To further amend title 52 of the Code of the Federated States of Micronesia, as amended, by adding a new section 167 to subchapter VI thereof, and by renumbering subsequent sections thereof, in order to authorize merit increases for employees for sustained superior performance over a period of one year or more, and for other purposes.

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

Section 1. Title 52 of the Code of the Federated States of Micronesia is hereby further amended by adding a new section 167 to subchapter VI to read as follows:

"Section 167. Merit increases.:

(1) There is hereby established a Merit Review Board ('the Board'), which shall consist of three members who are officials or employees of the Federated States of Micronesia, one each selected by the President of the Federated States of Micronesia, the Speaker of the Congress of the Federated States of Micronesia, and the Chief Justice of the Supreme Court of the Federated States of Micronesia. The members of the Board shall receive no additional compensation for performing their duties as set forth herein.

(2) When a management official determines that an employee has performed his or her duties in a sustained superior fashion over one year or more, as determined according to the criteria set forth in this section, the
official shall recommend said employee to the Board for
a merit increase, providing information upon which the
official based the recommendation and other information
requested by the Board. If, upon an independent review
of the employee's performance record, the Board
determines, by unanimous vote, that the employee has
performed in a sustained superior fashion according to
the criteria set forth in this section, and that he or
she is not ineligible for a merit increase under
subsection (4) of this section, the employee shall
receive an increase in his base salary of one step in
pay level, effective at the time of the Board's
determination. If the employee has reached the highest
step within his or her pay level, he or she shall
receive an increase equivalent to a step increase. The
Board's determination shall not be subject to judicial
or administrative review.

(3) The criteria according to which an employee's
performance shall be measured to determine whether it is
superior shall be whether the employee has, during the
one-year period:

(a) perfect or nearly perfect attendance;
(b) demonstrated a high degree of productivity
and skill or proficiency in the discharge of his duties;
(c) exercised sound judgment in matters in the
employee's discretion;

(d) demonstrated initiative in suggesting and
developing improvements to the employee's and his or her
office's functions, duties and responsibilities;

(e) worked well with others;

(f) shared with other official and employees, in
a constructive manner, knowledge for improving skills
and performance which the employee has gained through
training or experience; and

(g) exhibited such other characteristics that the
Board determines, or as may be prescribed in
regulations, to be indicators of superior performance.

(4) No employee who has received a merit increase
shall be eligible for another such increase until three
years after the prior increase took effect."

Section 2. Sections 167 through 170, of subchapter VII of
title 52 of the Code of the Federated States of Micronesia shall
be renumbered as sections 168 through 171, respectively.

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.