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President FSM

PUBLIC NOTICE

ADOPTION OF PERMANENT REGULATIONS ON HOUSING ALLOWANCE



Pursuant to the authority vested in me as President of the Federated States of Micronesia by Section 124 of Title 52 of the Code of the Federated States of Micronesia (Annotated), I find that these Permanent Regulations must be adopted in the public interest.

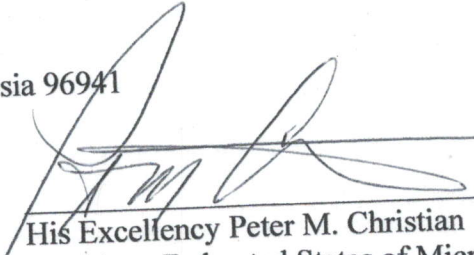
These Permanent Regulations shall be in effect from the date of adoption as indicated herein.

These Permanent Regulations are published pursuant to the authority granted by Title 17 FSMC Section 102.

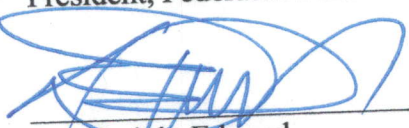
Extra copies of the Permanent Regulations can be obtained from the Office of FSM Personnel.

Mr. Dwight Edward
Division of Personnel
Department of Finance
Palikir, Pohnpei
Federated States of Micronesia 96941

Date: 11/6/17



His Excellency Peter M. Christian
President, Federated States of Micronesia

Date: 10/19/17


Mr. Dwight Edward
FSM Personnel

Approved as to legal sufficiency:

Date: 11/01/17


Mr. Jose R. Gallen, Sr.
Secretary of Justice
Federated States of Micronesia
Office of the Registrar of Corporations
Department of Justice

1. Sub-part 12A.1 is hereby amended to read as follows:

"PART 12A. HOUSING FOR PUBLIC SERVICE SYSTEM EMPLOYEES.

12A.1 Policy. It is the policy of the FSM National Government that all employees eligible for Government Housing pursuant to these Regulations shall receive housing allowances in accordance with the established schedule provided herein. The purpose of these regulations is to provide necessary, adequate, and updated housing benefits to eligible employees of the Government of the Federated States of Micronesia in order to encourage candidates from as wide as possible a cross-section of the population of the Federated States of Micronesia to accept government employment.

2. Sub-part 12A.2 is hereby amended to read as follows:

12A.2 Eligibility for Housing Allowance.

a. Off-Island Recruits and Local Hires.

(1) Off-Island Recruits. Employees who occupy positions at PL-26 and above and who are recruited from a place beyond normal commuting distance from their work location, or transferred to a new work location beyond normal commuting distance from their last place of residence, are considered to be off-island recruits and are eligible for a housing allowance, unless they are transferred back to their home island.

(2) Local Hires. An employee who for personal and voluntary reasons has left his permanent place of residence, subsequently seeks employment at the location where he happens to be, and becomes employed at that same location is considered to be a local hire. A local hire is not eligible to receive a housing allowance.

b. Employees at PL-24 who were eligible for housing on June 1, 1992, shall continue to be eligible, at the same rates as PL-26.

c. Changes in Circumstances.

(1) Employee Responsibility to Notify. An employee who receive a housing allowance is responsible for notifying the Secretary of Finance and Administration or his designee of any change in circumstances that may affect his or his eligibility for housing allowance or the amount of housing allowance for which he or she is eligible, including, but not limited to, marriage, divorce, birth or adoption of a child, and inheritance of land, as soon as that employee knows or should have known of the change in circumstances.

(2) Housing Questionnaire. At least once each year, employees who receive a housing allowance shall complete a questionnaire regarding their eligibility to receive a housing allowance. The Secretary of Finance and Administration or his designee shall prescribe the form of the questionnaire.

d. Enforcement.

(1) Review of Housing Questionnaire. The Secretary of Finance and Administration or his designee shall be responsible for reviewing the employee housing questionnaire to verify employees' eligibility to receive a housing allowance and the amount of their housing allowance.

(2) Adjustment to Housing Allowance.

(i) The Secretary of Finance and Administration or his designee shall adjust the housing allowances of those employees whose verified responses to the questionnaire indicate that they are eligible for a housing allowance in a different amount than the one they are actually receiving

(ii) The adjustments to housing allowance shall be prospective from the date of notification and, in the case of an increase, shall start to be paid in the second quarter of the fiscal year following notification, and, in the case of reduction, shall start to be paid in the quarter immediately following notification, unless, in the case of a reduction, the Secretary of Finance and Administration or his designee finds that the employee lied about or willfully delayed in notifying the Secretary of Finance and Administration of the changed circumstances.

(iii) Where the Secretary of Finance and Administration or his designee finds that an employee has lied about or willfully delayed in notifying him of the changed circumstances that led to a reduction in the employee's housing allowance, the employee may be subject to an adverse action under Part 18 of these regulations or repayment of overpaid amount or both.

e. Normal Commuting Distance. All locations on the island of Pohnpei and within its reef are presumed to be within "normal commuting distance" of all other locations on the island of Pohnpei and within its reef. All locations on the island of Kosrae are presumed to be within "normal commuting distance" of all other location on the island of Kosrae. All locations on the lagoon islands of Chuuk are presumed to be within "normal commuting distance" of Weno, except for Tol, Pata, Polle, Wonei, Uman and Piispane. All locations on the Yapese islands of Ramung, Maap, Gagil-Tomil and Marba are presumed to be within "normal commuting distance of Colonia.

f. Ownership of Home of Land.

(1) Ownership of Home. No employee shall be eligible for a housing allowance if the employee or his or her parent, spouse, or child owns a home within the normal commuting distance of the work location.

(2) Ownership of Land. If an employee or his or her spouse owns land within normal commuting distance of the work location, the employee's eligibility for a housing allowance shall expire twelve years after the commencement of his or her employment with the National Government or twelve years after his or her acquisition of the land.

g. One Housing Allowance Per Household. Only one employee per household may receive a housing allowance. "Household" means a group of persons dwelling in the same premises and related by blood, by law, by marriage, by their own customs, or by customs they have adopted as their own. If one person claims another as a dependent for purposes of the National Government Employees Health Insurance Plan, this shall be prima facie evidence that they are related.

h. Eligibility of Another Member of the Household. A member of the household other than the employee receiving a housing allowance may become eligible to receive a housing allowance under the following circumstances:

(1) he arrived at the location of the duty station under the provisions of the transfer allowance of the household member who is eligible to receive and does receive a housing allowance;

(2) he becomes a national government employee within 3 years of his arrival at the location of the duty station;

(3) he would be eligible to receive a housing allowance but for the fact that he is living with the household member on whose transfer allowance he arrived at the location of the duty station and that household member already receives a household allowance; and

(4) one of the following has occurred:

(i) the member of the household who was receiving a housing allowance has lost his eligibility to receive a housing allowance due to a change in his employment status; or

(ii) the member of the household who was receiving a housing allowance is no longer part of the same household.

(5) The following examples illustrate these principles, but do not exhaust the full range of possibilities:

Example 1: Employee Terminated/Spouse Employed. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harry is recruited to work for the National Government in Palikir, Pohnpei. Harry is eligible for a housing allowance because he is recruited from a place beyond normal commuting distance for a position at PL-26. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Two years after arriving in Pohnpei, Welmi obtains a position at PL-26 with the National Government in Palikir. Harry quits his job and is no longer eligible to receive a housing allowance. The families remain together in

Pohnpei and Welmi continues to work for the National Government. Welmi is now eligible to receive a housing allowance because she holds a position at PL-26 which she obtained within 3 years of her arrival at the location of her duty station in Palikir and she arrived there on the transfer allowance of a member of her household, Harry, who was formerly eligible to receive a housing allowance but lost his eligibility when he quit his job.

Example 2: Employee Terminated/Spouse Employed. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harry is recruited to work for the National Government in Palikir, Pohnpei. Harry is eligible for a housing allowance because he is recruited from a place beyond normal commuting distance for a position at PL-26. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Four years after arriving in Pohnpei, Welmi obtains a position at PL-26 with the National Government in Palikir. Harry quits his job and is no longer eligible to receive a housing allowance. The family remains together in Pohnpei and Welmi continues to work for the National Government. Welmi is not eligible to receive a housing allowance because she obtained her position more than 3 years after her arrival at her duty station in Palikir on the transfer allowance of a member of her household, Harry, who was formerly eligible to receive a housing allowance but lost his eligibility when he quit his job.

Example 3: Divorce. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harry is recruited to work for the National Government in Palikir, Pohnpei. Harry is eligible for a housing allowance because he is recruited from a place beyond normal commuting distance for a position at PL-26. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Two years after arriving in Pohnpei, Welmi obtains a position at PL-26 with the National Government in Palikir. Harry and Welmi divorce. Harry moves to a new home, while Welmi and Chris remain together in their current home. Welmi is now eligible to receive a housing allowance because she holds a position at PL-26 which she obtained within 3 years of her arrival at her duty station in Palikir and she arrived there on the transfer allowance of a member of her household, Harry who was then and is still eligible to receive a housing allowance but who is no longer a member of the same household.

Example 4: Divorce. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harry is recruited to work for the National Government in Palikir, Pohnpei. Harry is eligible for a housing allowance because he is recruited from a place beyond normal commuting distance for a position at PL-26. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Four years after arriving in Pohnpei, Welmi obtains a position at PL-26 with the National Government in Palikir. Harry and Welmi divorce. Harry moves to a new home, while Welmi and Chris remain together in their current home. Welmi is not eligible to receive a housing allowance because she obtained her position more than 3 years of her arrival at her duty station in Palikir on the transfer allowance of a member of her household, Harry, who was then and is still eligible to receive a housing allowance but who is no longer a member of the same household.

Example 5: Child Employed/Remain as Home. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harry is recruited to work for the National Government in Palikir, Pohnpei. Harry is eligible for a housing allowance because he is recruited from a place beyond normal commuting distance for a position at PL-26. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Two years later, Chris becomes an adult while living in Pohnpei and obtains a position at PL-26 with the National Government in Palikir. Harry quits his job and is no longer eligible to receive a housing allowance. The family remains together in Pohnpei and Chris continues to work for the National Government. Chris is now eligible to receive a housing allowance because she holds a position at PL-26 which she obtained within 3 years of her arrival at her duty station in Palikir and she arrived there on the transfer allowance of a member of her household, Harry, who was formerly eligible to receive a housing allowance but lost his eligibility when he quit his job.

Example 6: Child Employed/Remains at Home. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harry is recruited to work for the National Government in Palikir, Pohnpei. Harry is eligible for a housing allowance because he is recruited from a place beyond normal commuting distance for a position at PL-26. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Four years later, Chris becomes an adult while living in Pohnpei and obtains a position at PL-26 with the National Government in Palikir. Harry quits his job and is no longer eligible to receive a housing allowance. The family remains together in Pohnpei and Chris continues to work for the National Government. Chris is not eligible to receive a housing allowance because she obtained her position more than 3 years of her arrival at her duty station in Palikir on the transfer allowance of a member of her household, Harry, who was formerly eligible to receive a housing allowance but lost his eligibility when he quit his job.

Example 7: Child Employed/Leave Home. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harry is recruited to work for the National Government in Palikir, Pohnpei. Harry is eligible for a housing allowance because he is recruited from a place beyond normal commuting distance for a position at PL-26. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Two years later, Chris becomes an adult while living in Pohnpei and obtains a position with the National Government at PL-26. Harry continues his employment with the National Government and is still eligible to receive a housing allowance. Chris continues her employment with the National Government and moves out of her parents' home into her own home. Chris is now eligible to receive a housing allowance because she holds a position at PL-26 which she obtained within 3 years of her arrival at her duty station in Palikir on the transfer allowance of a member of her household, Harry, who was then and is still eligible to receive a housing allowance but who is no longer a member of the same household.

Example 8: Child Employed/Leaves Home. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harry is recruited to work for the National

Government in Palikir, Pohnpei. Harry is eligible for a housing allowance because he is recruited from a place beyond normal commuting distance for a position at PL-26. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Four years later, Chris becomes an adult while living in Pohnpei and obtains a position with the National Government at PL-26. Harry continues his employment with the National Government and is still eligible to receive a housing allowance. Chris continues her employment with the National Government and moves out of her parents' home into her own home. Chris is not eligible to receive a housing allowance because she obtained her position more than 3 years after her arrival at her duty station in Palikir on the transfer allowance of a member of her household, Harry, who was then and is still eligible to receive a housing allowance but who is no longer a member of the same household.

- i. An employee is eligible for a housing allowance only as long as a valid Lease Agreement containing beginning and ending date is on file at the Department of Finance and Administration, Division of Personnel Administration.

3. Sub-part 12A.5 is hereby amended to read as follows:

12A.5 Schedule of Allowances.

a. Eligible employees stationed within the FSM shall receive an allowance based upon dependent status. An employee's dependent status shall be determined based on the number of the employee's household at the employee's duty station. When a dependent ceases to meet the definition of a dependent status and housing allowance shall be revised accordingly. When a new dependent becomes a member of the employee's household, the employee's dependent status and housing allowance shall be revised accordingly.

b. For purposes of this regulation, "dependents" means:

1. The employee's spouse;
2. The employee's dependent unmarried children, stepchildren, and legally adopted children under the age of 18; and

(1) The employee's dependent unmarried children, stepchildren, and legally adopted children under the age of 22 who are full-time students.

c. Determination of the amount of the allowance shall be made by reference to the maximums set forth in the following schedule, but in no event shall the allowance be in excess of the actual rental amount. A spouse is considered a dependent.

No. of Dependents	Amount of Housing Allowance per month
1	One bedroom - \$500
2	Two bedrooms - \$700
3 to 4	Three bedrooms - \$1,000

4. Sub-part 12B.3 is hereby amended to read as follows:

PART 12B.3 Eligibility

a. Housing for Heads of Branches of Government

1. Suitable housing shall be provided for the President, Vice-President, Speaker of Congress and Chief Justice of the Supreme Court of the Federated States of Micronesia. "Suitable housing" means a dwelling that will

- i. Accommodate the official functions of the Head of a Branch of Government who occupies that dwelling;
- ii. Ensure the safety of the Head of a Branch of Government who occupies that dwelling, as well as the safety of his or her family; and
- iii. Cost no more than \$1,200 per month for each Head of a Branch of Government. This cost provision shall take effect upon expiration of the current leases for suitable housing.

2. If the President, Vice President, Speaker of Congress or Chief Justice of the Supreme Court chooses not to utilize government housing, he or she is automatically entitled to housing allowance of \$2,000 monthly and to furnishings and fixtures.

b. A person named in Subpart 12B.2 of these regulations, other than the President, Vice President, Speaker of Congress and Chief Justice of the Supreme Court, is eligible for housing or a housing allowance if:

1. In order to fill a position in the national government, the person is required to move, with his or her family, to a new location beyond normal commuting distance from the last place of residence; and

2. In the case of a special services or temporary contract, the employee is not receiving a travel stipend or per diem allowance.

c. Changes in Circumstances:

1. Employee Responsibility to Notify. An employee who receives a housing allowance is responsible for notifying the Secretary of Finance and Administration or his designee of any change in circumstances that may affect his or her eligibility for housing allowance or the amount of housing allowance for which he or she is eligible, including, but not limited to marriage, divorce, employment of a member of the same household by the National Government, appointment of a member of the household to a political office within the National Government, and inheritance of land, as soon as the employee knows or should have known of the change in circumstances.
2. Housing Questionnaires. At least once each year, employees who receive a housing allowance shall complete a questionnaire regarding their eligibility to receive a housing allowance. The Secretary of Finance and Administration or his designee shall prescribe the form of the questionnaire. Recipients of suitable housing need not complete the housing questionnaire.

d. Enforcement.

1. Review of Housing Questionnaire. The Secretary of Finance and Administration or his designee shall be responsible for reviewing the employee housing questionnaires to verify employees eligibility to receive a housing allowance and the amount of their housing allowance.
2. Adjustment to Housing Allowance.
 - i. The Secretary of Finance and Administration or his designee shall adjust the housing allowances of those employees whose verified responses to the questionnaire indicate that they are eligible for a housing allowance in a different amount than the one they are actually receiving.
 - ii. The adjustments to housing allowance shall be prospective from the date of notification and in the case of an increase, shall start to be paid in the second quarter of the fiscal year following notification, and in the case of a reduction, shall start to be paid in the quarter immediately following notification, unless, in the case of a reduction, the Secretary of Finance and Administration or his designee finds that the employee lied about or willfully delayed in notifying the Secretary of Finance and Administration of the changed circumstances.
 - iii. Where the Secretary of Finance and Administration or his designee finds that an employee has lied about or willfully delayed in notifying him of the changed

circumstances that led to reduction in the employee's housing allowance, the employee may be subject to termination under the terms of his contract or repayment of overpaid amounts or both.

e. Ownership of Home or Land

1. Ownership of Home.

No employee shall be eligible for a housing allowance if the employee or his or her parent, spouse or child owns a home within normal commuting distance of the work location.

2. Ownership of Land.

If an employee or his or her spouse owns land within normal commuting distance of the work location, the employee's eligibility for a housing allowance shall expire twelve years after the commencement of his or her employment with the National Government or twelve years after his or her acquisition of the land.

f. One Housing Allowance Per Household

Only one public service employee or one exempt employee per household may receive a housing allowance. "Household" means a group of persons dwelling in the same premises and related by blood, by law, by marriage, by their own customs, or by customs they have adopted as their own. If one person claims another as a dependent for purposes of the National Government Employee Health Insurance Plan, this shall be prima facie evidence that they are related.

g. Eligibility of Another Member of the Household. A member of the household other than the employee receiving a housing allowance may become eligible to receive a housing allowance under the following circumstances:

- (1) He arrived at the location of the duty station under the provisions of the transfer allowance of the household member who is eligible to receive and does receive a housing allowance;
- (2) He becomes a national government employee within 3 years of his arrival at the location of duty station;
- (3) he would be eligible to receive a housing allowance but for the fact that he is living with the household member on whose transfer allowance he arrived at the location of the duty station and that household member already receives a household allowance; and
- (4) one of the following has occurred:
 - (i) the member of the household who was receiving allowance has lost his eligibility to receive a housing allowance due to a change in his employment status; or

- (ii) the member of the household who was receiving a housing allowance is no longer part of the same household.

h. The following examples illustrate these principles, but do not exhaust the full range of possibilities:

Example 1: Employee Terminated/Spouse Employed. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harry is recruited to work under a special services contract for the National Government in Palikir, Pohnpei. Harry is eligible for a housing allowance because he is recruited from a place beyond normal commuting distance and holds a position under a special service contract. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Two years after arriving in Pohnpei, Welmi obtains a position under a special services contract with the National Government in Palikir. Harry quits his job and is no longer eligible to receive a housing allowance. The family remains together in Pohnpei and Welmi continues to work for the National Government. Welmi is now eligible to receive a housing allowance because she holds a position under a special services contract which she obtained within 3 years of her arrival at the location of her duty station in Palikir and she arrived there on the transfer allowance of a member of her household, Harry, who was formerly eligible to receive a housing allowance but lost his eligibility when he quit his job.

Example 2: Employee Terminated/Spouse Employed. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor child Chris. Harry is recruited to work under a special services contract for the National Government in Palikir, Pohnpei. Harry is eligible for a housing allowance because he is recruited from a place beyond normal commuting distance and holds a position under a special services contract. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Four years after arriving in Pohnpei, Welmi obtains a position under a special services contract with the National Government in Palikir. Harry quits his job and is no longer eligible to receive a housing allowance. The family remains together in Pohnpei and Welmi continues to work for the National Government. Welmi is not eligible to receive a housing allowance because she

obtained her position more than 3 years after her arrival at her duty station in Palikir on the transfer allowance of member of her household, Harry, who was formerly eligible to receive a housing allowance but lost his eligibility when he quit his job.

Example 3: Divorce. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harry is recruited to work under a special services contract for the National Government in Palikir, Pohnpei. Harry is eligible for a housing allowance

because he is recruited from a place beyond normal commuting distance and holds a position under a special services contract. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Two year after arriving in Pohnpei, Welmi obtains a position under a special services contract with the National Government in Palikir. Harry and Welmi divorce. Harry moves to a new home, while Welmi and Chris remain together in their current home. Welmi is now eligible to receive a housing allowance because she holds a position under a special services contract which she obtained within 3 years of her arrival at her duty station in Palikir and she arrived there on the transfer allowance of a member of her household, Harry, who was then and is still eligible to housing allowance but who is no longer a member of the same household.

Example 4: Divorce. Husband Harry and wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harry is recruited to work under a special services contract from the National Government in Palikir, Pohnpei. Harry is eligible for a housing allowance because he is recruited from a place beyond normal commuting distance and holds a position under a special services contract. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Four years after arriving in Pohnpei, Welmi obtains a position under a special services contract with the National Government in Palikir. Harry and Welmi divorce. Harry moves to a new home, while Welmi and Chris remain together in their current home. Welmi is not eligible to receive a housing allowance because she obtained on the transfer allowance of a member of her household, Harry, who was then and still eligible to receive a housing allowance but who is no longer a member of the same household.

Example 5: Child Employed/Remains at Home. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harri is recruited to work under a special services contract for the National Government in Palikir, Pohnpei. Harry is eligible for a housing allowance because he is recruited from a place beyond normal commuting distance and holds a position under a special services contract. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Two years later, Chris becomes an adult while living in Pohnpei and obtains a position under a special services contract with the National Government in Palikir. Harry quits his job and is no longer eligible to receive a housing allowance. The family remains together in Pohnpei and Chris continues to work for the National Government. Chris is now eligible to receive a housing allowance because she holds position under a special services contract which she obtained within 3 years of her arrival at her duty station in Palikir and she arrived there on the transfer allowance of a member of her household, Harry, who was formerly eligible to receive a housing allowance but lost his eligibility when he quit his job.

Example 6: Child Employed/Remains at Home. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harry is recruited to work under a special services contract for the National Government in Palikir, Pohnpei. Harry is eligible for

a housing allowance because he is recruited from a place beyond normal commuting distance and holds a position under a special services contract. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Four years later, Chris becomes an adult while living in Pohnpei and obtains a position under a special services contract with the National Government in Palikir. Harry quits his job and is no longer eligible to receive a housing allowance. The family remains together in Pohnpei and Chris continues to work for the National Government. Chris is not eligible to receive a housing allowance because she obtained her position more than 3 years of her arrival at her duty station in Palikir on the transfer allowance of a member of her household, Harry, who was formerly eligible to receive a housing allowance but lost his eligibility when he quit his job.

Example7: Child Employed/Leaves Home. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harry is recruited to work under a special services contract for the National Government in Palikir, Pohnpei. Harry is eligible for a housing allowance because he is recruited from a place beyond normal commuting distance and holds a position under a special services contract. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Two years later, Chris becomes an adult while living in Pohnpei and obtains a position with the National Government under a special services contract. Harry continues his employment with the National Government and is still eligible to receive a housing allowance. Chris continues her employment with the National Government and moves out of her parents' home into her own home. Chris is now eligible to receive a housing allowance because she holds a position under a special services contract which she obtained within 3 years of her arrival at her duty station in Palikir on the transfer allowance of a member of her household, Harry, who was then and is still eligible to receive a housing allowance but who is not longer a member of the same household.

Example 8: Child Employed/Leaves Home. Husband Harry and Wife Welmi live on Pakin, an outer island of Pohnpei, with their minor Child Chris. Harry is recruited to work under a special services contract for the National Government in Palikir, Pohnpei. Harry is eligible for a housing allowance because he is recruited from a place beyond normal commuting distance and holds a position under a special services contract. Welmi and Chris accompany Harry to Pohnpei on the same transfer allowance. Two years later, Chris becomes an adult while living in Pohnpei and obtains a position with the National Government under a special services contract. Harry continues his employment with the National Government and is still eligible to receive a housing allowance. Chris continues her employment with the National Government and moves out of her parents' home into her own home. Chris is now eligible to receive a housing allowance because she holds a position under a special services contract which she obtained within 3 years of her arrival at her duty station in Palikir on the transfer allowance of a member of her household, Harry who was then and is still eligible to receive a housing allowance but who is no longer a member of the same household.

- i. All locations on the island of Pohnpei and within its reef are presumed to be within "normal commuting distance" of all other locations on the island of Pohnpei and within its reef. All locations on the island of Kosrae are presumed to be within "normal commuting distance" of all other locations on the island of Kosrae. All locations on the lagoon islands of Chuuk are presumed to be within "normal commuting distance" of Weno, except for Tol, Pata, Polle and Wonei. All locations on the Yapese island of Ramung, Maap, Gagil-Tomil and Marba are presumed to be within "normal commuting distance" of Colonia.
- j. An employee is eligible for a housing allowance only as long as a valid Lease Agreement containing beginning and ending dates is on file at the Department of Finance and Administration, Division of Personnel Administration.