



The President
Palikir, Pohnpei
Federated States of Micronesia



PRESIDENTIAL COMM. NO. 22-357
FSM CONGRESS

October 25, 2022

The Honorable Wesley W. Simina
Speaker
Twenty-Second Congress
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear Speaker Simina:

I am pleased to transmit the following congressional act, which I have signed into Public Law No. 22-166:

Congressional Act No. 22-156, entitled: "AN ACT TO AMEND CHAPTER 8 OF TITLE 53 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), BY AMENDING SECTION 804 THEREOF, IN ORDER TO REMOVE THE EARNINGS TEST FOR INDIVIDUALS AGE 65 OR OVER WHO ARE ENTITLED TO RECEIVE ONLY 50% OF THEIR OLD AGE RETIREMENT BENEFITS, BY AMENDING SECTION 810 THEREOF, IN ORDER TO ALLOW INDIVIDUALS NOT FULLY INSURED AT RETIREMENT AGE TO ELECT TO RECEIVE AN OPTIONAL LUMP-SUM PAYMENT FOR THEIR FULL TAX CONTRIBUTION INTO THE SOCIAL SECURITY SYSTEM, AND FOR OTHER PURPOSES."

Thank you.

Sincerely,

David W. Panuelo
President

xc: Chief Justice, FSM Supreme Court



Office of the Chief Clerk

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

P.O. Box PS 3
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PRESIDENTIAL COMM. NO. 22-357
FSM CONGRESS

September 24, 2022



His Excellency David W. Panuelo
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear President Panuelo:

I have the honor to transmit herewith Congressional Act No. 22-156, "AN ACT TO AMEND CHAPTER 8 OF TITLE 53 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), BY AMENDING SECTION 804 THEREOF, IN ORDER TO REMOVE THE EARNINGS TEST FOR INDIVIDUALS AGE 65 OR OVER WHO ARE ENTITLED TO RECEIVE ONLY 50% OF THEIR OLD AGE RETIREMENT BENEFITS, BY AMENDING SECTION 810 THEREOF, IN ORDER TO ALLOW INDIVIDUALS NOT FULLY INSURED AT RETIREMENT AGE TO ELECT TO RECEIVE AN OPTIONAL LUMP-SUM PAYMENT FOR THEIR FULL TAX CONTRIBUTION INTO THE SOCIAL SECURITY SYSTEM, AND FOR OTHER PURPOSES", which was passed by the Twenty-Second Congress of the Federated States of Micronesia, Fifth Regular Session, 2022, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

A handwritten signature in black ink, appearing to be "JR" with a long horizontal line extending to the right.

Jessicalynn Reyes
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures



PRESIDENTIAL COMM. NO. 22-357
FSM CONGRESS

TWENTY SECOND CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
FIFTH REGULAR SESSION
SEPTEMBER 05 - 24, 2022

An Act

TO AMEND CHAPTER 8 OF TITLE 53 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), BY AMENDING SECTION 804 THEREOF, IN ORDER TO REMOVE THE EARNINGS TEST FOR INDIVIDUALS AGE 65 OR OVER WHO ARE ENTITLED TO RECEIVE ONLY 50% OF THEIR OLD AGE RETIREMENT BENEFITS, BY AMENDING SECTION 810 THEREOF, IN ORDER TO ALLOW INDIVIDUALS NOT FULLY INSURED AT RETIREMENT AGE TO ELECT TO RECEIVE AN OPTIONAL LUMP-SUM PAYMENT FOR THEIR FULL TAX CONTRIBUTION INTO THE SOCIAL SECURITY SYSTEM, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: FERNY S. PERMAN

DATE: JULY 20, 2022

REFERRED TO: HEALTH AND SOCIAL AFFAIRS COMMITTEE
S.C.R. NO. 22-52 – SEPTEMBER 12, 2022

FIRST READING: SEPTEMBER 22, 2022

SECOND READING: SEPTEMBER 23, 2022

A handwritten signature in black ink, appearing to read "JR", with a horizontal line underneath it.

Jessicalynn Reyes
Chief Clerk, FSM Congress



Office of the Speaker

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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PRESIDENTIAL COMM. NO. 22-357
FSM CONGRESS

ACT NO. 22-156

(CONGRESSIONAL BILL NO. 22-250)

We hereby certify that on September 23 the foregoing act passed Second and Final Reading of the Twenty-Second Congress of the Federated States of Micronesia, Fifth Regular Session, 2022, 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.

A handwritten signature in blue ink, appearing to read "Wesley W. Simina".

Wesley W. Simina
Speaker
Congress of the
Federated States of Micronesia

A handwritten signature in black ink, appearing to read "Jessicalynn Reyes".

Jessicalynn Reyes
Chief Clerk
Congress of the
Federated States of Micronesia

AN ACT

To amend chapter 8 of title 53 of the Code of the Federated States of Micronesia (Annotated), by amending section 804 thereof, in order to remove the earnings test for individuals age 65 or over who are entitled to receive only 50% of their old age retirement benefits, by amending section 810 thereof, in order to allow individuals not fully insured at retirement age to elect to receive an optional lump-sum payment for their full tax contribution into the social security system, and for other purposes.

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

2 Section 1. Section 804 of title 53 of the Code of the
3 Federated States of Micronesia (Annotated) is hereby
4 amended to read as follows:

5 "Section 804. Amount of retirement and disability
6 insurance benefits.

7 (1) An insured eligible individual shall be paid a
8 monthly old age benefit for life, except for any month of
9 disqualification as provided by this subtitle, in an
10 amount calculated upon an annual basis as follows:

11 (a) For benefit payments that begin prior to
12 January 1, 2007; 16.5 percent of the first \$10,000 of
13 cumulative covered earnings, plus three percent of
14 cumulative covered earnings in excess of \$10,000 but not
15 in excess of the next \$30,000, plus two percent of
16 cumulative covered earnings in excess of \$40,000.

17 (b) For benefit payments that begin on or after

1 January 1, 2007 but before January 1, 2011; 16.5 percent
2 of the first \$10,000 of cumulative covered earnings, plus
3 three percent of cumulative covered earnings in excess of
4 \$10,000 but not in excess of the next \$30,000, plus two
5 percent of cumulative covered earnings in excess of
6 \$40,000 but not in excess of the next \$262,500, plus one
7 percent of cumulative covered earnings in excess of
8 \$302,500.

9 (c) For benefit payments that begin on or after
10 January 1, 2011:

11 (i) For individuals who are 65 and over;
12 16.5% of the first \$10,000 of cumulative covered
13 earnings, plus three percent of cumulative covered
14 earnings in excess of \$10,000 but not in excess of the
15 next \$30,000, plus two percent of the cumulative covered
16 earnings in excess of \$40,000 but not in excess of the
17 next \$262,500, plus one percent of cumulative covered
18 earnings in excess of \$302,500. Individuals are entitled
19 to receive 50% of the total described benefits in this
20 subsection without the earnings test reduction under
21 section 603(7) of this subtitle. Alternatively,
22 individuals are entitled to 100% of the total described
23 benefits in this subsection subject to the earnings test
24 reduction under section 603(7) of this subtitle.

25 (ii) For individuals who turn 60 after

1 January 1, 2011, such individual from ages 60 to 64 will
2 receive 50% of the total of all the described benefits in
3 this subsection, 16.5% of the first \$10,000 of cumulative
4 covered earnings, plus three percent of cumulative
5 covered earnings in excess of \$10,000 but not in excess
6 of the next \$30,000, plus two percent of the cumulative
7 covered earnings in excess of \$40,000 but not in excess
8 of the next \$262,500, plus one percent of cumulative
9 covered earnings in excess of \$302,500. These payments
10 in this subsection shall be made without reduction
11 pursuant to the earnings test in section 603(7) of this
12 subtitle.

13 (d) Earnings for covered employment after
14 commencement of payments for retirement or disability
15 insurance benefits shall be included in benefit
16 calculations upon subsequent application for benefits,
17 but such earnings shall be applicable for benefits for
18 months after the calendar year in which such earnings
19 occurred. For the purpose of this section cumulative
20 covered earnings includes earnings on which contributions
21 have been paid by the individual to the Trust Territory
22 Social Security System.

23 (e) In the event, benefits have been received under
24 section 804(1)(c)(ii), such benefits shall be
25 automatically adjusted when the individual reaches age

1 65.

2 (f) For purposes of interpreting this section
3 "benefit payments begin on" is defined to mean the date,
4 whether retroactive or current when a benefit payment is
5 paid for a specific month. A benefit payment may begin
6 prior to the application date, subject to retroactive
7 payment limitations defined in this Act.

8 (2) An insured, eligible individual shall be paid a
9 minimum monthly benefit of \$75 if the benefit amount
10 calculated in accordance with subsection (1) of this
11 section is less than \$75 monthly. Effective on January 1,
12 2011, the minimum monthly benefit shall be \$100. The
13 minimum monthly benefit is calculated per insured worker,
14 not per recipient.

15 (3) An individual who is currently and fully insured
16 and who has been under a disability for three full
17 calendar months and the onset of disability occurred on
18 or after January 01, 2011, or an individual who was fully
19 insured and the onset of disability occurred prior to
20 this bill becoming law shall be paid a monthly benefit
21 for life or until recovery from the disability, except
22 for any month of disqualification as provided by this
23 subtitle in an amount calculated in accordance with the
24 preceding subsections of this section, and for an
25 individual with an onset of disability on or after

1 January 1, 2011, he or she will receive benefits as if he
2 or she retired at age 65, but with existing quarters of
3 coverage. Further, the amount of the benefit as so
4 determined shall, if the individual is receiving a
5 periodic workmen's compensation benefit, be reduced each
6 month by the excess of the sum of the workmen's
7 compensation benefit for that month, and the benefit
8 payable under this Act over 80 percent of one-twelfth of
9 the highest annual covered wages in the period consisting
10 of the year in which the disability occurred and the
11 preceding five years. If a workmen's compensation
12 benefit was payable in periodic benefits but was commuted
13 to a lump sum, for purposes of this subsection it will be
14 considered that the periodic benefit originally available
15 was paid in each month that it would have been paid if
16 the commutation had not occurred."

17 Section 2. Section 810 of title 55 of the Code of the
18 Federated States of Micronesia (Annotated) is hereby amended to
19 read as follows:

20 "Section 810. Optional lump sum payment to individuals
21 not fully insured who reach retirement age.

22 (1) Any individual who reaches retirement age and who
23 is not fully insured for Social Security benefits may,
24 at his or her own option, elect to have a lump sum
25 payment for his or her total cumulative covered earnings

1 that is equivalent to their employee social security tax
2 contributions under section 901. If an individual
3 elects to accept the lump sum payment, he or she shall
4 lose credit for all quarters of coverage earned up to
5 that point. If that individual returns to work, he or
6 she shall start over again to earn quarters of coverage
7 leading to being currently or fully insured. Only
8 individuals who have resided in the Federated States of
9 Micronesia for at least one year preceding their
10 applications for these benefits, and who have either
11 resided in the Federated States of Micronesia for a
12 period of time of not less than ten years total, or who
13 were born in the Federated States of Micronesia, are
14 eligible for this optional lump sum payment.

15 (2) For the purpose of this section, total Social
16 Security contributions include contributions paid by the
17 individual to the Trust Territory Social Security
18 System."

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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Oct 25th, 2022



David W. Panuelo
President
Federated States of Micronesia