To further amend section 809 of title 53 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 14-37, 14-86, 15-73 and 16-10, to modify the payment of benefits to foreign citizens outside the Federated States of Micronesia, to give an additional option of fully vesting in the Social Security Administration program for retirement benefits after 100 quarters (25 years), and for other purposes.

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

Section 1. Section 809 of title 53 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 14-37, 14-86, 15-73 and 16-10, is hereby further amended to read as follows:

"Section 809. Payment of benefits to foreign citizens outside Federated States of Micronesia.

Unless modified by a totalization or other international agreement, benefit payments under this act shall be paid to a beneficiary who is not a citizen or a national of the Federated States of Micronesia and does not reside in the Federated States of Micronesia, as follows:

(a) Payments shall be made to citizens and nationals of the Republic of Palau, the Republic of the Marshall Islands, and the United States as if they were citizens or nationals of the Federated States of Micronesia as long as the Social Security Administration of those nations gives citizens and nationals of the Federated
States of Micronesia reciprocal treatment.

(b) For applications filed after this bill becomes law, payments shall be made to citizens and nationals of other nations, at their option of:

1) if they [are fully insured] have contributed 100 quarters (25 years) consecutively to the Social Security Administration at the time of application, to be treated for purposes of benefits under this title the same as a FSM citizen that is fully insured. [in a lump sum equal to the total amount contributed to the Social Security Administration by the employee under section 901 of the act while employed in the Federated States of Micronesia as of the date the employee turns age 60 or is no longer employed in the Federated States of Micronesia, whichever is later, or dies prior to age 60. All payments due under this section shall be payable over six [months] years, from the date of death, or the date of turning age 60, and/or the date of filing an application for such benefits, whichever is later [subject to the residency provision in paragraph (d)] less any monthly or periodic payments received; or

2) if they have contributed 50 quarters (12.5 years) consecutively to the Social Security Administration at the time of application, in a lump sum equal to the total amount contributed to the Social
Security Administration by the employee under section 901 of the act while employed in the Federated States of Micronesia as of the date the employee turns age 60 or is no longer employed in the Federated States of Micronesia, whichever is later, or dies prior to age 60. All payments due under this section shall be payable over six months, from the date of death, or the date of turning age 60, and/or the date of filing an application for such benefits, whichever is later subject to the residency provision in paragraph (d) less any monthly or periodic payments received.

(c) For applications filed prior to the date of this bill becomes law, payments shall be made to citizens and nationals of other nations if they have contributed 50 quarters (12.5 years) to the Social Security Administration in a lump sum equal to the total amount contributed to the Social Security Administration by the employee under section 901 while employed in the Federated States of Micronesia as of the date the employee ceases to be a resident of the Federated States of Micronesia in accordance with paragraph (d) of this section, turns age 60 or is no longer employed in the Federated States of Micronesia, whichever is later, or dies prior to age 60. All payments due under this section shall be payable over six months, from the date
of death, or the date of turning age 60, and/or the date
of filing an application for such benefits, whichever is
later subject to the residency provision in paragraph
(d) less any monthly or periodic payments received.

(d) For the purposes of this section, an individual
resides in the Federated States of Micronesia if they
are present in the territory of the Federated States of
Micronesia for 180 days out of the last 365 days and
have ties to the Federated States of Micronesia that
indicate residence such as a home, vehicle, bank account
or personal property.

(e) In determining the benefits and entitlements under
this title for an individual who receives a lump sum
payment in accordance with paragraphs (b), (c) or (d) of
this section and who subsequently returns to the
Federated States of Micronesia to undertake further
covered employment, no covered quarters, employee
contributions or employer contributions accrued by the
individual prior to receiving a lump sum payment shall
be counted."

Section 2. 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: 11/25/14

Introduced by: /s/ Florencio S. Harper

Florencio S. Harper