

**NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS
38TH CONSTITUTIONAL REGULAR SESSION, 2017**



Republic of the Marshall Islands
Jepilpilin Ke Ejukaan

**MARSHALL ISLANDS SOCIAL SECURITY
(AMENDMENT) ACT 2017**

AN ACT to amend Title 49, Chapter 1, of the Social Security Act of 1990.

BE IT ENACTED BY THE NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS

§101. Short title.

This Act may be cited as the Marshall Islands Social Security (Amendment) Act 2017.

§102. Amendments.

(1) Section 103 of the Social Security Act is amended as follows:

§103. Interpretation.

(h) "Child" for the purposes of this Act, means a person's natural, legally adopted, customarily adopted unless restricted by law, or step child; provided the worker's parental rights with respect to the child have not been terminated by law or custom.

(k) "Covered Earnings" means the worker's or self-employed worker's gross earnings during any quarter subject to a maximum of five thousand dollars (US \$5,000) prior to March 6, 2017 and thereafter for current contributors ten thousand dollars (US\$10,000), and is that amount of earnings upon which the worker, the worker's employer and the self-employed worker makes contributions to the

Administration pursuant to Sections 129 and 130 of this Chapter. The maximum of five thousand dollars (US \$5,000) prior to March 6, 2017 and thereafter for current contributors of ten thousand dollars (US\$10,000) may be increased by the Board pursuant to Section 147 of this Chapter.

- (o) "Deferred Retirement" means retirement when a worker or a self-employed worker elects to retire after meeting the requirements for normal retirement. A worker or self-employed worker must have attained or exceeded the age of sixty (60) years and one (1) month and be fully insured to be entitled to deferred retirement as set forth in Paragraph 136(1)(c) of this Chapter prior to March 6, 2017. Effective March 6, 2017, retirees who are on deferred retirement shall be grandfathered and this section shall no longer be applied.
- (q) "Early Retirement" means retirement when a worker or a self-employed worker elects to retire before meeting the requirements for normal retirement. A worker or self-employed worker must have attained the age of fifty-five (55) and must be service insured to be entitled to early retirement as set forth in Paragraph 136(1)(a) of this Chapter prior to March 6, 2017. Effective March 6, 2017 this section shall no longer be applied.
- (r) "Earnings" means compensation of any kind, including without limitation any salary, wage, bonus, tip, allowance or fee, paid by the employer to or on behalf of the worker in cash or in any other form, but not including:
 - (i) payments made by the employer as a result of an accident or sickness of the worker (other than sick leave);
 - (ii) reimbursement of medical or hospitalization expenses;
 - (iii) payments made to or on behalf of the worker or his beneficiary from a trust or annuity;
 - (iv) reasonable stipends paid to volunteers of religious organizations, NGOs; and schools;
 - (v) reasonable sitting fees for board members and elected officials;

- (vi) earnings exempted by virtue of any international agreement to which the Republic of the Marshall Islands is a party;
- (vii) reasonable per diem and travel allowances to the extent that they do not exceed any comparable Government rates;
- (viii) rental housing allowance paid to an employee, not exceeding Two Thousand Two Hundred and Fifty (\$2,250) per quarter provided it does not exceed three times the wages;
- (ix) any payment in the form of scholarship, fellowship or stipend made to any employee while he is a full-time, bona fide student at an educational institution;
- (x) earnings received by a minister of the gospel, or clergyman from a religious group or organization;
- (xi) earnings received by an employee for services performed or rendered in the capacity of a domestic or household employee for a private individual or family;
- (xii) reasonable session allowances for elected officials;
- (xiii) payments made in cash, or any form other than cash, for casual labor not exceeding one week in any month of a quarter if the work is not performed in the course of the employer's trade or business. For purposes of this Chapter, earnings shall be computed to the nearest cent;
- (xiv) payment to account of sickness or accident disability, or any payment of medical or hospitalization expenses, made by the employer, provided however, that normal wages or salaries paid to an employee for a period of time during which he is excused from work because of sickness shall not be excluded from wages and salaries under this paragraph; and
- (xv) any payment made to or on behalf of an employee or to his beneficiary from a trust or annuity including distributions from qualified pension or deferred compensation plan trusts and annuities that are funded in whole or part by taxable wages.

