
A BILL FOR AN ACT

To amend title 52 of the Code of the Federated States of Micronesia (Annotated), as amended, by creating for a new chapter 6, to create a national employee's retirement savings plan, and for other purposes.

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

1 Section 1. Title 52 of the Code of the Federated States of
2 Micronesia (Annotated), as amended, is hereby further amended by
3 creating amended a new chapter 6 entitled: "National Government
4 Employee's Retirement Savings Plan Act of 2018".

5 Section 2. Title 52 of the Code of the Federated
6 States of Micronesia (Annotated), as amended, is hereby
7 further amended by adding a new section 601 of chapter 6
8 to read as follows:

9 "Section 601. Short title.

10 This chapter shall be known as the "National
11 Government Employee's Retirement Savings Plan
12 Act of 2018."

13 Section 3. Title 52 of the Code of the Federated
14 States of Micronesia (Annotated), as amended, is hereby
15 further amended by adding a new section 602 of chapter 6
16 to read as follows:

17 "Section 602. Eligibility.

18 Any full-time employee of the National Government
19 of the Federated States of Micronesia may

1 participate in the National Government Employee's
2 Retirement Savings Plan. For the purposes of
3 this chapter any permanent employee who works at
4 least 32 hours of the regular and scheduled
5 workweek for the National Government of the
6 Federated States of Micronesia is considered a
7 full-time employee."

8 Section 4. Title 52 of the Code of the Federated
9 States of Micronesia (Annotated), as amended, is hereby
10 further amended by adding a new section 603 of chapter 6
11 to read as follows:

12 "Section 603. Establishment of Employees'
13 Retirement Savings Plan.

14 (1) There is established a National Government
15 Employees' Retirement Savings Plan which shall be
16 separate from the General Fund and all other
17 funds. All employee contributions to the plan
18 and any sums appropriated by Congress as
19 contributions of the National Government to the
20 plan, shall be deposited in the National
21 Government Employees Retirement Savings Plan
22 fund. Under no circumstances shall any money in
23 the National Government Employees Retirement
24 Savings Plan fund revert to the General Fund or
25 lapse at the end of the fiscal year, but shall

1 remain in the National Government Employees
2 Retirement Savings Plan fund.

3 (2) The Director of the Office of Personnel
4 shall have the sole authority to administer the
5 National Government Employees' Retirement Savings
6 Plan in accordance with regulations promulgated
7 under this act. The Director shall maintain this
8 National Government Employees' Retirement Savings
9 Plan in a separate custodial trust account and
10 may, from time to time, invest such monies, less
11 the amount deemed necessary for the operation of
12 the Plan for the reasonable future. Such
13 investments shall be made in consultation with
14 the Secretary of the Department of Finance and
15 Administration. All income earned on these
16 investments shall be deposited into the National
17 Government Employees' Savings Plan."

18 Section 5. Title 52 of the Code of the Federated
19 States of Micronesia (Annotated), as amended, is hereby
20 further amended by adding a new a section 604 of chapter 6
21 to read as follows:

22 "Section 604. Contributions.
23 Employees may voluntarily participate in the
24 Plan and may contribute up to three percent of
25 their National Government employment gross

1 salary for retirement savings. The National
2 Government of the Federated States of Micronesia
3 shall match any employee contribution up to
4 three percent of the individual employee's
5 National Government employment gross salary."

6 Section 6. Title 52 of the Code of the Federated
7 States of Micronesia (Annotated), as amended, is hereby
8 further amended by adding a new section 605 of chapter 6
9 to read as follows:

10 "Section 605. Reporting.
11 Prior to the commencement of each regular May
12 session of Congress, the Director of the Office
13 of Personnel shall prepare and submit to the
14 President of the Federated States of Micronesia,
15 and to the Speaker of the Congress an annual
16 status of the Plan. This report shall include a
17 statement of the annual report, the amount of
18 contributions collected and interest earned
19 during the preceding fiscal year, the amount of
20 money disbursed, the costs of administration, and
21 such other information as the Director may deem
22 appropriate."

23 Section 7. Title 52 of the Code of the Federated
24 States of Micronesia (Annotated), as amended, is hereby

1 further amended by adding a new section 606 of chapter 6
2 to read as follows:

3 Section 606. Promulgation of Regulations.
4 The Director, with approval of the President,
5 shall promulgate regulations, governing the
6 investment of funds under the Plan, the terms of
7 participation by employees, and such other
8 matters as may be consistent with the contents
9 and purpose of this chapter."

10 Section 8. This act shall become law upon approval by the
11 President of the Federated States of Micronesia or upon its
12 becoming law without such approval.

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14 Date: 9/20/18

Introduced by: /s/ Ferny S. Perman
Ferny S. Perman

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