The Honorable Wesley W. Simina  
Speaker  
Twenty-Second Congress  
Federated States of Micronesia  
Palikir, Pohnpei FM 96941

Dear Speaker Simina:

I am pleased to transmit the following congressional act, which I have signed into Public Law No. 22-166:

Congressional Act No. 22-156, entitled: “AN ACT TO AMEND CHAPTER 8 OF TITLE 53 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), BY AMENDING SECTION 804 THEREOF, IN ORDER TO REMOVE THE EARNINGS TEST FOR INDIVIDUALS AGE 65 OR OVER WHO ARE ENTITLED TO RECEIVE ONLY 50% OF THEIR OLD AGE RETIREMENT BENEFITS, BY AMENDING SECTION 810 THEREOF, IN ORDER TO ALLOW INDIVIDUALS NOT FULLY INSURED AT RETIREMENT AGE TO ELECT TO RECEIVE AN OPTIONAL LUMP-SUM PAYMENT FOR THEIR FULL TAX CONTRIBUTION INTO THE SOCIAL SECURITY SYSTEM, AND FOR OTHER PURPOSES.”

Thank you.

Sincerely,

[Signature]

David W. Panuelo  
President

xc: Chief Justice, FSM Supreme Court
September 24, 2022

His Excellency David W. Panuelo  
President  
Federated States of Micronesia  
Palikir, Pohnpei FM 96941

Dear President Panuelo:

I have the honor to transmit herewith Congressional Act No. 22-156, "AN ACT TO AMEND CHAPTER 8 OF TITLE 53 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), BY AMENDING SECTION 804 THEREOF, IN ORDER TO REMOVE THE EARNINGS TEST FOR INDIVIDUALS AGE 65 OR OVER WHO ARE ENTITLED TO RECEIVE ONLY 50% OF THEIR OLD AGE RETIREMENT BENEFITS, BY AMENDING SECTION 810 THEREOF, IN ORDER TO ALLOW INDIVIDUALS NOT FULLY INSURED AT RETIREMENT AGE TO ELECT TO RECEIVE AN OPTIONAL LUMP-SUM PAYMENT FOR THEIR FULL TAX CONTRIBUTION INTO THE SOCIAL SECURITY SYSTEM, AND FOR OTHER PURPOSES", which was passed by the Twenty-Second Congress of the Federated States of Micronesia, Fifth Regular Session, 2022, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

[Signature]

Jessicalynn Reyes  
Chief Clerk, Congress of the  
Federated States of Micronesia

Enclosures
An Act

TO AMEND CHAPTER 8 OF TITLE 53 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), BY AMENDING SECTION 804 THEREOF, IN ORDER TO REMOVE THE EARNINGS TEST FOR INDIVIDUALS AGE 65 OR OVER WHO ARE ENTITLED TO RECEIVE ONLY 50% OF THEIR OLD AGE RETIREMENT BENEFITS, BY AMENDING SECTION 810 THEREOF, IN ORDER TO ALLOW INDIVIDUALS NOT FULLY INSURED AT RETIREMENT AGE TO ELECT TO RECEIVE AN OPTIONAL LUMP-SUM PAYMENT FOR THEIR FULL TAX CONTRIBUTION INTO THE SOCIAL SECURITY SYSTEM, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: FERNY S. PERMAN
DATE: JULY 20, 2022

REFERRED TO: HEALTH AND SOCIAL AFFAIRS COMMITTEE
S.C.R. NO. 22-52 – SEPTEMBER 12, 2022
FIRST READING: SEPTEMBER 22, 2022
SECOND READING: SEPTEMBER 23, 2022

Jessicaalynn Reyes
Chief Clerk, FSM Congress
ACT NO. 22-156

(CONGRESSIONAL BILL NO. 22-250)

We hereby certify that on September 23 the foregoing act passed Second and Final Reading of the Twenty-Second Congress of the Federated States of Micronesia, Fifth Regular Session, 2022, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

Wesley W. Simina
Speaker
Congress of the Federated States of Micronesia

Jessica Lynn Reyes
Chief Clerk
Congress of the Federated States of Micronesia
AN ACT

To amend chapter 8 of title 53 of the Code of the Federated States of Micronesia (Annotated), by amending section 804 thereof, in order to remove the earnings test for individuals age 65 or over who are entitled to receive only 50% of their old age retirement benefits, by amending section 810 thereof, in order to allow individuals not fully insured at retirement age to elect to receive an optional lump-sum payment for their full tax contribution into the social security system, and for other purposes.

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

2. Section 1. Section 804 of title 53 of the Code of the
3. Federated States of Micronesia (Annotated) is hereby
4. amended to read as follows:
5. "Section 804. Amount of retirement and disability
6. insurance benefits.
7. (1) An insured eligible individual shall be paid a
8. monthly old age benefit for life, except for any month of
9. disqualification as provided by this subtitle, in an
10. amount calculated upon an annual basis as follows:
11. (a) For benefit payments that begin prior to
12. January 1, 2007; 16.5 percent of the first $10,000 of
13. cumulative covered earnings, plus three percent of
14. cumulative covered earnings in excess of $10,000 but not
15. in excess of the next $30,000, plus two percent of
16. cumulative covered earnings in excess of $40,000.
17. (b) For benefit payments that begin on or after
January 1, 2007 but before January 1, 2011; 16.5 percent of the first $10,000 of cumulative covered earnings, plus three percent of cumulative covered earnings in excess of $10,000 but not in excess of the next $30,000, plus two percent of cumulative covered earnings in excess of $40,000 but not in excess of the next $262,500, plus one percent of cumulative covered earnings in excess of $302,500.

(c) For benefit payments that begin on or after January 1, 2011:

(i) For individuals who are 65 and over;

16.5% of the first $10,000 of cumulative covered earnings, plus three percent of cumulative covered earnings in excess of $10,000 but not in excess of the next $30,000, plus two percent of the cumulative covered earnings in excess of $40,000 but not in excess of the next $262,500, plus one percent of cumulative covered earnings in excess of $302,500. Individuals are entitled to receive 50% of the total described benefits in this subsection without the earnings test reduction under section 603(7) of this subtitle. Alternatively, individuals are entitled to 100% of the total described benefits in this subsection subject to the earnings test reduction under section 603(7) of this subtitle.

(ii) For individuals who turn 60 after
January 1, 2011, such individual from ages 60 to 64 will receive 50% of the total of all the described benefits in this subsection, 16.5% of the first $10,000 of cumulative covered earnings, plus three percent of cumulative covered earnings in excess of $10,000 but not in excess of the next $30,000, plus two percent of the cumulative covered earnings in excess of $40,000 but not in excess of the next $262,500, plus one percent of cumulative covered earnings in excess of $302,500. These payments in this subsection shall be made without reduction pursuant to the earnings test in section 603(7) of this subtitle.

(d) Earnings for covered employment after commencement of payments for retirement or disability insurance benefits shall be included in benefit calculations upon subsequent application for benefits, but such earnings shall be applicable for benefits for months after the calendar year in which such earnings occurred. For the purpose of this section cumulative covered earnings includes earnings on which contributions have been paid by the individual to the Trust Territory Social Security System.

(e) In the event, benefits have been received under section 804(1)(c)(ii), such benefits shall be automatically adjusted when the individual reaches age
65.

(f) For purposes of interpreting this section "benefit payments begin on" is defined to mean the date, whether retroactive or current when a benefit payment is paid for a specific month. A benefit payment may begin prior to the application date, subject to retroactive payment limitations defined in this Act.

(2) An insured, eligible individual shall be paid a minimum monthly benefit of $75 if the benefit amount calculated in accordance with subsection (1) of this section is less than $75 monthly. Effective on January 1, 2011, the minimum monthly benefit shall be $100. The minimum monthly benefit is calculated per insured worker, not per recipient.

(3) An individual who is currently and fully insured and who has been under a disability for three full calendar months and the onset of disability occurred on or after January 01, 2011, or an individual who was fully insured and the onset of disability occurred prior to this bill becoming law shall be paid a monthly benefit for life or until recovery from the disability, except for any month of disqualification as provided by this subtitle in an amount calculated in accordance with the preceding subsections of this section, and for an individual with an onset of disability on or after
January 1, 2011, he or she will receive benefits as if he
or she retired at age 65, but with existing quarters of
coverage. Further, the amount of the benefit as so
determined shall, if the individual is receiving a
periodic workmen's compensation benefit, be reduced each
month by the excess of the sum of the workmen's
compensation benefit for that month, and the benefit
payable under this Act over 80 percent of one-twelfth of
the highest annual covered wages in the period consisting
of the year in which the disability occurred and the
preceding five years. If a workmen's compensation
benefit was payable in periodic benefits but was commuted
to a lump sum, for purposes of this subsection it will be
considered that the periodic benefit originally available
was paid in each month that it would have been paid if
the commutation had not occurred."

Section 2. Section 810 of title 55 of the Code of the
Federated States of Micronesia (Annotated) is hereby amended to
read as follows:

"Section 810. Optional lump sum payment to individuals
not fully insured who reach retirement age.

(1) Any individual who reaches retirement age and who
is not fully insured for Social Security benefits may,
at his or her own option, elect to have a lump sum
payment for his or her total cumulative covered earnings
that is equivalent to their employee social security tax
contributions under section 901. If an individual
elects to accept the lump sum payment, he or she shall
lose credit for all quarters of coverage earned up to
that point. If that individual returns to work, he or
she shall start over again to earn quarters of coverage
leading to being currently or fully insured. Only
individuals who have resided in the Federated States of
Micronesia for at least one year preceding their
applications for these benefits, and who have either
resided in the Federated States of Micronesia for a
period of time of not less than ten years total, or who
were born in the Federated States of Micronesia, are
eligible for this optional lump sum payment.

(2) For the purpose of this section, total Social
Security contributions include contributions paid by the
individual to the Trust Territory Social Security
System."
Section 3. This act shall become law upon approval by the
President of the Federated States of Micronesia or upon its
becoming law without such approval.

David W. Panuelo
President
Federated States of Micronesia