

STANDING COMMITTEE REPORT NO. 18-277

RE: C.B. NO. 18-236/H&SA

SUBJECT: SOCIAL SECURITY RETIREMENT BENEFITS.

FEBRUARY 02, 2015

The Honorable Dohsis Halbert
Speaker, Eighteenth Congress
Federated States of Micronesia
Sixth Regular Session, 2015

Dear Mr. Speaker:

Your Committee on Health and Social Affairs, to which was jointly referred C.B. No. 18-236 entitled:

"A BILL TO FURTHER AMEND SECTIONS 603 AND 804 OF TITLE 53 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, TO REINSTATE THE SOCIAL SECURITY RETIREMENT BENEFITS RECEIVED BY AN INDIVIDUAL AGE 60 TO ONE-HUNDRED PERCENT (100%), AND CEASE THE IMPLEMENTATION OF THE SOCIAL SECURITY RETIREMENT BENEFITS OF FIFTY PERCENT (50%) FOR INDIVIDUALS BETWEEN THE AGES OF 60 AND 64, AND FOR OTHER PURPOSES."

begs leave to report as follows:

The intent and purpose of this bill are expressed in its title.

Your Committee has had several hearings during the 17th and 18th Congress' regarding the subject matter of this bill. It has taken this measure out to the four States and has had public hearings with the Social Security Administration.

In discussion with our citizens, and in particular the senior citizens, your Committee has been advised that the cut in benefits has worked extreme hardship on those

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citizens of our Nation least able to sustain a decrease in household income. The Committee has also been concerned with the fairness in allowing a cut in benefits for those turning 60 recently, while those only a few years older were allowed to enjoy full benefits from the age of 60.

The Committee is mindful that the Social Security Administration has consistently stated that restoring benefits at age 60 to 100% is not sustainable for the program, however, the Committee is also recommending that if an infusion, even a large in infusion of money, into the Social Security Program is needed it will be in favor of this as well. Your Committee also believes that the recently passed bill increasing the salaries of National Government employees ("COLA"), will add to the collections for the program. The Committee also intends to further look into the collection of past due Social Security contributions, in order to ascertain whether addition collection effects could resolve some of the program's financial issues.

Based on extensive meetings and public hearings throughout the Nation your Committee is recommending the passage of C.B. 18-236.

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As to the subject of this report your Committee on Health and Social Affairs is supportive of the benefits that it will support. Your Committee on Health and Social Affairs is in accord with the intent and purposes of C.B. No. 18-236, 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.

Respectfully submitted,

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

/s/ Tiwiter Aritos
Tiwiter Aritos, vice chairman

Peter M. Christian, member

/s/ Yosiwo P. George
Yosiwo P. George, member

/s/ Florencio S. Harper
Florencio S. Harper, member

/s/ David W. Panuelo
David W. Panuelo, member

Joseph J. Urusemal, member