

Micronesia

Exchange rate: Currency is the U.S. dollar (U.S.\$).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1967.

Current law: 1983, with 1996 amendment.

Type of program: Social insurance system.

Coverage

Gainfully occupied persons, including the self-employed.

Exclusions: Those engaged in casual labor working less than 1 week in any calendar month and self-employed persons with no employees with annual gross income of U.S.\$10,000 or less; those engaged in family employment.

Source of Funds

Insured person: 6% of earnings.

Self-employed person: 2.5% of business gross revenue for the year if annual gross revenue exceeds U.S.\$10,000.

Employer: 6% of twice the salary of the highest-paid employee per quarter.

Government: None, except for the employer's 6% contribution for each employee.

The maximum earnings for contribution purposes are U.S.\$3,000 a quarter.

Qualifying Conditions

Old-age pension: Age 60 and 1 quarter of coverage for each year after June 1968 (or since age 21, if later) up to age 60, with at least 12 quarters of coverage.

Earnings test: The old-age pension is reduced by U.S.\$1 for each U.S.\$2 of earnings above U.S.\$300 a quarter if the pensioner is reemployed.

Disability pension: Incapacity for substantial gainful activity due to a disability that is likely to last for at least 1 year or result in death. One quarter of coverage for each year after June 1968 (or since age 21, if later), with at least 12 quarters of coverage or at least 8 quarters of coverage during the last 13 quarters.

Eligibility for the disability pension may cease if the insured person's condition improves.

Survivor pension: The deceased had 1 quarter of coverage for each year after June 1968 (or since age 21, if later) or had at least 8 quarters of coverage in the 13 quarters preceding death.

Earnings test: The survivor pension is reduced by U.S.\$1 for each U.S.\$2 of earnings the survivor receives above U.S.\$300 a quarter.

All of the above pensions are payable abroad if reciprocal agreements exist.

Old-Age Benefits

Old-age pension: 16.5% of the first U.S.\$10,000 of cumulative covered earnings, plus 3% of the next U.S.\$30,000 of cumulative earnings, plus 2% of cumulative earnings over U.S.\$40,000.

The minimum old-age pension is U.S.\$50 a month.

Dependent allowance: None; however, children may be covered in exceptional circumstances.

Permanent Disability Benefits

Disability pension: See old-age pension, above.

The minimum disability pension is U.S.\$50 a month.

Dependent allowance: None; however, children may be covered in exceptional circumstances.

Survivor Benefits

Survivor pension: 60% of the insured's pension, payable to a widow(er) at any age.

Surviving children: 15% of the insured's pension for each child under age 18 (age 22 if a student; no age limit if the child was disabled before age 22).

The minimum survivor pension is U.S.\$50 a month.

The maximum survivor pension is 100% of the insured worker's pension.

Administrative Organization

Social Security Administration administers the program.