A BILL FOR AN ACT

To further amend title 53 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 14-37, 14-86, 15-73, and 16-10 by amending sections 807 and 809, to harmonize Social Security benefits among all non-citizens, and for other purposes.

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

1. Section 1. Section 807 of title 53 of the Code of the Federated States of Micronesia, as amended by Public Law Nos. 14-37 is hereby further amended to read as follows:

   "Section 807. Lump sum benefits.

   (1) When a worker dies and the benefits paid, including survivor benefit, have been less than four percent of his cumulative covered earnings, the survivors, heirs, or the estate of such individual shall be paid a lump sum benefit, after all rights to survivor benefits have terminated, in an amount equal to four percent of the decedent's cumulative covered earnings, reduced by the amount of any benefits paid to the insured worker and his eligible dependents. For the purpose of this section, cumulative covered earnings includes earnings on which contributions have been paid by the individual to the Trust Territory Social Security System.

   (2) In the absence of a will, survivors shall be paid in the following order:
(a) spouse, if living, otherwise children in equal shares or guardian, if such children are minors;
(b) parents in equal shares; or
(c) duly appointed legal representatives of the deceased or, if none, person or persons determined to be entitled thereto under the laws and customs of the last domicile of the deceased person.

(3) Only citizens of the Federated States of Micronesia[, Republic of Palau and Republic of the Marshall Islands] and citizens of any nation whose Social Security Administration, or equivalent office, gives citizens and nationals of the Federated States of Micronesia reciprocal treatment shall be eligible for benefits under this section."

Section 2. Section 809 of title 53 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 14-37, 14-86, 15-73, and 16-10 is hereby further amended to read as follows:

"Section 809. Payment of benefits to foreign citizens outside Federated States of Micronesia.

Unless modified by a totalization or other international agreement, benefit payments under this act shall be paid to a beneficiary who is not a citizen or a national of the Federated States of Micronesia and does not reside in the Federated States of Micronesia, as follows:

(a) Payments shall be made to any beneficiary who
is not a citizen or national of the Federated States of Micronesia [citizens and nationals of the Republic of Palau, the Republic of the Marshall Islands, and the United States] as if they were citizens or nationals of the Federated States of Micronesia as long as the Social Security Administration, or equivalent office, of [those nations] a beneficiary’s nation of citizenship gives citizens and nationals of the Federated States of Micronesia reciprocal treatment.

(b) For applications filed after this bill becomes law, payments shall be made to citizens and nationals of other nations if they are fully insured at the time of application, in a lump sum equal to the total amount contributed to the Social Security Administration by the employee under section 901 of this act while employed in the Federated States of Micronesia as of the date the employee turns age 60 or is no longer employed in the Federated States of Micronesia, whichever is later, or dies prior to age 60. All payments due under this section shall be payable over six months, from the date of death, or the date of turning age 60, and/or the date of filing an application for such benefits, whichever is later subject to the residency provision in paragraph (d) less any monthly or periodic payments received.
(c) For applications filed prior to the date of this bill becomes law, payments shall be made to citizens and nationals of other nations in a lump sum equal to the total amount contributed to the Social Security Administration by the employee while employed in the Federated States of Micronesia as of the date the employee ceases to be a resident of the Federated States of Micronesia in accordance with paragraph (d) of this section.

(d) For purpose of this section, an individual resides in the Federated States of Micronesia if they are present in the territory of the Federated States of Micronesia for 180 days out of the last 365 days and have ties to the Federated States of Micronesia that indicate residence such as a home, vehicle, bank account or personal property.

(e) In determining the benefits and entitlements under this title for an individual who receives a lump sum payment in accordance with paragraphs (b), (c) or (d) of this section and who subsequently returns to the Federated States of Micronesia to undertake further covered employment, no covered quarters, employee contributions or employer contributions accrued by the individual prior to receiving a lump sum payment shall be counted.”
Section 3. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

Dated: 1/19/12

Introduced by: /s/ Yosiwo P. George

Yosiwo P. George