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**LABOR LEGISLATION
OF PARAGUAY**



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Acknowledgment

This translation of the labor laws of Paraguay was made under the direction of Ethel Y. Larson, of the Bureau of Labor Statistics.

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LABOR LEGISLATION OF PARAGUAY

Introduction and Summary

Continuing the series of bulletins on labor legislation enacted in the Latin American countries, the United States Bureau of Labor Statistics presents in this volume the labor laws of Paraguay, which have been compiled and translated from the original texts obtained through the State Department from the American consul general at Asuncion.

Workmen's Compensation Law

On September 7, 1927, the President of Paraguay signed the workmen's compensation law (No. 926) which had passed the Senate and Chamber of Deputies on August 31, 1927. The outstanding provisions of this legislation are given below.

Employments Covered

Individuals or firms engaged in manufacturing, shopwork, or other industrial and commercial occupations, the construction, repair, and maintenance of buildings, railways, ports, dikes, canals, etc., agricultural pursuits in which mechanical power is used, stock raising, meat packing, and kindred industries, mining and quarrying, transportation, loading and unloading, the manufacture or use of explosives, inflammable materials or electricity, the installation of telephone and telegraph systems, and the preparation of yerba maté will be liable for industrial accidents occurring to their employees or laborers when the accident arises out of and in the course of the employment or is the result of an unforeseen event or cause inherent in the character of the work. For the purposes of this law the State and municipalities shall be considered as employers.

The law exempts the employer from all responsibility in the following instances:

- (1) In stock raising, workshops, maté plantations, and retail businesses, when he employs fewer than seven employees or workers;
- (2) when the accident was caused intentionally by the injured worker or one of his heirs;
- (3) when the injured worker was under

the influence of liquor; (4) when the accident was due to force majeure.

The responsibility of the employer continues even when the employees work under the direction of an agent or contractor.

Benefits

The compensation scale is based upon the earnings of the injured employee. The daily wage is used as a basis in fixing compensation for temporary disability. In case of a worker who has not been employed for the whole year, the compensation is computed on his average daily earnings multiplied by 300.

Only a disability lasting more than 10 days shall be compensated. The total amount of compensation may not exceed 50,000 pesos¹ nor may the daily salary be computed at less than 15 pesos, even in the case of unpaid apprentices.

Employer's property is subject to attachment for failure to pay these benefits promptly.

Death.—If the industrial accident causes death, the employer shall pay, in addition to funeral expenses, which are not to exceed 2,000 pesos, an amount equal to the worker's average earnings for 1,000 days. Only the surviving spouse or minor children who have been supported by the deceased receive this compensation, except where there are ascendants who have lived with and been supported by him, in which case they also shall share in the benefits.

Permanent total disability.—An employee who is permanently and totally disabled as the result of an industrial accident shall receive compensation equivalent to his average earnings for a period of 1,000 days.

Permanent partial disability.—In cases of permanent partial disability resulting from an industrial accident the employer shall pay an amount equal to 1,000 times the reduction in daily wages suffered as a result of the accident.

Temporary disability.—For temporary disability employers are required to pay employees two-thirds of their regular wages during their disability, provided that it does not last longer than a year. If it exceeds this time, permanent disability benefits shall be awarded the employee.

The Executive shall determine the injuries which shall constitute permanent total and temporary total disability and the corresponding compensation based on the reduction in working ability brought on by the injury, taking into account the occupation, age, and education of the injured worker.

Medical attention.—Where an industrial accident takes place from a cause for which the employer is not legally excusable, he shall provide free medical attention until the employee is able to return to work, dies, or is declared to be permanently disabled.

Occupational Diseases

In case the employee is incapacitated or dies as a result of a disease contracted while carrying on his work, or where it is proved

¹ 1 peso = 2.26 cents.

to have originated from work carried on by him during the year previous to his disability, he shall be compensated. Benefits are not payable, however, if it is proved that the workman was suffering from the disease before entering the employment. The compensation must be claimed from the last employer for whom the man worked during the year referred to, on the kind of work which caused the disease, unless it is proved that the same was contracted while in the service of other employers, in which case the latter shall be liable. If the disease, owing to its nature, could have been contracted gradually, the other employers in whose service the worker had been employed during the last year, on the kind of work which caused the disease, are liable to the last employer for a proportionate share of the compensation, to be fixed by arbitrators if there is any disagreement concerning it.

The worker shall be entitled to receive as the first payment 15 per cent of the total amount of the compensation due him. When the total compensation amounts to less than 10,000 pesos it shall be paid in a lump sum.

The executive shall enumerate the occupational diseases which are compensable.

Accident Reporting

The employer is required to report an industrial accident to the nearest judicial authority within 30 days, if it causes the worker's death or his permanent total or temporary total disability. A fine of from 100 to 1,000 pesos is imposed on those failing to comply with this provision.

Sunday Rest

Under the Paraguayan Sunday rest law (No. 242), which was enacted June 7, 1917, and its regulatory decree of October 19, 1925, compulsory Sunday rest became effective throughout the Republic. According to the provisions of this law business houses must close on Sundays and legal holidays, and the sale of alcoholic beverages is forbidden on these days, except that wines and beer may be sold by hotels and restaurants during the luncheon and dinner hours from 11 a. m. to 1 p. m. and from 7 to 9 p. m.

Specific exceptions under the law are given in great detail.

Retirement Annuities and Pensions for Railroad Employees

A retirement annuity and pension fund was created for the permanent employees of the railroads by Law No. 842 of August 23, 1926, and its amendment, Law No. 1076, of August 23, 1929. Employees in restaurants, confectioneries, etc., which are adjuncts of the railroad service, are included, even though employed by concessionaires.

The employees are required to contribute 5 per cent of their salaries or wages up to maximum of 150 gold pesos; new employees, the amount of the first month's salary in 10 monthly installments; those already employed are required to pay to the fund the amount of one month's salary in 24 monthly installments; and the difference in the first month's salary when given an increase in salary. The railroad companies contribute 2 per cent of the salaries and wages of the employees and workers and an additional 3 per cent of the cash

receipts for tickets, special trains, freight, etc. Provision is made for the reception of donations, legacies, fines, and interest, as well as overpayments not reclaimed by the public within a year.

Benefits

An employee may be granted an ordinary annuity, equivalent to the average salary received during the last five years of service, if he has reached the age of 50 and has rendered 25 years' service.

The employee who has served more than 10 years and who is at least 50 years of age will receive the annuity in the following proportion: For the tenth, eleventh, twelfth, thirteenth, and fourteenth years of service, 50, 60, 70, 80, and 90 per cent, respectively, shall be taken of the average salaries received during the last five years, multiplying this figure by the years of service and dividing by 25. After 15 years the basis shall be the average wages received during the last five years, in full, multiplied by the years of service and divided by 25. The employee who has not reached the age of 50 and who wishes to retire shall have his annuity reduced 20 per cent.

Disability annuity is granted in an equal proportion to railroad employees who after 10 years of service are declared physically or mentally incapacitated, and to those who are permanently disabled in the line of duty from a cause arising out of the service regardless of their age or length of service.

Pensions are provided for the widow, invalid widower, children, or if there are no children, the parents, on the death of employees having a right to a retirement annuity. The amount of the pension is 50 per cent of the full retirement annuity. Pensions cease upon the widow's, widower's, or mother's remarriage; when the sons reach the age of 18 years; and when the daughters remarry or become of age.

Administration

The funds are administered by a board of directors composed of two representatives each of the employers and workers with a chairman appointed by the executive authority.

Text of Labor Legislation

Workmen's Compensation

LAW NO. 926, OF SEPTEMBER 7, 1927

ARTICLE 1. Every employer, whether an individual or a corporation, shall be civilly liable for the accidents suffered by his employees and workers arising out of and in the course of the employment in which they are engaged, or due to a fortuitous event or force majeure connected with the nature of the work.

ART. 2. For the purposes of this law, by "employer" will be understood the individual or company owning the work, operation, industry, or business in which the work is performed; by "worker or employee," the one who performs for another manual work outside of his own home.

An industrial accident is one which arises out of and in the course of the work, causing bodily injuries disabling the worker temporarily or permanently from performing his work. Accidents due to fortuitous events or force majeure connected with the nature of the work which caused such injuries shall also be considered industrial accidents.

ART. 3. Workers or employees who render services in the following industries and enterprises are covered by this law:

- (a) Factories, workshops, industrial and commercial establishments.
- (b) Construction, maintenance, and repair of buildings, railways, ports, dikes, canals, and similar works.
- (c) Agriculture—the personnel employed in the management or operation of motors or machines.
- (d) Stock raising, meat preserving, cold storage, and other branches of the meat industry connected therewith.
- (e) Mines and quarries.
- (f) Transportation, loading, and unloading.
- (g) Manufacture or use of explosives, inflammable materials, or electricity, the installation of telephone and telegraph [systems] and lightning rods.
- (h) Forestry enterprises, cultivation and preparation of maté.

ART. 4. In stock raising, forestry enterprises, maté plantations, and retail businesses only employers or contractors who employ more than six workers or employees are liable under this law.

ART. 5. The employer is exempt from all liability for industrial accidents:

- (a) When the accident is caused intentionally by the injured worker.
- (b) When the injured worker is under the influence of liquor at the time of the accident.
- (c) When it is due to force majeure not connected with the nature of the work.
- (d) The employer shall also be exempt from liability as to any of the heirs of a deceased worker when the latter caused the accident voluntarily or by his culpable negligence.

ART. 6. The liability of the employer continues even when the worker or employee works under the direction of agents or contractors whom the owner has employed to operate the industry, provided the management of the work and the control inherent in its execution are in charge of the employer or the contractor, as the case may be.

ART. 7. In order to be compensated, the disability must last longer than 10 days.

ART. 8. The following must be considered in determining the amount of the compensation:

- (a) When the accident causes the worker's death, the employer is required to pay the funeral expenses, which may not exceed 2,000 pesos (legal currency), and to pay an amount equal to the worker's average earnings at the time of the accident for 1,000 days.

(b) In case of permanent total disability the compensation to the injured worker shall be equal to that awarded in case of death.

(c) For permanent partial disability the compensation shall be 1,000 times the reduction in daily wages suffered as a result of the accident.

(d) If the accident causes the worker to be temporarily incapacitated for the work, the compensation shall be two-thirds of his regular wages during his disability. If he has not recovered at the end of the year, it shall be regarded as permanent for the purposes of compensation.

ART. 9. In no instance may the total amount which the employer has to pay exceed 50,000 pesos (legal currency).

Failure to pay the pension punctually subjects the employer's property to attachment.

ART. 10. When a worker is killed, only the widow and minor children who have been supported by the deceased shall be entitled to compensation.

The ascendants shall share with the latter only when they have lived with and been supported by the deceased, in which case the compensation shall be distributed pro rata.

ART. 11. For the purposes of the preceding provisions the executive authority shall determine by regulation the injuries which shall be considered as permanent total and temporary total disability, and the valuation thereof on the basis of the reduction in working capacity occasioned by said injuries, taking into consideration the occupation, age, and education of the injured worker.

ART. 12. For the purposes of this law, by "average wage" is understood the remuneration received by the worker in money or in other form, whether it be for work by the job, for extra work, or as a gratuity, a share in the profits, or any other additional remuneration which is of a regular character in the industry.

By "average daily wage" is understood the fixed wage which is stipulated for a working day and any additional remuneration.

The daily wage shall serve as the base in determining the compensation for temporary disability.

By "average annual wage" shall be understood the sum of the daily wages earned by the injured worker for the 12 months preceding the date on which the accident occurred. If he had worked less than 12 months, the annual wage shall be determined by multiplying the average daily wage which he received by 300.

If the wage of the worker was variable or by the job, the daily wage shall be determined by dividing the remuneration received during the time he was in the service of the employer, if such time was less than one year, by a figure equal to the number of days which the worker had worked in the industry or enterprise.

The fixing of the wage which, in whole or in part, is not paid in money shall be made by the judge of the case according to the circumstances under which the work was performed and taking into consideration the value of the same or other kind of services in the locality, and the rate of wages for workers in the same occupation or trade, or in lieu thereof that of occupations or trades similar to that in which the accident occurred.

ART. 13. A daily wage shall never be considered to be less than 15 pesos, even when applying to apprentices who receive no remuneration or workers who receive less than this amount.

ART. 14. Compensation for industrial accidents is not subject to attachment, transfer, set-off, or waiver.

ART. 15. A worker injured in an accident which resulted in a disability shall lose his right to continue receiving that part of his wage granted to him by the law from the day he leaves the country, and the heirs of alien workers will not receive any compensation if they did not reside in the country at the time the accident took place.

ART. 16. The procedure to be followed in actions to which the application of this law may give rise shall be that provided by the Code of Civil Procedure for dilatory pleas, the parties in their respective complaints and answers being required to give all facts in support of their claim which they believe they are entitled to present, attaching all the documents and offering all the proofs on which they base their claims.

ART. 17. In addition to the action granted him against the employer or contractor, the injured worker or his representatives have the right to bring an action under the Civil Code against a third party who has caused the accident, to recover damages therefor. By "third party" is understood one who is not

connected with the industrial operation, the employer and his workers or employees being thus excluded from this classification. The compensation secured from a third party in conformity with this provision exempts the employer from his liability for the part which the third party causing the accident is obliged to pay. The action against a third party may be brought by the employer at his own expense and in the name of the injured worker or his heirs, if they have not brought it within eight days after the accident occurred.

ART. 18. Action for payment of the compensation must be brought within one year from the day of the accident. This provision does not apply to minors.

ART. 19. In case a worker is incapacitated or dies as a result of a disease contracted while in the exercise of his occupation or employment, he shall be entitled to receive the compensation awarded by this law, under the following conditions:

(a) The disease must be due exclusively to the kind of work the injured worker was doing during the year preceding the disability.

(b) Compensation shall not be paid, however, if it is proved that the worker was suffering from such disease before entering the employment which he had to give up.

(c) The compensation must be claimed from the last employer for whom the man worked during the said last year in the occupation in which the disease originated, unless it is proved that the same was contracted while in the service of other employers, in which case the latter shall be liable.

(d) If the disease, owing to its nature, could have been contracted gradually, the employers in whose service the worker had been employed during the last year on the kind of work which caused the disease shall be required to reimburse proportionally to the last employer the compensation paid by him, the proportion to be fixed by arbitrators if there is any controversy concerning it.

(e) The worker shall be entitled to receive as the first payment 15 per cent of the total amount of the compensation.

(f) When the compensation amounts to less than 10,000 pesos it shall be paid in a lump sum.

ART. 20. The executive authority shall specifically enumerate the occupational diseases which are compensable.

ART. 21. In case of death or manifest permanent total or temporary total disability of the worker, the employer is required to report the accident within 30 days of its occurrence to the nearest judicial authority, before whom a record shall be made stating the circumstances under which the accident occurred. Failure to comply with this provision shall be punished by a fine of from 100 to 1,000 pesos.

ART. 22. Any agreement contrary to the provisions of this law shall be absolutely void.

ART. 23. When an accident occurs from a cause for which the employer is not legally excusable, he is required to furnish free medical and pharmaceutical attention to the injured worker until he is able to return to his work, dies, or is declared permanently disabled, provided the worker accepts the medical attention of the physician designated by the employer.

ART. 24. The worker injured in an industrial accident, or his legal heirs, shall be entitled to sue for compensation in forma pauperis.

ART. 25. The Federal Government and the municipalities shall be considered as employers for the purposes of this law.

ART. 26. The executive authority shall issue the necessary regulations for the enforcement of this law and other measures to prevent industrial accidents, and any safety and sanitary measures required, by the nature of the enterprises covered by this law.

Enterprises shall be required to comply with said regulations, under penalty of fines of from 100 to 5,000 pesos (legal currency) to be imposed by the executive authority.

ART. 27. The executive authority shall issue the necessary regulations for the enforcement of this law.

Sunday Rest

LAW NO. 242, OF JUNE 7, 1917

ARTICLE 1. The performance on Sundays and legal holidays of manual work for another and of work done publicly for the worker himself in factories, workshops, commercial enterprises, and other establishments or work places

shall be prohibited throughout the Republic, subject only to the exceptions specified in this law and in the regulations to be issued thereunder.

ART. 2. The following shall be excepted from the above prohibition in conformity with the rules laid down below and the regulations to be issued by the executive authority:

(a) Work which can not be interrupted, either because of the nature of the needs which it satisfies or for reasons of a technical character, or because the interruption would cause serious injury to the public interest or to the industry itself; such work may be done without a special permit, in conformity with the rules laid down in the regulations.

(b) Repairing or cleaning work in industrial enterprises which is necessary in order that the work during the week may not be interrupted thereby.

(c) Any urgent work that may become necessary because of impending disaster or because of an accident or other temporary circumstances which must be dealt with.

The regulations shall specify the weekly rest for the persons covered by the exceptions.

ART. 3. The provisions of this law shall not apply to domestic service.

ART. 4. Establishments where alcoholic beverages are sold shall remain closed on Sundays and legal holidays.

ART. 5. In default of proof to the contrary, employers shall be deemed to be responsible for violations of this law, and shall be liable to a fine of 100 pesos for a first offense and of double that amount or 15 days' imprisonment for a second or further offense, without prejudice to the obligation to comply with the law.

ART. 6. The penalties provided for in the preceding articles shall be imposed by the correctional magistrates in the capital and by the justices of the peace in rural districts after summary proceedings.

ART. 7. This law shall become effective 90 days after promulgation.

REGULATORY DECREE NO. 22037, OF OCTOBER 19, 1925

ARTICLE 1. In conformity with the provisions of Law No. 242, the performance on Sundays and legal holidays of manual work for another and of work done publicly for the worker himself, in factories, workshops, commercial enterprises, and other establishments or work places shall be prohibited throughout the Republic, subject only to the exceptions specified in the said law and in these regulations.

ART. 2. The prohibition of manual work on Sundays and legal holidays shall apply to the period between midnight of the day before and the following midnight.

ART. 3. Manual work shall be considered to mean any employment in which the exercise of physical powers predominates.

ART. 4. For the purposes of the prohibitions and exceptions provided for in the law and these regulations—

(a) Manual work for another shall be considered to mean such work performed by order of another person for which the worker, artisan, agent, or employee who performs the work receives no pecuniary compensation other than the wage or remuneration paid to him.

(b) Manual work done publicly for the worker himself shall be considered to mean work which is performed in the public streets or can be seen therefrom, provided profit is derived therefrom or that it is the carrying on of a shop, business, etc.

ART. 5. For the purposes of article 3 of the law, domestic service shall be considered to mean the employment of persons for a wage in the service of other persons or families for the purpose of doing their work or attending them, provided said persons are not employed for purposes of direct gain [in] commerce or industry.

ART. 6. Persons who perform manual work on Sundays and legal holidays under the exceptions allowed by the law and these regulations shall be entitled to a compensatory rest during the following week, within the ordinary working hours, consisting of a continuous period of time equal to that which they have worked on Sunday.

ART. 7. Owners of enterprises covered by the provisions of the preceding article shall be required to keep a special list, giving the names of the persons employed and the turn of each one of them for the compensatory rest period. This list shall be posted in a conspicuous place, and the owner of the com-

mercial or industrial establishment in question shall submit it to the police authorities whenever so required.

ART. 8. In case of manual work, carried on day and night without interruption, the change of shifts shall be made at the customary hours, and the rest period of the persons entitled thereto shall begin and end at the same hours.

ART. 9. Continuous or occasional manual work permitted on Sundays and legal holidays by exception shall be performed by the minimum number of workers, artisans, agents, or employees, necessary therefor, and the work shall not continue beyond the time absolutely necessary for the performance of the work for which the exception is authorized.

ART. 10. Commercial establishments which are not allowed to do business on Sundays and legal holidays under the provisions of the law and these regulations shall remain closed, but if the door is the only means of ventilation and the owner of the industrial or commercial establishment, his family, or clerks live in the said establishment or house, they may keep the door half open, provided a notice shall be posted informing the public that the establishment is not open for business.

ART. 11. In deciding whether or not a business must remain closed on Sundays and legal holidays, the license for the branch of business carried on therein shall be taken into consideration, but the fact that reference is made in said license to the sale of goods belonging to an excepted class as supplementary to the regular business of the establishment, can not be made a pretext for classing the business under the said exceptions.

ART. 12. A merchant who refuses to comply with the orders of the authorities, or who sells goods when their sale is prohibited, shall forfeit the benefit of the exception and, in addition to the penalty to which he is liable for the violation, shall be required to keep his establishment closed on Sunday.

The order for the closing of the establishment on Sunday by virtue of the above provision shall not be canceled except as the result of an appeal to the Ministry of the Interior, and in this connection the reasons for closing the establishment and the report of the police authorities shall be taken into consideration.

Sale of alcohol

ART. 13. The sale of alcoholic beverages of all kinds, regardless of the percentage of the alcohol therein, for consumption on the premises or in public shall be prohibited absolutely on Sunday and legal holidays.

ART. 14. Commercial establishments in rural districts, other than Concepcion, Encarnacion, Villarrica, and Pilar, which are engaged exclusively in the hardware, grocery, and provision business, and which do not sell alcoholic beverages, may remain open on legal holidays until 12 noon.

If any person who takes advantage of the benefits of this article is guilty of violating the provisions of the law three times in six months, he shall forfeit the right to carry on business for a period of six months.

Exceptions

ART. 15. In addition to exceptions of a permanent and general character, occasional and special exceptions may also be authorized, whereby a permit for the employment on Sunday of a particular person is granted. Applications for such permits shall be made, on ordinary paper, to the police authorities a sufficient time in advance; the reason or grounds on which the application is based, the nature of the manual work to be performed, the time and place for its performance, and its duration shall be stated. An appeal from the decision of the chief of police may be made to the Ministry of the Interior.

ART. 16. Work which can not be interrupted, either because of the nature of the needs which it satisfies, or because interruption would cause serious injury to the public interest, shall constitute an exception of a general character. Such work shall include the following:

(1) In rural districts: Timber cutting, work in tannin plants and on maté plantations; agricultural work; herding of cattle.

(2) Railroad enterprises: Manual work in connection with the movement of passenger and freight trains, loading and unloading of baggage, parcel post, perishable goods, and cattle, and the loading of general freight in times of accumulation.

(3) In harbors: Work in the embarkation and landing of passengers, baggage, mail, and perishable freight, such as fruit, fish, etc., and the loading and unloading of cattle; in the dispatching of trains; in the towing of vessels, both

entering and leaving the harbor; and on small steamers, launches, and passenger boats for trips and regattas; fire, safety, cleaning, watching, and necessary repair services; general loading and unloading only in case of accumulation.

(4) Cartage: Only for the transportation of baggage and for the services and work authorized by these regulations.

(5) Railways, automobiles, bicycles, carriages for hire and for funerals.

(6) The personnel of private hospitals and sanitariums.

(7) Drug stores, in turn, as determined by the health department, and exclusively for the preparation and sale of medicines.

(8) Preparation and sale of food for invalids.

(9) Bathhouses, sanitary work in connection with sewers and public comfort stations.

(10) Hiring of chairs and decorations.

(11) Museums, and telegraph, telephone, and radiotelephone services.

(12) Hotels, restaurants, inns, boarding houses, and eating places, provided they sell wine or beer only during the lunch and dinner hours; i. e., between 11 a. m. and 1 p. m. and between 7 p. m. and 9 p. m.

(13) Markets for the sale of provisions, and meat, fish, poultry, vegetable, and fruit shops and stalls both inside and outside such markets.

(14) Dairies and creameries.

(15) Bakeries and pastry shops.

(16) Delivery of ice.

(17) Billiard parlors, confectioners' shops, wine shops, ice-cream shops, tea rooms, refreshment rooms.

(18) Delicatessen shops.

(19) Street vendors, selling articles permitted in specified localities during the hours when such sale is permitted therein; this exception shall include itinerant photographers.

(20) Auctioneers, provided the auctions are held on the premises occupied and used by them exclusively for such purpose.

(21) Messenger service of private enterprises, until 12 noon, provided the persons so employed are over the age of 16 years and are not employed on this work on two consecutive Sundays.

(22) In garages and establishments renting automobiles; urgent repair work on vehicles in case of accident or breakdown occurring on the day in question.

ART. 17. [The following shall be considered to be work which can not be interrupted, either] for reasons of a technical character or because interruption would cause serious injury to the public interest, viz, in lighting enterprises, manual work in production and distribution, repairing of conduits, appliances, etc., carried on by enterprises which produce and supply light, power, or heat by means of electricity, gas, acetylene, alcohol, or any other system.

ART. 18. [The following shall be considered to be work which can not be interrupted] because of the nature of the needs which it satisfies or because the interruption would cause serious injury to the worker or to the industry itself:

(1) Moving by the worker of his own furniture and belongings on Sunday or a legal holiday in order to take advantage of the cessation of work.

(2) Work in theaters, circuses, motion-picture houses, and other places of public entertainment, and in bands, orchestras, and in connection with music in general.

(3) Work in the printing, distribution, and sale of daily newspapers.

(4) Work of stablemen, the raising of poultry and other fowl, the feeding, care, and cleaning of animals, and the removal of refuse.

(5) In plant and flower shops: Making up and sale of bouquets, wreaths, decorations, and cut flowers in general.

(6) In bicycle shops: Urgent repairs and the renting of bicycles.

(7) In ice factories and cold-storage establishments: Necessary work in the manufacture of ice, the production of refrigeration, and other work connected with the industry.

(8) In dairies and creameries: Making of cream and butter, pasteurization of milk, and preparation and distribution of kefir.

(9) In [sugar] mills, grinding.

(10) Watchmen: Guarding commercial and industrial establishments.

(11) In commercial and industrial establishments: Taking inventories and making up balance sheets.

ART. 19. [The following shall be considered as work which can not be interrupted] for reasons of a technical nature or because its interruption would cause serious injury to the industry:

(1) When the raw material is liable to spontaneous change if it is not subjected to industrial treatment at the time of its extraction or preparation, or where the raw material can be used only within a limited period of time.

(2) Work whose performance, including the necessary preparatory and finishing work, requires more than 24 hours, owing to the nature of the operations to which the raw materials, their derivatives or mixtures or solutions with other materials, are subjected.

(3) Work in which it is necessary to subject the raw materials, their derivatives, compounds, or mixtures with other materials, to the constant action of some agent such as heat or cold, or to the continued reaction of the said agent for more than 24 hours.

(4) Work in order to maintain a constant or fixed temperature in rooms or apparatus, either owing to the nature of the processes of manufacture or preparation, if these are continuous, or to enable work to be resumed after the rest period.

(5) Work necessary to complete or terminate operations which must be concluded on Sunday or a legal holiday and which it has been or will be impossible to finish before midnight on Saturday for the reasons given under paragraphs (1), (2), (3), and (4), provided the articles or things in question are those the fabrication or manufacture of which can be completed or the sale of which is permitted by way of exception in the law or these regulations.

(6) In potteries: Feeding and tending the calcining furnaces.

(7) In brick works: Feeding and tending the kilns, and until 9 a. m. on Sunday the preparation of the kilns.

(8) In tanneries: Reception of the hides and the maceration processes.

(9) In patent leather and chamois factories: Drying of patent leather and bleaching of chamois leather in the sun.

(10) In lime and plaster works: (a) In kilns without special heating, feeding and tending the kilns until 9 a. m. on Sunday; (b) in kilns with grates, feeding and tending the kilns; also until 9 a. m. on Sunday, withdrawing the finished product; (c) in circular and chamber kilns, feeding and tending the kilns, and in addition, until 9 a. m., withdrawing the finished product and putting in the articles to be finished.

(11) In cement works: In circular kilns, the charging of the calcining kilns until 9 a. m., the withdrawal of the finished product, and the putting in of articles to be finished.

(12) In extraction of fats from bones: Finishing the extraction of fats in operations begun before 6 p. m. on the previous day, and emptying the fat extractors.

(13) In vegetable-oil factories: Until 6 a. m., processes not completed on Saturday.

(14) In stearin factories: Operating the distillation apparatus.

(15) In breweries and malt works: The germination of the barley (or grain), the preparation of the mash, and the fermentation; the finishing of any processes begun on Saturday; the operation of the refrigeration machinery.

(16) In vinegar works: The work of refilling and of fermentation.

(17) In tallow factories: The reception and melting of the fat.

(18) In spaghetti factories: The operation of drying the spaghetti made before Sunday.

(19) In smelting works: Charging and tending the furnaces and work in shops connected therewith in the casting of iron and steel for the rolling mills.

(20) In metal galvanizing: Galvanizing by the electrolytic process; supervision of the process.

(21) In the manufacture of galvanized iron: Charging the furnaces to keep the zinc liquid.

(22) In sugar mills, alcohol distilleries, and refineries: The work of manufacturing and refining.

(23) In chemical works: The following work—

(a) At roasting and distilling furnaces.

(b) At condensing, concentrating, crystalizing, refrigerating, precipitating, drying, and compressing apparatus.

(c) At apparatus for the production of oxygen and hydrogen.

(d) At apparatus for dissolving, purifying, and evaporating.

(e) In the filling of receptacles and the transportation of manufactured products to the warehouses.

- (24) In the manufacture of cane sirup and work connected therewith.
- (25) In the manufacture of soda, potash, caustic soda, and caustic potash, the operation of.
- (a) Melting and calcining furnaces and vessels.
- (b) Apparatus for condensation, concentration, crystalization, and precipitation.
- (c) Putting the manufactured products into containers and transporting them to the warehouses.
- (26) In compressed oxygen and hydrogen works: At the apparatus for the production of oxygen and hydrogen and the compression pumps.
- (27) In starch factories: The feeding, operation, supervision, and regulation of the apparatus and machinery for macerating, grinding, elimination of gluten, filtering, cutting moist starch in squares, and placing in the ovens and drying.
- (28) In cigar factories: Feeding, operating, watching, and regulating the heaters in the rooms for drying the moist cigars.
- (29) In soap works: Feeding the fires under the melting pans.
- (30) In reinforced-concrete building: Continuation of work begun before Sunday.

ART. 20. The following shall be deemed to be manual work of an urgent nature because of imminent damage or material accident:

- (1) In building: The construction, demolition, or completion of work necessary to insure the stability of a building, or to rebuild or shore up buildings which threaten to fall, or to prevent floods or to minimize their consequences.
- (2) In industrial workshops and establishments: The preparation of the materials necessary for repairs inside or outside of the workshops or establishments.
- (3) In public streets, private houses, and commercial or industrial establishments: Repairs to water pipes, drains, or electrical conductors.
- (4) In connection with steamers, vessels, locomotives, railways, and other means of locomotion: All necessary and urgent repairs to boilers, motors, tracks, transmission and distribution cables and pipes, and signals.
- (5) In private shipyards and docks: Urgent repairs to vessels.

ART. 21. The repairing and cleaning work referred to in the second paragraph of article 2 of the Sunday rest law shall be considered to mean such work as it may be found necessary to perform on Sundays and legal holidays in connection with the machinery, in the buildings and installations in factories and workshops, on premises on which work is being done, premises connected therewith, and the approaches thereto:

- (a) In order to finish work begun on the previous day;
- (b) In order to avoid interfering with the ordinary work during the week;
- (c) In order to avoid causing injury to the industry.

Penalties and procedure

ART. 22. In case of violation the fine specified in article 5 of Law No. 242 shall be imposed, in case of a second or further offense the fine shall be doubled.

ART. 23. The above penalty shall be imposed in the capital by the correctional magistrates and in rural districts by the justices of the peace, in summary proceedings, in the same manner as in the case of violations of police regulations.

ART. 24. Every time a police official or other competent person reports a violation of Law No. 242 he shall draw up an official report, on which the proceedings and the decision of the magistrate shall be based.

ART. 25. The accused shall have the right to appeal from the decision, subject to payment into court of the amount of the fine imposed on him; the sentence shall be enforceable within 24 hours of its rendition. In the event the sentence is not appealed, the magistrate shall issue orders to the police authorities to arrest the person accused in case of repetition of the offense.

Retirement of Railroad Employees

LAW NO. 842, OF AUGUST 23, 1926 (AS AMENDED BY LAW NO. 1076)²

CHAPTER 1

ARTICLE 1. A retirement annuity and pension fund is hereby created for railroad employees, subject to the provisions established in this law.

² Superseding Law No. 641.

ART. 2. The following are entitled to the benefits of this law:

(a) Permanent employees and workers on the railroads that are established or which may be established in the country; provided they render public service.

The provisions of this law include also employees and workers in ports, restaurants, confectioneries, etc., whose services are already incorporated or are to be incorporated in the railroad business, even when the services are in charge of lessees; also professional men if they receive a monthly salary, also the employees of the fund created by this law.

(b) The family of the employees and of workers who have lost the right to retirement annuities and pensions in the cases indicated in this law.

ART. 3 (as amended by Law No. 1076, of August 27, 1929). For the purposes of this law, employees or workers are considered permanent when they have rendered continuous service for more than six months in one enterprise.

CHAPTER 2.—*Administration of fund*

ART. 4 (as amended by Law No. 1076). The administration of the fund shall be in charge of a board of directors composed of a chairman, appointed by the executive authority with the approval of the Senate, two representatives of the railroad enterprises, and two of the employees or workers of the same, and an alternate for each party, appointed by the executive authority. For the election of the representatives of the railroad enterprises, they shall agree on the candidates. In case no agreement is reached each [enterprise] engaged in public service shall present a candidate, and the executive authority shall select from among those proposed; this authority shall also determine the date for the presentation of the candidates. The enterprises that have not been represented can not make any claims. In such case the executive authority must make the appointments. As regards the representatives of the employees and workers, they shall be elected from the persons designated by secret ballot, by simple plurality in accordance with the following procedure: (1) In the various locals of the railroad employees' union they shall vote in conventions called in their respective localities and presided over by the chairman of the executive commission of the local. (2) In the intermediary stations on the borders between the various locals they shall vote in a special ballot box in the charge of the president or the secretary of the railroad employees' union. (3) The election returns and the announcement of the candidates shall be made at a joint session of the governing board, the chairmen of the executive commissions of the locals of the railroad employees' union being present.

If the conventions are not held, the executive authority shall appoint the representatives from the persons on the governing board of the railroad union which is registered and whose headquarters are in the capital.

The chairman of the board of directors must be at least 25 years of age, must be a citizen of Paraguay, and of well-recognized ability and good habits. This office is of a professional nature.

ART. 5 (as amended by Law No. 1076). The members of the board of directors shall remain in office four years, may be reelected, and shall receive the salary fixed in the budget of the fund.

The alternates will not receive a salary except when they substitute for the regular members.

The retiring members of the board of directors shall continue in the performance of their duties until their substitutes take office.

ART. 6. The employees of the fund shall be appointed or removed by the board of directors and shall be under the immediate orders of the chairman. The chairman shall have a voice and vote in the deliberations of the board of directors, his vote being the deciding one in case of a tie. In addition, he shall carry out the decisions of the board of directors and shall act as its legal representative.

ART. 7. In case of the absence of the chairman of the fund, created by this law, the board of directors shall be presided over by the director whom the chairman designates.

ART. 8. The board of directors shall draw up its by-laws, and each year its budget of expenses and the amount of the retirement annuities and pensions, and shall present them to the executive authority for his approval.

ART. 9. When the resources do not cover the amount of the annuities and pensions, which must be paid during the year, a proportionate reduction shall be made to balance the budget.

CHAPTER 3.—*Resources of the fund*

ART. 10. The resources of the fund shall be composed of the following:

(a) The compulsory monthly deduction of 5 per cent of the wages of each employee or worker from the date of promulgation of this law. This deduction will apply up to 150 gold pesos (legal tender) for employees who earn a higher salary.

(b) The amount of the first month's salary of an employee or worker upon his entrance into the establishments referred to in this law, payable in 10 monthly installments. Those already employed shall pay to the fund the amount of one month's salary upon the ratification of this law, in 24 monthly installments; the contribution shall not exceed 150 gold pesos (legal tender) which is fixed as a maximum.

(c) The difference in the first month's wages when the employee or worker is promoted to a better-paying position or receives an increase of wages, provided he had not contributed an equivalent or larger amount previously.

(d) A monthly sum which the enterprises shall contribute for this purpose, equivalent to 2 per cent of the salaries and wages of all the employees and workers up to a fixed maximum.

(e) (as amended by Law No. 1076). An additional 3 per cent of the cash receipts for fares, special trains, parcel-post packages, freight, and fines, and 50 centavos for each telegram sent by the enterprises.

(f) The overpayments not reclaimed by the public within a period of one year, the rights of the shippers expiring at this period, as well as the unpaid wages.

(g) The fines imposed in conformity with this law.

(h) The donations and legacies left to the fund.

(i) The interest on the funds accumulated.

ART. 11 (as amended by Law No. 1076). The railroad enterprises are required to make the deductions referred to in paragraphs (a), (b), and (c) of article 10 in the salaries of the personnel of their offices and to deposit them every month, together with the contributions established in paragraphs (d), (e), and (f) of the same article, and those required for the loan service authorized in article 14 of this law, in cash, in the State Bank or in the bank designated by the board of directors, under penalty of a fine of from 500 to 1,000 pesos (legal currency) per day for each violation after the board of directors has notified them. Under no circumstances may the amounts be reduced.

ART. 12. The resources and the incomes obtained through this law shall be the exclusive property of the persons included in its provisions and those having charge of the payment of the annuities and pensions as well as of the operations authorized by the same. In no case may the funds be used for other purposes, under the personal liability of the members of the board of directors, who shall make good any losses with their own property, without prejudice to any criminal action which may be brought.

ART. 13. All the resources of the fund shall be deposited in the bank referred to in article 11. After a decision in each case, the funds shall be invested by the board of directors in national bonds or those which have the subsidiary guaranty of the nation, paying the highest rate of interest and provided they are negotiable. Up to 80 per cent of these funds may be used in mortgage loans to the employees and workers who are beneficiaries of this law who have been in the service at least 10 years. The loans may not exceed 5,000 gold pesos (legal tender) or its equivalent in legal currency and must bear 8 per cent interest per year.

ART. 14 (as amended by Law No. 1076). These loans shall be regulated in accordance with the following conditions:

(1) The fund may grant loans in varying amounts for a minimum period of 15 and a maximum of 20 years, in proportion to the value of the property and the amount of the salary, for the purpose of increasing the number of private dwellings. The corresponding tables shall be submitted for the approval of the executive authority. (2) The monthly deductions for the amortization and interest shall be 1 per cent of the mortgage until the debt is completely canceled. (3) The deductions for the amortization and interest may

not exceed 25 per cent of the wages earned, and as regards those receiving the retirement annuities and pensions, the board of directors of the fund shall decide each case individually. (4) Loans shall be authorized only to those workers earning a minimum salary of 1,000 pesos (legal currency) or its equivalent in gold. (5) The employees who obtain loans from the fund and leave the service forfeit their right to withdraw the contributions made to the retirement fund, in the cases specified in article 26 of this law, these contributions being left in the fund as a subsidiary guaranty of the loan granted. (6) When an employee retires owing the fund, the amount required of him for the service of the loan shall be deducted each month from his annuity. (7) The loans shall be made after the property on which the loan is to be placed has been appraised by one or more experts appointed by the fund. (8) The expenses of the appraisal, as well as the drawing up and cancellation of the loan, and other expenses originating out of the sale of the real estate, shall be paid by the owner. The expenses involved in the searching of title shall be paid by the fund. (9) Contracts for loans on real property shall be made in all cases in the capital before a notary public whom the board of directors appoints and shall be recorded in the respective mortgage register. The register of the loan will stand until the obligation has been extinguished, regardless of any provision in the Civil Code pertaining thereto. (10) The board of directors may demand the cancellation of a loan when any irregularity occurs in obtaining it. (11) When construction loans are involved the builder shall sign a mortgage note stating that he renounces his preferred status as regards order of payment. (12) The board of directors is authorized to grant advance payments for construction, but the last 20 per cent must be left to guarantee the completion of the construction. (13) The advance payments for construction shall be made to the owner and builder jointly. (14) When the construction is not regulated by the contract or when the work is delayed, the board of directors, after a technical report concerning the situation, shall take the measures that it considers pertinent to grant an extension of the period, and other measures conducive to regularizing the situation. The new periods having elapsed and other resources having been exhausted, the board of directors may order the mortgaged property to be auctioned, without prejudice to the liabilities of the mortgagor, the contractor, and the guarantor, if there is one. (15) Differences which arise between the owner and the builder shall be decided definitely by the board of directors. (16) The loan-service organization shall be in the charge of a board of directors of the retirement fund, having the power to decide any question which arises in practice and which is not mentioned in the law. (17) The chairman of the fund is empowered to authorize the mortgage notes or, in his place, the directors. (18) If the mortgagors for any reason fail to pay the interest and amortization for four consecutive months, the board of directors of the fund, without any judgment, may proceed to sell the mortgaged property at a public auction after notices have been inserted in two dailies in the capital for a period of 30 days. (19) If the owner refuses to authorize the deed of sale in a case similar to that given in the preceding clause, the board of directors has the power to sign it in favor of the buyer. (20) The sale having been made and the deed made out in favor of the buyer, the indebtedness, interest, and expenses shall be liquidated by the proceeds from the sale, and any surplus shall go to the debtor or his successors named in the judgment. (21) If within a period of five years the lawful party does not appear to claim the surplus, the rights to all claims will be extinguished and the money will go to form a part of the resources of the fund. (22) If it is not possible to sell a piece of property for the amount of its actual indebtedness, the fund will take possession of it and collect the rental until an auction is held. The amounts obtained as rent shall be applied to the payment of the services due and to the upkeep of the property. (23) At any time the debtor may amortize his debt in whole or in part, crediting the interest that is due until the day of payment. He may also amortize a monthly amount in excess of that fixed in the loan table, upon the authorization of the board of directors in each case.

ART. 15 (as amended by Law No. 1076). When the accumulated funds amount to 3,000,000 pesos (legal currency) or its equivalent in gold, the board of directors may use up to 30 per cent thereof in the construction of inexpensive houses for railroad employees and workers, which shall be disposed of under the conditions fixed in this law or rented, as determined by the board of directors in each case.

ART. 16. Neither the property referred to in this law nor the houses on which the said loans are made may be attached during the life of the borrower, his wife, or minor children. They may not be transferred, encumbered, leased, or ceded without the consent of the board of directors, until the loan is canceled.

CHAPTER 4.—*Retirement annuities*

ART. 17. The retirement annuities which this law grants are (a) ordinary, (b) disability, and (c) voluntary retirement.

ART. 18. The amount of the retirement annuities shall be calculated on the basis of the average salary received during the last five years of service.

ART. 19. The ordinary retirement annuity corresponding to the full salary, calculated in the manner set forth in the preceding article, is granted to the employee or worker who has had at least 25 years' service and who is 50 years of age.

ART. 20 (as amended by Law No. 1076). An employee or worker who wishes to retire and has rendered at least 25 years' service but who is not 50 years of age shall have his annuity reduced 20 per cent.

ART. 21 (as amended by Law No. 1076). An employee or worker who has served more than 10 years and who is at least 50 years of age will receive the voluntary retirement annuity in the following proportion: The amount of the retirement annuity shall be calculated on the basis of the average wages received during the last five years, and for the tenth, eleventh, twelfth, thirteenth, and fourteenth years of service, 50, 60, 70, 80, and 90 per cent, respectively, shall be taken of the average salaries, multiplying this figure by the years of service and dividing by 25. Beyond 15 years the basis shall be the average [wages received during the last five years], in full, multiplied by the years of service and divided by 25.

An employee or worker who has not reached the age of 50 and who wishes to retire in accordance with this article shall have his annuity reduced 20 per cent.

ART. 22 (as amended by Law No. 1076). An employee or worker, regardless of his age, who after 10 years of service is declared physically or mentally incapacitated to continue in his employment or in any other suitable to his usual activity or training will receive the disability annuity in an equal proportion.

ART. 23 (as amended by Law No. 1076). An employee or worker, regardless of his age or length of service, who is permanently incapacitated from a cause arising out of the service shall receive the disability annuity in the same proportion as fixed in article 21, those not having completed 10 years of service receiving the minimum. In the cases in this article and in the preceding, 20 per cent shall be added to the retirement annuity of the beneficiaries until the maximum is reached.

An employee or worker who is granted the retirement annuity in accordance with this article shall renounce any other action for damages except that for the expenses of his cure.

ART. 24. (as amended by Law No. 1076). In no case may the retirement annuity for disability be granted to one who applies therefor after six months from leaving the service, except in case of physical or mental inability so to do before.

ART. 25. Employees or workers who are 50 years of age and wish to retire but who have less than 10 years' service shall be entitled to compensation equal to the sums contributed by them to the resources of the fund, with interest at the rate of 3 per cent per year. In no case shall interest be calculated after the date of retirement.

ART. 26 (as amended by Law No. 1076). Employees and workers who are dismissed because their services are no longer needed, or for reasons of economy, shall be entitled to compensation equal to that fixed in the preceding article. If an employee is dismissed without cause his contributions shall be returned to him.

The heirs of an employee who has died in the service before reaching the retirement age shall also be entitled to the amounts contributed by him to the fund.

ART. 27. Workers who have been dismissed because of strike agitation can not be deprived of their right to the return of their contributions or to retirement annuities in the cases granted by the law.

ART. 28. The right to receive the retirement annuity granted by this law shall be outlawed after four years from the date of retirement or separation from the service.

ART. 29 (as amended by Law No. 1076). In computing the length of service for the purposes of retirement, the actual services rendered shall be taken into account, even though not continuous. When the remuneration for work has been totally or partially by day wages, one year of service shall be computed for every 300 days of actual work; and if it has been by the hour, the number of hours must be divided by eight to establish the number of days of actual work.

ART. 30. In the total period of seniority, any fraction of a year exceeding six months shall be computed as one entire year.

ART. 31 (as amended by Law No. 1076). During the first two years following the granting of a disability annuity it shall be considered as temporary and subject to revision, up to a maximum of twice a year, as the board of directors of the fund may order; after that time the annuity shall be considered as final.

ART. 32. No retirement annuity for disability shall be granted without a previous report from the National Department of Health, and from a physician representing the board of directors and another (the interested party if he so desires), regarding the causes of the alleged disability. Aside from this, the board of directors shall order any investigations it may deem necessary.

ART. 33. When a retired employee returns to the railroad service he shall cease to receive the retirement annuity and receive only the wages in the new position. On abandoning the latter, he shall again receive the retirement annuity without being able to make any demand for an increase therein. Therefore, as to the new position, the contributions provided for in this law shall not be demanded of him.

A worker retired for disability, whose services are used in other work, shall receive, besides the wages, that fraction of the annuity for disability granted by the board of directors of the fund which corresponds to the diminution suffered in his capacity for work. If he has served a sufficient number of years to obtain the ordinary retirement annuity it shall be granted, based on the salary of his new work plus the fraction of the annuity for the disability which he has sustained.

ART. 34. Retirement annuities, return of contributions, and other benefits accorded by this law shall be granted by the board of directors of the fund, to which application must be made.

Retirement annuities when granted shall be paid from the day on which the interested party leaves the service, provided it was applied for within six months after he retired. If it was applied for after that time, the retirement annuity shall be paid from the date of application. In case of dissent by the interested party, the decision of the board of directors shall be appealable by the same within 30 days after official notification thereof, in order that the Supreme Court (*Superior Tribunal de Justicia*), hearing the appellant and the representative of the fund, may render a decision, without further recourse, based on certified copies of the administrative papers and any other data which it may request for its better information.

ART. 35. No retirement annuity may exceed 150 gold pesos or its equivalent in money of legal currency.

ART. 36. Cases of dereliction and other circumstances which affect or restrict the rights granted by this law must be recorded in the proceedings in accordance with the regulations that the board of directors shall issue, with the approval of the executive authority.

ART. 37. The retirement annuity is for life and the right to receive it is lost only for the causes expressed in this law. The annuitant shall forfeit all right to the retirement annuity if he settles in a foreign country without obtaining previous authorization from the board of directors of the fund.

ART. 38. Commutation or pardon in cases of conviction for misdemeanors or crimes which cause one to lose the rights granted by this law shall not restore the said rights.

ART. 39. Employees or workers having no family to support who have complied with the conditions entitling them to the right to retirement annuities and who before receiving them were dismissed for incompetency in the performance of their duties, or for serious misdemeanors, or for having been convicted of a crime carrying a prison or penitentiary penalty, shall not be granted an annuity, but the amount of the deductions from their wages shall be returned to them, provided there is no occasion for applying it to civil indemnification for the damage done.

In case there is a family to support, the amount of the deductions from his wages shall not be returned to the convicted party, but the persons having a right to them under this law shall receive the pension corresponding to the retirement annuity forfeited.

ART. 40. If the one claiming retirement is indicted for causes involving the loss of the rights granted by this law, he shall not receive the annuity until the charges against him are cleared. Meanwhile the annuity shall be deposited in the bank, and if he is declared guilty action shall be taken in the manner established in article 39, depending upon whether or not he has a family to support.

CHAPTER 5.—*Pensions*

ART. 41. In cases in which, under this law, a right to a retirement annuity exists and the death of the employee or worker occurs, the following shall have the right to apply for a pension in the proportion and on the conditions specified in this chapter: The widow, the invalid widower, the children, or in their absence the parents of the deceased.

If the deceased had received his retirement annuity, the persons enumerated in the preceding paragraph shall have a right to pension under the conditions specified in the following articles without other formality than that of proving their identity, showing the existence of the retirement annuity under this law, and observing the requirements thereof.

ART. 42. In like manner the aforementioned persons shall have a right to pension if the deceased died in the performance of his duty and had been in the service over 10 years. It shall be understood that the annuity, to which the deceased would have had a right, is the retirement annuity for disability.

ART. 43. The pension for the persons mentioned in the foregoing article shall be effective from the day of the death of the deceased and shall be granted in the order and proportion decreed in the general laws dealing with inheritance.

The pension shall be applied for within six months after the death, but if it is not, the provisions of article 34 will apply.

ART. 44. The amount of the pension shall be equivalent to 50 per cent of the full retirement annuity which the deceased was receiving or had a right to receive.

ART. 45. In case of the death of any of the beneficiaries of the pension, their share shall accrue to the survivors included in this law.

ART. 46. If the wife of the employee, left a widow, has been divorced for her fault or has been actually separated without desire to be reconciled, she shall have no right to pension, and the latter shall pass to the persons who under this law have a right thereto.

ART. 47. If, on the death of the employee, there survive orphan children of different marriages, the pension shall be distributed in the proportion corresponding to the same and shall be paid to their respective legal representatives.

ART. 48. The pension is for life, and the right to receive it is lost only for the causes fixed in this law for the loss of the retirement annuity.

ART. 49. Two or more pensions shall not be paid to the same person. The party concerned must choose the one which suits him, and after the choice is made the right to the other is extinguished.

ART. 50. The pensions shall be granted by the board of directors of the fund, to which application therefor must be made, accompanied by the necessary proof. The decisions that are handed down may be appealed in the same manner as those regarding annuities.

ART. 51. The right to the pension is extinguished: (1) For the widow, widower, or mother when he or she remarries; (2) for the sons, when they become 18 years of age; (3) for the single daughters, when they marry or become of age; (4) in general, for dissolute life or vagrancy, for having committed an offense which merits a penitentiary sentence or for settling in a foreign country without previous permission of the board of directors of the fund.

CHAPTER 6.—*Special provisions*

ART. 52. Employees and workers having a right to retirement annuity or pension, but who, for any reason have not contributed to the resources of the fund, shall suffer a deduction of 10 per cent in their retirement annuities and pensions until the sums are completed corresponding to the salaries received during the last 25 years of service. As regards the extra annuities, the de-

duction shall be made to complete the 25 years, computing the salaries on the average salary received during the last five years of service.

ART. 53. Retirement annuities and pensions may not be attached and are inalienable. Any sale, cession, or setting up of rights, which becomes a charge thereon and which impedes the free disposal of the same by the holder of the title, shall be null.

ART. 54. Railway enterprises shall be required to furnish the board of directors of the fund all information it may request concerning the personnel and to permit any verification it may deem necessary, under warning and penalty of a fine varying from 500 to 2,000 pesos (legal currency).

ART. 55. The chairman of the board of directors shall have sufficient authority to institute, before the executive authority or the courts of justice, the proper actions to make effective the obligations and penalties of this law.

The resolutions of the board of directors, entered in the book of minutes and approved, constitute a public document.

ART. 56 (as amended by law No. 1076). The railroad employees' retirement annuity and pension fund shall be exempt from any national or municipal tax effective at present or in the future.

ART. 57. The granting of benefits under this law shall commence three months after its promulgation.

ART. 58. The board of directors of the fund must compute in every case the services rendered by the employees or workers before the enactment of this law.

ART. 59 (as amended by Law No. 1076). The length of service shall not be computed nor shall any deductions be made from [the wages of] employees or workers under 18 years of age who enter the service after the enactment of this law.

ART. 60. The fund shall make a census of the employees covered by this law and a complete study on actuarial bases within the first three years of its operation, the results of which it shall report to the executive authority proposing the provisions and modifications it may deem proper to introduce in the regulatory decree.

ART. 61 (as amended by Law No. 1076). The general auditor of the nation shall audit, through employees whom he designates, the accounts of the fund created by this law, at least twice a year, in order to determine the condition of the books and to report any irregularities that he notes in the running of the institution.

ART. 62. Retirement annuities and pensions decreed before the date of promulgation of this law shall be liquidated hereafter in accordance with the modifications established herein.

