A BILL FOR AN ACT

To further amend title 52 of the Code of the Federated States of Micronesia, as amended by Public Law No. 5-21, by amending sections 161 through 165, 203, 206, 209 and 210, to establish a single base salary system, by repealing sections 207 and 208, and for other purposes.

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

Section 1. Section 161 of title 52 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 161. Salary schedule.

(1) Salary schedule. There shall be a single salary schedule for all employees and positions in the National public service system. The Personnel Officer Director of Administrative Services 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 chapter, shall be effective unless it shall have been enacted into law by the Congress of the Federated States of Micronesia."

Section 2. Section 162 of title 52 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 162. Periodic review of plan. The Personnel Director of Administrative Services 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 subchapter title or in other laws, the Personnel Director of Administrative Services 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 Director of Administrative Services shall give consideration to:

(1) the minimum standard of living which is compatible with decency and health;

(2) the general economic conditions of the Federated States of Micronesia;

(3) compensation practices and conditions of appropriate labor markets;

(4) conditions of employment in the National Public Service System;

(5) the financial resources estimated to be available to the central Government of the Federated States of Micronesia;

(6) such other matters as the Personnel Director of Administrative Services may deem appropriate."

Section 3. Section 163 of title 52 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 163. President To Recognize Circumstances Of
1. Employees which make it appropriate shall receive an additional premium for service rendered outside the Trust Territory. The following provisions are provided to facilitate the purpose of computing differentials:

   [II] Market place premium. An employee who is recruited in a location outside the Trust Territory who is a nonresident of the Trust Territory and at the time of original hires a nonresident thereof, may be paid a premium based on market conditions in the place of recruitment and on the level of the base salary.

   [II] Foreign service premium. An employee covered under this title or any other law who is a citizen of the Trust Territory and who is assigned to a permanent duty station outside the Trust Territory Federated States of Micronesia may be paid a premium based on market conditions in the place of assignment and on the level of the base salary shall receive a premium differential only where a cost of living condition is higher than the current standard in the Federated States of Micronesia.

Section 4. Section 164 of title 52 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 164. 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 subsections (1) and (2) of
this section:

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

(2) 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.

(3) 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 work week; provided that he has first
worked forty hours at straight time in the same work week;
and provided further, that overtime work performed on a
holiday shall be subject to subsection (4) of this section.

(4) 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.

(5) **Typhoon** Declared emergency differential. Employees who are required to work in a location and a period in which a **typhoon** or other natural disaster emergency has been declared by competent authority the President or his designee, 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 subsection shall not limit the employee's right to any other differential or allowance to which he may otherwise be entitled by law or regulations.

Section 5. Section 165 of title 52 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 165. **Transfer allowance.** To compensate employees for unusual expenses resulting from changes of work location, the following allowance is provided to public service employees:

(1) When an employee is recruited or transferred beyond normal commuting distance from his place of permanent residence 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 \[\text{5 of 11}\]
and transportation of a reasonable quantity of household
effects.

(2) 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."

Section 6. Section 203 of title 52 of the Code of the Federated
States of Micronesia is hereby amended to read as follows:

"Section 203. Definitions. Except as otherwise provided
in this section, or unless the context clearly requires
otherwise, terms used in this chapter shall have the
meaning ascribed in section 112 of this title.

(1) 'Foreign-service premium' means a premium to be
paid in addition to base salary to employees who are
citizens of the Trust Territory assigned to permanent duty
stations outside the Trust Territory Federated States of
Micronesia.

(2) 'Market-place premium' means a premium based on
the differences between the base salary for a given
position and the prevailing pay rates for analogous
positions in labor markets outside the Trust Territory.

(3) 'Full-time permanent position' means an appointment to a
full-time permanent position which requires the services
of a noncitizen of the Trust Territory Federated States of
Micronesia outside the Trust Territory, under a contract of not more
THAN THE FEW YEARS\.

SUCH \(^{2}\) "Promotion" means movement of an employee to a position of greater difficulty and responsibility, usually compensated at a higher pay level, than his current position, but in the same series of classes or clearly forming part of the same career ladder as his current position.

\(^{3}\) "Transfer" means movement of an employee from his current position to a new position in the same class as his current position, or in a class so closely related that similar or identical qualification standards apply to both positions and compensated at the same pay level as his current position.

\(^{16}\) UNITED STATES CITIZEN MEANS FOR THE PURPOSE OF THIS CHAPTER A UNITED STATES CITIZEN ELIGIBLE FOR A UNITED STATES PASSPORT THE ENABLERS OF THIS DEFINITION SHALL NOT IMPAIR THE ABILITY OF ANY EXISTING CONTRACT WITH A PERSON WHO WAS CLASSIFIED AS A UNITED STATES CITIZEN BY PRIOR LAW BUT IS NOT SO CLASSIFIED BY THIS CHAPTER. HOWEVER, NO REMEDIES OF SUCH CONTRACT MAY CLASSIFY ANY PERSON AS A UNITED STATES CITIZEN UNLESS HE SHALL HAVE BECOME ELIGIBLE FOR SUCH CLASSIFICATION BY THE END OF FEDERAL"

Section 7. 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.

(1) Except as otherwise hereinafter provided, employees
who are citizens of the Trust Territory Federated States of
Micronesia National Government 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 or
certificate in law or culinary college in any other legal
or an earned degree in professional engineering obtained by
 completion of a four-year course from an accredited college,
university or any other college or university which
is accredited by the educational authority in the
jurisdiction where the college or university is located, an
area recognized by the National Government based on the
National manpower needs as reflected in the Federated
States of Micronesia First National Development Plan and
who is employed in a position having a requirement for such
a degree or certification, shall receive, in addition to
the base salary for the position, the United States
market/place premium for the pay level and step of the
position a premium of the base salary rate for the pay
National Public Service System shall have its base salary

Director of Administrative Services shall be at step 1 of the pay level for the class of his/her position unless the Administrator 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 20 percent of the pay level for the class of the position.

The initial base salary rate of a new employee shall not exceed the maximum salary rate of the pay level for the class of the position.

(1) The initial base salary rate of a new employee shall be at step 1 of the pay level for the class of the position, provided that in no case shall such rate be higher than 20 percent of the pay level for the class of the position.

(2) An employee who receives a promotion within the pay level for the class of the position shall receive in addition to a base salary, a foreign-service premium which shall be identical with the premium paid for the country where the duty station is located.

Section 8. Sections 207 and 208 of Title 52 of the Code of the Federated States of Micronesia are hereby repealed in their entirety.

Section 9. Section 209 of Title 52 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"The initial base salary rate of a new employee shall be at step 1 of the pay level for the class of the position, provided that in no case shall such rate be higher than 20 percent of the pay level for the class of the position."

Section 10. Section 209 of Title 52 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"The initial base salary rate of a new employee shall be at step 1 of the pay level for the class of the position, provided that in no case shall such rate be higher than 20 percent of the pay level for the class of the position."

(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 Island Territory of the Federated States of Micronesia shall
increased to that step in the pay level for the new position which is next higher than but not exceeding step 4 of the step pay level 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 may not exceed step 7 of the new level.

(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.

(A) An employee who receives a promotion or transfer from the Tribal Territorial Public Service to the National Public Service System shall be entitled to a salary within the pay level for the new position which the employee qualifies and his salary in the Tribal Territorial Administration in no case shall the new salary be higher than step 7 of the pay level for the class of the position.

Section 10. Section 210 of title 52 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 2108. 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 a party. Every position to be filled after the effective date of this chapter by initial contractual appointment or renewal of existing contract shall provide for compensation as specified in the provisions of this chapter.

Section 11. 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: May 13, 1983

Introduced by: Claude H. Philip
(by request)