

FSMSS Board of Trustees Executes Second Regular Meeting

On October 16, 2010 the FSM Social Security Board of Trustees executed their second regular meeting in Manila, Philippines in correspondence to the Asian Pacific Association for Fiduciary Studies (APAFS) which served as an educational conference for Trustees in the region. Board was called to order by acting chairperson Rose Nakanaga, followed by a presentation by the FSMSSA 's Investment Consultant and money managers excluding Payden and Reigal. All members were present except the representative from Yap State, who is still yet to be appointed after the passing of Charles Chieng, former representative of Yap. Consequently, action was taken on the minutes of the previous meeting and the move was adopted by the representative of Kosrae, seconded by Chuuk , votes 4-0. Acting chairman then moved on to reporting the status on Current Activities, noting that this was the first meeting after the passing of their fellow member Chieng. Among other credits, Chieng had been with the Board ever since its inception and this had turned him into a valuable asset in the Program. Ever since Chieng had passed away, members were still at their sentiments in trying to cope with the loss. Acting chairman Nakanaga took the liberty in putting the meeting back on course by first announcing the new member Mr. Innocente Oneisom, new representative from the State of Chuuk, he was replacing Mr. Garrison Irons whose term had expired a few months ago. Mr. Innocente Oneisom greeted his new fellowmen with the expression that depicted his determination in contributing to the consistency and sustainability of the Program. Members gave Oneisom a warm welcome and were looking forward to an accountable working relationship in coming days. Acting chairman moved on, announcing that the proceeds of the increase in Tax will begin to show by the end of the fourth quarter of 2010, and she requested that a report of the increase in revenue be initiated as soon as possible. As for the provision of age 60 -65 increase, Board had yet to be informed if the leaders will continue to delay the provision or not. This new scheme was tested and recommended to serve as a collateral to the proliferation of income for the resetting of the equilibrium between delinquencies/ benefits and contributions. Furthermore, collections are still in process while tax auditing continued to track down holdouts that still owe the Program. An incidental report was delivered by the Administrator, who still serves as an ex-officio on the Board, and the report was comprised of the status of the Prior Service Trust Fund, Resolves on Congressional Actions, Status on Branch Office Managements and Reviews on the Program's Financial Statements. On Budget VS. Actual, for the period of January 01, 2010 through September 30, 2010, actual spending on the Program's ops was streamlined at 60% of the approved budget and thus returned more than 15% to the general fund for over nine years' time. In other words, the Program has accomplished its goal of reducing its budget to what was less than the approved amount. On behalf of the Board, the acting chairman congratulated the Administrator for his workmanship on managing the Program's budget. Statements of Investment and Income/Loss were also presented along with reports of effective consulting fees which the Board and the Administrator were preparing to request for a reduction since the Program is undergoing financial difficulties. Tax Updates for 3rd quarter of 2010 depicted an increase of 8.7% on Delinquencies found through audit findings and continual filing without payment from several employers. Tax Division's curatives are still trying to deviate the condition of the Program by initiating the regulations. 36 counts of audits were lined up with 89% of the job goal accomplishment, while payment agreement of 228 were only 16% of job goal accomplishment. There was a total of delinquent tax collection amount of \$553,397,15 due as of September 30, 2010, and under Judgment and Referral Accounts, 25 employers with the balance due of \$1,344,711.50 are under Stipulated Judgments, 14 employers with due of \$1,101,811.85 are in Judgments without Stipulation, and Referred Accounts Pending Court Judgments are at the total of 20 employers with due of \$722,402.76 - all in the grand total of 59 employers with due of \$3,168,926.11. The Board also entertained a proposition made by a client and then moved on to passing a new budget Proposal for the CY 2011. For further clarification, the Administrator is providing the Board recent personnel policy on salary structure since there were inquiries regarding that among members. Counselors adopted two recommendations for the Board to observe and to assess into the mechanism of the system when

necessary and then finally, they concluded the meeting by congratulating the Administrator for the feedbacks which had made the meeting a successful one. Once again, Board welcomed the new member from Chuuk and then the meeting was adjourned. This is the outcome of the second regular meeting of the FSM Social Security Board of Trustees for the calendar year 2010.

Posted 01/20/11