

AN ACT

To further amend title 52 of the Code of the Federated States of Micronesia, as amended, by further amending section 509, as amended by Public Law No. 10-62, to allow for the payment of overtime differential under certain specified circumstances, and for other purposes.

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

Section 1. Section 509 of title 52, as amended by Public Law No. 10-62, is hereby amended to read as follows:

"Section 509. Freeze on salary increases; compensatory time and overtime compensation. Notwithstanding any other applicable law, there is hereby enacted:

(1) A freeze on annual salary step increases of all employees in the public service system; and

(2) Compensatory time, with which employees in the public service shall be credited in lieu of receiving overtime compensation as otherwise authorized under the National Public Service Act and regulations promulgated thereunder. Compensatory time means those hours authorized in advance and worked by an employee outside established work hours and for which the employee is credited with one hour in the form of leave with pay for each hour of work an employee is directed to and performs work in excess of the regular 40 hour workweek as provided by law. Compensatory time shall be accrued by National Government public service employees and shall be included in the compensation received by a program participant pursuant to subsection (4)(c) of section 506 of this chapter; except that any accumulation of time in excess of 280 hours shall be forfeited unless taken before the end of the calendar year in which the excess was accumulated. For purposes of computing whether a program employee's accrued compensatory and/or annual leave hours are in

excess of 280 hours, accrued compensatory time and annual leave shall be included in computing the 280-hour ceiling.

(3) Notwithstanding the provisions of this section, an employee shall be entitled to receive overtime differential, retroactive to the effective date of Public Law No. 9-155 with respect to paragraphs (a), (b) and (c), as authorized under the National Public Service System Act, for:

(a) time worked in the event that the National government would be entitled to compensation for payment of such differential under section 115 of title 50; or

(b) time worked in the event that the National government would be entitled to compensation for payment of such differential through a written agreement with a legal entity that seeks to provide relief from emergency conditions, as long as the time worked is directly related to efforts to provide emergency relief, in accordance with an emergency declared by the President under article X, section 9 of the Constitution of the Federated States of Micronesia.

(c) time worked in the event that the National Government would be entitled to compensation for payment of such differential through a written agreement with the Water Users Corporation, as long as the time worked is directly related to management and maintenance of the Capital Water System.

(d) time worked as follows:

(i) by personnel within the Division of Budget in preparation of the annual budget submission in the thirty day period prior to April 1;

(ii) by accounting personnel within the Division of Treasury in preparing the annual

financial statements for the FSM National Government, during the period from November 1 to December 31 of each year;

(iii) by accounting personnel within the Division of Treasury in preparing reports pursuant to section 226 of title 55 of the Code of the Federated States of Micronesia, or a successor provision, during the fifteen day periods leading up to May 1 and November 1 of each year.

Notwithstanding section 164 of this title, persons working hours entitling them to overtime differential pursuant to paragraph (d) of subsection (3) of this section shall receive compensation at straight time for those hours."

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

July 30, 1998

for                     /s/ Leo A. Falcam  
Jacob Nena  
President  
Federated States of Micronesia