

AN ACT

To amend section 205 of title 52 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 21-237 and 21-245, for the purpose of increasing the base salary schedule of FSM National Government employees, and to amend section 163 of title 52 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 21-224, to reduce the maximum professional premium percentage for Public Service System employees, and for other purposes.

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

1       Section 1. Statement of Policy.

2       “The intent of this amendment is to increase the base salary  
3       schedule of bi-weekly salary rate by forty-five percent under  
4       section 205 of title 52 of the Code of the Federated States  
5       of Micronesia. This amendment shall not be interpreted to  
6       conflict with section 509(1) of title 52 of the Code of the  
7       Federated States of Micronesia.”

8       Section 2. Section 205 of title 52 of the Code of the  
9       Federated States of Micronesia (Annotated), as amended, is hereby  
10      amended to read as follows:

11             “Section 205. Base Salary schedule of biweekly salary  
12             rate. (1)

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Pay Level	Step	Step	Step	Step	Step	Step	Step
	1	2	3	4	5	6	7
1	229.21	235.88	242.55	249.22	257.23	265.23	273.23
2	235.88	242.55	249.22	257.23	265.23	273.23	282.57
3	242.55	249.22	257.23	265.23	273.23	282.57	291.91
4	249.22	257.23	265.23	273.23	282.57	291.91	302.58
5	257.23	265.23	273.23	282.57	291.91	302.58	313.25
6	265.23	273.23	282.57	291.91	302.58	313.25	325.26
7	273.23	282.57	291.91	302.58	313.25	325.26	337.27
8	282.57	291.91	302.58	313.25	325.26	337.27	350.61
9	291.91	302.58	313.25	325.26	337.27	350.61	350.61
10	302.58	313.25	325.26	337.27	350.61	350.61	362.15
11	313.25	325.26	337.27	350.61	350.61	362.15	377.46
12	325.26	337.27	350.61	350.61	362.15	377.46	392.79
13	337.27	350.61	350.61	362.15	377.46	392.79	409.36
14	350.61	350.61	362.15	377.46	392.79	409.36	427.24
15	350.61	362.15	377.46	392.79	409.36	427.24	446.38
16	362.15	377.46	392.79	409.36	427.24	446.38	465.52
17	377.46	392.79	409.36	427.24	446.38	465.52	485.93
18	392.79	409.36	427.24	446.38	465.52	485.93	507.63
19	409.36	427.24	446.38	465.52	485.93	507.63	530.59
20	427.24	446.38	465.52	485.93	507.63	530.59	554.84
21	446.38	465.52	485.93	507.63	530.59	554.84	581.63
22	465.52	485.93	507.63	530.59	554.84	581.63	609.68

Pay Level	Step	Step	Step	Step	Step	Step	Step
	1	2	3	4	5	6	7
23	485.93	507.63	530.59	554.84	581.63	609.68	610.00
24	507.63	530.59	554.84	581.63	609.68	610.00	640.45
25	530.59	554.84	581.63	609.68	610.00	640.45	672.11
26	554.84	581.63	609.68	610.00	640.45	672.11	706.22
27	581.63	609.68	610.00	640.45	672.11	706.22	741.54
28	609.68	610.00	640.45	672.11	706.22	741.54	779.30
29	610.00	640.45	672.11	706.22	741.54	779.30	819.49
30	640.45	672.11	706.22	741.54	779.30	819.49	862.12
31	672.11	706.22	741.54	779.30	819.49	862.12	907.19
32	706.22	741.54	779.30	819.49	862.12	907.19	954.69
33	741.54	779.30	819.49	862.12	907.19	954.69	1005.85
34	779.30	819.49	862.12	907.19	954.69	1005.85	1059.44
35	819.49	862.12	907.19	954.69	1005.85	1059.44	1116.68
36	862.12	907.19	954.69	1005.85	1059.44	1116.68	1177.58
37	907.19	954.69	1005.85	1059.44	1116.68	1177.58	1242.14
38	954.69	1005.85	1059.44	1116.68	1177.58	1242.14	1310.35
39	1005.85	1059.44	1116.68	1177.58	1242.14	1310.35	-
40	1059.44	1116.68	1177.58	1242.14	1310.35	-	-
41	1116.68	1177.58	1242.14	1310.35	-	-	-
42	1177.58	1242.14	1310.35	-	-	-	-

1                   (2) The provision of this schedule shall not operate to  
 2                   decrease the base salary biweekly rate of employees

1           employed on the effective date of the amending Act  
2           codified in this section. Furthermore, the base salary  
3           biweekly rate of such employees shall not be increased  
4           beyond the rate in effect on the effective date of the  
5           amending Act codified in this section.”

6           Section 3. Section 163 of title 52 of the Code of the  
7 Federated States of Micronesia (Annotated), as amended, is hereby  
8 further amended to read as follows:

9           “Section 163. Premiums.

10           To recognize circumstances of employment which make it  
11           appropriate that consideration be given to labor market  
12           conditions outside the Federated States of Micronesia, and  
13           to recognize and reward the attainment of certain advanced  
14           professional status, the following premiums are provided  
15           to public service employees:

16           (1) Market place premium. An employee who is recruited  
17           in a location outside the Federated States of Micronesia,  
18           who is a noncitizen of the Federated States of Micronesia,  
19           and at the time of original hire, a nonresident thereof,  
20           may be paid a premium based on labor market conditions in  
21           the place of recruitment and on the level of the base  
22           salary. A market-place premium may be paid if prevailing  
23           rates of pay for equivalent positions are substantially  
24           higher in the country of recruitment than in the Federated  
25           States of Micronesia. Upon request from the allottee of  
26           the funds from which the employee’s compensation is to be

1           paid, the Secretary of the Department of Finance and  
2           Administration shall report to the allottee on the  
3           difference, insofar as it can best be estimated, between  
4           the prevailing rates in the Federated States of Micronesia  
5           and in the country of recruitment. The allottee may then  
6           determine what portion, if any, of the difference will be  
7           paid as a market-place premium. The amount of the premium  
8           determined by the allottee shall not be greater than 90  
9           percent of the value of the employee's base salary.

10           (2) Foreign service premium. An employee who is a  
11           citizen of the Federated States of Micronesia and who is  
12           assigned to a permanent duty station outside the Federated  
13           States of Micronesia may be paid a premium based on the  
14           cost of living in the place of assignment.

15           (3) Professional premium. An employee who has  
16           achieved advanced professional status in one of the  
17           following manners and who is employed in a position  
18           which requires or, directly utilizes such professional  
19           status may receive, in addition to the base salary of  
20           his position, a professional premium. The amount of  
21           professional premium to be paid, if any, shall be  
22           determined by the head of the branch to whom the  
23           employee reports based upon the employee's education,  
24           experience and expertise. The amount of the premium  
25           determined by the head of the branch shall not be less  
26           than 90 percent or more than 100 percent of the value of

1           the employee's base salary. To be eligible for  
2           professional premium, the employee must meet more of the  
3           following requirements:

4                   (a) attainment of an earned degree in law from  
5                   such a law school accredited by the competent authority  
6                   in the jurisdiction in which it operates, and admission  
7                   either to the FSM Supreme Court Bar or to practice law  
8                   in another jurisdiction;

9                   (b) admission to the FSM Supreme Court Bar and  
10                  Eight years of experience in the legal field;

11                  (c) full membership of one or more of the  
12                  professional accountancy associations listed in the  
13                  Public Service Regulations, as amended from time to  
14                  time, or certification by the Public Auditor that the  
15                  employee's qualifications and experience are equivalent  
16                  to those which would be required to obtain full  
17                  membership of such an association;

18                  (d) attainment of an earned degree in  
19                  engineering upon completion of a four-year course of  
20                  study from a college, university or educational  
21                  institution which is accredited by the competent  
22                  authority in the jurisdiction in which the college,  
23                  university or educational institution is located; and

24                  (e) attainment of an earned doctorate in any  
25                  field.

1           (4) The Public Auditor will conduct an annual audit  
2           of all professional and market place premiums being paid  
3           to public service employees. The audit findings shall be  
4           transmitted to the President and Congress.”

5           Section 4. This law shall take effect on January 1, 2023.

6           Section 5. This act shall become law upon approval by the  
7           President of the Federated States of Micronesia or upon its  
8           becoming law without such approval.

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December 15th, 2022

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/s/ David W. Panuelo\_\_\_\_\_

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David W. Panuelo

President

Federated States of Micronesia

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