A BILL FOR AN ACT

To amend title 52 of the Code of the Federated States of Micronesia (Annotated), as amended, by creating for a new chapter 6, to create a national employee’s retirement savings plan, 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 (Annotated), as amended, is hereby further amended by creating a new chapter 6 entitled: “National Government Employee’s Retirement Savings Plan Act of 2018”.

Section 2. Title 52 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by adding a new section 601 of chapter 6 to read as follows:

“Section 601. Short title.

This chapter shall be known as the “National Government Employee’s Retirement Savings Plan Act of 2018.”

Section 3. Title 52 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by adding a new section 602 of chapter 6 to read as follows:

“Section 602. Eligibility.

Any full-time employee of the National Government of the Federated States of Micronesia may
participate in the National Government Employee’s Retirement Savings Plan. For the purposes of this chapter any permanent employee who works at least 32 hours of the regular and scheduled workweek for the National Government of the Federated States of Micronesia is considered a full-time employee.”

Section 4. Title 52 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by adding a new section 603 of chapter 6 to read as follows:

“Section 603. Establishment of Employees’ Retirement Savings Plan.

(1) There is established a National Government Employees’ Retirement Savings Plan which shall be separate from the General Fund and all other funds. All employee contributions to the plan and any sums appropriated by Congress as contributions of the National Government to the plan, shall be deposited in the National Government Employees Retirement Savings Plan fund. Under no circumstances shall any money in the National Government Employees Retirement Savings Plan fund revert to the General Fund or lapse at the end of the fiscal year, but shall
remain in the National Government Employees Retirement Savings Plan fund.

(2) The Director of the Office of Personnel shall have the sole authority to administer the National Government Employees' Retirement Savings Plan in accordance with regulations promulgated under this act. The Director shall maintain this National Government Employees' Retirement Savings Plan in a separate custodial trust account and may, from time to time, invest such monies, less the amount deemed necessary for the operation of the Plan for the reasonable future. Such investments shall be made in consultation with the Secretary of the Department of Finance and Administration. All income earned on these investments shall be deposited into the National Government Employees' Savings Plan."

Section 5. Title 52 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by adding a new a section 604 of chapter 6 to read as follows:

"Section 604. Contributions. Employees may voluntarily participate in the Plan and may contribute up to three percent of their National Government employment gross
salary for retirement savings. The National
Government of the Federated States of Micronesia
shall match any employee contribution up to
three percent of the individual employee’s
National Government employment gross salary.”

Section 6. Title 52 of the Code of the Federated
States of Micronesia (Annotated), as amended, is hereby
further amended by adding a new section 605 of chapter 6
to read as follows:

“Section 605. Reporting.
Prior to the commencement of each regular May
session of Congress, the Director of the Office
of Personnel shall prepare and submit to the
President of the Federated States of Micronesia,
and to the Speaker of the Congress an annual
status of the Plan. This report shall include a
statement of the annual report, the amount of
contributions collected and interest earned
during the preceding fiscal year, the amount of
money disbursed, the costs of administration, and
such other information as the Director may deem
appropriate.”

Section 7. Title 52 of the Code of the Federated
States of Micronesia (Annotated), as amended, is hereby
further amended by adding a new section 606 of chapter 6 to read as follows:

Section 606. Promulgation of Regulations.

The Director, with approval of the President, shall promulgate regulations, governing the investment of funds under the Plan, the terms of participation by employees, and such other matters as may be consistent with the contents and purpose of this chapter.”

Section 8. 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: 9/20/18           Introduced by: /s/ Ferny S. Perman

Ferny S. Perman