

A BILL FOR AN ACT

To further amend section 112 of title 52 of the Code of the Federated States of Micronesia, as amended by Public Law Nos. 11-81 and 13-64, and by inserting a new section 208 to chapter 2 of title 52 F.S.M.C., to provide for a cost-of-living allowance (COLA) for employees covered by the National Public Service System Act whose earnings from national government employment are \$15,000 or less per annum, and for other purposes.

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

1           Section 1. Section 112 of title 52 of the Code of the  
2 Federated States of Micronesia, as amended by Public Law Nos.  
3 11-81 and 13-64, is hereby further amended to read as follows:

4           "Section 112. Definitions. In this chapter, unless  
5 the context requires otherwise, the following  
6 definitions shall apply:

7           (1) "Adjusted base salary" means the total of base  
8 salary plus marketplace premium, foreign service  
9 premium, professional premium, or cost-of-living  
10 allowance (COLA). If an employee is not entitled to  
11 any of these premiums, his adjusted base salary means  
12 his base salary.

13           (2) "Base Salary" means the specific rate of pay for  
14 a given pay level and step as contained within the  
15 base salary schedule established by law. "Base  
16 Salary" does not include premiums under section 163 of  
17 this chapter, professional premiums, cost-of-living

---

1           allowance (COLA), differentials under section 164 of  
2           this chapter, or transfer, travel per diem, or other  
3           similar allowances.

4           (3) "Class" or "class of positions" means a group of  
5           positions sufficiently similar so that all can  
6           reasonably be identified by the same title, be filled  
7           by applying the same qualification standards, and be  
8           equitably compensated by the same salary level. A  
9           class may consist of only one position or of any  
10          greater number of positions.

11          (4) "cost-of-living allowance (COLA)" means the  
12          increase in base salary to compensate for loss of  
13          purchasing power due to inflation. The COLA increment  
14          is not subject to tax or social security contribution.

15          [~~(4)~~] (5) "Eligible list" means a list of persons who  
16          have been found qualified for appointment to a  
17          position in a particular class. Such a list may be  
18          either reemployment, promotional, or open-competitive.

19          [~~(5)~~] (6) "Eligible person" or "eligible" means a  
20          person whose name is on an active eligible list.

21          [~~(6)~~] (7) "Employee" means a person holding a  
22          position in the public service, whether permanently or  
23          otherwise.

24          [~~(7)~~] (8) "Foreign service premium" means a premium  
25          set forth under subsection 163(2) of this title ~~to be~~

---

---

1           ~~paid in addition to base salary to employees who are~~  
2           ~~citizens of the Federated States of Micronesia~~  
3           ~~assigned to permanent duty stations outside the~~  
4           ~~Federated States of Micronesia.~~

5           ~~(8)~~ (9) "Government of Federated States of  
6           Micronesia" includes the Legislative, the Executive,  
7           and the Judicial Branches and the agencies of the  
8           Government of Micronesia.

9           ~~(9)~~ (10) "Management official" or "management" means  
10          a person authorized to make appointments or changes in  
11          status of employees in the public services.

12          ~~(10)~~ (11) "Market place premium" means a premium as  
13          set forth under subsection 163(1) of this title.

14          ~~(11)~~ (12) "Open-competitive examination" means an  
15          examination for positions in a particular class,  
16          admission to which is not limited to persons employed  
17          in public service.

18          ~~(12)~~ (13) "Open-competitive list" means list of  
19          persons who have been found qualified by open-  
20          competitive examination for appointment to a position  
21          in a particular class.

22          ~~(13)~~ (14) "Personnel officer" means the head of the  
23          Office of Personnel of the Government of the Federated  
24          States of Micronesia.

25          ~~(14)~~ (15) "Position" means a group of duties and

---

---

1 responsibilities assigned by competent authority to be  
2 performed by one person, working full-time or part-  
3 time. A position may be either occupied or vacant.

4 [~~(15)~~] (16) "Position classification plan" means the  
5 arrangement in a systematic order of the titles of all  
6 classes existing in the public service, with a  
7 description of each class.

8 [~~(16)~~] (17) "Probation period" means a period of  
9 probationary employment status of not less than six  
10 months nor more than one year from the beginning of an  
11 employee's service in a particular position or class  
12 in the public service.

13 [~~(17)~~] (18) "Professional premium" means a premium as  
14 set forth under subsection 163(3) of this title.

15 [~~(18)~~] (19) "Promotional examination" means an  
16 examination for positions in a particular class,  
17 admission to which is limited to regular employees in  
18 the public service.

19 [~~(19)~~] (20) "Promotional list" means a list of  
20 persons who have been found qualified by a promotional  
21 examination for appointment to a position in a  
22 particular class.

23 [~~(20)~~] (21) "Public service" means all offices and  
24 other positions in the Government of the Federated  
25 States of Micronesia not exempted by section 117 of

---

1           this chapter.

2           ~~[(21)]~~ (22) "Reemployment list" means a list of  
3           persons who have been regular employees in the public  
4           service and who are entitled to have their names  
5           certified for appointment to a position in the class  
6           in which they last held permanent status, or in a  
7           related class in the same or a lower salary range for  
8           which they meet the qualification requirements.

9           ~~[(22)]~~ (23) "Regular employee" or "*permanent*  
10          *employee*" means an employee who has been appointed to  
11          a position in the public service who has successfully  
12          completed a probation period."

13          Section 2. Title 52 of the Code of the Federated States of  
14          Micronesia, as amended, is hereby further amended by inserting a  
15          new section 208 of chapter 2 to read as follows:

16          "Section 208. Cost-of-living allowance (COLA).  
17          Employees earning a base salary of \$15,000 per annum  
18          or less shall receive a cost-of-living allowance  
19          (COLA) in the amount of \$40.00 per 80 hour pay period.  
20          This COLA shall be in effect from October 1, 2012 to  
21          September 30, 2015."

22  
23  
24  
25

1 Section 3. This act shall become law upon approval by the  
2 President of the Federated States of Micronesia or upon its  
3 becoming law without such approval.

4

5 Date: 3/19/12 Introduced by: /s/ Wesley W. Simina  
Wesley W. Simina

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25