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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:

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

3 "Section 161. Salary schedule.

4 (1) Salary schedule. There shall be a single salary
5 schedule for all employees and positions in the National
6 public service system. The ~~Personnel Officer~~ Director of
7 Administrative Services shall assign each class of
8 positions to an appropriate salary level of such schedule.

9 (2) Statutory enactment. No salary schedule or
10 change in any salary schedule for employees of the National
11 Public Service System, except those excluded by the
12 provisions of this chapter, shall be effective unless it
13 shall have been enacted into law by the Congress of the
14 Federated States of Micronesia."

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

17 "Section 162. Periodic review of plan. The ~~Personnel~~
18 ~~Officer~~ Director of Administrative Services shall
19 periodically conduct necessary and appropriate studies of
20 rates of compensation and pay-related practices in all
21 geographic areas from which employees for the public
22 service are normally recruited and shall adopt such
23 amendments to the existing compensation plan as he deems
24 appropriate; provided that when the amendment includes
25 changes in the salary schedule, the rates or nature of

1 differentials or allowances, or other subjects covered in
 2 this ~~subchapter~~ title or in other laws, the ~~Personnel~~
 3 ~~Officer~~ Director of Administrative Services shall submit
 4 the recommendations to the President for review, approval,
 5 and further transmittal to the Congress for its
 6 consideration, and that such amendment shall become
 7 effective only after it has been enacted into law. In
 8 developing amendments, the ~~Personnel Officer~~ Director of
 9 Administrative Services shall give consideration to:

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

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

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

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

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

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

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

25 "Section 163. Premiums. ~~To recognize circumstances of~~

1 employment which make it appropriate that recognition be
 2 given to labor market conditions outside the Trust
 3 Territory, the following premiums are provided to public
 4 service employees. When an employee is receiving a premium
 5 in addition to his base salary, the sum of his base salary
 6 plus premium shall constitute his adjusted base salary for
 7 the purpose of computing differentials;

8 (1) Market place premium. An employee who is
 9 recruited in a location outside the Trust Territory,
 10 who is a noncitizen of the Trust Territory, and at the
 11 time of original hire, a nonresident thereof, may be
 12 paid a premium based on labor market conditions in the
 13 place of recruitment and on the level of the base salary;

14 (2) Foreign service premium. An employee covered
 15 under this title or any other law who is a citizen of the
 16 Trust Territory and who is assigned to a permanent duty
 17 station outside the Trust Territory Federated States of
 18 Micronesia may be paid a premium based on labor market
 19 conditions in the place of assignment and on the level of
 20 the base salary shall receive a premium differential only
 21 where a cost of living condition is higher than the current
 22 standard in the Federated States of Micronesia."

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

25 "Section 164. Differentials. To compensate for unusual

1 circumstances of employment which create hardships for
2 public service employees, the following differentials are
3 provided for them; provided that in no case may an employee
4 receive differentials under both subsections (1) and (2) of
5 this section:

6 (1) Night work differential. An employee whose tour
7 of duty includes regularly scheduled hours falling between
8 7 p.m. and 6 a.m. shall be paid a differential of fifteen
9 percent of the adjusted base salary for all hours falling
10 within that period.

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

16 (3) Overtime differential. An employee shall be paid
17 overtime compensation at the rate of time and one-half of
18 his adjusted base salary for all time when he is directed
19 to work and does work in excess of eight hours in one day;
20 or when he is directed to work and does work on the sixth
21 or seventh day of the work week; provided that he has first
22 worked forty hours at straight time in the same work week;
23 and provided further, that overtime work performed on a
24 holiday shall be subject to subsection (4) of this section.

25 (4) Holiday differential. An employee who is

1 required to work on a legal holiday shall be compensated at
2 double his adjusted base salary for all such hours worked.

3 (5) ~~Typhoon~~ Declared emergency differential.
4 Employees who are required to work in a location and a
5 period in which a ~~typhoon or other natural catastrophe~~
6 temporary emergency has been declared by ~~competent~~
7 ~~authority~~ the President or his designee, and in which other
8 Government employees are released from work because of such
9 conditions, shall be compensated for the hours worked while
10 such emergency remains in force at the rate of two and
11 one-half times the adjusted base salary. The differential
12 provided in this subsection shall not limit the employee's
13 right to any other differential or allowance to which he
14 may otherwise be entitled by law or regulations."

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

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

21 (1) When an employee is recruited or transferred
22 beyond normal commuting distance from his ~~place~~ place of
23 permanent resident for work elsewhere, he shall be entitled
24 to all justifiable expenses connected with travel of
25 himself and his immediate family to the new work location

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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) ~~/Marketplace premium/ means a premium based on the differences between the base salary for a given position and the prevailing pay rates for equivalent positions in labor markets outside the Trust Territory/~~

(3) ~~/Prime contract/ means an appointment to a full-time permanent position which requires the services of a noncitizen of the Trust Territory recruited and hired outside the Trust Territory, under a contract of not more~~

1 *than two years/ duration/ only one member of an immediate*
2 *family may be appointed under a prime contract/*

3 (42) 'Promotion' means movement of an employee
4 to a position of greater difficulty and responsibility,
5 usually compensated at a higher pay level, than his current
6 position, but in the same series of classes or clearly
7 forming part of the same career ladder as his current
8 position.

9 (33) 'Transfer' means movement of an employee
10 from his current position to a new position in the same
11 class as his current position, or in a class so closely
12 related that similar or identical qualification standards
13 apply to both positions and compensated at the same pay
14 level as his current position.

15 (6) /United States citizen/ means, for the purpose
16 of this chapter, a United States citizen eligible for a
17 United States passport/ The enactment of this definition
18 shall not impair the obligation of any existing contract
19 with a person who was classified as a United States citizen
20 by prior law but is not so classified by this chapter/
21 However, no renewal of such contract may classify such
22 person as a United States citizen unless he shall have
23 become eligible for such classification by the time of
24 renewal/

25 Section 7. Section 206 of title 52 of the Code of the Federated

1 States of Micronesia is hereby amended to read as follows:

2 "Section 206. Compensation of employees who are citizens of
3 the Trust Territory.

4 (1) Except as otherwise hereinafter provided, employees
5 who are citizens of the Trust Territory Federated States of
6 Micronesia National Government shall receive as compensation a
7 base salary as provided in section 205 of this chapter.

8 (2) Notwithstanding the provisions of subsection (1)
9 of this section, any employee covered under the provisions
10 thereof who has achieved advanced professional status
11 through obtaining an earned professional degree or
12 certificate in law, an earned doctorate in any other field,
13 or an earned degree in professional engineering awarded on
14 completion of a four-year course from an accredited United
15 States university or any other college or university which
16 is accredited by the competent authority in the
17 jurisdiction where the college or university is located, an
18 area recognized by the National Government based on the
19 National manpower needs as reflected in the Federated
20 States of Micronesia First National Development Plan and
21 who is employed in a position having a requirement for such
22 a degree or certification, shall receive, in addition to
23 the base salary for the position, the United States
24 marketplace premium for the pay level and step of the
25 position a premium of the base salary rate for the pay

1 level and step of the position as determined by the
2 Director of Administrative Services.

3 (3) Notwithstanding the provisions of subsection (1)
4 of this section, any employee covered under the provisions
5 thereof who is assigned to a permanent duty station outside
6 the ~~Trust Territory~~ Federated States of Micronesia shall
7 receive, in addition to a base salary, a foreign-service
8 premium ~~which shall be identical with the marketplace~~
9 ~~premium~~ for the country where the duty station is located
10 and for the pay level and step of the position."

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

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

15 "Section ~~209~~ 207. Entrance salary rate of employees.

16 (1) The initial base salary rate of a new employee
17 shall be at step 1 of the pay level for the class of his/her
18 position unless the ~~Personnel Officer~~ Director of
19 Administrative Services determines that a higher rate is
20 needed for recruitment and that such higher rate is
21 appropriate to the qualifications of the applicant;
22 provided that in no case shall such rate be higher than
23 step 4 of the pay level for the class of the position.

24 (2) Any employee who receives a promotion within the
25 National Public Service System shall have his base salary

1 increased to that step in the pay level for the new
 2 position which is ~~next~~ higher than but not exceeding step 4
 3 of the step pay level at which his current salary is fixed,
 4 unless his current salary is higher than step 7 of the pay
 5 level, in which case his salary ~~shall remain unchanged~~ may
 6 not exceed step 7 of the new level.

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

12 (4) *An employee who receives a promotion or transfer*
 13 *from the Trust Territory public service to the National*
 14 *Public Service System shall be entitled to a salary within*
 15 *the pay level for the new position, which the personnel*
 16 *officer finds to be appropriate in view of the employee's*
 17 *qualifications and his salary in the Trust Territory*
 18 *administration. In no case shall the new salary be higher*
 19 *than step 7 of the pay level for the class of the position."*

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

22 "Section 210208. Existing employment contracts. The
 23 provisions of this chapter shall not impair, change,
 24 increase, or decrease the obligations of any existing
 25 employment contract to which the central Government of the

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1 Federated States of Micronesia is or becomes party. Every
2 position to be filled after the effective date of this
3 chapter by initial contractual appointment or renewal of
4 existing contract shall provide for compensation as
5 specified in the provisions of this chapter."

6 Section 11. This act shall become law upon approval by the
7 President of the Federated States of Micronesia or upon its becoming
8 law without such approval.

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10 Date: May 13/88

Introduced by: Claude H. Phillip
Claude H. Phillip
(by request)

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