



PRESS RELEASE

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FIRST ROUND OF LAYOFFS BEGINS

The Fiscal Restructuring and Stabilization Board (FRSB) announced today the issuing of the first group of layoff notifications to public employees, as prescribed by the implementation of Phase II of Act No. 7 of March 9, 2009 (Fiscal Emergency and Stabilization Act).

FRSB Chairman and Government Development Bank President, Carlos M. García, indicated that, in this round, a total of 7,816 employees would receive notifications of the non-renewal and/or termination of their appointments: 6,797 transitory employees, 205 non-regular employees, 5 contracted employees, and 809 career employees.

“Today, 45 government agency heads received letters addressed to 7,816 employees, of which 7,007 are transitory, non-regular or by contract, and 809 are career employees who have been serving for 9 months or less. Beginning this afternoon, the agency heads will begin the process of distributing these letters. In some cases, the letters will be hand-delivered, and in others, they will be sent by certified mail, as mandated by Act No. 7”, García stated.

García emphasized that previously, under Phase I of Act 7, a total of 2,585 employees had joined the Voluntary Incentivized Resignations Program and 28, the Voluntary Permanent Workday Reduction Program.

Yesterday, Office of Management and Budget Director María Sánchez certified to JREF, the Speaker of the House of Representatives and the President of the Senate, that the projected economies derived from both programs, plus the those projected as a result of the temporary suspension of wage increases and other benefits, under Phase III, added up to \$238.7 million, and therefore, in accordance with the provisions of Article 36.04(b) of Act 7, she executed the Layoffs Plan outlined in Phase II of said law.

For his part, the Secretary of Labor and Human Resources, Miguel Romero, explained that the Department is ready to assist laid off employees through its WIA Centers, which are run by the Human Resources and Occupational Development Council. “All transitory, non-regular and career employees can receive guidance and support aimed at their socioeconomic stabilization through the 15 WIA Centers. In addition, during the month



of June, we will be inaugurating seven (7) One-Stop Centers to help mainly laid off career employees to process, in a quick and personalized manner, their applications for the various benefits available to them under the Public Employee Options Program,” Romero said.

Career employees laid off under the Phase II of Act 7 are entitled to private medical plan coverage for a maximum of 6 months. Also, each laid off career employee is entitled to one of the following benefits: a \$5,000 educational voucher; a \$2,500 technical or vocational training voucher; a \$5,000 voucher to help set up his/her own business; or a 50% wage subsidy (up to a maximum of \$15,000) for one year, to help ease his/her re-employment in non-government sectors.

“As public policy, the layoffs are an option of last resort, but we do have to reach the savings objective of \$2,000 million that the law mandates. Thus, we continue to gauge the level of savings that can be achieved in the operational expenses side,” García added and indicated that future layoff rounds are probable and will be announced on a timely manner.

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