A BILL FOR AN ACT

To amend sections 163, 206, 209, and 210 and to repeal sections 207 and 208 of title 52 of the Code of the Federated States of Micronesia to limit and redefine salary premiums for public service system employees, and for other purposes.

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

1. Section 163 of title 52 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 163. Premiums. To recognize circumstances of employment which make it appropriate that recognition be given to achievement of professional standing and 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:

(1) \textit{Professional premium}. An employee who is stationed in a location outside the Trust Territory who has \textit{achieved the professional standing as defined in section 206(2) of this act} may be paid a premium based on labor market conditions in the place of assignment and on the level of base salary which may not be more than 25 percent of the base salary.

(2) \textit{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 of no more than 25 percent of base salary based on labor market conditions in the place of assignment and on the level of base salary."

2. Section 206 of title 52 of the Code of the Federated States of Micronesia is hereby amended to read as follows:
"Section 206. Compensation of employees who are citizens of the Trust Territory, professional and foreign service premiums. —

(1) Except as otherwise hereinafter provided, employees who are citizens of the Trust Territory shall receive as compensation a base salary as provided in section 205 of this chapter.

(2) Notwithstanding the provisions of subsection (1) of this section, any employee covered under the provisions thereof who has achieved advanced professional status through obtaining an earned professional degree in law, an earned doctorate in any other field, or an earned degree in professional engineering awarded on completion of a four-year course from an accredited United States university or any other college or university which is accredited by the competent authority in the jurisdiction where the college or university is located, and who is employed in a position having a requirement for such a degree, shall receive, in addition to the base salary for the position, the United States rate into place a professional premium for the pay level and step of the position not to exceed 25 percent of the base salary.

(3) Notwithstanding the provisions of subsection (1) of this section, any employee covered under the provisions thereof who is assigned to a permanent duty station outside the Trust Territory shall receive, in addition to a base salary, a foreign-service premium which shall be added to the base rate into place for the locality where the duty station is located and for the pay level and step of the position not exceed 25 percent of the base salary.
salary."

Section 3. Sections 207 and 208 of title 52 of the Code of the Federated States of Micronesia are hereby repealed in their entirety as follows:

"SECTION 207. COMPENSATION OF EMPLOYEES WHO ARE CITIZENS OF THE UNITED STATES

[i] Employees who are citizens of the United States and who are selected and hired under a fixed contract shall receive the following compensation:

[a] a base salary as provided in section 205 of this chapter and

[i] a relocation expense which shall be determined in a table prepared by the personnel officer.

[ii] Employees who are citizens of the United States and who are not selected by the provisions of subsection [i] of this section shall receive the same base salary and shall be eligible for the same personnel differentials and all benefits as employees who are citizens of the Trust Territory in like positions.

"SECTION 208. COMPENSATION OF EMPLOYEES WHO ARE CITIZENS OF THE

[i] Employees who are citizens of the Trust Territory of the United States and who are selected and hired under a fixed contract in accordance with the Trust Territory of the United States shall receive the following compensation:

[a] a base salary as provided in section 205 of this chapter.
Section 4. Section 209 of title 52 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

Section 29207. Entrance salary rate of employees.

(1) The initial base salary rate of a new employee shall be at step 1 of the pay level for the class of his position unless the Personnel Officer determines that a higher rate is needed for recruitment and that such higher rate is appropriate to the qualifications of the applicant; provided that in no case shall such rate be higher than step 4 of the pay level for the class of the position.

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

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

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

Section 5. Section 210 of title 52 of the Code of the Federated States
of Micronesia is hereby amended to read as follows:

"Section 210 208 Existing employment contracts. - The provisions
of this chapter shall not impair, change, increase, or decrease the
obligations of any existing employment contract to which the central
Government of the Federated States of Micronesia is or becomes party.
Every position to be filled after the effective date of this chapter
by initial contractual appointment or renewal shall provide for com-
ensation as specified in the provisions of this chapter."
Section 6. 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: July 5, 1981

Introduced by: Hiroshi Ismael