

EXECUTIVE ORDER NO. 54

Implementing Further Cost Containment Measures by Instituting Mandatory Reduction in all Personnel Salaries

WHEREAS, the Republic of Palau has been burdened with an increasing deficit; and

WHEREAS, the government is faced With insufficient funds to enable it to perform its functions; and

WHEREAS, the government has been forced to draw upon its grants from the United States in advance, at a rate which will not allow the government to financial ly survive to the end of the current fiscal year; and

WHEREAS, the government has been the primary employer of the citizens of Palau for over 40 years, and the tradition of government employment cannot be radically changed in a short time without injury to the people of Palau; and

WHEREAS, until the private sector in Palau is developed to the point where all citizens of Palau may be employed, the government must carry the burden of employment; and

WHEREAS, Executive Order 51 asked the employees of the National Government to voluntarily participate in a cost reduction plan, by which 20% of their income would be withheld until funds are available; and

WHEREAS, the employees of the Executive Branch of the National Government have overwhelmingly supported and participated in the cost reduction plan of Executive Order 51; and

WHEREAS, it is important from a sense of fundamental fairness that all National Government employees be treated equally without favoritism; and

WHEREAS, a primary objective of the government is to have each of its employees draw his or her salary for the remainder of the fiscal year; and

WHEREAS, the alternative to a temporary withholding of salary is a Reduction-in-Force, which is contrary to the policy of the government and to the best interests of the government and the people of Palau; and

WHEREAS, the government has announced that the balance of any sums withheld shall be paid to government employees when funds are available; and

WHEREAS, those employees who did not volunteer to have their salary temporarily reduced by a government withholding of 20% of their salary have been pl aced on a temporary 20% reduction of work-time per pay period; and

WHEREAS, those employees who volunteered for such a temporary salary reduction are faced with one full pay period of such reduction before the reduced work-time for those who did not volunteer becomes effective;

NOW, THEREFORE, by virtue of the authority vested in me as President, it is hereby declared, proclaimed and Ordered as follows:

1. Those employees of the Executive Branch of the National Government who did not volunteer for a temporary withholding of their salary in the amount of 20% per pay period and are now on reduced work-time in accordance with Executive Order No. 53 shall have an amount withheld as follows .
 - (a) For the pay period from January 18 through January 31, 1987, during which time said employees worked their usual and regular work-time, there shall be withheld from the wage or salary of each such employee an amount equal to 20% of his or her wage or salary.
2. The amount so withheld shall be paid to the affected employees at a future date when funds are available.

This Order shall take effect upon its issuance, unless revoked, rescinded or otherwise rendered ineffective.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 12th day of February, 1987.

Lazarus E. Salii
President