
A BILL FOR AN ACT

To further amend section 112 of title 52 of the Code of the Federated States of Micronesia, as amended by Public Law Nos. 11-81 and 13-64, and by inserting a new section 208 to chapter 2 of title 52 F.S.M.C., to provide for a cost-of-living allowance (COLA) for all of the employees of the National Government of the Federated States of Micronesia, and for other purposes.

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

1 Section 1. Section 112 of title 52 of the Code of the
2 Federated States of Micronesia, as amended by Public Law Nos.
3 11-81 and 13-64, is hereby further amended to read as follows:

4 "Section 112. Definitions. In this chapter, unless
5 the context requires otherwise, the following
6 definitions shall apply:

7 (1) "Adjusted base salary" means the total of base
8 salary plus marketplace premium, foreign service
9 premium, professional premium, or cost-of-living
10 allowance (COLA). If an employee is not entitled to
11 any of these premiums, his adjusted base salary means
12 his base salary.

13 (2) "Base Salary" means the specific rate of pay for
14 a given pay level and step as contained within the
15 base salary schedule established by law. "Base
16 Salary" does not include premiums under section 163 of
17 this chapter, professional premiums, cost-of-living
18 allowance (COLA), differentials under section 164 of

1 this chapter, or transfer, travel per diem, or other
2 similar allowances.

3 (3) "Class" or "class of positions" means a group of
4 positions sufficiently similar so that all can
5 reasonably be identified by the same title, be filled
6 by applying the same qualification standards, and be
7 equitably compensated by the same salary level. A
8 class may consist of only one position or of any
9 greater number of positions.

10 (4) "cost-of-living allowance (COLA)" means the
11 increase in base salary to compensate for loss of
12 purchasing power due to inflation. The COLA increment
13 is not subject to tax or social security contribution.
14 Employees exempt from the cost-of-living adjustment
15 includes all officials elected in national elections
16 including members of the Congress of the Federated
17 States of Micronesia, President and Vice President of
18 the Federated States of Micronesia, all employees whom
19 are appointed to a position that requires advise and
20 consent under Chapter 2, Section 207(1) of the Code of
21 the Federated States of Micronesia, employees who
22 receive a professional premium, and employees who
23 receive the foreign service premium.

24 ~~(4)~~ (5) "Eligible list" means a list of persons who
25 have been found qualified for appointment to a

1 position in a particular class. Such a list may be
2 either reemployment, promotional, or open-competitive.

3 ~~[(5)]~~ (6) "Eligible person" or "eligible" means a
4 person whose name is on an active eligible list.

5 ~~[(6)]~~ (7) "Employee" means a person holding a
6 position in the public service, whether permanently or
7 otherwise.

8 ~~[(7)]~~ (8) "Foreign service premium" means a premium
9 set forth under subsection 163(2) of this title [~~to be~~
10 ~~paid in addition to base salary to employees who are~~
11 ~~citizens of the Federated States of Micronesia~~
12 ~~assigned to permanent duty stations outside the~~
13 ~~Federated States of Micronesia]~~.

14 ~~[(8)]~~ (9) "Government of Federated States of
15 Micronesia" includes the Legislative, the Executive,
16 and the Judicial Branches and the agencies of the
17 Government of Micronesia.

18 ~~[(9)]~~ (10) "Management official" or "management" means
19 a person authorized to make appointments or changes in
20 status of employees in the public services.

21 ~~[(10)]~~ (11) "Market place premium" means a premium as
22 set forth under subsection 163(1) of this title.

23 ~~[(11)]~~ (12) "Open-competitive examination" means an
24 examination for positions in a particular class,
25 admission to which is not limited to persons employed

1 in public service.

2 [~~(12)~~] (13) "Open-competitive list" means list of
3 persons who have been found qualified by open-
4 competitive examination for appointment to a position
5 in a particular class.

6 [~~(13)~~] (14) "Personnel officer" means the head of the
7 Office of Personnel of the Government of the Federated
8 States of Micronesia.

9 [~~(14)~~] (15) "Position" means a group of duties and
10 responsibilities assigned by competent authority to be
11 performed by one person, working full-time or part-
12 time. A position may be either occupied or vacant.

13 [~~(15)~~] (16) "Position classification plan" means the
14 arrangement in a systematic order of the titles of all
15 classes existing in the public service, with a
16 description of each class.

17 [~~(16)~~] (17) "Probation period" means a period of
18 probationary employment status of not less than six
19 months nor more than one year from the beginning of an
20 employee's service in a particular position or class
21 in the public service.

22 [~~(17)~~] (18) "Professional premium" means a premium as
23 set forth under subsection 163(3) of this title.

24 [~~(18)~~] (19) "Promotional examination" means an
25 examination for positions in a particular class,

1 admission to which is limited to regular employees in
2 the public service.

3 [~~(19)~~] (20) "Promotional list" means a list of
4 persons who have been found qualified by a promotional
5 examination for appointment to a position in a
6 particular class.

7 [~~(20)~~] (21) "Public service" means all offices and
8 other positions in the Government of the Federated
9 States of Micronesia not exempted by section 117 of
10 this chapter.

11 [~~(21)~~] (22) "Reemployment list" means a list of
12 persons who have been regular employees in the public
13 service and who are entitled to have their names
14 certified for appointment to a position in the class
15 in which they last held permanent status, or in a
16 related class in the same or a lower salary range for
17 which they meet the qualification requirements.

18 [~~(22)~~] (23) "Regular employee" or "*permanent employee*"
19 means an employee who has been appointed to a position
20 in the public service who has successfully completed a
21 probation period."

22 Section 2. Title 52 of the Code of the Federated States of
23 Micronesia, as amended, is hereby further amended by inserting a
24 new section 208 of chapter 2 to read as follows:

25 "Section 208. Cost-of-living allowance (COLA).

