



**FOURTEENTH REGULAR SESSION
FINANCE AND ADMINISTRATION COMMITTEE
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SUPPLEMENTAL RETIREMENT PLAN FOR SUPPORT STAFF

**WCPFC14-2017-FAC11-11
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Paper by Secretariat

Purpose

1. The purpose of this paper is to seek the approval of the Committee for the Secretariat to table a proposal at FAC12 that provides for a supplemental retirement plan for support staff.

Introduction

2. In FSM the Secretariat is required by law to pay into the Social Security System as contribution for its support staff. Once an individual who contributes to the system reaches retirement age, that individual may receive a monthly payment from Social Security. Unlike a provident fund scheme, the money contributed into the Social Security is not the amount a staff member will receive upon retirement as the payouts are determined and adjusted by the government office that oversees Social Security.

3. There is a serious concern among support staff that the amount of money from Social Security will not be enough to support them when they retire and that the Social Security system may not even be solvent when they reach retirement age.

4. Currently there are a number of employers who provide their staff with an additional retirement scheme. This retirement scheme is loosely based on a 401k plan in the U.S. where employees can contribute to the plan and the employer can match a certain portion of the employees contribution. These funds are then actively managed by the staff member, invested and can then be accessed upon retirement.

5. The partial list of employer's providing this supplemental retirement plan in FSM include the College of Micronesia, FSM Telecom, FSM Petrocorp, Pohnpei Utility Corporation, FSM Social Security, and the US Embassy.

Request for Paper to Present at FAC12

6. The Secretariat is seeking approval to examine the options for including the support staff in a supplemental retirement plan and bringing those findings and cost implications to FAC12.

Recommendation

7. The Committee is invited to task the Secretariat to review and report to FAC12 on options and costs for a supplemental retirement plan for support staff.