

CY 2004: 1st Regular FSMSS Board Meeting

The 1st Regular FSMSS Board Meeting of CY 2004 took place on Pohnpei on June 3, 2004 to coincide



with the 3rd Regular Congressional Session in anticipation of the 2nd Reading of Congressional Bill No. 13-59 should it be placed on the calendar for discussion. Congressional Bill No. 13-59 would amend the social security law if it were to pass. Participating in the meeting were Chairman Charles L. Chieng, Vice-Chairman Jack E. Yakana, Nena Ned from Kosrae, Bernes O. Reselap from Chuuk, and the at large member Nahoy G. Selifis.

FSMSS Administrator, Alexander R. Narruhn, and FSMSS Deputy Administrator, Dernista I. Capelle, joined the meeting. Mr. Narruhn serves as ex-officio member on the board. The board entertained the first item on the agenda, which was a couple of policies proposed by the FSMSSA. The first was the Recruitment Policy and the board approved this policy. The policy designates that there will be a panel of three required for the hiring of key positions and branch managers. Another policy to streamline the processing of documents and forms and to establish a fee schedule for social security applications for allotments, changes of addresses, social security cards, and employer ID cards was approved by the board.

The following fees will compliment the administrative costs of printing and reproduction in this time of increased needs:

1. FSM Social Security Cards:
 - Employees - \$3.00
 - Beneficiaries and/or Surv. Child(ren) - \$2.00
 - Students and/or minors - \$1.00
 - Others - \$3.00
2. FSM Social Security Employer's Identification Card:
 - Government sectors - \$10.00
 - Private sectors - \$10.00
 - Domestic employers - \$5.00
3. Request for Allotments:
 - Each allotment - \$5.00
 - Any changes made thereafter - \$5.00
4. Change of Address:
 - First change of address - \$5.00
 - Each change thereafter - \$5.00

The policy goes into effect on September 1, 2004 to allow time for public education on the matter.

The board later considered an appeal that was submitted by Sinniah Nallanathan. The board disapproved the appeal due to the existence of Section 809 of Title 53 of the FSM Code. The board then reviewed the FSMSSA's financial report for the 1st Quarter of 2004. The report contained a balance sheet that listed the program's current assets, investments, and liabilities. Current assets totaled to \$1,364,534.29 with cash at \$1,331,697.19, accounts receivable at \$39,835.41, allowance for doubtful accounts at 36,033.31, prepaid expenses at \$6,500.00, and travel advances at \$22,535.00. The total worth of the FSMSSA investments was \$35,293,674.48 due to a gain of \$3,071,934.22. Current liabilities totaled to \$46,838.73 with accounts payable coming in at \$28,717.40 and payroll liabilities at \$18,121.33. Tax collected from delinquent employers during the 1st Quarter of 2004 amounted to \$443,423.39 which was \$84,112.42 more than what was collected in the 1st Quarter of 2003 which was reported at \$359,310.97. The FSMSSA reported that 4 audits were completed during the 1st Quarter. 4 payment agreements were made during the 1st Quarter.

Furthermore, the FSM Social Security Board of Trustees has recently been trying to decentralize the Prior Service Program due to the faltering of the fund. The board wishes to separate the fund for the FSM in order to administer its own prior service in the hopes of cutting administrative costs. The board received letters from the states of Kosrae, Chuuk and Pohnpei stating their concurrence with the board's proposed move. The move is pending full funding of the program if the U.S. will continue to provide. The board discussed other issues before adjourning.

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