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A BILL FOR AN ACT

To further amend title 52, of the Code of the Federated States of Micronesia, as amended, by further amending section 507, as enacted by Public Law No. 9-155, and as amended by Public Law No. 10-57, to provide for the repayment of early retirement benefits under certain circumstances, and for other purposes.

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

1 Section 1. Section 507 of title 52 of the Code of the
2 Federated States of Micronesia, as enacted by Public Law No.
3 9-155, and as amended by Public Law No. 10-57, is hereby
4 further amended to read as follows:

5 "Section 507. Ineligibility for re-employment;
6 benefits to be deemed a loan under certain
7 circumstances.

8 (1) Any employee who receives compensation under
9 the program shall not be eligible for re-employment
10 in any capacity by the National Government or any
11 agency of the National Government prior to September
12 30, 2001, except that such ineligibility shall not
13 apply to program participants who are re-employed by
14 the National Government in the following positions:

15 (1a) members of the Congress of the
16 Federated States of Micronesia;

17 (1b) the President and Vice President of the
18 Federated States of Micronesia; and

19 (1c) persons appointed to any positions by
20 the President with the advice and consent of the
21 Congress of the Federated States of Micronesia,
22 except that program participants who receive
23 compensation pursuant to section 506(4) of this
24 chapter shall not be eligible for re-employment by
25 the National Government in any position appointed by

1 the President with the advice and consent of Congress
2 prior to September 30, 2001.

3 (2) Any employee receiving compensation pursuant
4 to section 506 of this chapter shall, prior to
5 receiving any such compensation, agree that he shall
6 repay a pro rata portion of such compensation in the
7 event he becomes gainfully employed in any of the
8 following prior to September 30, 2001:

9 (a) a position listed in paragraph (a), (b),
10 or (c) of subsection (1) of this section;

11 (b) a position with a state government branch
12 or agency, including an authority, office,
13 commission, board, bureau or other entity of the
14 state government, whether or not elective,
15 appointive, or in the state's public service system.

16 (3) An agreement for repayment pursuant to
17 subsection (2) of this section shall require
18 repayment within two years of commencement of the
19 employment triggering the obligation to repay, and
20 the agreement shall provide for interest at prime
21 rate as defined in 34 FSMC 208, compounded quarterly.

22 (4) In the case of employees receiving
23 compensation pursuant to subsection (1)(a) or (1)(b)
24 of section 506, the pro rata portion shall be
25 determined by multiplying the total compensation that

1 the employee is entitled to receive pursuant thereto
2 by the amount of time from his re-employment date to
3 September 30, 2001, divided by the amount of time
4 from his retirement date to September 30, 2001. In
5 the case of employees receiving compensation that
6 includes an amount equivalent to SSA retirement
7 benefits pursuant to subsection (2)(a) of section
8 506, the pro rata portion shall be determined by
9 multiplying the total compensation that the employee
10 is entitled to receive pursuant thereto by the amount
11 of time from his re-employment date to his 60th
12 birthday divided by the amount of time from his
13 retirement date to his 60th birthday.

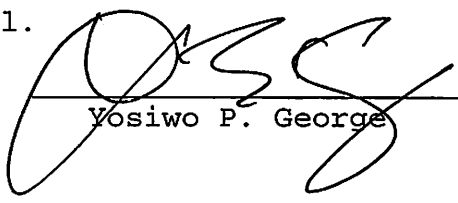
14 (5) For employees who have opted for payments
15 other than in a lump sum, the Government shall
16 withhold any payments due after the obligation to
17 repay is triggered. Amounts so withheld shall be
18 subtracted from the pro rata portion in determining
19 an employee's obligation to repay."

20 Section 2. The obligation to repay established by this
21 act shall not apply to employees who became entitled to
22 benefits under 52 FSMC 506 prior to the effective date of this
23 act.

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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.

4 Date: 05/25/98 Introduced by: 
Yosiwo P. George

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