

CHAPTER 9**Contributions****SECTIONS**

- § 901. Employee contributions.**
- § 902. Employer contributions.**
- § 903. Voluntary contributions.**
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§ 901. Employee contributions.

(1) There is hereby imposed on every employee a tax equal to the following percentages of wages received by him with respect to employment subject to this subtitle:

(a) with respect to wages paid from the effective date of this Act through June 30, 1985, the rate shall be two percent;

(b) with respect to wages paid from July 1, 1985, through June 30, 1990, the rate shall be three percent;

(c) with respect to wages paid from July 1, 1990, through June 30, 1995, the rate shall be four percent;

(d) with respect to wages paid from July 1, 1995, through June 30, 2000, the rate shall be five percent;

(e) with respect to wages paid from July 1, 2000, to October 1, 2010, the rate shall be six percent;

(f) with respect to wages paid on and after October 1, 2010, to January 1, 2013, the rate shall be seven percent;

(g) with respect to wages paid on and after January 1, 2013, the rate shall be seven point five (7.5) percent.

Source: PL 2-74 § 401; PL 14-37 § 8; PL 15-73 § 10; PL 16-10 § 5.

Editor's notes: PL 15-73 § 10 ended paragraphs (e), (f) and (g) of subsection (1) in periods. PL 16-10 § 5 did not change this. Paragraphs (e) and (f) has been changed to end with semicolons for format consistency. PL 15-73 § 10 omitted subsection (2) without changing the numbering of subsection (1), this remains unchanged.

§ 902. Employer contributions.

There is hereby imposed on every employer an excise tax, with respect to having an individual in his employment, equal to the following percentages of wages, paid by him with respect to covered employment subject to this subtitle:

- (1) with respect to wages paid from the effective date of this Act through June 30, 1985, the rate shall be two percent;
- (2) with respect to wages paid from July 1, 1985, through June 30, 1990, the rate shall be three percent;
- (3) with respect to wages paid from July 1, 1990, through June 30, 1995, the rate shall be four percent;
- (4) with respect to wages paid from July 1, 1995, through June 30, 2000, the rate shall be five percent;
- (5) with respect to wages paid after June 30, 2000, the rate shall be six percent.
- (6) with respect to wages paid on and after October 1, 2010, the rate shall be seven percent.
- (7) with respect to wages paid on and after January 1, 2013, the rate shall be seven point five (7.5) percent.

Source: PL 2-74 § 402; PL 14-37 § 9; PL 15-73 § 11; PL 16-10 § 6.

Editor's note: In PL 16-10 § 6, section 902 contained two subsections (1). The numbering of the first paragraph as subsection (1) has been omitted and the numbering of the other subsections remain as designated.

§ 903. Voluntary contributions.

(1) Any self employed person who has less than \$10,000 of annual gross revenue may make voluntary contributions to the Social Security Administration in order to become eligible to receive benefits under this title. The remuneration of such person shall be deemed to be \$1,250 per quarter or \$5,000 per year and such persons must pay both the employee and employer contributions in order to be so eligible.

(2) Any person who is a citizen of Micronesia and is working as an employee outside of the Federated States of Micronesia, Republic of Palau or Republic of the Marshall Islands may make voluntary contributions to the Social Security Administration in order to become eligible to receive benefits. The remuneration of such persons shall be deemed to be minimum of \$1,250 a quarter or \$5,000 a year and such persons must pay both the employee and employer contribution in order to be covered.

Source: PL 14-86 § 6.

§ 904. Employee refunds.

When a covered employee is reported with earnings in excess of the quarterly maximum and taxes on the excess

are withheld and paid into the Federated States of Micronesia Social Security Retirement Fund, the excess employee tax during the four quarters ending December 31st of each year shall be refunded to the employee within 90 days of that date; provided, that the excess employee taxes are one dollar or more. No refund, however, shall be granted to the employer or employers of such employee of taxes paid by such employers on account of wages paid by them to the employee.

Source: PL 2-74 § 403; PL 5-120 § 9; renumbered by PL 14-86 § 4.

§ 905. Reporting—Social security card and number.

The Administration shall furnish each employer forms for recordkeeping and reporting of contributions which shall show in addition to other information specified by the Board the employer account number and the employee social security number. Numbers shall be issued by the Administration from a permanent register maintained by it. Each employer shall report quarterly, on the prescribed forms, and pay taxes due thereon to the Administration in accordance with the Board's regulation and subject to interest and penalty for failure so to do. Each employee shall be assigned a social security number and a card bearing this number.

Source: PL 2-74 § 404; PL 5-120 § 10; renumbered by PL 14-86 § 5.