

## AN ACT

To establish a base salary schedule pursuant to the National Public Service System Act; to establish new policies and standards for the compensation of employees in the Public Service System; to provide for the implementation of the salary plan; to repeal Public Law No. 6-65 and other public laws making amendments thereto; and for other purposes.

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

1       Section 1. Short Title. This act is known and may be cited as the  
2 "Public Service Salary Act of 1979".

3       Section 2. Statement of Purpose. It is the declared purpose of the  
4 Congress of the Federated States of Micronesia, in establishing a salary  
5 plan, to provide a single uniform base salary schedule from which shall be  
6 derived the base salary to be paid all employees of the central government  
7 in positions not specifically exempted by Section 8 of the National Public  
8 Service System Act, regardless of their nationality or form of employment.  
9 The Congress recognizes that, so long as the central government of the  
10 Federated States of Micronesia employs expatriate personnel, certain  
11 premiums must be provided in addition to base salary in order to attract  
12 and retain such personnel; therefore, it is the further purpose of the  
13 Congress to establish reasonable standards and limitations for determining  
14 such premiums.

15       Section 3. Definitions.

16           (1) Except as otherwise provided in this Section, or unless the  
17 context clearly requires otherwise, terms used in this act shall have the  
18 meaning ascribed in Section 3 of the National Public Service System Act.

19           (2) "Foreign Service Premium" means a premium to be paid in  
20 addition to base salary to employees who are citizens of the Trust Terri-  
21 tory assigned to permanent duty stations outside the Trust Territory.

22           (3) "Market Place Premium" means a premium based on the

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1 differences between the base salary for a given position and the prevailing  
2 pay rates for equivalent positions in labor markets outside the Trust  
3 Territory.

4           (4) "Prime Contract" means an appointment to a full-time permanent  
5 position which requires the services of a non-citizen of the Trust Territory  
6 recruited and hired outside the Trust Territory, under a contract of not  
7 more than two years' duration. Only one member of an immediate family may  
8 be appointed under a prime contract.

9           (5) "Promotion" means movement of an employee to a position of  
10 greater difficulty and responsibility, usually compensated at a higher pay  
11 level, than his current position, but in the same series of classes or  
12 clearly forming part of the same career ladder as his current position.

13           (6) "Transfer" means movement of an employee from his current  
14 position to a new position in the same class as his current position, or  
15 in a class so closely related that similar or identical qualification  
16 standards apply to both positions, and compensated at the same pay level  
17 as his current position.

18           (7) "United States Citizen" means, for the purposes of this  
19 act, a United States citizen eligible for a United States passport. The  
20 enactment of this definition shall not impair the obligation of any  
21 existing contract with a person who was classified as a United States  
22 citizen by prior law but is not so classified by this act; however, no  
23 renewal of such contract may classify such person as a United States  
24 citizen unless he shall have become eligible for such classification by  
25 the time of renewal.

1       Section 4. Applicability. This act shall be applicable to all  
2 employees and positions in the central government of the Federated States  
3 of Micronesia now existing or hereafter established except those exempt from  
4 the National Public Service System by the provisions of Section 8 (1) of the  
5 National Public Service System Act, except insofar as other provisions of  
6 that act make this act specifically applicable.

7       Section 5. Base Salary Schedule. The Base Salary Schedule appearing  
8 in the following table is hereby adopted pursuant to Section 17 (2) of the  
9 National Public Service System Act to provide the official biweekly base  
10 salary, based on a forty-hour regular workweek, which shall be paid to  
11 employees not specifically exempted by law, in accordance with the pay level  
12 assigned to their positions by the Personnel Officer under Section 17 (1)  
13 of the National Public Service System Act, and their respective terms of  
14 service in the position. The applicable amount set out below shall be paid  
15 to each employee who is in pay status for eighty hours in the biweekly pay  
16 period. To determine the hourly rate for an employee who works fewer than  
17 eighty hours in the pay period or the hourly rate for overtime and applicable  
18 differentials, the applicable biweekly base salary shall be divided by  
19 eighty. Such procedure shall be used only for those purposes, unless  
20 otherwise provided by law or regulation.

21                   BASE SALARY SCHEDULE OF BIWEEKLY SALARY RATE

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Pay Level							
	1	2	3	4	5	6	7
1	\$ 64.00	\$ 68.00	\$ 72.00	\$ 76.00	\$ 80.80	\$ 85.60	\$ 90.40
2	68.00	72.00	76.00	80.80	85.60	90.40	96.00

1	'	3	'	\$	72.00	'	\$	76.00	'	\$	80.80	'	\$	85.60	'	\$	90.40	'	\$	96.00	'	\$	101.60	'
2	'	4	'		76.00	'		80.80	'		85.60	'		90.40	'		96.00	'		101.60	'		108.00	'
3	'	5	'		80.80	'		85.60	'		90.40	'		96.00	'		101.60	'		108.00	'		114.40	'
4	'	6	'		85.60	'		90.40	'		96.00	'		101.60	'		108.00	'		114.40	'		121.60	'
5	'	7	'		90.40	'		96.00	'		101.60	'		108.00	'		114.40	'		121.60	'		128.80	'
6	'	8	'		96.00	'		101.60	'		108.00	'		114.40	'		121.60	'		128.80	'		136.80	'
7	'	9	'		101.60	'		108.00	'		114.40	'		121.60	'		128.80	'		136.80	'		144.80	'
8	'	10	'		108.00	'		114.40	'		121.60	'		128.80	'		136.80	'		144.80	'		153.60	'
9	'	11	'		114.40	'		121.60	'		128.80	'		136.80	'		144.80	'		153.60	'		163.20	'
10	'	12	'		121.60	'		128.80	'		136.80	'		144.80	'		153.60	'		163.20	'		172.80	'
11	'	13	'		128.80	'		136.80	'		144.80	'		153.60	'		163.20	'		172.80	'		183.20	'
12	'	14	'		136.80	'		144.80	'		153.60	'		163.20	'		172.80	'		183.20	'		194.40	'
13	'	15	'		144.80	'		153.60	'		163.20	'		172.80	'		183.20	'		194.40	'		206.40	'
14	'	16	'		153.60	'		163.20	'		172.80	'		183.20	'		194.40	'		206.40	'		218.40	'
15	'	17	'		163.20	'		172.80	'		183.20	'		194.40	'		206.40	'		218.40	'		231.20	'
16	'	18	'		172.80	'		183.20	'		194.40	'		206.40	'		218.40	'		231.20	'		244.80	'
17	'	19	'		183.20	'		194.40	'		206.40	'		218.40	'		231.20	'		244.80	'		259.20	'
18	'	20	'		194.40	'		206.40	'		218.40	'		231.20	'		244.80	'		259.20	'		274.40	'
19	'	21	'		206.40	'		218.40	'		231.20	'		244.80	'		259.20	'		274.40	'		291.20	'
20	'	22	'		218.40	'		231.20	'		244.80	'		259.20	'		274.40	'		291.20	'		308.80	'
21	'	23	'		231.20	'		244.80	'		259.20	'		274.40	'		291.20	'		308.80	'		327.20	'
22	'	24	'		244.80	'		259.20	'		274.40	'		291.20	'		308.80	'		327.20	'		347.20	'
23	'	25	'		259.20	'		274.40	'		291.20	'		308.80	'		327.20	'		347.20	'		368.00	'
24	'	26	'		274.40	'		291.20	'		308.80	'		327.20	'		347.20	'		368.00	'		390.40	'
25	'	27	'		291.20	'		308.80	'		327.20	'		347.20	'		368.00	'		390.40	'		413.60	'

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1	'	28	'	\$ 308.80	'	\$ 327.20	'	\$ 347.20	'	\$ 368.00	'	\$ 390.40	'	\$ 413.60	'	\$ 438.40
2	'	29	'	327.20	'	347.20	'	368.00	'	390.40	'	413.60	'	438.40	'	464.80
3	'	30	'	347.20	'	368.00	'	390.40	'	413.60	'	438.40	'	464.80	'	492.80
4	'	31	'	368.00	'	390.40	'	413.60	'	438.40	'	464.80	'	492.80	'	522.40
5	'	32	'	390.40	'	413.60	'	438.40	'	464.80	'	492.80	'	522.40	'	553.60
6	'	33	'	413.60	'	438.40	'	464.80	'	492.80	'	522.40	'	553.60	'	587.20
7	'	34	'	438.40	'	464.80	'	492.80	'	522.40	'	553.60	'	587.20	'	622.40
8	'	35	'	464.80	'	492.80	'	522.40	'	553.60	'	587.20	'	622.40	'	660.00
9	'	36	'	492.80	'	522.40	'	553.60	'	587.20	'	622.40	'	660.00	'	700.00
10	'	37	'	522.40	'	553.60	'	587.20	'	622.40	'	660.00	'	700.00	'	742.40
11	'	38	'	553.60	'	587.20	'	622.40	'	660.00	'	700.00	'	742.40	'	787.20
12	'	39	'	587.20	'	622.40	'	660.00	'	700.00	'	742.40	'	787.20	'	834.40
13	'	40	'	622.40	'	660.00	'	700.00	'	742.40	'	787.20	'	834.40	'	884.80
14	'	41	'	660.00	'	700.00	'	742.40	'	787.20	'	834.40	'	884.80	'	938.40
15	'	42	'	700.00	'	742.40	'	787.20	'	834.40	'	884.80	'	938.40	'	994.40
16	'	43	'	742.40	'	787.20	'	834.40	'	884.80	'	938.40	'	994.40	'	1054.40
17	'	44	'	787.20	'	834.40	'	884.80	'	938.40	'	994.40	'	1054.40	'	1117.60
18	'	45	'	834.40	'	884.80	'	938.40	'	994.40	'	1054.40	'	1117.60	'	1184.80
19	'	46	'	884.80	'	938.40	'	994.40	'	1054.40	'	1117.60	'	1184.80	'	1256.00

20      Section 6. Compensation of Employees who are Citizens of the Trust Territory.

21            (1) Except as otherwise hereinafter provided, employees who are citizens  
22 of the Trust Territory shall receive as compensation a base salary as provided in  
23 Section 5 of this act.

24            (2) Notwithstanding the provisions of Subsection (1) of this Section,  
25 any employee covered under the provisions thereof who has achieved advanced

1 professional status through obtaining an earned professional degree in law,  
2 an earned doctorate in any other field, or an earned degree in professional  
3 engineering awarded on completion of a four-year course, from an accredited  
4 United States university or any other college or university which is  
5 accredited by the competent authority in the jurisdiction where the college  
6 or university is located, and who is employed in a position having a require-  
7 ment for such a degree, shall receive, in addition to the base salary for the  
8 position, the United States Market Place Premium for the pay level and step  
9 of the position.

10 (3) Notwithstanding the provisions of Subsection (1) of this  
11 Section, any employee covered under the provisions thereof who is assigned  
12 to a permanent duty station outside the Trust Territory shall receive, in  
13 addition to a base salary, a Foreign Service Premium which shall be identical  
14 with the Market Place Premium for the country where the duty station is  
15 located and for the pay level and step of the position.

16 Section 7. Compensation of Employees who are Citizens of the United  
17 States.

18 (1) Employees who are citizens of the United States and who are  
19 recruited and hired under a prime contract shall receive the following  
20 compensation:

21 (a) A base salary as provided in Section 5 of this act; and

22 (b) A Market Place Premium, which shall be at the rate  
23 established in a table prepared by the Personnel Officer.

24 (2) Employees who are citizens of the United States and who are  
25 not covered by the provisions of Subsection (1) of this Section shall receive

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1 the same base salary, and shall be eligible for the same premiums,  
2 differentials and allowances, as employees who are citizens of the Trust  
3 Territory in like positions.

4       Section 8. Compensation of Employees who are Third Country Nationals.

5           (1) Employees who are citizens neither of the Trust Territory nor  
6 of the United States and who are recruited and hired under a prime contract  
7 in countries other than the Trust Territory or the United States shall  
8 receive the following compensation:

9           (a) A base salary as provided in Section 5 of this act.

10           (b) If prevailing rates of pay are substantially higher in  
11 the country of recruitment than in the Federated States of Micronesia, a  
12 Market Place Premium which shall be determined by the Personnel Officer, on  
13 the basis of the difference, insofar as it can best be estimated, between  
14 the prevailing rates in the Federated States of Micronesia and in the  
15 country of recruitment. In no case shall such Market Place Premium exceed  
16 the U.S. Market Place Premium for the same pay level and step.

17           (2) Employees who are citizens neither of the Trust Territory  
18 nor of the United States and who are not covered by the provisions of  
19 Subsection (1) of this Section shall receive the same base salary, and shall  
20 be eligible for the same premiums, differentials and allowances, as employees  
21 who are citizens of the Trust Territory in like positions.

22       Section 9. Entrance Salary Rate of Employees.

23           (1) The initial base salary rate of a new employee shall be at  
24 Step 1 of the pay level for the class of his position unless the Personnel  
25 Officer determines that a higher rate is needed for recruitment and that

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1 such higher rate is appropriate to the qualifications of the applicant;  
2 PROVIDED, that in no case shall such rate be higher than Step 4 of the pay  
3 level for the class of the position.

4 (2) Any employee who receives a promotion within the National  
5 Public Service shall have his base salary increased to that step in the pay  
6 level for the new position which is next higher than the step at which his  
7 current salary is fixed, unless his current salary is higher than Step 7 of  
8 the said pay level, in which case his salary shall remain unchanged.

9 (3) An employee who receives a transfer within the National Public  
10 Service shall continue to be paid at the same pay level and step as before  
11 the transfer, and his time in grade shall continue to be counted as if the  
12 transfer had not taken place.

13 (4) An employee who receives a promotion or transfer from the  
14 Trust Territory Public Service to the National Public Service System shall  
15 be entitled to a salary, within the pay level for the new position, which  
16 the Personnel Officer finds to be appropriate in view of the employee's  
17 qualifications and his salary in the Trust Territory Administration. In no  
18 case shall the new salary be higher than Step 7 of the pay level for the  
19 class of the position.

20 Section 10. Existing Employment Contracts. The provisions of this act  
21 shall not impair, change, increase, or decrease the obligations of any  
22 existing employment contract to which the central government of the Federated  
23 States of Micronesia is or becomes party. Every position to be filled after  
24 the effective date of this act by initial contractual appointment or renewal  
25 shall provide for compensation as specified in the provisions of this act.

1       Section 11. Repealer.

2               (1) Public Law Nos. 6-65, 7-10, and 7-136, insofar as they relate  
3 to the central government of the Federated States of Micronesia, are hereby  
4 repealed.

5               (2) All sections of Public Law No. 6-98 except Section 4, insofar  
6 as they relate to the central government of the Federated States of Micronesia,  
7 are hereby repealed.

8       Section 12. Effective Date. Upon approval by the President of the  
9 Federated States of Micronesia, or upon becoming law without such approval,  
10 this act shall take effect on October 1, 1979.

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September 17, 1979

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Tosiwo Nakayama  
Tosiwo Nakayama  
President  
Federated States of Micronesia

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