

CHAPTER 4

Contributions

SECTIONS

- § 401. **Employee contributions—Amounts.**
- § 402. **Employee contributions—Collection.**
- § 403. **Employer contributions.**
- § 404. **Employee refunds.**
- § 405. **Reporting—Social security card and number.**

Editor's note: Although most of the provisions of this subtitle I have been repealed by implication by the FSM Social Security Act, the provisions of this Trust Territory Social Security Act are retained in this subtitle I since 53 F.S.M.C. 1109 provides for saving of certain of its provisions for certain purposes.

The designation "subtitle I" has been applied to chapters 1 through 5 of title 53 to accommodate codification of PL 4-36, "Federated States of Micronesia Social Security Act," as subtitle II. Accordingly, "this title," as it appears in chapters 1 through 5, should be read "this subtitle."

§ 401. Employee contributions—Amounts.

There is hereby imposed on the income of every employee a tax equal to the following percentages of wages received by him with respect to employment subject to this title:

- (1) with respect to wages paid from July 1, 1968, through June 30, 1976, the rate shall be one percent;
- (2) with respect to wages paid from July 1, 1976, through June 30, 1980, the rate shall be one and one-half percent;
- (3) with respect to wages paid from July 1, 1980, through June 30, 1985, the rate shall be two percent;
- (4) with respect to wages paid from July 1, 1985, through June 30, 1990, the rate shall be three percent;
- (5) with respect to wages paid from July 1, 1990, through June 30, 1995, the rate shall be four percent;
- (6) with respect to wages paid from July 1, 1995, through June 30, 2000, the rate shall be five percent;
- (7) with respect to wages paid after June 30, 2000, the rate shall be six percent.

Source: COM PL 3-40 § 12(a); TT Code 1970, 73 TTC 151(1); COM PL 5-15 § 1 (part); COM PL 6-91 § 6; TT Code 1980, 73 TTC 151(1).

Cross-reference: The statutory provisions on the FSM Social Security Act are found in subtitle II of this title.

§ 402. Employee contributions—Collection.

The tax imposed shall be collected by the employer of the taxpayer, by deducting the amount of the tax from the wages as and when paid. Every employer required to so deduct the tax shall be liable for the payment of such tax to the Board, and shall be indemnified against the claims and demands of any person for the amount of any such payment made by such employer.

Source: COM PL 3-40 § 12(b); TT Code 1970, 73 TTC 151(2); COM PL 5-15 § 1 (part); TT Code 1980, 73 TTC 151(2).

§ 403. Employer contributions.

There is hereby imposed on every employer an excise tax, with respect to having an individual in his employ, equal to the following percentages of wages, paid by him with respect to employment subject to this title:

- (1) with respect to wages paid from July 1, 1968, through June 30, 1976, the rate shall be one percent;
- (2) with respect to wages paid from July 1, 1976, through June 30, 1980, the rate shall be one and one-half percent;
- (3) with respect to wages paid from July 1, 1980, through June 30, 1985, the rate shall be two percent;
- (4) with respect to wages paid from July 1, 1985, through June 30, 1990, the rate shall be three percent;
- (5) with respect to wages paid from July 1, 1990, through June 30, 1995, the rate shall be four percent;
- (6) with respect to wages paid from July 1, 1995, through June 30, 2000, the rate shall be five percent;
- (7) with respect to wages paid after June 30, 2000, the rate shall be six percent.

Source: COM PL 3-40 § 13; TT Code 1970, 73 TTC 152; COM PL 5-15 § 2; COM PL 6-91 § 7; TT Code 1980, 73 TTC 152.

§ 404. Employee refunds.

When a covered employee is credited with earnings in excess of the quarterly maximum provided by law for a quarter and taxes on the excess are withheld and paid into the Trust Territory Social Security Retirement Fund, the excess employee's tax credited to the employee during the four quarters ending June 30 of each year shall be refunded to the employee within 90 days of that date; provided, that the excess employee's taxes are one dollar or more. No refund, however, shall be granted to the employer or employers of such employee of taxes paid by such employers on account of wages paid by them to the employee.

Source: COM PL 3-40 § 14; TT Code 1970, 73 TTC 153; COM PL 5-15 § 3; COM PL 6-91 § 8; TT Code 1980, 73 TTC 153.

§ 405. Reporting—Social security card and number.

(1) The Board shall furnish each employer forms for record keeping and reporting of contributions which shall show in addition to other information specified by the Board the employer account number and the employee social security number.

(2) Numbers shall be issued by the Board from a permanent register maintained by it.

(3) Each employer shall report quarterly, on the prescribed forms, and pay taxes due thereon to the Board in accordance with the Board regulation and subject to interest and penalty for failure so to do.

(4) Each employee shall be assigned a social security number and a card bearing this number.

Source: COM PL 3-40 § 16; TT Code 1970, 73 TTC 154; TT Code 1980, 73 TTC 154.