
AN ACT

To amend Section 17 of Public Law No. 1-47, to shorten the period of transfer allowance from thirty to fifteen days, and for other purposes.

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

1 Section 1. Section 17 of Public Law No. 1-47 is amended to read as
2 follows:

3 "Section 17. Compensation Plan.

4 (1) Salary Schedule. There shall be a single salary schedule
5 for all employees and positions in the Public Service. The Person-
6 nel Officer shall assign each class of positions to an appropriate
7 salary level of such schedule.

8 (2) Statutory Enactment. No salary schedule or change in any
9 salary schedule for employees of the National Public Service
10 System, except those excluded by the provisions of this act, shall
11 be effective unless it shall have been enacted into law by the
12 Congress of the Federated States of Micronesia.

13 (3) Periodic Review. The Personnel Officer shall periodically
14 conduct necessary and appropriate studies of rates of compensation
15 and pay-related practices in all geographic areas from which
16 employees for the Public Service are normally recruited, and shall
17 adopt such amendments to the existing compensation plan as he deems
18 appropriate, PROVIDED that when the amendment includes changes in
19 the salary schedule, the rates or nature of differentials or allow-
20 ances, or other subjects covered in this act or in other laws, the
21 Personnel Officer shall submit the recommendations to the President
22 for review, approval, and further transmittal to the Congress for

1 its consideration, and that such amendment shall become effective
 2 only after it has been enacted into law. In developing amendments,
 3 the Personnel Officer shall give consideration to:

4 (a) The minimum standard of living which is compatible
 5 with decency and health.

6 (b) The general economic conditions of the Federated
 7 States of Micronesia.

8 (c) Compensation practices and conditions of appropriate
 9 labor markets.

10 (d) Conditions of employment in the National Public
 11 Service System.

12 (e) The financial resources estimated to be available to
 13 the central government of the Federated States of Micronesia.

14 (f) Such other matters as the Personnel Officer may deem
 15 appropriate.

16 (4) Premiums. To recognize circumstances of employment which
 17 make it appropriate that recognition be given to labor market
 18 conditions outside the Trust Territory, the following premiums are
 19 provided to Public Service employees. When an employee is receiving
 20 a premium in addition to his base salary, the sum of his base
 21 salary plus premium shall constitute his adjusted base salary for
 22 the purpose of computing differentials.

23 (a) Market place premium. An employee who is recruited
 24 in a location outside the Trust Territory, who is a non-citizen of
 25 the Trust Territory and, at the time of original hire, a

1 non-resident thereof, may be paid a premium based on labor market
2 conditions in the place of recruitment and on the level of the base
3 salary.

4 (b) Foreign service premium. An employee who is a
5 citizen of the Trust Territory and who is assigned to a permanent
6 duty station outside the Trust Territory may be paid a premium based
7 on labor market conditions in the place of assignment and on the
8 level of the base salary.

9 (5) Differentials. To compensate for unusual circumstances of
10 employment which create hardships for Public Service employees, the
11 following differentials are provided for them; PROVIDED that in no
12 case may an employee receive differentials under both paragraphs (a)
13 and (b) of this Subsection.

14 (a) Night work differential. An employee whose tour of
15 duty includes regularly scheduled hours falling between 7:00 p.m.
16 and 6:00 a.m. shall be paid a differential of fifteen percent of the
17 adjusted base salary for all hours falling within that period.

18 (b) Hazardous work differential. An employee whose
19 position entails unusual and extreme hazards to his health or safety
20 shall be paid a differential of twenty-five percent of the adjusted
21 base salary for all hours in which hazardous work is performed.

22 (c) Overtime differential. An employee shall be paid
23 overtime compensation at the rate of time and one-half of his
24 adjusted base salary for all time when he is directed to work and
25 does work in excess of eight hours in one day; or when he is

1 directed to work and does work on the sixth or seventh day of the
2 workweek; PROVIDED that he has first worked forty hours at straight
3 time in the same workweek; and PROVIDED FURTHER that overtime work
4 performed on a holiday shall be subject to Paragraph (d) of this
5 Subsection.

6 (d) Holiday differential. An employee who is required
7 to work on a legal holiday shall be compensated at double his
8 adjusted base salary for all such hours worked.

9 (e) Typhoon emergency differential. Employees who are
10 required to work in a location and a period in which a typhoon or
11 other natural catastrophe has been declared by competent authority,
12 and in which other government employees are released from work
13 because of such conditions, shall be compensated for the hours
14 worked while such emergency remains in force at the rate of two
15 and one-half times the adjusted base salary. The differential
16 provided in this Paragraph shall not limit the employee's right
17 to any other differential or allowance to which he may otherwise
18 be entitled by law or regulations.

19 (6) Transfer Allowance. To compensate employees for unusual
20 expenses resulting from changes of work location, the following
21 allowance is provided to Public Service employees: When an
22 employee is recruited or transferred beyond normal commuting
23 distance from his place of permanent resident for work elsewhere,
24 he shall be entitled to all justifiable expenses connected with
25 travel of himself and his immediate family to the new work location

1 and transportation of a reasonable quantity of household effects.
2 He shall be entitled to an allowance equal to per diem at the
3 established rate for the new duty station for a period not exceeding
4 fifteen calendar days from the date of entry into the new position.

5 (7) Performance Increase. When an employee's performance, as
6 determined through an objective evaluation, has met accepted
7 standards of productivity during a specified period, his base salary
8 may be increased by one step in the appropriate level of the base
9 salary schedule. For an increase to step 2, 3, or 4, the required
10 period shall be 52 calendar weeks; for an increase to 5, 6, or 7,
11 the required period shall be 104 calendar weeks. No employees shall
12 have a base salary above the maximum step prescribed for his pay
13 level unless he was receiving such compensation on the effective
14 date of this Section."

15 Section 2. This act shall take effect upon approval by the President of
16 the Federated States of Micronesia, or upon its becoming law without such
17 approval.

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20 *January 3, 1980, 1979*

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23 
24 Tosiwo Nakayama
25 President
Federated States of Micronesia