

A BILL FOR AN ACT

To enact a new chapter 4 of title 51 of the Code of the Federated States of Micronesia to provide for a national minimum wage, and for other purposes.

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

1 Section 1. Title 51 of the Code of the Federated States of
2 Micronesia is hereby amended by adding a new chapter 4 entitled
3 "National Minimum Wage".

4 Section 2. Title 31 of the Code of the Federated States of
5 Micronesia is hereby enacted by adding a new section 401 to read
6 as follows:

7 "Section 401. National minimum wage. Subject to
8 section 403, no person employed in the Federated States
9 of Micronesia shall be compensated at a rate that is
10 less than the national minimum wage."

11 Section 3. Title 31 of the Code of the Federated States of
12 Micronesia is hereby enacted by adding a new section 402 to read
13 as follows:

14 "Section 402. National minimum wage rate. The national
15 minimum wage shall be set at \$1.00 per hour. The rate
16 shall increase to \$1.25 per hour on October 1, 2007 and
17 by a further 25 cents per hour every 2 years
18 thereafter."

19 Section 4. Title 31 of the Code of the Federated States of
20 Micronesia is hereby enacted by adding a new section 403 to read

1 as follows:

2 "Section 403. Certain employment exempt.

3 (1) The national minimum wage will not apply to any
4 individual:

5 a) employed primarily to undertake farming
6 activities;

7 b) employed in a business owned by one or more
8 of his or her immediate family members; and

9 c) working on average less than 40 hours per 10
10 working days.

11 (2) For the purposes of subsection 1, 'immediate
12 family member' shall mean a parent, brother, sister,
13 spouse or child, including a person who is adopted
14 legally or in accordance with custom. The term shall
15 also include the spouse of any person referred to in
16 this subsection."

17 Section 5. This act shall become law upon approval by the
18 President of the Federated States of Micronesia or upon its
19 becoming law without such approval.

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21 Date: 1/17/05

Introduced by: /s/ Sabino S. Asor
Sabino S. Asor