**

**(Prepared by Dr. Leonor Meza, with recordings and photographs by Franklin Jonathan Tercero).**

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**I.-PROPOSALS OF RETIREES AND PENSIONERS OF EMPLOYEES OF THE NATIONAL AUTONOMOUS UNIVERSITY OF HONDURAS (AJUPEUNAH)**

**Presented by Xiomara Floy de Ponce, President of the**

**Association of Retirees and Pensioners of the UNAH (AJUPEUNAH)**

1. Ensure that the appointment of the specialist director (Executive Director) of INPREUNAH is carried out through the established process of transparent competition and based on capacity, requirements of the position and professional merits.
- 2) Support INPREUNAH in achieving financial stability and actuarial solvency in the medium and long term.

- 3) Promote and authorize the payment of the adjustment of the revaluations of the year 2020 to the pensioners and retirees of the INPREUNAH, a benefit that was denied despite a serious economic problem of the pensioners derived from the pandemic and the high cost of living. Likewise, ensure that this right established in the current rules is applied in the short term in order to maintain the purchasing value of pensions.
- 4) Avoid onerous contracts in INPREUNAH, also avoiding the undue politicizations that put at risk the administration of pension funds.
- 5) Instruct that the transfers of government funds that are made through the Ministry of Finance to INPREUNAH be made on a monthly, timely and complete basis.
- 6) Include in the annual budgets prepared by the Ministry of Finance and approved by the National Congress, a greater percentage of resources that pension institutes can allocate for personal loans and with due guarantees according to established standards; this would allow a better return on the pension funds of our Institute
- 7) Restore the right of retirees and pensioners over 75 years of age to opt for personal loans, whose right was eliminated in the new General Regulations prepared, approved, imposed and published by THE INTERVENING COMMISSION, without consulting any of the parties that make up the institution.
- 8) In view of the fact that we retirees and pensioners contribute a strong contribution to the IHSS for the health service, we demand that urgent measures be taken to improve medical care, as well as establish mechanisms that facilitate a timely and efficient health service.

For active and healthy aging,

## **II.-4 KEY POINTS THAT CONCERN ALL THE ASSOCIATIONS OF RETIREES AND PENSIONERS OF HONDURAS. WE APPEAR BEFORE THE NEW GOVERNMENT AUTHORITIES 2022-2026 TO REQUEST THE FOLLOWING:**

**Presented by Dr. Leonor Meza, Representative owner of AJUPEUNAH before INPREUNAH. January 18, 2022.**

**The State** has the legal, ethical and moral obligation to guarantee the quality of life of retirees and pensioners by promoting forms of organization and participation of the Elderly that allow the country to take advantage of their experiences and knowledge in an organized manner.

**It is a social priority of the State** to adopt laws and regulations that protect the elderly and to ensure their full participation within society.

**The Comprehensive Law on the Protection of the Elderly** is a Law of public order and social interest, which aims to promote and protect the development of the Elderly, Retirees and Pensioners, guaranteeing the exercise of their rights and punishing natural or legal persons who violate said Law. However, in this last decade both active workers and retirees and pensioners are suffering the consequences of laws harmful to the interests and needs of our sector that by definition is made up of a vulnerable human mass and at risk of health.

In accordance with the Investment Regulations of Public Pension Funds, PUBLIC PENSION INSTITUTES are autonomous entities with legal personality and their own independent assets, responsible for the administrative management of a Public Pension Fund.

With the hope that the new government acts in coherence with the constitution of the Republic and with the Comprehensive Law for the Protection of the Elderly, we request your support to straighten out the regulations related to Social Protection, Social Security and Social Welfare in the following Order.

### **1. Review and change the anti-democratic and fund-monetarist content of the Framework Law on Social Protection.**

The National Congress, through Decree No. 56-2015, published in the Official Gazette No. 33,771, issued the "Framework Law on Social Protection" which aims to create the legal framework for public policies on social protection. But this Law, instead of guaranteeing public social protection and security, orders the creation of Networks of Private Units providing health service, a modality through which **the insured contributor may choose any authorized hospital in the Network, to go to said hospital center and not attend Social Security**, thus breaking and improving the public health system and strengthening private hospital networks.

In addition, there are a series of complementary laws to this FRAMEWORK LAW, such as the Law on the Administration of Pension and Severance Funds (AFPs), a figure through which financial institutions can capture and manage new contributions and contributions through individual accounts. At the moment several employers are forcing workers to deposit their funds for their future pensions in these private administrators, thus weakening the Public Social Security Institutes.

On the other hand, two complementary laws of this "FRAMEWORK LAW OF SOCIAL PROTECTION" are on the way, such as a) The Social Security Law, and b) The Law of the National Health System, both laws supposedly already drafted, but the opinion of all the sectors involved in Social Security policies in the country and the National Health System has not been taken into account; That is why we request the presence of the Associations of Retirees and Pensioners, as well as the Public Social Security Institutes in the construction of these new laws.

### **2. SEPARATE PUBLIC SOCIAL SECURITY INSTITUTES. OF THE NATIONAL COMMISSION OF BANKS AND INSURANCE (CNBS)**

In accordance with the provisions of the Constitution of the Republic, the head of the Executive Power shall exercise supervision, supervision and control of banking, insurance and financial institutions through the National Commission of Banks and Insurance; and this is the origin and reason for the creation of the CNBS. Banks are moved by money and commercial transactions and the beneficiaries are individuals, companies, corporations etc. while Social Security Institutions are born with a social purpose, with legal personality and their own assets, enjoy administrative, financial and technical autonomy, and have been created to permanently guarantee retirements and decent pensions, as well as make good use of their funds and the fulfillment of their obligations and commitments. The beneficiaries are groups of humanly vulnerable people. Their reason for existence is the retired or pensioned human person, while banks are the object of money. Therefore, *the same laws or regulations, formats or evaluations with the same indicators of the banking or financial system cannot be applied to social security institutes. Therefore, we request the creation of a special institution with a special law that corresponds to the nature and essence of the fundamental work of these institutions as well as the application of specific tools to supervise, control, supervise and evaluate the Social Security Institutes.*

*In addition to the aforementioned elements, there are a number of contradictions and gaps in the Law on the National Banking and Insurance Commission. The CNBS will be composed of three (3) owner members who meet the requirements of suitability, honorability, experience and competence necessary to hold the position, who will be appointed by the President of the Republic, from a list of six (6) candidates proposed by the Board of Directors of the Central Bank of Honduras. The Board of Directors of the Central Bank of Honduras may request the Honduran Association of Banking Institutions (AHIBA) to meet all the requirements established by this Law. As can be seen, the decision-makers at the top of the CNBS are representatives of the Banks (financial sector) in no instance of that body is there representativeness on the part of the Social Security Institutes, which are affected by the decisions taken there and that we also give a support quota to said institution. For all these reasons and other elements justify our request to separate the Social Security institutes from the National Council of Banks and Insurance.*

### **3. THAT THE INTERVENTION COMMISSIONS OF THE SOCIAL SECURITY INSTITUTIONS BE ABOLISHED .**

Most of the Welfare and Social Security institutes have been intervened in the last 12 years, under the argument that it is to stabilize the institutes, overcome administrative, financial and actuarial deficiencies; guarantee good management practices that generate efficiency and promote transparency in the operations of the Institutes, for which intervention is inevitable and to be able to generate confidence in their beneficiaries. It turns out that the figure of the INTERVENTION OF THE INSTITUTES has only served to give employment to friends of the government, because in practice we have not seen any improvement in intervened institutions such as the IHSS which increasingly deteriorates and does not fulfill its functions of social security. On the other hand there is the case of INPREUNAH, it was assumed that the intervening Commission would fix the problem of the actuarial deficit and it turns out that it grows more and more and also left a supernumerary staff and a General Regulation imposed because it was never discussed in depth with the three pillars of INPREUNAH, such as SITRAUNAH, AJUPEUNAH, ADUNAH. The case of imprema where the Intervening Commission not only imposed a Regulation, but eliminated in one fell swoop one of the most valuable achievements of teachers such as their own STATUTES. They have also been excluded from Social Security care programs and that should be claimed as a humanitarian and constitutional social benefit.

#### **4. THAT THE SUBSTANTIVE CHANGES IN THE INVESTMENT REGULATIONS OF PUBLIC PENSION FUNDS BY PUBLIC SOCIAL SECURITY INSTITUTES BE REVIEWED AND MADE.**

Here there are also a series of contradictions, since the law indicates that investments must be made under the principles and conditions of prudence, security, return (profitability), liquidity and risk diversification, guaranteeing compliance with the applicable legislation in the investment management process. However, the same National Council of Banks and Insurance authorizes the purchase of unproductive goods and even many of them questioned for irregular purchases. On the other hand, the government has used the funds of the Social Security Institutes to build the Government Civic Center under the argument that when the Civic Center was completed, these funds would be returned, which to date has not been possible, and as if that were not enough, let's examine the picture later.

In accordance with the provisions of Article 13, paragraphs 1), 4) and 23) of the Law on the National Commission on Banks and Insurance, it is the responsibility of this Commission, among other matters: 23) To ensure that the investments of the State's pension systems are made under the best conditions of security, performance and liquidity, giving preference, on equal terms, to those that derive the greatest social

benefit to contributors or affiliates and ensuring that at no time do such investments serve to satisfy obligations of the government or the State. However, the Provident Institutes have been practically forced to satisfy state obligations by allegedly borrowing money from each of the institutes to build the Government Civic Center, see evidence:

INJUPEMP, IHSS, INPREMA AND IPM are contributing 55 percent of the total cost of the project. The rest will be put by five national banks, two foreign, the government and the concessionaire of the infrastructure work.

INSTITUTION	AMOUNT BORROWED	Government Compliance
INJUPEMP	\$42,500,000	
IHSS	\$42,500,000	
IMPREMA	\$10,000,000	
IPM	\$20,000,000	

Source: TGU, 23.11.2017, El Heraldo.

For all these mistakes that affect the financial life of the institutes is that we request that the fundamental changes in the regulations of investments of the public pension funds be reviewed and made by the public social security institutes, so that there are no abuses of any kind.

5. WE REQUEST THAT THE MINISTRY OF FINANCE PAY THE ACCUMULATED DEBT IT HAS WITH THE SOCIAL SECURITY INSTITUTES
  6. WE ASK THE NEW GOVERNMENT TO MOTIVATE THE INSTITUTES THAT HAVE NOT PAID THE 2020 REVALUATIONS THAT BY LAW CORRESPONDS TO RETIREES AND PENSIONERS TO DO SO AS SOON AS POSSIBLE SINCE MANY RETIREES ARE IN A RATHER PRECARIOUS SITUATION, SUCH IS THE CASE OF INPREUNAH RETIREES
  7. REVISION AND SUBSTANTIVE REFORMS TO ALL GENERAL REGULATIONS OF SOCIAL SECURITY INSTITUTES
- PROPOSAL.** IN THE FIRST 100 DAYS THE WORKING COMMITTEES WILL HAVE BEEN APPOINTED.

### III. PROPOSALS OF THE SAN VICENTE DE PAUL HOME

1. That the law on retirees and pensioners be respected
2. That the 25% discount is respected in all areas contemplated in the law

- 3. That protection and rehabilitation programs be implemented for older adults**

#### **IV. PROPOSALS OF THE REPRESENTATIVE OF THE UNPROTECTED OLDER ADULT, THEY REQUEST**

- 1. Medical Care**
- 2. Solidarity bonuses**
- 3. Opportunities to work**
- 4. Food**
- 5. Clothing**
- 6. Support them with ventures**

#### **V. PROPOSALS OF THE ASSOCIATION OF RETIREES OF THE HONDURAN SOCIAL SECURITY INSTITUTE**

1. That the administration of our funds, charge all retirees the fee, whose funds go to strengthen our Association of Retirees
2. That a review be made to the pensions of the IHSS since they are the cancellations of all the pensions that are provided through the other Public Social Security Institutes. We have retirees who barely receive, 1,000 lempiras per month, another 700 lempiras. No one can live with dignity with that pension.
3. We have 5 years that the pension adjustments that by law correspond to us are not made, recently they gave us an increase of 108 lempiras each (5 dollars), a ridiculous increase.

#### **VI.- PROPOSALS OF PLAMAJUPEH**

1. That Executive Decree number 57-2019 be applied, regarding the payment of the 60 advance salaries
2. Change the structure of the Board of Directors of INPREMA (Instituto Nacional de Previsión del Magisterio)
3. That the new president implement the CICIH in Honduras to combat corruption even in the Social Security Institutes
4. Support a forensic audit of IMPREMA for the last 15 years
5. Create a special hospital for retirees and pensioners
6. Eliminate the interference of the National Council of Banks and Insurance in the Public Social Security Institutes

#### **VII.- PROPOSALS OF AJUPAIMH**

1. Adaptation of the current Health Model to the specific needs of the aging process
2. In health, rapid and differentiated care for the elderly
3. In view of the fact that retired teachers do not have Social Security, the government should manage care in urgent cases of surgical intervention before public or private hospitals.
4. Enable interactive friendly spaces that contribute to active aging

5. Carry out awareness campaigns by the government before the whole society so that they respect the elderly, since we are not waste, we are not useless, we have the capacity to contribute and we are the moral reserve of this society
6. Design and Execute the diplomas of geriatrics and gerontology
7. Integrate Commissions to work on their own and specific legal framework for the protection of the elderly
8. Design and execute entrepreneurship projects and not depend on anyone
9. Implement programs of dances, painting, writers, singers, playwrights, etc.
10. That the Regulations of our Association be approved

### **VIII.- PROPOSALS OF MILITARY FORESIGHT INSTITUTE (IPM)**

1. That the execution of Executive Decree number 59-2009, which authorizes 80 million for the State State Office in the National Defense Office, be investigated, a sum that would be used to level pensions and carry out social assistance projects for retirees covered under the special risk regime, funds that will be administered by the IPM Military Pension Institute.
2. We demand greater representativeness of retirees in the MPI
3. Create an entity of pensioners and retirees that coordinates and unifies all the institutes, applying national and international standards and that apply actuarial studies for the fulfillment of commitments with the beneficiaries.
4. That Decree number 56-2019 be executed, for the social benefits of the heroic and meritorious Fire Department

### **IX.- INJUPEMH PROPOSALS**

1. That the articles that were incorporated into the INJUPEMH Law as reforms be repealed because they are harmful to the interests of retirees
2. In view of the fact that the increases in the wages of assets and liabilities are very low in relation to the purchasing power of the currency, an immediate revision of these scales is requested.
3. That the interest on personal, mortgage or housing loans be distributed to all contributors at the end of December.
4. That the INJUPEMH Law be revised and that all articles affecting retirees and pensioners be repealed.