
AN ACT

Establishing the minimum wage for certain classifications of local workers employed with foreign contractors in the State of Chuuk, and for other purposes.

Be it enacted by the Chuuk State Legislature:

1 Section 1. Designation. This Act shall be known and maybe cited as the "Foreign
20 contractors Employees Minimum Wage Act of 2009"

3 Section 2. Purpose. The purpose of this Act is to augment local revenue for Chuuk
4 State Government by way of public contracts awarded to foreign contractors to be
5 implemented in the State of Chuuk. The implementation of such contracts is, in fact, a
6 way of releasing large amount of public funds to outside countries in return for services
7 performed in the State of Chuuk. State of Chuuk can retain significant amount of
8 remittance from such contracts by setting reasonable wages for skilled and unskilled
9 Chuukese workers employed with any such foreign contractors.

10 Section 3. Definition: The definitions as used in this act shall apply as follows

11 a) "Foreign Contractor" means a contractor or subcontractor organized or
12 existing under the laws of a foreign country other than the State of Chuuk or the
13 Federated States of Micronesia.

14 b) "Skilled worker"- means any local worker who has some special skill,
15 knowledge, or acquired ability in his work through education, technical training or on the
16 job.

17 c) "Unskilled worker"- means any local worker not having or requiring any
18 special skill or training.

19 d) "Subcontractor" - means any person, single proprietorship, corporation,
20 partnership or contractor which obtained a contract from a foreign contractor.

21 e) "Agent"- means any person, single proprietorship, corporation, partnership or
22 contractor who acts on behalf of the foreign contractor to obtain skilled or unskilled
23 labor.

1 Section 4. Minimum Wages. There is hereby establish the minimum wage for
2 local workers employed by foreign contractors in the State of Chuuk according to the
3 following classifications:

4 a) Skilled worker. A skilled workers as defined in this Act shall receive a
5 minimum of three dollars and fifty cents (\$3.50) per hour.

6 b) Unskilled worker. An unskilled worker as define in this Act shall receive a
7 minimum of two dollars and twenty five cents (\$2.25) per hour.

8 Section 5. Recruitment of skilled or unskilled worker. In order that only those
9 qualified will be employed by any foreign contractor, its agent or subcontractor,
10 recruitment of any skilled or unskilled worker by any foreign contractor, its agent or
11 subcontractor shall be done in the following manner:

12 a) All vacancies or job openings for skilled or unskilled worker which any
13 foreign contractor, its agent or subcontractor intends to fill shall submit to the Labor
14 Section of the Division of Commerce and Industry or its successor the following:

15 i) The number of vacancies;

16 ii) The qualifications, job description and other requirements of the job
17 openings;

18 iii) The opening and closing date which shall not be more than 30 days but
19 not less than 10 days; and

20 iv) Any other requirements which the foreign contractor, its agent or
21 subcontractor may impose or the Labor Section of the Division of Commerce and
22 Industry, by regulation, may require.

23 Immediately after closing date, the Labor Section of the Division of Commerce
24 and Industry shall certify and submit those applicants who are eligible in accordance with
25 the standards set by the foreign contractor, its agent or subcontractor.

26 Section 6. Compliance Inspection. The Labor Section of the Division of
27 Commerce and Industry or its successor in law shall have the power to enforce this law
28 by:

29 a) Quarterly report. The foreign contractor, its agent or subcontractor shall

1 submit a quarterly report to the Labor Section of the Division of Commerce and Industry
2 a detailed lists of all skilled and unskilled worker as defined by this Act including the
3 amounts each of them received for each pay period in the given quarter.

4 b) Monthly inspection. Labor Section of the Division of Commerce and
5 Industry

6 shall have the power and authority to enforce this Act by conducting a monthly
7 inspection of the books, accounting records or any documents that will show compliance
8 of this Act.

9 c) Compliance. The foreign contractor, its agent or subcontractor shall allow,
10 at

11 any time during business hour of a given day, any employee, agent or officer of the Labor
12 Section of the Division of Commerce and Industry to have full access to all accounting or
13 payroll records, books, checks or any other documents that will show compliance of this
14 Act.

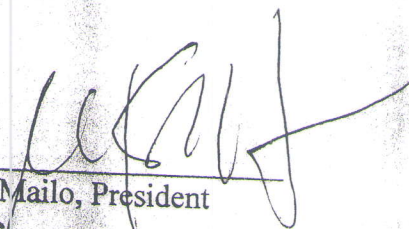
15 Section 7. Criminal violations. Any employee, agent, officer of any foreign
16 contractor, its agent or subcontractor who willfully violates any provision of this Act or
17 its regulations shall upon conviction be imprisoned for a period of not more than six (6)
18 months or pay a fine of not less than \$5,000 or both.

19 Section 8. Forfeiture. In addition to the criminal violations imposed by section 6
20 of this Act, the Court shall have the power to confiscate and forfeit any assets of the
21 foreign contractor, its agent or subcontractor solely for the purpose of enforcing and
22 paying the minimum wage imposed by section 3 herein.

23 Section 9. Regulation. The Labor Section of the Division of Commerce and
24 Industry shall have the power and authority to promulgate rules and regulations in the
25 enforcement of t his Act. The said rules and regulations once promulgated shall have the
26 force and effect of law and any violations thereto shall be punishable under this Act.

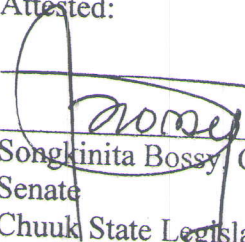
27 Section 10. Effective Date. This act shall take effect upon approval by the
28 Governor or upon its becoming law without such approval.


ACT NO: 10-07

Signed by: 
Mark Mailo, President
Senate
Chuuk State Legislature

Date: 8/13/09

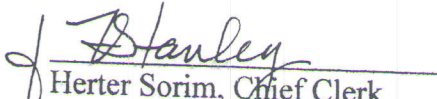
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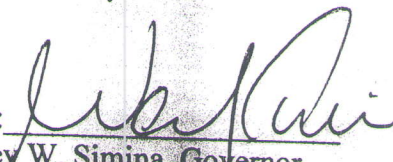

Songkinita Bossy, Chief Clerk
Senate
Chuuk State Legislature

Signed by: 
Singloro Harper, Speaker
House of Representatives
Chuuk State Legislature

Date: 8/13/09

Attested:


Herter Sorim, Chief Clerk
House of Representatives
Chuuk State Legislature

DISApproved by: 
Wesley W. Simina, Governor
Chuuk State Government

Date: Sept. 10, 2009

History : S.B. NO: 10-03;HD1
: S.C.R.No: 10-1R-05
: H.C.R. No: 10-1R-12