A BILL FOR AN ACT

To further amend title 52, of the Code of the Federated States of Micronesia, as amended, by further amending section 507, as enacted by Public Law No. 9-155, and as amended by Public Law No. 10-57, to provide for the repayment of early retirement benefits under certain circumstances, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1. Section 507 of title 52 of the Code of the
2. Federated States of Micronesia, as enacted by Public Law No. 9-155, and as amended by Public Law No. 10-57, is hereby
3. further amended to read as follows:
4. *Section 507. Ineligibility for re-employment;
5. benefits to be deemed a loan under certain
6. circumstances.
7. (1) Any employee who receives compensation under
8. the program shall not be eligible for re-employment
9. in any capacity by the National Government or any
10. agency of the National Government prior to September
11. 30, 2001, except that such ineligibility shall not
12. apply to program participants who are re-employed by
13. the National Government in the following positions:
14. (Aa) members of the Congress of the
15. Federated States of Micronesia;
16. (Ab) the President and Vice President of the
17. Federated States of Micronesia; and
18. (Ac) persons appointed to any positions by
19. the President with the advice and consent of the
20. Congress of the Federated States of Micronesia,
21. except that program participants who receive
22. compensation pursuant to section 506(4) of this
23. chapter shall not be eligible for re-employment by
24. the National Government in any position appointed by
the President with the advice and consent of Congress prior to September 30, 2001.

(2) Any employee receiving compensation pursuant to section 506 of this chapter shall, prior to receiving any such compensation, agree that he shall repay a pro rata portion of such compensation in the event he becomes gainfully employed in any of the following prior to September 30, 2001:

(a) a position listed in paragraph (a), (b), or (c) of subsection (1) of this section;

(b) a position with a state government branch or agency, including an authority, office, commission, board, bureau or other entity of the state government, whether or not elective, appointive, or in the state's public service system.

(3) An agreement for repayment pursuant to subsection (2) of this section shall require repayment within two years of commencement of the employment triggering the obligation to repay, and the agreement shall provide for interest at prime rate as defined in 34 PSMC 208, compounded quarterly.

(4) In the case of employees receiving compensation pursuant to subsection (1)(a) or (1)(b) of section 506, the pro rata portion shall be determined by multiplying the total compensation that
the employee is entitled to receive pursuant thereto by the amount of time from his re-employment date to September 30, 2001, divided by the amount of time from his retirement date to September 30, 2001. In the case of employees receiving compensation that includes an amount equivalent to SSA retirement benefits pursuant to subsection (2)(a) of section 506, the pro rata portion shall be determined by multiplying the total compensation that the employee is entitled to receive pursuant thereto by the amount of time from his re-employment date to his 60th birthday divided by the amount of time from his retirement date to his 60th birthday.

(5) For employees who have opted for payments other than in a lump sum, the Government shall withhold any payments due after the obligation to repay is triggered. Amounts so withheld shall be subtracted from the pro rata portion in determining an employee's obligation to repay."

Section 2. The obligation to repay established by this act shall not apply to employees who became entitled to benefits under 52 FSMC 506 prior to the effective date of this act.
Section 3. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

Date: 05/25/98  Introduced by: Yosiwo P. George