



TRUST TERRITORY OF THE PACIFIC ISLANDS

Office of the High Commissioner  
RELEASE: 193-67

Saipan, Mariana Islands  
DATE: October 17, 1967

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TT HAS ITS OWN SOCIAL SECURITY PROGRAM

Marianas

Truk

Ponape

Marshalls

Yap

Palau

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Deputy High Commissioner Martin P. Mangan last week signed into PL No. 3-40 an Act establishing a social security system which will benefit Trust Territory employed citizens. The Social Security Act was introduced by request as S.B. No. 71, the last Administration bill which was transmitted to the Congress during the last days of its session. In creating the social security system, Public Law 3-40 covers all Trust Territory citizens who are employed for wage or salary by the Trust Territory Government, by a municipal government, by private employers, and by cooperatives. Benefits to be provided under the provisions of this law include: (a) steady life-time social security compensation for those reaching the age of eligibility (employees who have reached retirement age of 60 and have had a minimum of three years of covered employment); (b) protection to surviving families against untimely loss of their wage earners, and (c) prior service insurance program for employees who have worked for the Government of the Trust Territory for more than five years prior to the enactment of this law.

Public Law 3-40 also creates a Territory-wide Social Security Board of five members to be appointed by the High Commissioner. The Board is vested with the responsibility for the proper implementation of the Act.

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The Act also establishes a Trust Territory Social Security Fund separate and apart from all other public monies of the Trust Territory Government. The Fund is to be administered by the Board exclusively for carrying out the purposes of this law. PL 3-40 authorizes the appropriation of local revenues for all costs of administering the social security system and 50% of the contributions of the Trust Territory government as an employer.

Employee/employer contributions will be collected in accordance with the following percentages of each employee's wage:

Fiscal Years	Employee	Employer
1. 1969 - 1973	1%	1%
2. 1974 - 1979	2%	2%
3. 1980 - 1984	3%	3%
4. 1984 - thereafter	4%	4%

While July 31, 1968 is the commencement date for deduction of withholding on employees' incomes, old age insurance benefits for each month will not begin until July, 1971, according to the terms of this Act.

This Social Security Act (PL 3-40) is based on a study of the Trust Territory employed population, conducted in 1965 by Robert J. Myers, Chief Actuary of the U.S. Social Security Administration.

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