

A BILL FOR AN ACT

To further amend section 163 of title 52 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 22-170, to increase 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. Section 163 of title 52 of the Code of the  
2 Federated States of Micronesia (Annotated), as amended by Public  
3 Law No. 22-170, is hereby further amended to read as follows:

4 Section 163. Premiums.

5 To recognize circumstances of employment which make it  
6 appropriate that consideration be given to labor market  
7 conditions outside the Federated States of Micronesia, and  
8 to recognize and reward the attainment of certain advanced  
9 professional status, the following premiums are provided  
10 to public service employees:

11 (1) Market place premium. An employee who is recruited  
12 in a location outside the Federated States of Micronesia,  
13 who is a noncitizen of the Federated States of Micronesia,  
14 and at the time of original hire, a nonresident thereof,  
15 may be paid a premium based on labor market conditions in  
16 the place of recruitment and on the level of the base  
17 salary. A market-place premium may be paid if prevailing  
18 rates of pay for equivalent positions are substantially

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

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

18 (3) Professional premium. An employee who has  
19 achieved advanced professional status in one of the  
20 following manners and who is employed in a position  
21 which requires or, directly utilizes such professional  
22 status may receive, in addition to the base salary of  
23 his position, a professional premium. The amount of  
24 professional premium to be paid, if any, shall be

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1           determined by the head of the branch to whom the  
2           employee reports based upon the employee's education,  
3           experience and expertise. The amount of the premium  
4           determined by the head of the branch shall not be less  
5           than 90 percent or more than [~~100~~] 150 percent of the  
6           value of the employee's base salary. To be eligible for  
7           professional premium, the employee must meet more of the  
8           following requirements:

9                   (a) attainment of an earned degree in law from  
10                  such a law school accredited by the competent authority  
11                  in the jurisdiction in which it operates, and admission  
12                  either to the FSM Supreme Court Bar or to practice law  
13                  in another jurisdiction;

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

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

23                  (d) attainment of an earned degree in  
24                  engineering upon completion of a four-year course of

1 study from a college, university or educational  
2 institution which is accredited by the competent  
3 authority in the jurisdiction in which the college,  
4 university or educational institution is located; and

5 (e) attainment of an earned doctorate in any  
6 field.

7 (4) The Public Auditor will conduct an annual audit  
8 of all professional and market place premiums being paid  
9 to public service employees. The audit findings shall be  
10 transmitted to the President and Congress."

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

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15 Date: 5/15/26

Introduced by: /s/ Julio M. Marar

Julio M. Marar

(by request)

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