ACODECO

CONSUMER PROTECTION AUTHORITY
AND COMPETITION DEFENSE

MANUAL OF APPLICATION OF

LAW 6

OF JUNE 16, 1987
ITS MODIFICATIONS
AND ADDITIONS

FOR THE BENEFIT OF RETIREES, PENSIONERS AND SENIOR CITIZENS.

UPDATED AS OF JULY 2021

MANUAL OF APPLICATION OF

LAW 6

OF JUNE 16, 1987
ITS MODIFICATIONS
AND ADDITIONS

- Law No. 18 of August 7, 1989
- Law No. 15 of July 13, 1992
- Law No. 37 of July 10, 2001
- Law No. 14 of January 22, 2003
- Law No. 51 of December 27, 2005
- Law No. 30 of June 2, 2008
- Single Text
- Law No. 192 of December 23, 2020

FOR THE BENEFIT OF RETIREES, PENSIONERS AND SENIOR CITIZENS.

UPDATED AS OF JULY 2021

PERSONAL DATA

NAME: ____

ADDRESS: ____

____

TEL.: ___________________ MOBILE: _______________

E-MAIL: ____

IDENTIFICATION DOCUMENTS

ID No.: ____

SOCIAL SECURITY No.: ______________________________

PASSPORT No.: ____________________________________

DRIVER'S LICENSE No.: _____________________________

INSURANCE COMPANY ______________________________

POLICY No.: ______________________________________

BLOOD TYPE: _____________________________________

IN CASE OF EMERGENCY NOTIFY: ___________________

______________________________ TEL.: _______________

TEL.: _______________

INDEX

I. INTRODUCTION

The Consumer Protection and Competition Defense Authority - ACODECO, in its vision of promoting a market where an environment of honesty, transparency and equity prevails, took as one of its first decisions in matters of consumer education and guidance, to prepare an explanatory manual that serves as a guide for all Retirees, Pensioners and Senior Citizens.

As the motto of this dynamic institution says:
"COMPARE, VERIFY AND CONSUME"

This manual seeks to satisfy a pressing need among the beneficiaries of **Law 6 of June 16, 1987** (hereinafter Law 6 of 1987), commonly known as the Retirees Law, who do not know all the benefits to which they are entitled or how to demand them.

To facilitate understanding of the manual, we begin with a glossary of terms that are used in Law 6 of 1987.

Then we answer the first question that every person should ask before requesting the benefits:

Who are the beneficiaries of this Law? Then, the question **How to request the application of the discounts?** is answered and, subsequently, each one of the benefits to which retirees, pensioners and senior citizens are entitled is explained, according to the different numbered clauses that make up Article 1 of Law 6 of 1987.

We trust that this work will be useful for the proper exercise of the rights contemplated in Law 6 of 1987, mainly for those who have contributed, through many years, their grain of sand to the development and advancement of the Homeland.

II. GLOSSARY

FINANCIAL LEASING:
It is a contract through which the lessor transfers the right to use an asset to a lessee, in exchange for the payment of lease rents during a determined term, at the end of which the lessee has the option to purchase the leased asset by paying a determined price, return it or renew the contract.

FAST FOOD:
Food that is served in certain establishments and is characterized by being prepared and served quickly.

CLOSING COMMISSION:
Amount of money charged by the bank or another financial institution, to cover all administrative expenses and expenses of another nature incurred in the processing of granting the financing.

PROFESSIONAL FEES:
Payment made to persons who practice a profession.

RETIREE:
Natural person, whether a national citizen or resident foreigner, who after having contributed a determined number of payments and having complied with the other requirements demanded by the Social Security Fund or any other Social Security institution of his or her country of origin, acquires this status.

PENSIONER:
Natural person, whether a national citizen or resident foreigner, who acquires this status due to his or her medical condition, age, or survivor status.

REGULAR PRICE:
Monetary value attributed in the market to a good or service, the sum of which is usually fixed.

COMMERCIAL LOAN:
Loan acquired to carry out a commercial activity.

MORTGAGE LOAN:
That intended for the acquisition of housing, whose use will be residential, and any other loan that is guaranteed by a duly constituted and registered mortgage.

LOAN WITH MORTGAGE GUARANTEE:
It is a loan of a fixed amount of money that is guaranteed with your residence.

PERSONAL OR CONSUMER LOAN:
Loans acquired personally for any consumer activity are considered within this type.

PREMIUM:
Price or installment paid to an insurance company for a policy.

RESIDENT:
Natural person who has resident status granted by the National Immigration Service.

HOSPITAL AND CLINIC SERVICE:
Medical or surgical care carried out by a health institution, whether private or public.

MEDICAL SERVICE:
Activity that consists of providing health assistance.

TECHNICAL AND PROFESSIONAL SERVICE:
Activity that consists of providing a specialized service, applying knowledge of a science or art, provided through a natural or juridical person.

OCCASIONAL PERSONAL OVERDRAFT:
Situation that occurs when an individual or company does not have sufficient funds in his or her account to cover a transaction and the bank credits it anyway. An overdraft may be incurred with checks, purchases with debit cards, automatic payments of bills, ATM operations or electronic withdrawals.

AIRPORT TAX:
Tax that every passenger must pay for the use of airport facilities.

PREFERENTIAL INTEREST RATE:
Special interest (lower than the normal market rate) that is granted to housing whose cost does not exceed B/.180,000 balboas or the amount established by the special law.

VALUATION RATE:
Charge imposed by the State on those persons who reside in a sector favored by the construction of a public or private work.

SENIOR CITIZEN:
Condition of a person who has reached 55 years of age in the case of women and 60 years for men.

HOUSING:
Dwelling, room, house or residence where one lives permanently.

III. BENEFICIARIES

Who are the beneficiaries of Law 6 of 1987 and its modifications?

ARTICLE 1.

"Panamanians or resident foreigners in the national territory who are fifty-five (55) years of age or older, if they are women; or sixty (60) years of age or older, if they are males; and all Retirees and Pensioners for any reason shall enjoy the following benefits..."

From the transcribed rule two major considerations arise:

1. <u>By nationality:</u>

The recipients of the benefits of the law are not only Panamanians, but also foreigners in Panama.

2. <u>By age:</u>

Panamanians or foreign residents in Panama must fall within one of the following categories:

a) Ladies from 55 years of age, and gentlemen from 60 years of age (**Senior Citizens**).

b) To be Retired for **any reason.**
c) To be a Pensioner for **any reason.**

Consistent with the foregoing and by way of conclusion, we must therefore specify that the beneficiaries of the Law may also be foreigners or Panamanians, retirees or pensioners for any reason, in another country, provided that they can prove such status.

With regard to pensioners, it is important to emphasize that these benefits shall be applied to pensioners due to disability, survivor status, or any other condition, regardless of age.

ARTICLE 4. The beneficiaries of this law shall prove the right to their benefits as follows:

1. With their personal identity card.
2. With their retiree or pensioner card.

As for foreign retirees or pensioners for any reason, residing in the national territory who wish to avail themselves of the rights granted to them by Law 6 of 1987, they must be accredited by one of the following means:

1. With the document that proves resident status with information on the date of birth.
2. With the retiree or pensioner card, duly legalized and translated into the Spanish language.

Panamanians or foreigners who are retired or pensioned outside Panama shall only have to certify such status through the documents issued in those countries, duly legalized. If they are in a language other than Spanish, it is necessary that they be translated by an authorized public translator.

Economic agents may request from the beneficiaries of Law 6 of 1987 the signing of a control for the granting of the benefit, since the law does not regulate it.

IV. BENEFITS

The benefits provided by this law are offered on the regular price of the good or service. In the event that the product or service is on offer, promotion or sale, or that in any other manner it is understood that there is a price reduction pursuant to the legal provisions of Law 45 of October 31, 2007, the beneficiary must decide whether to take the promotion or the benefit of Law 6 of 1987.

It is recommended to request proof of payment, in order to prove the existence of the consumer relationship.

What benefits does Law 6 of 1987 grant?
1. A 50% discount on the prices charged for admission to recreation and entertainment activities, such as cinemas, theaters, sports and other public spectacles.

This discount is not applicable to charitable activities whose profits are destined for children, victims of disasters and programs duly authorized by the competent authority.

2. Discount on public transportation fares, in accordance with the following classification:

a) Interurban buses 30%

Interurban means all public transportation between towns of the same province or between cities or towns of different provinces. The Metropolitan area and San Miguelito are excepted from this discount.

b) Trains 30%

c) Launches and boats 30%

This discount does not apply to cruise activity, since cruises depart from one point and return to the same point of departure, whereby the service differs from that provided by a launch or boat, which may be offered in one direction.

d) 25% on airline tickets of national or foreign public or private companies.

These discounts apply to all public transportation that operates within the national territory, or from our country to a foreign destination, including those acquired through online purchase or through the internet.

3. A minimum discount on the regular prices of hotels, motels and pensions as follows:

a) 50% from Monday to Thursday

b) 30% on Fridays, Saturdays and Sundays

If one of the two persons is not a beneficiary of the Law, the rate is divided in two and the percentage is applied to the corresponding part.

In the case of lodging establishments in the "all inclusive" modality, from Monday to Thursday they will apply 20% and Friday to Sunday, 12% discount.

4. Discount of 25% of the value of the individual consumption of food in any restaurant, except those considered as fondas, which do not require a commercial license to operate.

It is important to emphasize that the discount applies only to the individual consumption of the beneficiary of the Law, regardless of who pays the bill in the restaurant. The benefit is not transferable, nor applicable to the entire bill, even when the retiree pays.

This benefit is applicable to the appetizer, main course, dessert and beverages, provided that it is acquired for the feeding of the beneficiary. However, if the beneficiary only purchases a dessert, cold or hot beverage, then the business is not obligated to give the discount. This discount does not apply to home delivery orders, but it does apply to orders purchased at the establishment, even if they are not to be consumed in the restaurant.

Fondas are not obligated to give this discount, provided that they are not required to have a Notice of Operation. For purposes of the beneficiaries of this numeral, a fonda shall be considered one that has no more than six tables and does not sell alcoholic beverages. Food vending carts are likewise considered fondas.

5. A 15% discount in fast food establishments with national and international franchises.

A fast food sales establishment is one dedicated to the sale of food ordered and delivered at the counter, at the register, or that is located in a restaurant area in a shopping center (food court).

It is recommended that the economic agent present to ACODECO documentation that proves the existence of the franchise contract and that it is dedicated to the sale of fast food.

6. Discount of 15% of the total bill for private hospital and clinic services.

For the application of this discount, it is advisable that private clinics or hospitals make a breakdown in their invoicing, so that it clearly details what comprises hospital or clinic service, from professional fees for general medicine consultations, specialties and surgical services; otherwise, at the time the financial analysis is performed ACODECO will take the total amount as the figure subject to discount.

7. A discount in pharmacies of 20% of the value of medications.

To make this discount effective, a medical prescription is not required.

This benefit is not extended to dietary supplements, since they are not considered medications, unless it is proven by medical prescription that they are to prevent, diagnose or treat an illness.

8. Discount on the following medical services, as follows:

a. 20% on fees for general medicine consultations and medical and surgical specialties.

b. 15% for dental services.

c. 15% for optometry services.

With respect to this numeral, the application of the 20% discount shall be understood on the fees or costs of general medicine consultations, all medical and surgical specialties.

9. Insurance companies that include among their policies the risk of illness shall make the necessary adjustments so that the benefit of these discounts is transferred to the insured in the payment of their premiums, at the age of 55 years or older, if a woman, and at the age of 60 years or older, if a male, and to pensioners and retirees.

The application of the discount referred to in this numeral must be understood or evaluated from two points of view:

In the event that the figure of co-payment is contemplated, the discount must be applied exclusively to the sum paid by the beneficiary.

When the payment in its entirety is made by the insurance company, the discount granted on the expenses of the beneficiary must be transferred to the premium paid by the insured.

10. Discount of 20% of the fees for technical and professional services.

Professional services are those provided by any person with a university career.

For invoicing purposes, it is necessary that whoever provides the technical or professional services make a breakdown of supplies, expenses or others, which are not considered fees, so that the discount reaches the professional fees.

11. Discount of 20% of the price of all prostheses as well as all assistive devices and accessories.

The acquisition of products whose purpose is the replacement of an extremity of the body (prostheses) and any other assistive device or accessory, shall receive the 20% discount established by the Law.

12. Discount of 50% of closing expenses or commissions in personal and commercial loan transactions made in their name in banks, finance companies and credit institutions. No public or private entity may charge any sum for discount services, neither to borrowers benefited by this Law, nor to banks, finance companies, cooperatives and credit institutions in personal and commercial loan transactions made in their name.

Among personal loans are included automobile loans, financial leasing and any loan granted with mortgage guarantee.

13. Personal and commercial loan transactions made in their name in banks, finance companies, cooperatives and credit institutions shall be exempt from payment of the surcharge or levy stipulated in the Special Interest Compensation Fund (FECI).

14. Discount of 15% on the maximum interest rate that the Law permits banks, finance companies, cooperatives and credit institutions to charge on personal and commercial loans in their name.

15. Discount of 1% on the interest rate on mortgage loans for housing for their own use, at the time the person reaches fifty-five (55) years of age, if a woman; and sixty (60) years of age, if a male, or if the person is a pensioner or retiree.

Mortgage loans at preferential rates decreed by Law are excepted from this provision.

If at the time the loan is entered into, the consumer was not retired, pensioned or did not have the age required by law, but during the life of the loan meets the conditions detailed herein, he or she has the right to have 1% discounted from the interest rate of his or her mortgage loan, automatically from the moment he or she reaches the age.

In the case of retirees and pensioners, it is required that the beneficiary notify the financial institution of the new status, so that the benefit provided in the Law is applied.

16. The freezing of the real estate tax, provided that the housing is in his or her name and is his or her only property.

17. Exemption from payment of the valuation rate on his or her property, provided that it is unique and constitutes his or her housing. From the transfer of the property, it may be subject to the valuation tax for works carried out during or after such transfer.

18. Discount of 50% of the value of passports.

19. Discount of 25% on the billing of monthly electric energy consumption, from a public or private entity, up to six hundred kilowatt hours (600 Kwh). The normal rate shall be applied to the excess of this sum.

The discount is applicable to the electricity consumption account provided that it is residential.

20. Discount of 50% of the tax or Airport Rate.

21. The properties of associations, federations, confederations of retirees and pensioners constituted in accordance with the Law shall enjoy the discounts granted to retirees and pensioners, namely: valuation rate, real estate tax and any other benefit granted to nonprofit associations, as provided by the laws of the Republic.

22. Discount of 25% of the fixed charge for telephone service when:

a. The telephone service account is in his or her name.
b. The account is residential.
c. The charge is for one telephone only.

The normal rate shall be applied to the excess of this sum.

The beneficiaries have the right to a 25% discount on the fixed charge of the telephone plan they have. Usually the plans are composed of a fixed charge and a variable charge (cost per minute).

Telecommunications services such as cellular telephony, Internet and cable television services are not contemplated in this benefit.

23. Discount of 25% of the rate for water consumption, from a public or private entity, provided that:
a. The consumption is not greater than thirty balboas (B/.30.00).
b. The account is in his or her name.
c. The account is residential and constitutes his or her housing.

The normal rate shall be applied to the excess of this sum.

24. Exemption of 100% in the Public Registry from payment of the registration fee for boards of directors, certifications and registrations of new legal personalities, of nonprofit organizations of retirees, pensioners and senior citizens.

25. Discount of 20% on the purchase of coffins and urns, as well as on the contracting of funeral services, when the deceased is retired, pensioned or a senior citizen.

Regardless of who purchases the coffin, urn or funeral service, if the deceased was retired, pensioned or a senior citizen, he or she is entitled to the 20% discount.

Article 2: All state and private companies that provide public services must have a special place or windows to serve the persons referred to in this Law, who shall have permanent priority in all cases.

In the event that there is no special window, the retiree or pensioner shall have priority in line and shall enjoy preferential treatment in all public and private offices where he or she goes to request services.

Article 3: The recreation and sports programs of the institutions responsible for cultural dissemination and sports spectacles shall promote access to them by persons residing in nursing homes.

Article 5: Natural or juridical persons that refuse to provide services under the conditions and at the rates established in this Law shall be sanctioned by the Consumer Protection and Competition Defense Authority with fines from fifty balboas (B/.50.00) to five thousand balboas (B/.5,000.00), which shall enter the Special Fund for Retirees and Pensioners.

To determine the amount of the fine to be imposed in each case, the seriousness of the offense, the size of the company, whether or not there is recidivism and other similar factors shall be taken into account.

It shall correspond to the Consumer Protection and Competition Defense Authority to hear and resolve the complaints filed against natural and juridical persons that violate the provisions of this Law. Likewise, the Authority shall require that every public establishment keep in a visible place the discounts to which the beneficiaries of this Law are entitled and shall supervise compliance with all provisions thereof.

Article 6: The discounts and concessions referred to in this Law in numerals 4 and 5 of Article 1 shall be 100% deductible as a tax credit from income tax.

Article 6-A: The tax credits referred to in the preceding article may be transferable by assignment.

Article 7: The benefits of this Law are non-transferable.

ACODECO

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311
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