

A BILL FOR AN ACT

To further amend section 112 of title 52 of the Code of the Federated States of Micronesia, as amended by Public Law Nos. 11-81 and 13-64, and by inserting a new section 208 to chapter 2 of title 52 F.S.M.C., to provide for a tax-exempt cost-of-living allowance (COLA) for employees covered by the National Public Service System Act whose earnings from national government employment are \$15,000 or less per annum, and for other purposes.

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

1 Section 1. Section 112 of title 52 of the Code of the
2 Federated States of Micronesia, as amended by Public Law Nos.
3 11-81 and 13-64, is hereby further amended to read as follows:

4 "Section 112. Definitions. In this chapter, unless
5 the context requires otherwise, the following
6 definitions shall apply:

7 (1) "Adjusted base salary" means the total of base
8 salary plus marketplace premium, foreign service
9 premium, or professional premium. If an employee is
10 not entitled to any of these premiums, his adjusted
11 base salary means his base salary.

12 (2) "Base Salary" means the specific rate of pay for
13 a given pay level and step as contained within the
14 base salary schedule established by law. "Base
15 Salary" does not include premiums under section 163 of
16 this chapter, professional premiums, cost-of-living
17 allowance (COLA), differentials under section 164 of

1 this chapter, or transfer, travel per diem, or other
2 similar allowances.

3 (3) "Class" or "class of positions" means a group of
4 positions sufficiently similar so that all can
5 reasonably be identified by the same title, be filled
6 by applying the same qualification standards, and be
7 equitably compensated by the same salary level. A
8 class may consist of only one position or of any
9 greater number of positions.

10 (4) "cost-of-living allowance (COLA)" means the
11 temporary allowance in addition to base salary to
12 compensate for loss of purchasing power due to
13 inflation. This allowance does not increase base
14 salary or adjusted base salary. Nor does this
15 allowance constitute part of 'wages' as defined by
16 Title 53, Section 603(15).

17 ~~(4)~~ (5) "Eligible list" means a list of persons who
18 have been found qualified for appointment to a
19 position in a particular class. Such a list may be
20 either reemployment, promotional, or open-competitive.

21 ~~(5)~~ (6) "Eligible person" or "eligible" means a
22 person whose name is on an active eligible list.

23 ~~(6)~~ (7) "Employee" means a person holding a
24 position in the public service, whether permanently or
25 otherwise.

1 ~~[(7)]~~ (8) "Foreign service premium" means a premium
2 set forth under subsection 163(2) of this title to be
3 paid in addition to base salary to employees who are
4 citizens of the Federated States of Micronesia
5 assigned to permanent duty stations outside the
6 Federated States of Micronesia.

7 ~~[(8)]~~ (9) "Government of Federated States of
8 Micronesia" includes the Legislative, the Executive,
9 and the Judicial Branches and the agencies of the
10 Government of Micronesia.

11 ~~[(9)]~~ (10) "Management official" or "management" means
12 a person authorized to make appointments or changes in
13 status of employees in the public services.

14 ~~[(10)]~~ (11) "Market place premium" means a premium as
15 set forth under subsection 163(1) of this title.

16 ~~[(11)]~~ (12) "Open-competitive examination" means an
17 examination for positions in a particular class,
18 admission to which is not limited to persons employed
19 in public service.

20 ~~[(12)]~~ (13) "Open-competitive list" means list of
21 persons who have been found qualified by open-
22 competitive examination for appointment to a position
23 in a particular class.

24 ~~[(13)]~~ (14) "Personnel officer" means the head of the
25 Office of Personnel of the Government of the Federated

1 States of Micronesia.

2 [~~(14)~~] (15) "Position" means a group of duties and
3 responsibilities assigned by competent authority to be
4 performed by one person, working full-time or part-
5 time. A position may be either occupied or vacant.

6 [~~(15)~~] (16) "Position classification plan" means the
7 arrangement in a systematic order of the titles of all
8 classes existing in the public service, with a
9 description of each class.

10 [~~(16)~~] (17) "Probation period" means a period of
11 probationary employment status of not less than six
12 months nor more than one year from the beginning of an
13 employee's service in a particular position or class
14 in the public service.

15 [~~(17)~~] (18) "Professional premium" means a premium as
16 set forth under subsection 163(3) of this title.

17 [~~(18)~~] (19) "Promotional examination" means an
18 examination for positions in a particular class,
19 admission to which is limited to regular employees in
20 the public service.

21 [~~(19)~~] (20) "Promotional list" means a list of
22 persons who have been found qualified by a promotional
23 examination for appointment to a position in a
24 particular class.

25 [~~(20)~~] (21) "Public service" means all offices and

1 other positions in the Government of the Federated
2 States of Micronesia not exempted by section 117 of
3 this chapter.

4 ~~[(21)]~~ (22) "Reemployment list" means a list of
5 persons who have been regular employees in the public
6 service and who are entitled to have their names
7 certified for appointment to a position in the class
8 in which they last held permanent status, or in a
9 related class in the same or a lower salary range for
10 which they meet the qualification requirements.

11 ~~[(22)]~~ (23) "Regular employee" or "*permanent*
12 *employee*" means an employee who has been appointed to
13 a position in the public service who has successfully
14 completed a probation period."

15 Section 2. Title 52 of the Code of the Federated States of
16 Micronesia, as amended, is hereby further amended by inserting a
17 new section 208 of chapter 2 to read as follows:

18 "Section 208. Cost-of-living allowance (COLA).
19 Employees earning a base salary of \$15,000 per annum
20 or less shall receive a cost-of-living allowance
21 (COLA) in the amount of \$40.00 per 80 hour pay period.
22 The COLA increment is not subject to tax or social
23 security contribution. This COLA shall be in effect
24 from October 1, 2015 to September 30, 2018."

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