

AN ACT

To amend section 163 of title 52 of the Code of the Federated States of Micronesia, (Annotated), as amended, to set a minimum and raise the limit on the professional premium, to specify who determines the amount of professional premium, and for other purposes.

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

1 Section 1. Section 163 of title 52 of the Code of the
2 Federated States of Micronesia (Annotated), as amended, is hereby
3 amended to read as follows:

4 "Section 163. Premiums.

5 To recognize circumstances of employment which make it
6 appropriate that consideration be given to labor
7 market conditions outside the Federated States of
8 Micronesia, and to recognize and reward the attainment
9 of certain advanced professional status, the following
10 premiums are provided to public service employees:

11 (1) Market place premium. An employee who is
12 recruited in a location outside the Federated States
13 of Micronesia, who is a noncitizen of the Federated
14 States of Micronesia, and at the time of original
15 hire, a nonresident thereof, may be paid a premium
16 based on labor market conditions in the place of
17 recruitment and on the level of the base salary. A
18 market-place premium may be paid if prevailing rates

1 of pay for equivalent positions are substantially
2 higher in the country of recruitment than in the
3 Federated States of Micronesia. Upon request from the
4 allottee of the funds from which the employee's
5 compensation is to be paid, the Secretary of the
6 Department of Finance and Administration shall report
7 to the allottee on the difference, insofar as it can
8 best be estimated, between the prevailing rates in the
9 Federated States of Micronesia and in the country of
10 recruitment. The allottee may then determine what
11 portion, if any, of the difference will be paid as a
12 market-place premium. The amount of the premium
13 determined by the allottee shall not be greater than
14 90 percent of the value of the employee's base salary.

15 (2) Foreign service premium. An employee who is a
16 citizen of the Federated States of Micronesia and who
17 is assigned to a permanent duty station outside the
18 Federated States of Micronesia may be paid a premium
19 based on the cost of living in the place of
20 assignment.

21 (3) Professional premium. An employee who has
22 achieved advanced professional status in one of the
23 following manners and who is employed in a position
24 which requires or, directly utilizes such professional
25 status may receive, in addition to the base salary of

1 his position, a professional premium. The amount of
2 professional premium to be paid, if any, shall be
3 determined by the head of the branch to whom the
4 employee reports based upon the employee's education,
5 experience and expertise. The amount of the premium
6 determined by the head of the branch shall not be less
7 than 90 percent or more than 150 percent of the value
8 of the employee's base salary. To be eligible for
9 such a professional premium, the employee must meet
10 one or more of the following requirements:

11 (a) attainment of an earned degree in law from
12 a law school accredited by the competent authority in
13 the jurisdiction in which it operates, and admission
14 either to the FSM Supreme Court Bar or to practice law
15 in another jurisdiction;

16 (b) admission to the FSM Supreme Court Bar and
17 eight years of experience in the legal field;

18 (c) full membership of one or more of the
19 professional accountancy associations listed in the
20 Public Service Regulations, as amended from time to
21 time, or certification by the Public Auditor that the
22 employee's qualifications and experience are
23 equivalent to those which would be required to obtain
24 full membership of such an association;

25 (d) attainment of an earned degree in

1 engineering upon completion of a four-year course of
2 study from a college, university or educational
3 institution which is accredited by the competent
4 authority in the jurisdiction in which the college,
5 university or educational institution is located; and

6 (e) attainment of an earned doctorate in any
7 field.

8 (4) The Public Auditor will conduct an annual audit
9 of all professional and market place
10 premiums being paid to public service employees. The
11 audit findings shall be transmitted to the President
12 and Congress."

13 Section 2. This act shall become law upon approval by the
14 President of the Federated States of Micronesia or upon its
15 becoming law without such approval.

16

17

18

January 29, 2021

19

20

21

22

/s/ David W. Panuelo
David W. Panuelo
President
Federated States of Micronesia

23

24

25