
AN ACT

To further amend title 53 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 5-120, 6-111, 7-118, 7-119 and 7-120, by amending section 803, and by further amending section 804, as amended by Public Laws Nos. 5-120 and 7-118, by removing the term "currently insured" therefrom, all for the purpose of eliminating "currently insured" status as a prerequisite for receiving disability benefits under the Federated States of Micronesia Social Security Act, and for other purposes.

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

Section 1. Section 803 of title 53 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 803. Dependent's benefits - Disability benefits.

(1) Every surviving child who is dependent upon an individual entitled to old age benefits or who was dependent upon an individual who died fully insured or currently insured, shall be entitled, upon filing application, to a child's insurance benefit for each month beginning with the month of death of such individual and ending with the month preceding whichever of the following first occurs:

(a) attainment of age eighteen years, except that benefits are payable until the month before the attainment of age twenty-two so long as the beneficiary is a bona fide student, and except that benefits are payable during the disability of a child who was disabled before the attainment of age twenty-two;

(b) marriage; or

(c) adoption.

(2) A child shall be deemed dependent upon his parent or adopting parent unless such individual was not living in the same household with or contributing to the support of such child. Child's insurance benefits shall be paid to the individual upon whom the child is currently dependent, except such benefit shall be subject to the earnings test as defined in this subtitle.

(3) Every individual who is a fully insured individual and is disabled and has been disabled for at least three full calendar months, upon filing an application for disability insurance benefits, shall be entitled to a disability insurance benefit for

each month beginning with the first month of the waiting period and ending with the month preceding the month in which he dies or recovers from his disability, subject to the earnings test as defined in this subtitle."

Section 2. Section 804 of title 53 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 5-120 and 7-118, is hereby further amended to read as follows:

"Section 804. Amount of retirement and disability insurance benefits.

(1) An insured eligible individual shall be paid a monthly old age benefit for life, except for any month of disqualification as provided by this subtitle, in an amount calculated upon an annual basis of 16.5 percent of the first \$10,000 of cumulative covered earnings, plus 3 percent of cumulative covered earnings in excess of \$10,000 but not in excess of the next \$30,000, plus 2 percent of cumulative covered earnings in excess of \$40,000. Earnings for employment after commencement of payments for retirement or disability insurance benefits shall be included in benefit calculations upon subsequent application for benefits, but such earnings shall be applicable for benefits for months after the calendar year in which such earnings occurred. For the purpose of this section cumulative covered earnings includes earnings on which contributions have been paid by the individual to the Trust Territory Social Security System.

(2) An insured, eligible individual shall be paid a minimum monthly benefit of fifty dollars if the benefit amount calculated in accordance with subsection (1) of this section is less than fifty dollars monthly.

(3) An individual who is fully insured and who has been under a disability for three full calendar months shall be paid a monthly benefit for life or until recovery from the disability, except for any month of disqualification as provided by this subtitle in an amount calculated in accordance with the preceding subsections of this section. Further, the amount of the benefit as so determined shall, if the individual is receiving a periodic workmen's compensation benefit, be reduced each month by the excess of the

sum of the workmen's compensation benefit for that month and the benefit payable under this act over eighty percent of one-twelfth of the highest annual covered wages in the period consisting of the year in which the disability occurred and the preceding five years. If a workmen's compensation benefit was payable in periodic benefits but was commuted to a lump sum, for purposes of this subsection it will be considered that the periodic benefit originally available was paid in each month that it would have been paid if the commutation had not occurred."

Section 3. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

April 17 _____, 1996

/s/ Bailey Olter
Bailey Olter
President
Federated States of Micronesia