AN ACT

To amend Section 17 of Public Law No. 1-47, to shorten the period of transfer allowance from thirty to fifteen days, and for other purposes.

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

Section 1. Section 17 of Public Law No. 1-47 is amended to read as follows:

"Section 17. Compensation Plan.

(1) Salary Schedule. There shall be a single salary schedule for all employees and positions in the Public Service. The Personnel Officer shall assign each class of positions to an appropriate salary level of such schedule.

(2) Statutory Enactment. No salary schedule or change in any salary schedule for employees of the National Public Service System, except those excluded by the provisions of this act, shall be effective unless it shall have been enacted into law by the Congress of the Federated States of Micronesia.

(3) Periodic Review. The Personnel Officer shall periodically conduct necessary and appropriate studies of rates of compensation and pay-related practices in all geographic areas from which employees for the Public Service are normally recruited, and shall adopt such amendments to the existing compensation plan as he deems appropriate, PROVIDED that when the amendment includes changes in the salary schedule, the rates or nature of differentials or allowances, or other subjects covered in this act or in other laws, the Personnel Officer shall submit the recommendations to the President for review, approval, and further transmittal to the Congress for
its consideration, and that such amendment shall become effective only after it has been enacted into law. In developing amendments, the Personnel Officer shall give consideration to:

(a) The minimum standard of living which is compatible with decency and health.

(b) The general economic conditions of the Federated States of Micronesia.

(c) Compensation practices and conditions of appropriate labor markets.

(d) Conditions of employment in the National Public Service System.

(e) The financial resources estimated to be available to the central government of the Federated States of Micronesia.

(f) Such other matters as the Personnel Officer may deem appropriate.

(4) Premi ums. To recognize circumstances of employment which make it appropriate that recognition be given to labor market conditions outside the Trust Territory, the following premiums are provided to Public Service employees. When an employee is receiving a premium in addition to his base salary, the sum of his base salary plus premium shall constitute his adjusted base salary for the purpose of computing differentials.

(a) Market place premium. An employee who is recruited in a location outside the Trust Territory, who is a non-citizen of the Trust Territory and, at the time of original hire, a
non-resident thereof, may be paid a premium based on labor market
conditions in the place of recruitment and on the level of the base
salary.

(b) Foreign service premium. An employee who is a
citizen of the Trust Territory and who is assigned to a permanent
duty station outside the Trust Territory may be paid a premium based
on labor market conditions in the place of assignment and on the
level of the base salary.

(5) Differentials. To compensate for unusual circumstances of
employment which create hardships for Public Service employees, the
following differentials are provided for them; PROVIDED that in no
case may an employee receive differentials under both paragraphs (a)
and (b) of this Subsection.

(a) Night work differential. An employee whose tour of
duty includes regularly scheduled hours falling between 7:00 p.m.
and 6:00 a.m. shall be paid a differential of fifteen percent of the
adjusted base salary for all hours falling within that period.

(b) Hazardous work differential. An employee whose
position entails unusual and extreme hazards to his health or safety
shall be paid a differential of twenty-five percent of the adjusted
base salary for all hours in which hazardous work is performed.

(c) Overtime differential. An employee shall be paid
overtime compensation at the rate of time and one-half of his
adjusted base salary for all time when he is directed to work and
does work in excess of eight hours in one day; or when he is
directed to work and does work on the sixth or seventh day of the
workweek; PROVIDED that he has first worked forty hours at straight
time in the same workweek; and PROVIDED FURTHER that overtime work
performed on a holiday shall be subject to Paragraph (d) of this
Subsection.

(d) **Holiday differential.** An employee who is required
to work on a legal holiday shall be compensated at double his
adjusted base salary for all such hours worked.

(e) **Typhoon emergency differential.** Employees who are
required to work in a location and a period in which a typhoon or
other natural catastrophe has been declared by competent authority,
and in which other government employees are released from work
because of such conditions, shall be compensated for the hours
worked while such emergency remains in force at the rate of two
and one-half times the adjusted base salary. The differential
provided in this Paragraph shall not limit the employee's right
to any other differential or allowance to which he may otherwise
be entitled by law or regulations.

(f) **Transfer Allowance.** To compensate employees for unusual
expenses resulting from changes of work location, the following
allowance is provided to Public Service employees: When an
employee is recruited or transferred beyond normal commuting
distance from his place of permanent resident for work elsewhere,
he shall be entitled to all justifiable expenses connected with
travel of himself and his immediate family to the new work location
and transportation of a reasonable quantity of household effects. He shall be entitled to an allowance equal to per diem at the established rate for the new duty station for a period not exceeding fifteen calendar days from the date of entry into the new position.

(7) Performance Increase. When an employee's performance, as determined through an objective evaluation, has met accepted standards of productivity during a specified period, his base salary may be increased by one step in the appropriate level of the base salary schedule. For an increase to step 2, 3, or 4, the required period shall be 52 calendar weeks; for an increase to 5, 6, or 7, the required period shall be 104 calendar weeks. No employees shall have a base salary above the maximum step prescribed for his pay level unless he was receiving such compensation on the effective date of this Section."

Section 2. This act shall take effect upon approval by the President of the Federated States of Micronesia, or upon its becoming law without such approval.

January 5, 1980

Yosiwo Lokayama
President
Federated States of Micronesia