

SECOND NORTHERN MARIANAS CONSTITUTIONAL CONVENTION

SAIPAN, CM 96950

Telephone

6517/6572

Officers

Herman T. Guerrero, President
Vicente M. Calvo, 1st Vice President
David M. Cing, 2nd Vice President
Maria T. Pangelinan, 3rd Vice President
William B. Nabors, Convention Secretary
Juan T. Lizama, Floor Leader

Members

Lorenzo I. Deleon Guerrero
Alonzo Iglisomar
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Paul A. Manglona
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Felicidad T. Ogunoro
Karl T. Reyes
Joaquin A. Tenorio
Francisco Tomokane
William S. Torres
Ramon G. Villagomez
Ignacio Villanueva

REPORT TO THE CONVENTION BY THE
COMMITTEE ON GOVERNMENTAL INSTITUTIONS

Subject: Committee Recommendation No. 66

Your Committee on Governmental Institutions recommends adoption of the attached Committee Recommendation relative to Civil Service.

The referenced proposal has the following features:

1. It will recognize the contractual relationship between a member employee and the Retirement Fund;
2. It will ensure that the accrued benefits will not be diminished or impaired; and
3. It will provide for 5 years of service credit to the present employees who have 20 years or more qualified service.

Your Committee believes that No. 1 and 2 are essential. The accrued benefits must not be reduced or tampered. This is only fair since membership in the Fund is not completely voluntary. The civil service personnel are mandated by the retirement law(s) to be members of the Fund. It is optional for non-civil service personnel. Nevertheless, it is the contention of your Committee that the accrued benefits can only be increased and not decreased.

The third feature is intended to entice those employees who have 20 years or more of qualified service to retire early from the public employment. This is consistent with the concern that the number of employees in the public sector must be reduced within the next seven years.

A total of 100 employees already have acquired from 20 to 24 years of creditable service. Approximately 80 employees have more than 25 years of qualified service. Assuming that all the 180 employees elect to retire early, the Commonwealth Government would realize approximately \$5,200,000.00 savings. This is based on the following:

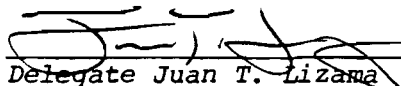
1. All the 180 employees are presently members of the Fund. Their status has been confirmed.
2. All the 180 employees will immediately retire upon their next anniversary date. Many have indicated that they will leave the public employment as soon as the referenced proposal is implemented.
3. Positions vacated will be discontinued and will never be filled.
4. In the event the retired person returns to government service under any arrangement, including independent contractor status where personal service is the contract deliverables, his/her retirement benefits will cease immediately until he/she again returns to retired status. The additional service time will not improve his/her retirement benefits.
5. No change in present benefit rates and/or conditions.

The Vice Chairman of your Committee has discussed the subject proposal with the Retirement Fund Administrator. The latter indicated his belief that the proposal will not have significant impact on the Fund.

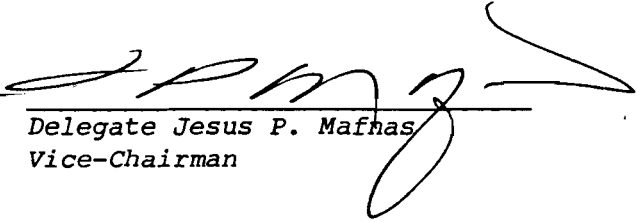
The concern that was indicated to your committee was, "Are we ready to retire 180 employees without affecting negatively the essential public services?" Your Committee's answer is, "Yes." Since the implementation of the retirement program, the Commonwealth Government has continuously trained younger personnel to assume more responsibilities. We have had more than 5 years to prepare for the eventual retirement of qualified employees and we must admit now that the required number of doctors and

nurses cannot be replaced locally; we just do not have enough local people.

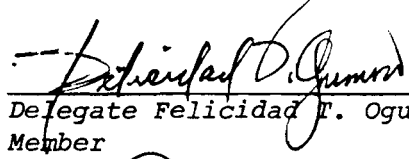
Respectfully submitted,



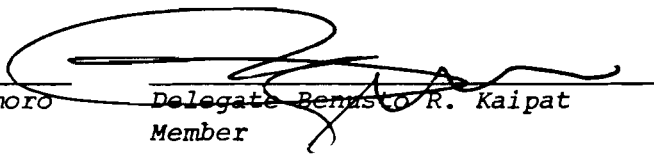
Delegate Juan T. Lizama
Chairman



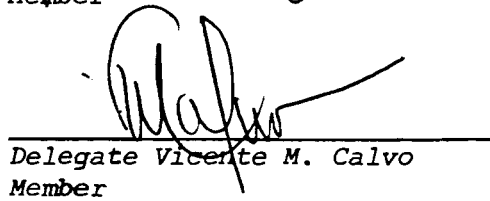
Delegate Jesus P. Mafias
Vice-Chairman



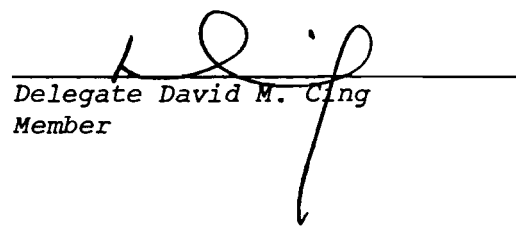
Delegate Felicidad T. Ogumoro
Member



Delegate Benito R. Kaipat
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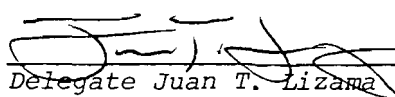
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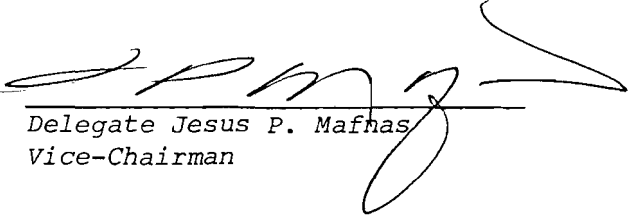
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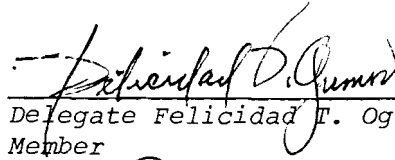
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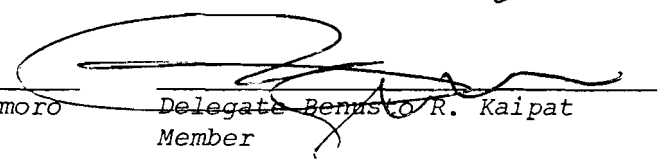
Delegate Juan T. Lizama
Chairman



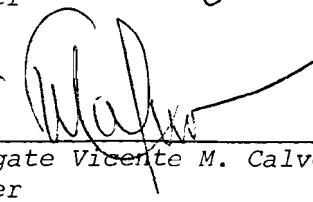
Delegate Jesus P. Mafnas
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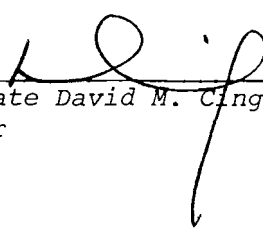
Delegate Felicidad T. Ogumoro
Member



Delegate Benasto R. Kaipat
Member



Delegate Vicente M. Calvo
Member



Delegate David M. Cing
Member

Delegate Alonzo Igisomar
Member

A PROPOSED CONSTITUTIONAL AMENDMENT

To add a new Section 1(a) and (b) to the proposed Article on Civil Service relating to Retirement System.

BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

Upon ratification pursuant to Section 5 of Article XVIII of the Commonwealth of the Northern Mariana Islands Constitution and Public Law No. 4-30, the Constitution of the Commonwealth of the Northern Mariana Islands is amended as follows:

1 I. Effective upon ratification, a new Section 1(a) and (b) is hereby
2 added to the proposed Article on Civil Service to read as follows:

3 "Section 1. Retirement System.

4 a) Membership in employee retirement system of
5 the Commonwealth shall constitute a contractual relationship.
6 Accrued benefits of this system shall neither be diminished
7 nor impaired.

8 b) An employee who has acquired not less than
9 twenty years of creditable service under the Commonwealth
10 retirement system shall be credited an additional five
11 years and shall be eligible to retire."
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15 Committee on Governmental Institutions
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*Adopted by Caw
7/20/85*

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Committee on Governmental Institutions

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A PROPOSED CONSTITUTIONAL AMENDMENT

To add a new section to Article X to require the legislature to impose fees on employers for the employment of nonresident workers.

BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

Upon ratification pursuant to Section 5 of Article XVIII of the Commonwealth of the Northern Mariana Islands Constitution and Public Law No. 4-30, the Constitution of the Commonwealth of the Northern Mariana Islands is amended as follows:

- 1 I. Effective upon ratification, a new section is added to
2 Article X to read:
3 "Section _____. Nonresident Worker Fees.
4 Employment of nonresident workers is a privilege granted
5 by the Commonwealth pursuant to law. The legislature
6 shall provide by law for annual fees to be paid by the
7 employer for the the privilege of having a nonresident
8 worker reside and work in the Commonwealth, and such law
9 shall prohibit the deduction by employers of any amounts
10 from the pay of the nonresident worker on account of the
11 fee required by this section or employers otherwise
12 causing this cost to be borne by the employee. The
13 legislature may exempt the actual employment of domestic
14 workers in private homes from the fee required by this
15 section."

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17 Committee on Finance and
18 Other Matters
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