



"No retiree left behind"

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# THE SOCIAL SECURITY JOURNAL

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## MISSA celebrates 1st "Retirees' Day"

In its meeting last June 24, 2004, the Cabinet approved and declared July 1st of every year as "Retirees' Day", in honor of all retired senior and disabled citizens who have served the Marshall Islands in various employment capacities in the Government and Private Sectors. Also, the Cabinet

further approved that July 1st shall serve as MISSA's anniversary date, as July 1, 1968 was the initial date for the establishment of the Trust Territory Social Security System (TTSSS). This year's event

marked the commemoration of MISSA's 36th Year Anniversary.

This year's initial celebration was held at the Weather Station field and was participated by almost 200 retired senior citizens, several Cabinet members and the entire MISSA management and staff. As the event was dedicated to all retirees, MISSA adopted "no retiree left behind" as its anniver-

## MISSA ej kautiej Ran eo an Retiree ro kein kajuon

Ilo kar kwelok eo an ilo June 24, 2004, Cabinet eo ear kweppene im karoke bwe July 1 ran ilo kajojo year ej "Retirees' Day", nan kautiej aoleb ritto ro im rej retire im bareinwot ro im rar bojrak jen jerbak ikijen wot aer naninmij einwot ke er ro im rar rube enbwineir nan Mar-

shall Islands ilo aer kar jerbak iben Kien eo im bareinwot Company ko, bareinwot Cabinet ear bar wonmanlok wot im kowebene bwe July 1 ran ej bar ran in kememe eo an MISSA einwot ke July 1, 1968 ej kar ran eo im ear jutak Trust Territory Social Security System (TTSSS) eo.

Wewein in jej komane ilo year in jej nan kautiej e 36 year drettan MISSA.

Kemem eo an year in ear koman ilo melan eo an Weather Station im ear kobatok enanin 200 dritto ro ad im rej retire, jet ian Cabinet Member ro im aoleben management im staff eo an MISSA. Einwot an kar wewein eo koman nan aoleb ro rej retire, MISSA ear bok "Ejelok juon



MISSA Administrator Saane K. Aho and Deputy Administrator Lillian Andrew cut the anniversary cake during the Retirees' Day 2004 celebrations.

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#### Our Mission:

"to uplift the personal and economic well-being of the people of the Marshall Islands by providing them with long-term financial security in their retirement age or during disability"



## “Retirees’ Day 2004”

sary motto, a phrase patterned (slightly changed) from a locally famous slogan.

The event started with a short program. Invited as Guest of Honor was Health Minister

Alvin Jacklick, who, after delivering his keynote address, joined his 6 - m e m b e r “Yaruto” (Japanese for Jaluit) band and entertained the audience with lively music that really made the day for all participants. MISSA’s Administrator and Deputy Administrator, Saane K. Aho and Lillian Andrew, respectively, Senator and Iroj Jurelang Zedkeia and Kaname Yamamura, President of the Retirees Association also delivered inspiring messages.

To ensure the participants’ safety during the field activities, Emergency Room medical personnel were provided by Majuro Hospital. This was also a very good opportunity for those who wanted to have a routine check of their blood pressure, blood sugar level and other medical tests.

In her closing address, Saane K. Aho, MISSA Administrator, narrated a brief history about how MISSA was created. She also highlighted the names and contributions of the three “pillars” of

## “Retirees’ Day 2004”

retiree en jool” einwot unin tel eo an ilo kemem in, unin-tel in kar boke (im ukotlok wot jidrik) jen wewein eo im ekka aer kojobale ijokein.

Kar bok jidik wot iien nan kobbelok, dri kono eo ear Minister Alvin Jacklick jen ra eo an Jikin Ejmour im e eo ear boktok enan eo elab, im ibentok ear bar boktok band eo an im ewor 6 iuwan nan aer kejanjan im kamonono armij ro woj im rar kobatok ilo ran eo. Senator im Iroj Jurelang Zedkaia kab Kaname Yamamura, President eo an drolul eo an Retiree ro rar barinwot kwalok jet nan in rujan im keketak ko im elab aer kobokakak wot.

Nan kar lukun kojbarok bwe en ejelok jorran ej walok nan ro rar bok kunaer ilo makitkit ko ilo ran eo, Majuro Hospital ear jilkin-tok 2 “nurse” jen Emergency Room. Wewein in ear lukun emman bwe ro rekonan check e blood presure ko aer, jonan tonal ko aer im bar kakelkel ko jet ear bellok nan er.

Ilo kar ennan eo an ke ear kejemlok iien eo,

Saane K. Aho, MISSA Administrator eo, ear kwalok jidik bwebwenato in an kar MISSA jutak. Ear barinwot kwalok etan ro jilu im ear lukun lab ijo kunaer nan MISSA im rej, Vice-Speaker Reuben Zachkras, eo im ej juon bar retiree, eo im ekin bok jikin RMI ilo kar Board eo an kar Trust Territory



MISSA employees performing their “Jaiborara” dance number.



The first placer of the dance contest for men displays his winning performance.



## More on “Retirees’ day” 2004

MISSA, namely, Vice-Speaker Reuben Zachkras, a retiree himself, RMI’s representative to the TTSSS Board and a former MISSA Board Chairman for many years; Joseph Lanwi, also a retiree and MISSA’s first Administrator; and Lillian Andrew, currently the Deputy Administrator and has served MISSA since the beginning.

Quoting an excerpt from MISSA’s Quadrennial Report for FYs 2000-2003, the Administrator reiterated Jack Niedenthal’s (MISSA’s Board Chairman) words, “MISSA has now earned the respect of an entire nation”, referring to the significant achievements of MISSA in the recent 4 years, from 2000 to 2003. She also explained to the retirees the reason why benefits have not increased. She said, “Frankly, the reason is because the system is not in the financial position to do this.” She added, “The current value of the trust fund now is inadequate to guarantee the future benefits for workers, like myself, your children and grandchildren. Through improved tax collection procedures and a sound investment policy, it is the hope of the Administration to someday improve benefit payments to all beneficiaries.”

The main highlight of the activities focused on more than a dozen field games that, despite intermittent drizzles, brought fun and laughter to everyone. Despite their age many retirees still displayed signs of “physical strength” as, in one of the games, they easily husked five coconuts in less than a couple of minutes. The canoe race, also one of the contests played, has shown the inherent skills of Marshallese men in navigating and paddling locally made boats. Several women retirees also exhibited their skills in basket weaving.



Saane K. Aho, MISSA Administrator, delivering her speech.

## Mottan wot “Retirees’ Day” 2004

Social Security System eo im ear barinwot Chairman nan Board eo an MISSA iumwin elon year ko; Joseph Lanwi, eo im ej bareinwot juon retiree im kar Administrator eo an MISSA kein kajuon; im Lillian Andrew, eo im ej kio Deputy Administrator im ear jermal ibben MISSA jen jinoin.

Ekkar nan melele ko rar walok ilo Report eo an MISSA ilon Emen-Year ko nan FY ko 2000-2003, Administrator eo ear bar kakememij kij kin enan eo an Jack Niedenthal (Chairman eo an Board eo an MISSA) ke ear ba, “Kio MISSA emoj an tobar nebar eo ilon tata ilo juon lal”, ej konono kin tobrak ko relab im MISSA ear komani ilon year ko emen im rej kab jemlok lok, jino jen 2000 eo nan 2003. Ear bar kemleleik retiree ro unin an jab lablok money in jiban ko rej etal nan er. Ear ba, “Ilo mol, unin an jab lablok money in jiban ko kinke ejab lukun bwe money nan komane wewein in.” Ear bar wonmanlok wot im ba, “Aorok in money in kobetaklik ko ad kio ilo trust fund eo rejab bwe nan ad kojatdikdik ke jemaron in naj kolla money in jiban nan ro im rej jermal wot, einwot na, ro nejimi im bareinwot ro jibumwi. Ilo ad naj kokomanmani lok wewein kilen aini tax ko im kilen ad kadeloni money ko ijoko rej edreklok ie, Administration eo ej tomak bwe juon iien enaj lablok money in jiban ak “benefit” ko jej kolla iki nan aoleb ro im rej bok aer money jen Social Securty.”

Lukun makitkit ko relab ilo iien eo ear lon lok jen junoul jima ikkure ko, mene rar lemwan wot botab rar lukun kejak im lab aer kamono iben aoleb. Jekdon ne re-bwijwolla lok ak elon wot ian retiree ro rar kwalok aer “kekemoj wot” einwot, ilo juon ian ikkure ko, rar maron dribwoje lalem waini ilon wot jet minutes. laikoj korkor, kar bar juon ian ikkure ko kar komani, einwot ke ej bwinin eman in Marshall in rar kwalok aer jela ejerakrok im aanon kin wan ailin kein. Jet ian kora ro rej bar retiree rar kwalok aer kabel ikijin ej iieb ko. Ear bok likieo in allin in entan im kije-





**“Retirees’ Day 2004”, a day of fun, joy, laughter...and prizes**



Basket weaving contest



Guests



“Medical care”



Canoe race



RMI National Band



“Bol” eating contest



MISSA “Jaibo Rara” Dancers



Anniversary cake



### Retirees' day 2004...cont'd from page 3

The month long solicitation done by the MISSA staff resulted in a significant amount of donations coming from numerous businesses and individuals, both cash and in kind, with the major cash donors being BOMI, Koo's Fishing Foundation and Pacific Basin. BOMI donated cash was spent on the purchase of anniversary T-shirts. All the top three winners of each game were given cash prizes. Aside from the game prizes, 15 retirees received \$20 each from the cash raffles. The main clincher of the raffles was a round trip ticket from Majuro to any outer island, courtesy of Air Marshall Islands. The lucky winner was Senator Norman Matthew, also a retiree. Several consolation prizes were also raffled, donated by Marshall Islands Resort, MJCC, Payless Supermarket, Long Island Hotel/Jane Corp., G & L Enterprises, RRE Deli, Flame Tree/MIC, and many more. Logistical support was also received from CARE/Mission Pacific, which includes tents, banner, sound system, video coverage and 4 personnel. Others who also supported the affair were Mal-Gov, CMI, MIMRA, Majuro Hospital, Minister Alvin Jacklick, V7AB and many more.

As this event will be celebrated every year, it is expected that a bigger crowd will attend the

### Retirees' day 2004...jen page 3

toto an dri-jerbal ro ilo MISSA ekoman bwe en lab tobrak eo ear itok ikijen jiban jen elon business ko im bareinwot kajojo armij, ikijen money ak bar jiban ko jet. BOMI ear jibantok kin money nan wiaiki T-shirt ko ilo ran eo. Kar lelok cash ikijen win nan dri-win ro jilu ilo kajojo ikkure ko. Ear wor 15 retiree ro im rar bok \$20 kajojo iaer ikijen kibwen-kijdrik eo. Kar win eo elab ilo kibwen-kijdrik eo ear juon ticket in kelok im bar roltok ikotan Majuro im juon ian ailin ko ilikin, ear itok jen Airline eo an Marshall Islands. Kar dri-win eo ear Senator Norman Matthew, eo im ej bareinwot juon retiree. Kein kawinin ko jet im kar bar kibwen-kijdrik kaki rar itok jen Marshall Islands Resort, MJCC, Payless Supermarket, Long Island Hotel/Jane Corp., G & L Enterprises, RRE Deli, Flame Tree/MIC, im ebar lon. Jiban ko ikijen kein jerbal im kein komadmod ko rar itok jen CARE/Mission Pacific, ikijen tent ko, banner, sound system eo, video camera ko im 4 dir-jerbal. Ro jet im rar bar letok beir rej MalGov, CMI, MIMRA, Majuro Hospital, Minister Alvin Jacklick, V7AB im ebar lon.

Einwot an naj koman wewein in ilo aoleb year, jej kejatdrikdrik bwe enaj lonlok ro renaj kobatok ilo "Retirees' Day 2005" ilo year in lal.

### Quadrennial Report highlights MISSA's accomplishments in the last 4

Early this year, MISSA released its performance report for FYs 2000-2003, addressed to the President, Speaker, Members of the Nitijela and the people of the Marshall Islands. In his message, Jack Niedenthal, MISSA's Board Chairman, said, "After being constituted by newly elected President Kessai Note and his Cabinet in early 2000, the MISSA board faced the daunting task of correcting the wayward direction of an organization that has been unauditible and unaccountable for more than 4 years, and that appeared to be hopelessly mired in corruption."

### Report eo an MISSA iumwin emen year ko ej kwalok tobrak ko kar komani iloan year ko 4 rej jemlok lok

Ilo kar jinoin lok year in, MISSA ear kadioj lok report eo an ikijen teleb in jerbal ko an ilo kar FY kein 2000 – 2003, nan President eo, Speaker eo, Member ro an Nitijela eo im armij in Marshall Islands. Ilo kar enan eo an Jack Niedenthal, Chairman eo an Board eo an MISSA ear bar. "Elkin kar ijton eo mojin wot kar kelet President Kessai Note im Cabinet ro an ilo jinoin lok kar 2000 eo, Board eo an MISSA ear jelmae juon jerbal nan kajimwe iki juon organization eo im ejab maron bwinbwin im makitkit in money ko ie rejab alikar





Quadrennial Report...cont'd from page 5

Quadrennial Report...jen page 5

At that time, MISSA established three main goals to put MISSA back on a sound financial footing:

- (i) to be fully auditable and accountable;
- (ii) to increase revenues via the institution of aggressive tax collection policies mandated by the Social Security Act; and
- (iii) to drastically decrease expenses and streamline the operation of the Administration.



The Board's first task toward accomplishing these formidable goals involved the reorganization and replacement of top management. The Board selected Ms. Saane K. Aho, a U.S. educated Marshallese woman, to be the Administrator directed to change the direction of MISSA.

"As this report will show, our three main goals have been achieved", the Chairman said, citing the following accomplishments:

- (i) MISSA is now fully auditable and accountable. For the Fiscal Year 2002, there were no findings in our audit for the Social Security System;
- (ii) MISSA revenues have increased each year, from a low of \$5.51 million in 1999 to \$13.04 million in 2003; and
- (iii) MISSA expenses have decreased from \$1.55 million in 1999 or 14.5 % of total revenues, to \$862,000 in 2003, or only 6.6% of total revenues.

iloan elablok jen 4 year ko remotlok, im ej alikar bwe ear itok wot jen jermal in kelmadok ko."

Ilo kar iien eo, MISSA ear kejenolok wot jilu kotobar ko relab nan bar koroltok MISSA nan an bar maron jutak ion neen.

- (i) Bwe ren maron bwine im en alikar droij-drelong in mony ko ie;
- (ii) Nan kolablok money ko rej drelontok ilo ad kojermal wewein ko reki-jnenelok ilo ad aini tax ko einwot kemlet ilo Kakien eo an Social Security; im

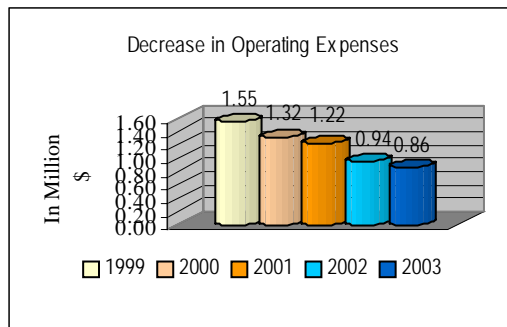
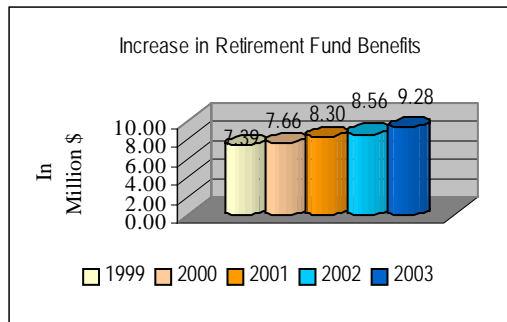
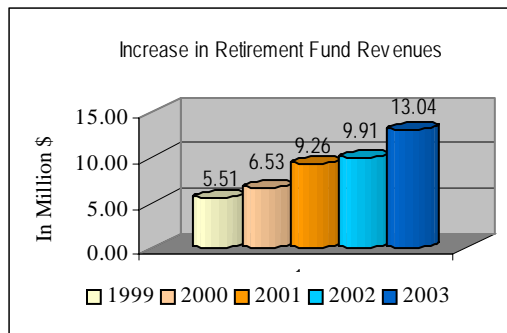
(iii) Nan lukun kabene bwe en driklok droijlok in money ko im bareinwot koman bwe en driklok wonen ko kojermal nan lolorjake im kojbarok Administration eo.

Kar jermal eo maktata an Board eo nan an kotobrak kotobar kein an relab ear koba maktata ukot loan im kokel dri-jermal ro ilon, Board eo ear kelet Ms. Saane K. Aho, juon dri Marshall eo ear jikul ilo U.S. bwe e eo en Administrator im kojjobwebwe iki MISSA.

"Einwot an naj walok ilo report in, jibadbad im kotobar ko ad jilu emoj aer tobrak", Chairman eo ear ba ilo an kawalok tobrak kein:

(i) Kio MISSA remaron in bwine im bwe droij-delon in money ko ie relab aer alikar im melele. Kar bwinbwin eo ilo Fiscal Year 2002, ear ejelok bwid ilo Social Security System eo rar maron loe.

(ii) Money ko rej drelontok ilo MISSA ilo kajojo year emoj aer lablok, jen jonan eo iltata im ej \$5.51 million ilo kar 1999 eo nan \$13.04 million ilo 2003; im





### Quadrennial Report...cont'd from page 6

The Chairman further said, "MISSA has now earned the respect of an entire nation. As an organization, our mission for the future is simple: To continue to improve for the welfare of the people of the Marshall Islands."

"In closing, I would like to thank the families of the MISSA Board Members, administration and staff, for supporting us over the past four years. Without their patience for and understanding of the long hours that we have put in for the people of the Republic, none of our successes would have been achievable", he continued.

In the same report, Saane K. Aho, Administrator, said, "The decline in tax collections in the late 1990s and the uncertainties surrounding the financial condition of the MISSA funds, forced the Administration to strengthen its policies on internal controls and procedures, revamp its collection efforts and restructure its operations. *Consequently in FY 2003, MISSA's annual revenues from tax contributions, penalties and interest **have more than doubled** and its operating expenses **cut by half** the amounts in FY 1999.* This allowed the Administration to invest more than \$4.43 million into the Retirement Trust Fund over the past four years."

She then ended her message by saying, "I want to thank H.E. President Kessai Note, his Cabinet, and the Nitijela, for allowing the Administration to maintain an open relationship with the government, built upon mutual trust, respect and integrity. I also want to thank the beneficiaries and contributing members for giving me the opportunity to serve them and the wider community."

### Filipino Consul meets with Administrator on 6-month rule on off-island retirees

Consul Rosario Limque of the Philippine Consulate in Guam and Dr. Alex Pinano, Philippine Honorary Consul, met with Saane K. Aho and Lillian Andrew, MISSA's Administrator and Deputy Administrator, respectively, in connection with the Filipino community's request to remove or extend the 6-

### Quadrennial Report...jen page 6

(iii) Expenses ko an MISSA emoj aer driklok jen kar \$1.55 million ilo kar 1999 ak 14.5 % in talleb in aoleb money ko kar aini, nan \$862,000 ilo kar 2003 eo ak 6.6 wo% in talleb in money ko kar aini.

Chairman eo ear bar wonmanlok wot im ba, "Kio MISSA emoj an tobar nebar eo ilon tata ilo juon lal. Einwot juon drolul eo kajutak in armij ro, elab an alikar bwe, jibadbad im kotobar eo ad nan iien kane rej bedotok ej nan wonmanlok wot im debij eman eo nan jeraman eo an armij in Marshall Islands"

"Nan kejemloke, ikonan lelok kamolol nan family ko an ro iuwan Board eo an MISSA, Administration eo im dri-jerbal ro ie, kin jiban ko aer nan kim iumwin year ko emen, bwe elane ear jab jen aer kijenmij im kolmenlok jen ko reman ikijen awa ko raitok kim ar julok nan armij in ailin kein, inem aoleben tobrak kein reban kar tobrak", eindrein an kar ba.

Ilo ejja report in wot Saane K. Aho, Administrator, ear kwalok im ba,"Ilo an kar driklok tobrak ko walok jen aini eowoj (tax) ko ilo jemlokin lok 1990 jima ko im kin an kar jab maron lukun in alikar jekjek in money ko an MISSA ekoman bwe Administration eo en kokajur lok wewein ko nan kojbarok im kojerbali money ko im bar kokomanman lok kilen aini eooj (tax) ko im bareinwot kokomanman lok wewein im kilen jerbal. Ilo kar FY-2003, drelontok in money ilo juon year nan MISSA ikijen eooj (tax), penalties im interest emoj an lablok im elle jen ruo alen im dreettan money ko rej driojlok emoj driklok nan jimettan in jonan eo ilo kar FY-1999 eo. Wewein in ekoman bwe Administration eo en maron karelon elablok lok jen \$4.43 million ilo Retirement Trust Fund eo iloan year ko emen rej jemlok lok.

Ear wonmanlok wot im kejemlok enan eo an ilo an ba, "Ikonan lelok kamolol nan H.E. President Kessai Note, Cabinet eo an im Nitijela eo, kin aer koman bwe Administration en maron jerbal ilo juon jitob in jerbal eo elukun ebak nan Kien eo ilo ad kojbarok wot mejatoto in like, karejar im jerbal iben dron. Bareinwot, ij lelok kamolol nan aoleb ro im rej bok aer money in jiban im



### MISSA Managers and supervisors attend management seminar

As part of MISSA's "continuing education" program, 10 of its top managers and supervisors participated in an 18-hour seminar-workshop entitled "The Essentials of Management", facilitated by Sam Smith of Smith Brothers Business Solutions. This intensive course was designed to give the participants the management fundamentals needed to become successful managers and supervisors and improve their on-the-job knowledge and skills in planning, organizing, controlling, leading and appraisal. All the training materials were designed by the American Management Association, including video presentations of typical difficult situations normally encountered by managers and supervisors. To ensure that the daily operations of MISSA continue uninterrupted, the training was spread over a period of two weeks, from May 3 to 14, 2004. All the 10 participants have completed the required hours and were given certificates of completion.

One significant concept that the participants learned was the

difference between responsibility and accountability. As explained in the seminar, responsibility can be delegated downward to the subordinate employees. But accountability solely rests on the leader and can never be passed on to anybody down the line. Translating this concept to MISSA's organizational structure, this simply means that the junior managers, supervisors and staff of MISSA are all responsible to the Administrator. On the other hand, the Administrator is **solely accountable** and has to answer

alone to MISSA's Board of Directors in the event that something adverse to MISSA's interest occurs.

Although most of the management functions of planning, organizing, leading and controlling are currently being effectively implemented in MISSA, the junior managers and supervisors will be the ones to benefit most from this training, as they will be the second generation of managers who will be running MISSA in the next few years.



The participants and Sam Smith on the last day of training

#### Filipino...cont'd from page 7

month benefit limitation to Filipino retirees who have left the Marshall Islands permanently.

As provided for in the Social Security Act, under Chapter I, Part VI, Paragraph 142, "unless modified by a totalization or bilateral agreement, no more than six

(6) months of benefit payments shall be paid to any beneficiary who is not a citizen or national of the Republic while the beneficiary has been outside the Marshall Islands; provided, however, payments shall be made to citizens and nationals of the Federated States of Micronesia, the Republic of Palau, and the United States as if they were citizens or nationals

of the republic, if the Federated States of Micronesia, the Republic of Palau, and the United States, respectively, extend reciprocal benefits to citizens of the Marshall Islands."

Since this rule was enacted by law, it may require a new law to amend this particular provision and the MISSA Board is aware of the legalities and





## Public School Teachers' hearing on SS Retirement Fund

On June 26, 2004, the Marshall Islands Teachers Association invited Saane K. Aho and Lillian Andrew, for a consultation regarding the financial status of MISSA's retirement fund. During the hearing, the Administrator highlighted MISSA's accomplishments for the last four years, more particularly the significant increases in tax revenues and retirement/disability benefits, and facilitated a "question and answer" session that lasted more than 2 hours.

## Filipino...cont'd from page 8

the long process it will take to address this issue. This situation was explained by the Administrator to the Filipino Consul. As this case involves a high level of negotiation, the Administrator advised her that this matter shall be elevated to the Board of Directors, RMI's Ministry of Foreign Affairs, and if necessary, to the Nitijela of the Marshall Islands.

## Administrator addresses WUTMI on MISSA performance, benefits and tax issues

The Administrator was invited by the Women United Together in the Marshall Islands (WUTMI) as one of their resource speakers during their opening ceremonies for their executive board meeting held at the Marshall Islands Resort, on June 8, 2004. Before her

information were handed out to the audience for easy reference. In her speech, the Administrator highlighted the significant increases in MISSA revenues, retirement fund benefits and the drastic decrease in operating expenses in the last four years.



Saane K. Aho delivering her message during WUTMI conference

WUTMI members were also oriented with the basic benefits (e.g. retirement, disability, survivor and lump-sum) that MISSA offers and the eligibility requirements needed before a claimant becomes entitled to benefits.

On the issues about tax compliance, the Administrator further enlightened her audience by explaining in detail the covered

speech, pamphlets about MISSA's organizational structure, types and sample calculations of benefits and statistical

wages subject to Social Security taxes and what other remunerations received are exempted.

## Most frequently asked questions on benefits and tax

**Question #1:** I am a non-Marshallese employee who has been working in RMI for many years but my contributions are not enough for me to be eligible to early or normal retirement benefits. Now, I'm returning to my home country for good. Can MISSA refund me my contributions? Can I get a partial retirement benefit?

**Answer: NO.** Contributions are non-refundable, unless the employee has two or more employers and

his combined quarterly contributions exceed the required amount. Retirement benefits are given only to those who have contributed the required number of quarters and must be at least 60 years old. If you are already 60 years of age, you may get a lump sum payment computed at 4% of your total cumulative taxable wages.

**Question #2:** I am a foreign resident receiving already my retirement benefits for several years. I



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Dance contest



Banana-cream-pie eating contest



Telescope game



"Ruoro" contest



Musical chair



Juggling



Costume relay



Basket weaving





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Minister Alvin Jaeklick



Retired senior citizens



Retired senior citizens



Guests



Female retirees



Recipient of disability benefits



Food brigade



MISSA staff





## Financial Highlights

Tax collections from April to June, 2004 amounted to \$2.46 million, an increase of \$0.22 million or 9.85% from the same period last year. This brings the total tax revenues for the first three quarters of FY 2004 to \$6.06 million, an increase of \$0.61 million from the same period last fiscal year. The increase was the result of MISSA's doubled tax collection efforts.

Benefit payments from April to June 2004 amounted to \$2.49 million, an increase of \$0.18 million or 7.82% from the same period last year. Total benefits paid to-date (first 9 months of FY 2004) amounted to \$7.21 million, an increase of \$0.34 million or 4.96 % from last fiscal year.

On the other hand, administrative expenses from April to June 2004 amounted to \$0.175 million, a drop of \$0.17 million and slightly lower than that of the same period last year. Total expenses to-date amounted to \$0.47 million, which is 22% lower than the budget for the first 3 quarters of FY 2004.

As of June 30, 2004, MISSA's total assets amounted to \$44.6 million, reflecting an increase of \$3.09 million since September 30, 2003.

## Investment performance

In his latest investment update, Frank Armstrong of Investor Solutions, Inc., MISSA's Investment Advisor, highlighted the following:

- Investment gain for the first quarter of 2004 amounted to \$1.88 million, with a net Internal Rate of Return (IRR) of 5.88% that exceeded the benchmark by 2%
- Since the transfer of consultancy to Investor Solutions, Inc., and custodianship to Fidelity Investments in November 2002, MISSA portfolio gained \$9.17 million, with net annual IRR of 27.07% as of March 31, 2004.
- As of March 31, 2004, the current market value of MISSA investment is \$33.9 million.

MISSA's effective cash management resulted in a cash surplus of \$4.35 million in the last 6 months. \$3.6 was invested at the Bank of the Marshall Islands in the form of Time Certificates of Deposit (TCDs) and the other \$750,000 was invested in a diversified portfolio with Fidelity, MISSA's investment custodian.

## Tax updates as of June 30, 2004

MISSA's Tax Compliance personnel has doubled its efforts in its tax collection campaign, as reflected by the following highlights:

- Promissory Notes (PNs) signed by delinquent employers totaled \$6.35 million to-date. Estimated monthly collection from these PNs is \$120,000.
- Court judgments in favor of MISSA cover 16 delinquent employers, with an aggregate total of \$2.51 million.
- To-date, total delinquent employers referred to the Legal Counsel totaled 26. It is expected

to double within the next few months

Audit of employer payroll records have already started and MISSA has opened new positions for Tax Officers to reinforce its current tax personnel.

## Most frequently asked questions...cont'd from page 9

am planning to return to my own country permanently. Will I continuously receive my pension even if I am already off-island?

**Answer: NO**, unless you are a national or citizen of the Federated States of Micronesia, Republic of Palau and United States. What you will get is no more than 6 months of benefits while you are outside the Marshall Islands.

**Question #3:** I am a self-employed individual with 3 employees. Do I still have to include my name in the MISSA quarterly tax return and pay taxes as an "employee" even though I am the employer? If yes, how is my tax computed?

**Answer: YES**, and your gross taxable wages shall be based on your actual wages or at twice the wage of your highest paid worker, whichever is greater.

For comments, questions & articles, please write to MISSA, P.O. Box 175, Majuro, Marshall Islands, call at telephone no. 692-625-3101 or e-mail at [missa3@ntamar.net](mailto:missa3@ntamar.net).