

STANDING COMMITTEE REPORT NO. 16-73

RE: C.B. NO. 16-25/HSA

SUBJECT: MANDATORY RETIREMENT

FEBRUARY 15, 2010

The Honorable Isaac V. Figir
Speaker, Sixteenth Congress
Federated States of Micronesia
Third Regular Session, 2010

Dear Mr. Speaker:

Your Committee on Health and Social Affairs, to which was referred C.B. 16-25 entitled:

"A BILL FOR AN ACT TO FURTHER AMEND SECTION 115 OF TITLE 52 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED BY PUBLIC LAWS 10-15 AND 14-56 TO ELIMINATE THE MANDATORY RETIREMENT AGE FOR EMPLOYEES SUBJECT TO THE NATIONAL PUBLIC SERVICE SYSTEM, AND FOR OTHER PURPOSES.",

begs leave to report as follows:

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

Your Committee on Health and Social Affairs held a joint hearing with the Committee on Judiciary and Governmental Operations on Thursday, January 28, 2010. Present for this hearing were, Setiro Paul, Chairman of the Committee on Health and Social Affairs; Tony H. Otto, Vice Chairman of the Committee on Health and Social Affairs; Floor Leader, Joe N. Suka; Peter S. Sitan, Chairman of the Committee on Judiciary and Governmental Operations; Senator Joseph J. Urusemal; Senator Roger S. Mori; Senator Paliknoa K. Welly; Pelsesar Petrus, Special Assistant to the President; Marion Henry Acting Secretary of Resources and Development; Maria Shoniber, Acting Secretary of Personnel and Angie Lambert from the Department of Finance and Administration. The hearing was staffed by Attorneys Gonzaga Puas, Allison Laffen and Marsha R. Kennedy.

Maria Shoniber, Acting Secretary of Personnel, clarified that this legislation and mandatory retirement only apply to those under the Public Service System and not to contracted employees.

Chairman Paul of your Committee on Health and Social Affairs stated that this bill is in line with the sentiment expressed at the National Leadership Conference of moving away from mandatory retirement and sustaining the Social Security System. Chairman Paul believes that the national government should first loosen the mandatory retirement requirements and that the states should follow suit.

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Chairman Sitan of your Committee on Judiciary and Governmental Operations reasoned that this was a good measure for the following three reasons:

1. People above age 60 are still useful contributors in the workplace;
2. People are currently being subject to mandatory retirement without adequate replacement; and
3. Raising the retirement age will lead to the greater sustainability of the Social Security system.

Marion Henry, Acting Secretary of Department of Resources and Development, stated that his department lost some of its best employees when mandatory retirement was instituted. He also noted that the personnel system is outdated and in need of an update. He stood in support of C.B. 16-25.

The Committee on Health and Social Affairs is in concurrence with the report of your Committee on Judiciary and Governmental Affairs and is accord with the intent and purpose of C.B. 16-25 and recommends its passage on First Reading and that it be placed on the calendar for Second and Final Reading in the form attached hereto as C.B. No. 16-25.

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Respectfully submitted,

/s/ Setiro Paul
Setiro Paul, chairman

/s/ Tony H. Otto
Tony H. Otto, vice chairman

/s/ Isaac V. Figir
Isaac V. Figir, member

/s/ Joe N. Suka
Joe N. Suka, member

Fredrico O. Primo, member

/s/ Dion G. Neth
Dion G. Neth, member

Claude H. Phillip, member