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The President
Palikir, Pohnpei
Federated States of Micronesia

PRESIDENTIAL COMM. NO. 18-464
FSM CONGRESS

March 9, 2015

The Honorable Dohsis Halbert
Speaker
Eighteenth Congress of the Federated States of Micronesia
Palikir, Pohnpei FM 96941



Dear Speaker Halbert:

I am returning the following Congressional Act as Public Law No. 18-114, pursuant to Article IX Section 22 of the FSM Constitution, without my signature:

Congressional Act No. 18-112, entitled: "AN ACT TO AMEND SECTION 112 OF TITLE 52 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AUTHORIZED BY PUBLIC LAW NO. 18-96 TO INSERT A NEW SECTION 208 TO CHAPTER 2 OF TITLE 52 F.S.M.C., TO PROVIDE FOR A COST-OF-LIVING ALLOWANCE (COLA) FOR EMPLOYEES OF THE NATIONAL GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA, AND FOR OTHER PURPOSES."

In my communication to Congress in 2014 in regard to Congressional Act No. 18-90, I disapproved the provision for cost of living allowance (COLA) because of the defects in its passage, i.e., no public hearing, no committee report, and no clear rationale for its enactment. Congressional Act 18-112 is an attempt to revive the disapproved COLA in Congressional Act No 18-90, yet it has not adequately addressed all the defects raised in my previous communication to Congress.

There are still three areas of concern:

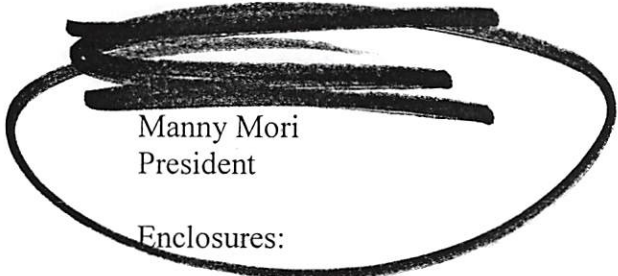
- 1) No study was conducted to show the sustainability of the funding for the COLA;
- 2) The salaries for the top positions of the Executive, the Legislative, and the Judicial Branches have not been evaluated for over 10 years – for example, the salary of the 1st President is the same as the salary of the 7th President over 28 years later;
- 3) The entire salary structure for the National Government should have been done in a comprehensive manner to determine the affordability, sustainability, and the proper size of the government.

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The ADB commissioned study on the right sizing of the government has been delayed because certain quarters of the government were not pleased with the early findings of the study. And thus, this piecemeal approach resulting in the COLA while the salaries still remain frozen.

Sincerely,



Manny Mori
President

Enclosures:

Xc: Acting Chief Justice, FSM Supreme Court
Secretary of Justice
Director, SBOC
Legislative Counsel, CFSM
Library, CFSM
FSM PIO

Office of the President, P.O. Box PS 53, Palikir, Pohnpei, FM 96941



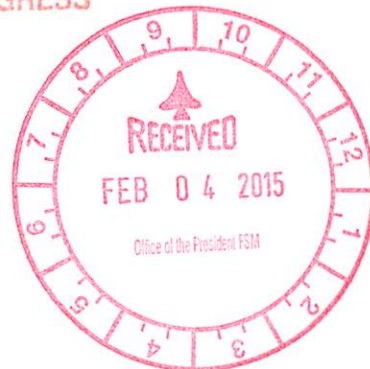
CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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Office of the Chief Clerk

PRESIDENTIAL COMM. NO. 18-46
FSM CONGRESS

February 04, 2015



His Excellency Manny Mori
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear President Mori:

I have the honor to transmit herewith Congressional Act No. 18-112, "AN ACT TO AMEND SECTION 112 OF TITLE 52 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AUTHORIZED BY PUBLIC LAW NO. 18-96, TO INSERT A NEW SECTION 208 TO CHAPTER 2 OF TITLE 52 F.S.M.C., TO PROVIDE FOR A COST-OF-LIVING ALLOWANCE (COLA) FOR EMPLOYEES OF THE NATIONAL GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA, AND FOR OTHER PURPOSES.", which was passed by the Eighteenth Congress of the Federated States of Micronesia, Sixth Regular Session, 2015, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures



PRESIDENTIAL COMM. NO. 18-464
FSM CONGRESS

EIGHTEENTH CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
SIXTH REGULAR SESSION
JANUARY 23 – FEBRUARY 11, 2015

PUBLIC LAW No. 18- 114

An Act

TO AMEND SECTION 112 OF TITLE 52 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AUTHORIZED BY PUBLIC LAW NO. 18-96, TO INSERT A NEW SECTION 208 TO CHAPTER 2 OF TITLE 52 F.S.M.C., TO PROVIDE FOR A COST-OF-LIVING ALLOWANCE (COLA) FOR EMPLOYEES OF THE NATIONAL GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: WESLEY W. SIMINA

DATE: JANUARY 27, 2015

REFERRED TO: COMMITTEES ON WAYS AND MEANS AND
JUDICIARY AND GOVERNMENTAL OPERATIONS

WITHDRAWN – JANUARY 27, 2015

FIRST READING: JANUARY 27, 2015

SECOND READING: JANUARY 29, 2015

A handwritten signature in black ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis
Chief Clerk, FSM Congress



CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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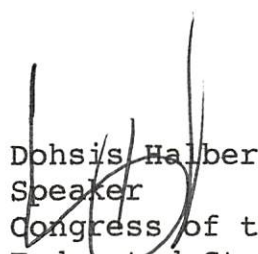
Office of the Speaker


ACT NO. 18-112

PRESIDENTIAL COMM. NO. 18-464
FSM CONGRESS

(CONGRESSIONAL BILL NO. 18-252, C.D.1, C.D.2)

We hereby certify that on January 29 the foregoing act passed Second and Final Reading of the Eighteenth Congress of the Federated States of Micronesia, Sixth Regular Session, 2015, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.


Dohsis Halbert
Speaker
Congress of the
Federated States of Micronesia


Liwiana Ramon Ioanis
Chief Clerk
Congress of the
Federated States of Micronesia

EIGHTTEENTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

SIXTH REGULAR SESSION, 2015 CONGRESSIONAL BILL NO. 18-252, C.D.1,
C.D.2

PUBLIC LAW No. 18-114

AN ACT

To amend section 112 of title 52 of the Code of the Federated States of Micronesia (Annotated), as authorized by Public Law No. 18-96, to insert a new section 208 to chapter 2 of title 52 F.S.M.C., to provide for a cost-of-living allowance (COLA) for employees of the National Government of the Federated States of Micronesia, 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 (Annotated), as authorized by
3 Public Law No. 18-96, is hereby 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, professional premium, or cost-of-living
10 allowance (COLA). If an employee is not entitled to
11 any of these premiums, his adjusted base salary means
12 his base salary.

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

1 allowance (COLA), differentials under section 164 of
2 this chapter, or transfer, travel per diem, or other
3 similar allowances.

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

11 (4) "cost-of-living allowance (COLA)" means the
12 increase in base salary to compensate for loss of
13 purchasing power due to inflation. Employees exempt
14 from the cost-of-living adjustment includes all
15 officials elected in national elections including
16 members of the Congress of the Federated States of
17 Micronesia, President and Vice President of the
18 Federated States of Micronesia, all employees whom are
19 appointed to a position that requires advise and
20 consent under Chapter 2, Section 207(1) of the Code of
21 the Federated States of Micronesia, employees who
22 receive a professional premium, and employees who
23 receive the foreign service premium.

24 (5) "Eligible list" means a list of persons who have
25 been found qualified for appointment to a position in

PUBLIC LAW No. 18-114

1 a particular class. Such a list may be either
2 reemployment, promotional, or open-competitive.

3 (6) "Eligible person" or "eligible" means a person
4 whose name is on an active eligible list.

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

7 (8) "Foreign service premium" means a premium set
8 forth under subsection 163(2) of this title

9 (9) "Government of Federated States of Micronesia"
10 includes the Legislative, the Executive, and the
11 Judicial Branches and the agencies of the Government
12 of Micronesia.

13 (10) "Management official" or "management" means a
14 person authorized to make appointments or changes in
15 status of employees in the public services.

16 (11) "Market place premium" means a premium as set
17 forth under subsection 163(1) of this title.

18 (12) "Open-competitive examination" means an
19 examination for positions in a particular class,
20 admission to which is not limited to persons employed
21 in public service.

22 (13) "Open-competitive list" means list of persons
23 who have been found qualified by open-competitive
24 examination for appointment to a position in a
25 particular class.

1 (14) "Personnel officer" means the head of the Office
2 of Personnel of the Government of the Federated States
3 of Micronesia.

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

8 (16) "Position classification plan" means the
9 arrangement in a systematic order of the titles of all
10 classes existing in the public service, with a
11 description of each class.

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

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

19 (19) "Promotional examination" means an examination
20 for positions in a particular class, admission to
21 which is limited to regular employees in the public
22 service.

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

~~PUBLIC LAW NO. 18-114~~

1 (21) "Public service" means all offices and other
2 positions in the Government of the Federated States of
3 Micronesia not exempted by section 117 of this
4 chapter.

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

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

16 Section 2. Title 52 of the Code of the Federated States of
17 Micronesia (Annotated), as authorized by Public Law No. 18-96,
18 is hereby amended by inserting a new section 208 to chapter 2 to
19 read as follows:

20 "Section 208. Cost-of-living allowance (COLA).

21 Employees of the National Government of the Federated
22 States of Micronesia (including contract and exempt
23 employees) shall receive a cost-of-living allowance
24 (COLA) in the amount of \$40.00 per 80 hour pay period.
25 This COLA shall be in effect beginning July 1, 2015."

~~PUBLIC LAW NO. 18-114~~

1 Section 3. This act shall become law upon approval by the
2 President of the Federated States of Micronesia or upon its
3 becoming law without such approval.

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_____, 2015

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11 *Law w/out Signa true*
12 *03-09-15*

Manny Mori
President
Federated States of Micronesia

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