

AN ACT

To repeal Congress of Micronesia Public Laws No. 46-49, 5-67, 6-38, 6-103 and 7-70. Sections 1, 2, 3, 6, 8, 9, 10, 11, 12, 13 and 14 of Congress of Micronesia PL. No. 6-65, Sections 2, 4, 5 and 6 of Congress of Micronesia PL. No. 6-98, Section 11 of Congress of Micronesia PL. No. 5-51, Sections 5(2), 5(3), 5(4) and 6 of Palau PL. No. 7-7-3 and Sections 2, 3 and 4 of Republic of Palau PL. No. 1-29, to provide for a Unified public service system for the national government of the Republic of Palau, and for other purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIIL ERA KELULAU DO ENACT AS FOLLOWS:

1 Section 1. Short title. This Act shall be known and
2 may be cited as the "National Public Service System Act of the
3 Republic of Palau."

4 Section 2. Statement of purpose; policy. (1) It is the
5 declared purpose of the Olbiil Era Kelulau in establishing a
6 system of personnel administration to build a career service
7 in the national government of the Republic of Palau which will
8 attract, select, and retain the best available individuals on
9 merit, free from coercion, discrimination, reprisal or
10 political influences, with incentives in the form of genuine
11 opportunities for promotions in the public service, which will
12 eliminate unnecessary and inefficient employees, and which will
13 provide technically competent and loyal personnel to render
14 impartial service to the public at all times, and to render
15 such service, according to the dictates of ethics and morality.

16 (2) It is declared to be the policy of the national
17 government to encourage the professional, managerial, technical
18 and vocational education and training of citizens of the
19 Republic of Palau and to effect the maximum use of qualified
20 citizens of the Republic of Palau in filling positions in the
21 public service whether by appointment or promotion.

1 Section 3. Definitions. In this Act, unless the context
2 otherwise requires, the following definitions shall apply:

3 (1) "Board" means the National Civil Service Board.

4 (2) "Chairman" means the Chairman of the Public Service
5 System of the national government of the Republic of Palau.

6 (3) "Public Service" means all offices and other
7 positions in the national government of the Republic of Palau
8 not exempt by Section 8 of this Act.

9 (4) "Appropriate management official" means the President
10 of the Senate, and the Speaker of the House of Delegates of the
11 Olbiil Era Kelulau, the Chief Justice of the Supreme Court,
12 and the President of the Republic of Palau, or persons duly
13 appointed by them to manage employment and personnel matters
14 within their respective branches of the national government or
15 departments thereof.

16 (5) "Department" means each Ministry of the Executive
17 Branch, the Senate and House of Delegates of the Olbiil Era
18 Kelulau, and the Judicial Branch of the national government.

19 Section 4. Establishment; name. There is hereby
20 established in the national government of the Republic of Palau
21 a system of personnel administration based on merit principles
22 and accepted personnel methods governing the classification of
23 positions and the employment, conduct, movement, and separation
24 of government officials and employees. This system of personnel
25 administration shall be referred to as the National Public
26 Service System of the Republic of Palau.

27 Section 5. Merit principles. The National Public
28 Service System shall be administered in accordance with the
29 merit principles as set forth below:

30 (1) Equal opportunity for all regardless of sex, race,
31 religion, political affiliation or place or origin.

1 (2) Nondiscrimination based on physical handicap;
2 provided that, the employment of a physically handicapped
3 person will not be hazardous to the appointee or endanger the
4 health or safety of his fellow employees or others.

5 (3) Impartial selection of the ablest person for public
6 service by means of tests which are fair, objective, and
7 practical.

8 (4) Just opportunity for competent employees to be
9 promoted within the service.

10 (5) Reasonable job security for the competent employee,
11 including the right of judicial review of personnel actions as
12 provided in this Act.

13 (6) Systematic classification of all positions through
14 adequate job analysis.

15 (7) Proper employer-employee relations to achieve a
16 well trained, productive and happy work force.

17 Section 6. Preference to citizens of the Republic of
18 Palau; existing regulations.

19 (1) Notwithstanding the provisions of Section 5 above,
20 with a view of insuring the fullest participation by citizens
21 of the Republic of Palau in the national government, preference
22 shall be given to qualified citizens of the Republic of Palau
23 in making appointments and promotions and providing opportuni-
24 ties for higher education and in-service training.

25 (2) All regulations heretofore promulgated pursuant to
26 Title 61 of the Trust Territory Code shall remain in force and
27 effect until amended or repealed by the Board to the extent
28 they do not conflict with the provisions of this Act.

29 Section 7. National Civil Service Board.
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1 (1) Establishment. There is hereby established a
2 National Civil Service Board consisting of five (5) members
3 appointed by the President of the Republic of Palau with the
4 advice and consent of the Senate of the Olbiil Era Kelulau.
5 The President shall designate one member to be the Chairman of
6 the Board.

7 (2) Term of appointment. The term of office of board
8 members shall be three years; however, of the members initially
9 appointed by the President, two shall serve for two years, and
10 three for three years. Thereafter, all appointments shall be
11 for full three-year terms. Any appointment to fill a vacancy
12 occurring prior to the expiration of a member's term shall be
13 for the remainder of such term. Members of the board may be
14 removed by the President for misfeasance, inability to perform,
15 nonfeasance or malfeasance in office.

16 (3) Meetings. The Board shall meet at the call of
17 Chairman, a majority of the members of the board, or the Presi-
18 dent, the Chief Justice, the President of the Senate or the
19 Speaker of the House of Delegates. The time and place of such
20 meetings shall be designated by the Chairman. Minutes of all
21 meetings shall be recorded. Three affirmative votes shall
22 be required for any decision by the Board.

23 (4) Expenses. A member of the Board who is an officer
24 or employee of the national government shall be granted
25 administrative leave to attend to the business of the Board,
26 and shall receive his regular salary while on the business of
27 the Board. In addition, members will be paid travel expenses
28 and per diem while on the business of the Board, at standard
29 national government rates, whenever applicable.

30 (5) Office; budget. The Director of the Bureau of
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1 Public Service System shall provide office space for the Board.
2 Technical and administrative support shall be provided by the
3 Bureau of Public Service System, the Olbiil Era Kelulau and
4 the Judiciary upon request. The President shall include the
5 funding requirements of the Board in the annual unified
6 national budget.

7 (6) Powers and duties. The Board shall

8 (a) Formulate policies and promulgate regulations to
9 carry out the provisions of this Act including but not limited
10 to regulations governing the recruitment, hiring, placement,
11 and promotion of employees, competitive and promotional
12 examinations, eligibility criteria and qualifications for
13 employment, provisional, short term and emergency appointments,
14 termination of employees, reductions in force, a period of
15 probationary service which must be satisfied before an employee
16 becomes a permanent employee which period shall not exceed six
17 months, and such other matters may be within the purview of
18 this Act. The appropriate management officials in each branch
19 of the national government shall be responsible for effectua-
20 tion of regulations promulgated by the Board.

21 (b) Foster and develop, in cooperation with management
22 officials and others, programs to promote the public service
23 and to improve employee efficiency.

24 (c) Develop and maintain adequate position classifica-
25 tion and compensation plans in accordance with the provisions
26 of this Act and other applicable laws of the Republic of Palau.

27 (d) Develop adequate and reasonable selection instru-
28 ments and procedures including written or practical examina-
29 tions, for recruiting employees for public service.

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1 (e) Perform any other lawful acts necessary to carry
2 out the purpose and provisions of this Act.

3 Section 8. Exemptions. (1) The national public service
4 system shall apply to all employees and positions in the
5 national government now existing or hereafter established and
6 all personal service performed for the national government
7 except the following, unless this Act is specifically made
8 applicable to them.

9 (a) Persons or organizations retained by contract where
10 the Board has certified that the service to be performed is
11 special or unique and nonpermanent, is essential to the public
12 interest and that, because of the degree of expertise or
13 special knowledge required and the nature of the services to
14 be performed, it would not be practical to obtain personnel
15 to perform such service through normal public service recruit-
16 ment procedures.

17 (b) Positions of a temporary nature needed in the public
18 interest where certified by the Board and when the need for
19 the same does not exceed ninety days; provided, however, that
20 in the event of a major disaster declared by the President of
21 the Republic of Palau, the Board may extend such ninety-day
22 period for a maximum of an additional one hundred eighty days
23 for positions engaged in relief, repair or rehabilitation as
24 a result of such disaster.

25 (c) Members of any board, public corporation, commission
26 or other agency or appointed public officials whose appoint-
27 ments are made by the President with the advice and consent
28 of the Senate.

29 (d) Elected officials, and members of the Council of Chiefs.
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1 (e) Persons appointed by the President or Vice President
2 pursuant to Section 6, Public Law No. 7-8-8 to fill the
3 following positions: chief of staff, special advisors and
4 assistants.

5 (f) The Chief Clerks, Legislative Counsel, Budget
6 Officer, and the Administrative Officer of the Olbiil Era
7 Kelulau.

8 (g) Positions specifically exempt by any other law of
9 the Republic of Palau.

10 (h) Personnel presently under contract of employment not
11 included in paragraph (a) of this subsection during the life
12 of such contract. No contract of employment shall be entered
13 into, renewed, or amended after the effective date of this
14 Act, except subject to the provisions hereof.

15 (i) Persons who are appointed to occasionally serve as
16 classroom teachers when regular classroom teachers are absent
17 from work during any one school year.

18 (j) Any position involving intermittent performance
19 which does not require more than forty hours in any one month.

20 (k) Positions of a part-time nature requiring the
21 services of four hours or less a day but not exceeding one year
22 in duration.

23 (1) Positions of a temporary nature which involve
24 special projects having specific completion dates which do not
25 exceed one year.

26 (m) Justices and judges.

27 (2) The Board shall determine the applicability of this
28 section to specific positions not expressly covered by this
29 Act.

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1 (3) Nothing in this section shall be deemed to affect
2 the public service status of any incumbent, as it existed on
3 the effective date of this Act.

4 Section 9. Elements in national public service system.
5 In addition to such elements as may be provided by regulation,
6 the national public service system shall consist of the
7 following elements:

8 (1) Recruitment and placement. All new positions which
9 are created and all established positions which are covered by
10 this Act shall be filled only after an examination has been
11 conducted and candidates interviewed for the position, unless
12 otherwise provided in this subsection:

13 (a) There shall be competitive examinations for the
14 relative fitness of candidates for positions in the public
15 service covered by this Act. Examinations shall provide for
16 ascertaining the physical and educational qualifications,
17 experience, knowledge and skills of applicants and their
18 relative capacity and fitness for the proper performances of
19 the duties of the class of positions in which they seek to be
20 employed. All examinations shall be open to the public and
21 except for promotional examinations or as otherwise provided
22 by law, free and open to all candidates, but with such
23 limitations as to health, physical condition, age, education,
24 training, experience, and character, as the Board may deem
25 necessary and proper for the class for which the examination
26 is to be given. All examinations shall be under the control
27 of the Board or such suitable person or persons as it may
28 designate to administer them. All persons who have passed an
29 examination may be required to take such physical examination
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1 as required by the Board.

2 (b) Examinations may be promotional or open-competitive.
3 Ample notice shall be given by the Board of the fact that any
4 examination is to be conducted.

5 (c) All vacancies and new positions in the public service
6 shall be filled in the following manner:

7 (i) Whenever there is a position to be filled,
8 the appropriate management official shall request
9 the Chairman of the Board to submit a list of per-
10 sons eligible. The Chairman shall thereupon certify
11 a list of the five persons who scored highest in
12 the most recent test for that position. The manage-
13 ment official shall conduct interviews and take the
14 appointment only from the list of eligible persons
15 certified to him unless no person acceptable to
16 him on the list certified by the Chairman in which
17 case he shall reject the list and request the
18 Chairman to submit a new list, in which event the
19 Chairman shall submit a new list of eligible
20 persons selected in like manner.

21 (ii) A management official may fill a vacant
22 position in his department by promoting any regular
23 employee in the department without examination if
24 the employee meets the minimum class qualifications
25 of the positions to which he is to be promoted,
26 and if the position is in the same series as the
27 position held by the employee or is clearly an
28 upward progression in the same career-ladder of
29 positions.

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1 (iii) In the event that no eligible persons are
2 available, the management official may after
3 notifying the Board, make a provisional appoint-
4 ment, for a period no longer than ninety days, of
5 any person who meets the qualification standards
6 for the class involved. The Board shall then
7 conduct an examination within such ninety-day
8 period.

9 (2) Tenure; resignations.

10 (a) Every member of the public service shall be entitled
11 to hold his position during good behaviour, subject to suspen-
12 sion, demotion, or dismissal only as provided in this Act and
13 in the regulations of the Public Service System.

14 (b) Resignations shall be in writing. In case an
15 employee resigns without submitting his resignation in writing,
16 the department head shall, within fifteen days following the
17 resignation, file with the Minister of Administration a state-
18 ment showing termination of employment.

19 (3) Position classification. All positions subject to
20 this Act shall be classified by the Board according to their
21 duties and responsibilities, and shall be grouped into classes
22 on the basis of their similarities in duties and responsibili-
23 ties. Each class shall be given a title which shall apply to
24 all positions in the class, the characteristics of which class
25 and the standards for employment in any position in the class
26 shall be prescribed by the Board after consultation with the
27 appropriate management officials concerned. The Board may
28 change a position from one class to another where substantial
29 changes have occurred in the duties and responsibilities of
30 such position. The Board shall determine the status of
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1 occupants of positions which have been changed from one class
2 to another class. Class titles established under the provi-
3 sions of this Section shall be the official titles of all
4 positions involved and shall be used for all personnel, and
5 for budgetary and financial purposes.

6 (4) Compensation Plan.

7 (a) Uniform Base Salary Schedule. There shall be one
8 salary schedule for all national government employees of the
9 Republic of Palau, with the exceptions of those specifically
10 exempted under Subsection (1) of Section 8 of this Act. Such
11 uniform base salary schedule shall be provided for by law.

12 (b) Salary levels. The Board shall assign a salary
13 level, based on applicable and established base salary levels,
14 to each position occupied by employees of the national govern-
15 ment of the Republic of Palau, except those positions exempted
16 under the provisions of Subsection (1) of Section 8 of this
17 Act.

18 (c) Periodic review. The Board shall periodically
19 conduct necessary and appropriate studies of rates of compensa-
20 tion and compensation practices in all geographic areas from
21 which employees for the public service are normally recruited,
22 and shall recommend and transmit the same to the President of
23 the Republic of Palau for review and approval and further
24 transmission to the Olbiil Era Kelulau for enactment. In
25 developing such plan and schedules, consideration shall be
26 given to the following:

27 (i) The minimum standard of living which is
28 compatible with decency and health.

29 (ii) The general economic conditions of the
30 Republic of Palau.

1 (iii) Compensation practices and conditions
2 of the labor market.

3 (iv) Conditions of employment in the public
4 service of the Republic of Palau.

5 (v) Such other matters as the Board deems
6 appropriate.

7 (d) Differentials and transfer allowances. To compen-
8 sate for unique circumstances of employment which create hard-
9 ship or involve additional cost to them, the following
10 differentials are provided national public service employees;
11 provided, however, that in no case may an employee's combined
12 differentials, as set forth in subparagraphs (i) through (iii),
13 exceed thirty percent of the base salary rate, or of the
14 adjusted base salary for the employee concerned when provided
15 by law.

16 (i) Standby. Employees whose duties require
17 them to remain in a standby status, subject to
18 call at any time, for a regularly scheduled
19 period in excess of a normal forty-hour workweek
20 and who, in fact, are frequently called during
21 this period of scheduled standby, shall be
22 entitled to a differential of twenty percent of
23 the base salary rate, or of the adjusted base
24 salary rate, when provided by law.

25 (ii) Night work. Employees whose regular
26 hours of duty include regularly scheduled hours
27 falling between 7:00 P.M. and 6:00 A.M. shall
28 be paid a differential of fifteen percent of
29 the base salary rate, or of the adjusted base
30 salary rate when provided by law, for all those
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1 hours which fall during that period.

2 (iii) Temporary hazardous work. Employees
3 whose occupation involves unusual and extreme
4 hazards to their health and safety shall be paid
5 a differential of twenty-five or fifteen percent
6 of the base salary rate, or of the adjusted base
7 salary rate when provided by law, depending on
8 whether the work performed is most severe or
9 severe for all those hours in which hazardous
10 work is performed.

11 (A) Hazardous work is considered most
12 severe, and an employee shall receive the
13 twenty-five percent differential when it
14 is likely to result in serious incapacitation,
15 a long period of compensable lost
16 time, or possible loss of life, when
17 accidents occur frequently inspite of
18 reasonable safety precautions, or when it
19 results in frequent exposure to hazardous
20 conditions where failure to exercise
21 extreme care and judgment may result in
22 accidents which could result in total
23 disability or fatality.

24 (B) Hazardous work is considered
25 severe, and an employee shall receive a
26 fifteen percent differential when frequent
27 injuries are likely but do not usually
28 result in serious incapacitation, where it
29 could reasonably lead to possible eye
30 injuries, loss of fingers or burns, or where
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1 it may result in moderate periods of
2 compensable lost time.

3 (iv) Police hazardous duty differential.

4 Employees of the police force of the Bureau of
5 Public Safety, Ministry of Justice, shall be
6 eligible to receive a special hazardous duty
7 differential of up to twenty-five percent (25%)
8 of their adjusted base salaries. The Chief of
9 the Bureau of Public Safety shall promulgate
10 rules and regulations governing the specific
11 eligibility criteria for employees of the police
12 force to receive this differential.

13 (v) Advanced professional degree. Any

14 employee covered under the provisions hereof who
15 has achieved professional capabilities through
16 obtaining an L.L.B. or J.D. Degree, a Doctorate
17 in Medicine or Dentistry, or an earned doctorate
18 in any other field from an accredited United
19 States university or any other university
20 accredited or accepted in the United States,
21 and who is employed in a position having a
22 requirement for such degree, shall receive, in
23 addition to a Base Salary, a premium of 50
24 Percent of the Base Salary for the pay level
25 and step of the position.

26 (vi) Foreign service premium. Any employee

27 covered under the provisions hereof who is a
28 citizen of the Republic of Palau and is assigned
29 on a permanent change of duty station to work at
30 locations outside the geographic boundaries or
31 administrative control limits of the Republic of

1 Palau shall receive, in addition to a Base
2 Salary, a Foreign Service Premium of 30 percent
3 of Base Salary.

4 (vii) Special medical differential. Any
5 employee covered under the provisions hereof who
6 is a Medical Officer or Dental Officer and who
7 occupies a position the duties of which are
8 predominantly clinical, as opposed to administra-
9 tive, in nature, shall receive, in addition to
10 a Base Salary, a Special Medical Differential
11 of 24 percent of the Base Salary for the pay
12 level and step of the position; provided, that
13 the board may eliminate the payment of the Special
14 Medical Differential by regulation if it determines
15 that medical staffing in the Republic of Palau is
16 adequate to handle normal medical staff requirements
17 without requiring medical personnel to work more
18 than 40 hours per week or to be on standby beyond
19 such 40 hours per week.

20 (viii) Transfer allowance. Where employees
21 are recruited or transferred beyond normal com-
22 muting distance from their places of permanent
23 residence for work elsewhere outside the Republic
24 of Palau, such employees shall be entitled to all
25 expenses connected with travel of themselves and
26 their immediate families to the work location and
27 transportation of their household effects. They
28 shall also be entitled to per diem at established
29 rates for the new location for a period not
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1 exceeding ninety calendar days from the date of
2 entrance in the new position.

3 (e) Within-grade and merit increases. An employee may
4 be granted a within-grade increase upon completion of the
5 following periods of satisfactory performance at the following
6 steps in the rate ranges of the base salary schedule:

7 STEPS	8 Full periods of satisfactory 9 performance required before 10 within-grade increase may be 11 allowed
12 1 to 2	1 year
13 2 to 3	1 year
14 3 to 4	1 year
15 4 to 5	2 years
16 5 to 6	2 years
17 6 to 7	2 years
18 7 to 8	3 years
19 8 to 9	3 years
20 9 to 10	3 years

21 An employee may additionally be granted a merit increase not
22 to exceed one step increase in the base pay rate in any one
23 year period for sustained superior performance over such period.
24 Such additional merit increase will not alter the waiting
25 period required for qualifying for the next within-grade step
26 increase. No employee shall be compensated above the maximum
27 prescribed for his pay level except where he was receiving
28 such compensation on the effective date of this paragraph.

29 (f) Overtime compensation. An employee shall be paid
30 over-time compensation at the rate of time and one-half of
his base salary rate or adjusted base salary rate for all time
when he is directed to work and does work:

1 (a) in excess of eight hours in one day, or

2 (b) on the sixth and seventh days of the
3 workweek, provided he has first worked forty
4 hours at straight time in the same workweek.

5 (g) Holiday pay. An employee who is required to work
6 on a legal holiday which falls during his regularly scheduled
7 workweek shall be compensated for the hours worked on that
8 holiday at double the base salary rate, or adjusted base salary
9 rate when provided by law, for his position. Any time worked in
10 excess of eight hours will be compensated at the overtime rate
11 provided in paragraph (f). Holiday pay for hours of work
12 performed on a legal holiday will not be paid any employee who
13 is paid for the same hours a standby differential. Any
14 employee required to work on a holiday which falls outside of
15 his regularly scheduled workweek shall be compensated for the
16 hours worked in the same manner as for overtime work performed
17 on any other day.

18 (5) Performance ratings. The Board shall develop a
19 system of performance ratings for the purpose of appraising
20 the service of employees in the public service and improving
21 the employee's performance. Each department shall rate each
22 employee under its jurisdiction in accordance with the system
23 and shall transmit the final ratings to the appropriate
24 management official. A copy of the performance rating shall
25 also be given to the affected employee. The department head
26 shall inform an employee in writing whenever his performance
27 in position is substandard. Performance ratings shall be used
28 for determining eligibility for step increases, incentive awards
29 and retention status in the case of reduction-in-force.
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1 (6) Reduction-in-force. Regulations shall be developed
2 and promulgated to govern the conditions under which an employee
3 is to be released from his position due to lack of work, lack
4 of funds or governmental reorganization. The regulations shall
5 provide that an employee's individual merit, including qualifi-
6 cations for the position, seniority, education, training,
7 experience and performance ratings shall be the primary basis
8 for establishing order of layoffs.

9 (7) Racial, religious, or political consideration barred.
10 No person holding any position in the national public service
11 shall be suspended, demoted, or dismissed from his position on
12 account of sex, marital status, racial, religious, or political
13 grounds, or place of origin.

14 (8) Dismissal, demotion and suspension.

15 (a) A management official may, for disciplinary purposes,
16 incompetency or other reason provided by regulation dismiss,
17 demote or suspend for such length of time as he considers
18 appropriate and without pay any employee. No dismissal,
19 demotion or suspension for a period of three working days or
20 more, whether consecutively or not, shall take effect unless
21 the management official gives the employee a written notice
22 setting forth the specific reasons upon which the dismissal,
23 demotion or suspension is based.

24 (b) Contesting suspension, dismissals and demotions.

25 (i) Any regular employee who is suspended
26 for more than three working days, or, dismissed
27 or demoted, may bring an action for reinstatement
28 and loss of pay in the court of commonpleas within
29 thirty calendar days after written notice has been
30 sent to him of the suspension, dismissal or demotion.

1 Suspensions for no more than three working
2 days must first be appealed within ten days
3 to the appropriate management official.

4 (ii) If the court finds that the reasons
5 for the action are not substantiated in any
6 material respect, or that the procedures
7 required by law or regulation were not
8 followed, the court shall order that the
9 employee be reinstated in his position,
10 without loss of pay and benefits, but if the
11 court finds that the reasons are substantiated
12 or only partially substantiated, and that the
13 proper procedures were followed, the court
14 shall sustain the action of management,
15 provided that the court may modify the action
16 of the management official if it finds the
17 circumstances of the case so require and may,
18 thereupon, order such disposition of the case
19 as it may deem just and proper. Any party
20 aggrieved by a decision of the court of common
21 pleas shall be entitled to a trial de novo in
22 the Supreme Court provided he files an appro-
23 priate action within ten days of the decision
24 of the court of common pleas. Otherwise, the
25 decision of the court of common pleas will be
26 final.

27 (iii) When an employee contests any action
28 pursuant to this paragraph, the Attorney General
29 or his delegate shall be counsel for the govern-
30 ment. Any employee affected shall have the
31 right to counsel of his own choosing at all times.

1 (9) Leaves of absence.

2 (a) Leaves of absence, with pay, may be granted to
3 employees by management officials for reasons of vacation,
4 illness, maternity, training, education, or for such other
5 reasons as will promote the good of the public service. Eligi-
6 bility for such leaves, the method and rate of earnings, and
7 the length of time shall be established by regulation.

8 (b) Leaves without pay may be granted, but only for such
9 reasons as management officials may deem proper and not of
10 inconvenience to the public service, and consistent with
11 applicable regulations.

12 (10) Employee representation. Employees shall have the
13 right to form associations for the purpose of presenting their
14 views to the government and shall be free from restraints or
15 reprisal in the exercise of this right. Where such associations
16 are formed, the government shall permit reasonable opportunity
17 to such employees to present their views. Where such employee
18 associations do not exist, the government shall provide clear
19 and reasonable procedures for employees to make known their
20 views regarding matters affecting their working conditions,
21 status, or pay. Such procedures may include the use of elected
22 representatives.

23 (11) Application to contract personnel. Subsections 1,
24 2(a) and (6) of this Section shall not apply to personnel
25 employed by contract, except to the extent that the provisions
26 contained in such subsections, or similar provisions contained
27 in other laws, apply to personnel employed by contract by virtue
28 of other laws. Nothing in this Act shall be construed as to
29 prohibit the hiring of expatriate personnel by contract by the
30 President of the Republic of Palau, the Chief Justice of the
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1 Supreme Court, the President of the Senate or the Speaker of
2 the House of Delegates of the Olbiil Era Kelulau, or their
3 designees.

4 Section 10. Outside employment.

5 (1) No national government employee subject to the
6 provisions of this Act shall engage in any outside employment
7 or other outside activity not compatible with the full and
8 proper discharge of the responsibilities of his office or
9 position or otherwise prohibited by law. It shall be deemed
10 incompatible with such discharge of responsibilities for any
11 such employee to accept any fee, compensation, gift, payment of
12 expenses, or any other thing of monetary value in circumstances
13 in which acceptance may result in, or create the appearance of
14 resulting in:

15 (a) Use of public office for private gain;

16 (b) An undertaking to give preferential
17 treatment to any person;

18 (c) Impeding government efficiency or economy;

19 (d) Any loss of complete independence of
20 impartiality;

21 (e) The making of a government decision out-
22 side official channels; or

23 (f) Any adverse effect on the confidence of
24 the public in the integrity of the government.

25 (2) No such employee shall receive compensation or any-
26 thing of monetary value, other than that to which he is duly
27 entitled from the government for the performance of any activity
28 during his service as such employee and within the scope of his
29 official responsibilities.

30 Section 11. Repealer. The following laws or parts

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1 thereof are repealed:

- 2 (a) Congress of Micronesia PL. No. 4C-49;
3 (b) Section 11 of C.O.M. PL. No. 5-51;
4 (c) Congress of Micronesia PL. No. 5-67;
5 (d) Congress of Micronesia PL. No. 6-38;
6 (e) Sections 1, 2, 3, 6, 8, 9, 10, 11, 12,
7 13 and 14 of C.O.M. PL. No. 6-65;
8 (f) Sections 2, 4, 5 and 6 of C.O.M. PL.
9 No. 6-98;
10 (g) Congress of Micronesia PL. No. 6-103;
11 (h) Congress of Micronesia PL. No. 7-70;
12 (i) Sections 5(2), 5(3), 5(4) and 6 of
13 Palau PL. No. 7-7-3; and
14 (j) Sections 2, 3 and 4 of Palau PL. No.
15 1-29.

16 Section 12. Effective date. This Act shall take effect
17 on October 1, 1982, upon its approval by the President of the
18 Republic of Palau, or upon its becoming law without such
19 approval, except as otherwise provided by law.

20 PASSED: August 2, 1982

/s/ _____
Carlos H. Salii, Speaker
House of Delegates

Approved this 23rd day of August, 1982.

/s/ _____
Haruo I. Remeliik
President
Republic of Palau