

FSM Social Security Board of Trustees Convenes on Pohnpei

The FSM Social Security Board of Trustees met on Pohnpei on October 19 to 21, 2004, for their 3rd



Regular Board Meeting of calendar year 2004. The board, in a bid to increase the public's awareness of the program and its affairs, arranged for a public forum to take place during their stay on Pohnpei. Therefore, at 10 a.m. of October 19, 2004, the conference room in the Sea Breeze Hotel was packed with no less than fifty people for the FSMSS Board of Trustees Public Forum. The board had already

conducted one forum in Chuuk and plans to hold one in all the states at least once a year. The purpose of the forum was to give citizens a chance to voice any questions or concerns they had directly to the governing body of the FSM Social Security Administration. Onlino Lawrence, the Pohnpei Social Security Branch Manager, acting as M.C., opened the forum by stating the intent of the forum. The FSMSS Administrator, Alexander R. Narruhn, took over and introduced the board members. The board members that were present included Chairman of the Board, Charles L. Chieng who also represents Yap; Representative of Chuuk State, Bernes O. Reselap; Representative of Kosrae, Nena Ned; and Nahoy G. Selifis, serving as the at-large member from the National Government. The FSMSS Administrator is ex-officio member on the board. Chairman Chieng did the opening remarks and stated, the forum was an important event, in that the board would directly hear from the people any questions and concerns they had pertaining to social security in the Federated States of Micronesia, specifically Pohnpei. Ending his remarks, he opened the floor for questions.

Particular confusion was found in the area of adoption. The board clarified that it does accept customary adoption but there has to be evidence proving that the child was economically dependent on the wage earner at the time of death. Such documents may include insurance documents, permanent school records, etc. The board also revealed that the social security administrations of the FSM, Palau, and Marshall Islands have already created a Totalization Agreement between them that would allow individuals to combine quarters from each nation to become eligible for benefits. The agreement is awaiting approval from the presidents of the three nations before it is implemented. The three administrators are hoping this would happen as soon as January 2005. The board also went over the problem of workers missing quarters from their wage histories. Those gathered were advised to periodically check at the FSMSSA for their wage histories so they will know whether they are being properly credited for the quarters they work.

Prior Service came up as many people are complaining about the disparate payment method being currently implemented. The Prior Service Program is currently in danger of going completely bankrupt if the U.S. does not come up with a long-term funding solution. Recently, the Department of the Interior appropriated \$1.6 million. Nonetheless, it is severely inadequate to continue the program much further as most of the money will go into reimbursing the beneficiaries for the skipped months created by the every-other-month payment method. The board revealed that the leadership of the nation needs to play a more proactive role in helping the Prior Service Administration lobby for further funding from the U.S. The forum ended after the board attended to the various questions and concerns posed by those gathered. The board was very pleased with the results of the forum and wishes to continue this type of public awareness activity in the future.

The afternoon of the same day saw the FSM Social Security Board of Trustees meeting with members of the Pohnpei State Legislature. The meeting, which took place at 2:00 p.m., had been appointed by the board to allow the legislature to ask any questions they had. It was also a strategic step for the board to ask the leadership of Pohnpei to help support the Prior Service Administration in lobbying for funds from the United States.

The board met with members of HESA and R & D. Board Chairman Charles Chieng opened the floor with the opening remarks after which introductions from both sides were made. Discussions commenced. Of particular interest was prior service. The FSMSS Administrator, Alexander Narruhn, went over the history of the program and recounted the funding problem that still faces the program despite the recent \$1.6 million appropriated by the Department of the Interior. It was apparent that Prior Service needed every bit of support it could garner in lobbying for additional funding. The senators gathered agreed to do anything in their power to help in the lobbying of funds for the Prior Service Program. Otherwise, once the fund is depleted, the Prior Service Program will shut down. More questions were asked before the meeting ended at approximately 4:00 p.m. On October 20 and 21, 2004, the board held its 3rd Regular Meeting of Calendar Year 2004. The meetings alternate between the four states to allow the board to entertain appeal cases from each state. Since this meeting took place on Pohnpei, the board took up appeals from that state. The board moved on to discuss the financial report prepared by the FSMSSA. As of September 30, 2004, total assets including investments were at \$35,074,017.93. Year to date expenses are at \$603,573.51, with 43.4% of the approved budget for calendar year 2004 still untouched. Collections of delinquent taxes during 3rd Quarter 2004 clocked in at \$164,399.44 bringing the year-to-date total of delinquent tax collections to \$816,483.44.

Investments continue to be bewildering, to say the least. The board met with Patrick M. McFadden, the representative from Merrill Lynch, who assured the board that the market will recover. He pointed out that despite the murky current conditions plaguing the market, it would recover. This is the consensus as far as investment advisors are concerned. The investment portfolio's value as of September 30, 2004, is \$33,814,478.25.

Posted 10/27/2004.