

STANDING COMMITTEE REPORT NO. 14-50

RE: C.R. NO. 14-20/HESA

SUBJECT: RATIFICATION OF SOCIAL SECURITY TOTALIZATION AGREEMENT

SEPTEMBER 22, 2005

The Honorable Peter M. Christian
Speaker, Fourteenth Congress
Federated States of Micronesia
Second Regular Session, 2005

Dear Mr. Speaker:

Your Committee on Health, Education and Social Affairs ("HESA"), to which was referred C.R. No. 14-20 entitled:

"A RESOLUTION RATIFYING THE TOTALIZATION AGREEMENT BETWEEN THE REPUBLIC OF THE MARSHALL ISLANDS, THE FEDERATED STATES OF MICRONESIA, AND THE REPUBLIC OF PALAU ON SOCIAL SECURITY.",

begs leave to report as follows:

The intent and purpose of the resolution are expressed in its title.

The Social Security Totalization Agreement ("the Agreement") is a treaty between the FSM, RMI and Palau that facilitates the payment of retirement benefits to individuals that have worked in more than one of these countries. There are currently a number of citizens of the FSM, RMI and Palau who are not eligible to receive benefits in any one country, but who have made significant social security contributions in two or more countries. The agreement sets up a system whereby a citizen of one of the signatory countries may apply for retirement benefits on the basis of combined social security contributions made in the FSM, RMI and or Palau.

The cost of retirement benefits paid to such individuals will be met by the social security administration of each country in which they have made contributions on a pro rata basis.

Your Committee notes that the Agreement does not extend to the payment of surviving spouse or disability benefits.

A public hearing was held by this Committee on September 19, 2005 in relation to the Agreement, and we are satisfied that the Agreement will close a significant gap in the social security safety net of each of the signatory countries.

Accordingly, your Committee on Health, Education and Social Affairs is

STANDING COMMITTEE REPORT NO. _____

RE: C.R. NO. 14-20/HESA

SUBJECT: RATIFICATION OF SOCIAL SECURITY TOTALIZATION AGREEMENT

SEPTEMBER _____, 2005

in accord with the intent and purpose of C.R. No. 14-20 and recommends its adoption.

Respectfully submitted,

Resio S. Moses, chairman

Tiwiter Aritos, member

Dohsis Halbert, member

Roosevelt D. Kansou, member

Manny Mori, member

Ramon Peyal, member

Claude H. Phillip