

A RESOLUTION

Respectfully requesting the President of the Federated States of Micronesia to direct the Board of Directors of the Federated States of Micronesia Social Security Board, the Administrator of the Social Security Program and other competent authorities under the National Government to engage in a study on the current Social Security Law, the current structure of the Social Security Program, and other Social Security programs in the various jurisdictions in the Pacific Region and come up with options that may improve the FSM Social Security Program.

1 WHEREAS, the Federated States of Micronesia Social Security
2 Program has been an alternative source of funding for eligible
3 retirees, disabilities and surviving spouse and children since
4 1968; and

5 WHEREAS, the FSM Social Security Program is a program that
6 was introduced during the Government of the Trust Territory of the
7 Pacific Islands, and has been enforced in this Federation for
8 about 40 years; and

9 WHEREAS, the current Social Security Program is structured as
10 a defined benefit program, in which eligible individuals are
11 benefiting from the program even though they have already
12 exhausted their contributions to the program; and

13 WHEREAS, with this defined benefit program, the FSM Social
14 Security Program is facing an increase amount of unfunded
15 liabilities due to an annual decline in its investment portfolio
16 and a decrease in employer and employee's contributions to the
17 system due to government reforms in the State governments; and

1 WHEREAS, the current amendments to the Social Security law
2 may not solve all the problems with the Federated States of
3 Micronesia Social Security Program; and

4 WHEREAS, it is imperative that the Federated States of
5 Micronesia Social Security Administration and other relevant
6 competent authorities under the National Government engage in a
7 study on the current social security system and compare other
8 Social Security Programs in various jurisdictions in the Pacific
9 Region to find other options that may improve the social security
10 program; and

11 WHEREAS, the Federated States of Micronesia Social Security
12 Administration and other competent authorities that are
13 undertaking this study must complete a report on their findings
14 and report to the President of the Federated States of Micronesia
15 and Congress of the Federated States of Micronesia at the end of
16 calendar year 2011; now, therefore,

17 BE IT RESOLVED by the Fifteenth Congress of the Federated
18 States of Micronesia, Seventh Special Session, 2009, that the
19 Congress hereby request the President of the Federated States of
20 Micronesia to direct the Federated States of Micronesia Social
21 Security Administration and other competent authorities under the
22 National Government to engage in this study to find better
23 options that may improve the FSM Social Security Program;

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25 BE IT FURTHER RESOLVED that certified copies of this

1 resolution be transmitted to the President of the Federated States
2 of Micronesia, the Administrator of the FSM Social Security
3 Program and the Board of Directors of the FSM Social Security
4 Board.

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6 Date: 3/24/09

Introduced by: /s/ Dohsis Halbert
Dohsis Halbert

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