



"No retiree left behind"

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# THE SOCIAL SECURITY JOURNAL

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## Retirees' Day 2005

### A tribute to RMI's retired senior citizens

**J**ust as expected, July 1st was "a day of fun, food and prizes" for the hundreds of old age and medical retirees, together with surviving spouses of deceased beneficiaries, who joined MISSA Management, staff, Board of Directors and guests, in celebrating the Republic's 2nd Retirees' Day, at the MISSA-USP grounds.

The festivity commemorated the 37th Year Anniversary of the Marshall Islands Social Security Administration and was a replication of the first Retirees' Day held last year.

At its meeting on June 24, 2004, the Cabinet approved and declared July 1st of every year as Retirees' Day, in honor of retired senior and disabled citizens who have served the Marshall Islands in various em-



Pictured above (from left): Lillian Andrew, Saane Aho and Alice Sanchez join hands in cutting MISSA's 37th Year Anniversary cake. Below: Participants have to find the fastest way to "pass-the-donut" to another team-mate. This is just one of more than a dozen games played during Retirees' Day 2005.



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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 re-



# 21 families received \$105,000 in life insurance benefits

Since the inception of the life and accident insurance program in April 2005, the Individual Assurance Company (IAC) has already paid out a total of \$105,000 to the beneficiaries of 21 deceased retirees and surviving spouses who have enrolled in the program.

Except for a few claims (where the release of the insurance proceeds was delayed for a few days because of the late submission of required documents), most of the claims were processed and paid within 24 hours after receipt of the certified death certificate and other required documents.

As IAC already has an existing account with one of the local banks in Majuro, the beneficiaries were able to get their money easily. MISSA, thru its Deputy Administrator, Lillian Andrew and Administrative Assistant Tenia Kaiko, facilitated the preparation and submission of claim documents to IAC and are very instrumental in the fast release of the insurance proceeds to the beneficiaries.

This group life insurance program is aimed to assist the families of old age and medical retirees, including surviving spouses of deceased retirees, who will surely carry the burden of defraying the cost of burial upon their death. The \$5,000 insurance coverage costs \$30.33 per month which is automatically deducted from the retirees' monthly benefit checks.

As of July 20, 2005, there are already 674 retirees and surviving spouses who have enrolled in the program.

Those who have enrolled on or before May 31, 2005, were accepted regardless of their age or health condition and no medical examination was required. There was even a case where one enrollee died just two days after she enrolled in the program and her beneficiaries received \$5,000 the day after her death was reported to IAC (and the first premium of \$30.33 was not even paid yet by MISSA).

Starting June 1, 2005, an "Evidence of Insurability" (EOI) form has to be filled-up and completed by the enrollee. The EOI includes a questionnaire about the past and present health condition of the applicant, the spouse, the children and parents/parents-in-law. The health questions are more particular with heart or circulatory conditions, cancer, diabetes, stroke, lung disorder, liver or kidney disease, AIDS, drug and alcohol abuse.

Initially, a medical doctor does not need to examine physically the applicant nor sign on the EOI. This form, together with the enrollment form, must be sent to IAC Head Office in the U.S., where they will be reviewed by the underwriter. If there is any additional medical

underwriting or medical records needed, the underwriter will notify MISSA. IAC generally does not need medical examination. Once the application is approved, the enrollee's coverage is effective as of the date the EOI was signed by the applicant.

The influx of more enrollees, more particularly those coming from the outer islands even after the



Timoci Serevi



Hilda Samson

Pictured above are just two of the hundreds of enrollees to the retiree group life and accident insurance program. (This picture was taken during the mass enrollment held at the ECC gym on March 30-31, 2005).

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# Retiree's Day 2005

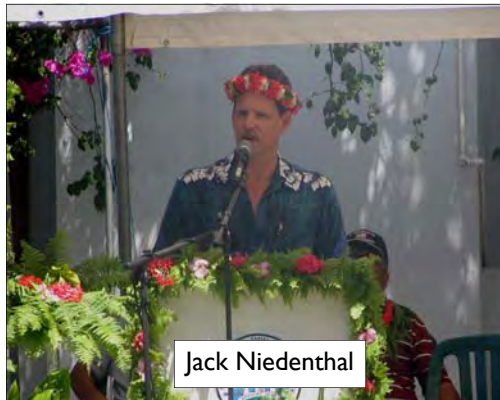
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ployment capacities in the government and private sectors. The Cabinet further approved that the same day shall serve as the anniversary date for MISSA.

A one-kilometer walkathon starting from the Weather Station up to the MISSA building in Delap, kicked-off the day's festivities. This was followed by a short program and later, by more than a dozen field games that lasted until late in the afternoon.

About 300 miles away on the same day and almost at the same time, simultaneous celebrations were also held in Ebeye, Kwajalein, where about two hundred retirees and guests participated (see related story on page 5).

Although most of the field activities require minimum physical exertion, MISSA still felt that there was still a small chance of injuries and accidents. In response to this concern, Majuro Hospital had designated one ambulance and a medical team to take care of any eventualities. Likewise, the Police Commissioner fielded half a dozen police officers to maintain order on the flow of traffic, as dozens of enthusiastic motorists slowed down just to have a glimpse of the ongoing activities.



Jack Niedenthal



Saane K. Aho

The festivities maintained its liveliness throughout the day, courtesy of Health Minister Alvin Jacklick, his "Yaruto Band" and Esther Lokboj, who entertained everyone with their musical renditions. Minister Jacklick was also invited as the guest speaker.

The other retirees who did not attend the activities were still able to get the chance to listen and feel the fun, as the celebration was aired live on the radio by V7AB.

The month-long preparation done by MISSA organizers paid off as donations in different forms poured in day-after-day. The cash donation of BOMI was used to purchase about 350 anniversary T-shirts. One hundred of these T-shirts were distributed to

Ebeye retirees. The other major donors include Koo's Fishing Company, Pacific Basin, Air Marshall Islands, Marshall Islands Resort, MEC, CARE/Mission Pacific and almost a hundred other employers, individuals and government agencies in Majuro and Ebeye.

In her welcome remarks, Saane K. Aho, MISSA Administrator, acknowledged the presence of the retirees. "Your long years of contributions to the social security system created a very significant impact to the growth of our economy", she said.

Kaname Yama-

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MISSA female employees perform the "Kottor line im bojboj drik-drik" dance which depicts the Marshallese way of building a house.



# Retiree's Day 2005

*(Continued from page 3)*

mura, President of the Retirees' Association and Malgov Mayor Riley Albertter, also delivered inspiring messages.

Jack Niedenthal, MISSA's Board Chairman, in his closing message, thanked the MISSA Management and staff, more particularly Saane Aho, Lillian Andrew and Alice Sanchez, Administrator, Deputy Deputy Administrator and Chief Financial Officer respectively, for their significant contributions to MISSA's successes in the past several years.

If one may recall, MISSA has gone through a remarkable transformation in the last five years: from an organization that has been unauditable and unaccountable for many years, to one of the best performing government agencies of RMI in terms of accountability, good governance and financial performance. This significant turnaround did not go unnoticed. During a Nitijela session about a year ago, President Kessai Note praised MISSA for having the best audit report in RMI and possibly in the Pacific.

Right after the program, more than a dozen games were played. These include, among others, checkers, ranke, basket weaving, musical chairs, anidreb, pass-the-donut and ro-ro contests. Cash prizes were awarded to the winners, while bags donated by the Marshall Islands Trust Company were given to the non-winners.

The top three finishers in the walkathon were Let Jack, Kim Filimoni and Tony Reiher. They were awarded \$50, \$30 and \$20, respectively.

## “Reaping the fruit of labor” (Amen Akaeo)

By Peter Anjain - MISSA Ebeye

July 1st was indeed an exciting day for many

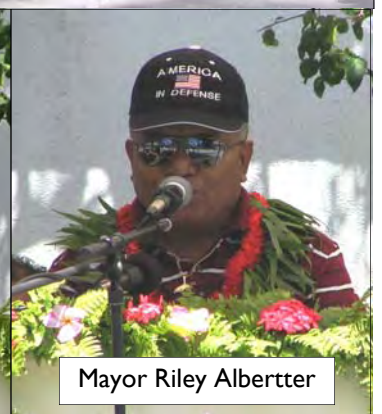
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MISSA Board Members with Mayor Riley Albertter and Pastor Lawrence Edward



Health Min. Alvin Jacklick



Mayor Riley Albertter



## “No Retiree Left Behind”

Despite his physical handicap, Bellam Jello, a retiree, was still able to participate and enjoy the festivities.





# Retirees' Day 2005

(Continued from page 4)

who witnessed first-hand the festivities that took place. Retirees from all walks of life along with prominent citizens of Ebeye, gathered together at the multi-purpose center, celebrating Retirees' Day 2005 in commemoration of MISSA's 37th year anniversary.

The keynote speaker, Leiroij Seagull Kabua and other speakers (Kalgov Mayor Johnny Lemari and MISSA Vice-Chairman Tommy Milne) who addressed the crowd, shared one common message to Ebeye's retired senior citizens: **"You have now reaped the fruit of your labor"**

Leiroij Seagull Kabua said, "It is the pride in our customs and heritage that makes us unique." She then closed her speech by congratulating all the retirees on their well-deserved commemoration day. Mayor Johnny Lemari praised the retirees by saying, "The efforts, dedication and unselfishness you have shown have made our nation what it is today".

Tommy Milne, Vice-Chairman and Ebeye's representative to the MISSA Board, made a brief review of MISSA's history and culminated the ceremony with the assurance that MISSA is striving 100% to live up to its slogan - **NO RETIREE LEFT BEHIND.**

Inspired by the praises given by the speakers, the retirees became more enthusiastic and played the field activities like vigorous children playing in the park.

The success of Retirees' Day 2005 in Ebeye would have not been possible without the generous contributions from several businesses like Anrohasa Hotel and Bar, Ralik Store, Sunrise Company, Triple J, Litaki Takeout, Lucky Star, Pacific World Dealer, M & M Store, KRK Store, JI Store, R & B Store and Mercy Store. MISSA Ebeye also acknowledged the assistance and services provided by Ebeye Hospital, Local and National Police, Kalgov's Recreation Department, La Mike's Band, Headstart Program, Limanman Group, Kwoj Bok Non Won, Tokran Kuli & Jeran Robe and many more.



Leiroij Seagull Kabua



Tommy Milne



Basket weaving contest



# MISSA upgrades its Retirement Fund & Benefits computer system

**M**ISSA reached again another milestone on July 18, 2005 when the upgraded (Fox Pro) version of its Retirement Fund and Benefits computer system was officially put in place and made operational.

The new software was the brainchild of the Social Security Administrators of the Republic of Palau (ROP), FSM and the Marshall Islands. It started more than two years ago, when Greg Ngirmang, SS Administrator of Palau, through the Technical Assistance Division Office of Insular Affairs of the US Department of Interior, started soliciting proposals from qualified computer programmers to design, develop and implement an upgrade and modernization of the Social Security Software Program.

This program was designed and placed in operation more than a decade ago initially by RMI, then FSM in the late 1990s, and ROP in late 2000. Being obsolete, its system architecture is outdated and it runs the risk of encountering difficulty operating on the next generation of modern day computers.

The Technical Assistance Division Office of Insular Affairs of the US Department of Interior provided a \$215,000 grant for the purpose of upgrading and modernizing this software for all three entities. The grant also includes a budget of \$55,000

for hardware to be shared equally by the three SS systems.

After reviewing the responses to the Request for Proposal (RFPs) from several computer professionals, the three SS Administrators unanimously awarded the contract to White Coconut Computers, a Saipan based IT consultancy owned by Donna White, and Jill Derickson, an independent IT Consultant. Coincidentally, Donna White is also the programmer responsible for the development of the old software. The duo's knowledge and familiarity with the



Jill Derickson (second from right), an IT Consultant from White Coconut Computers, facilitated the training on the new system.

old system (visual fox pro) made them the best and most ideal candidates.

By the end of 2004, the design, coding, integration, testing and documentation were completed. To ensure that the individual needs of the three SS systems were identified and the flaws of the old system rectified, a two week beta testing and orientation was held in Saipan in January of this year. Four MISSA representatives participated in the training.

In mid-2005, the Social Security System of Palau was the first to receive the full installation of the new system, to be followed by MISSA in July and FSM in August 2005.

*(Continued on page 7)*



# Life insurance

*(Continued from page 2)*

end of the open enrollment, is a sign that the benefits and the importance of the retiree group life insurance program has now reached the attention of those living in the most remote parts of the Marshall Islands, and even as far as Hawaii.

In a related insurance program, two MISSA employees have also received \$5,000 each from IAC, as payment for the death of their enrolled dependents. All MISSA employees have enrolled in the IAC group life insurance program for RMI government employees, where the maximum coverage is three times the employee's annual salary. Likewise, for just \$21.50 bi-weekly, an employee can cover both his or her parents, parents-in-law and adoptive parents, regardless of their age and medical condition.

# New computer system now in place

*(Continued from page 6)*

Under the old system, three separate and independent programs shared files: Cash receipting, Reporting, Delinquent Employer Tracking & Reporting and Social Security Maintenance. With the new system in place, these three programs are now fully integrated. Another feature of the new system is that manual data-entry is minimized, thereby significantly reducing human errors in encoding.

The new system will also make a very significant impact in MISSA's documentation of tax delinquencies. Under the old system, each Tax Officer had to prepare manually a spreadsheet for each employer assigned to him or her, in order to establish a record of the total taxes paid, the quarters and years the payments were applied, and the total tax arrears due. With the new system in place, updating of individual employer transactions is now automated.

MISSA also plans to circulate pre-formatted and system generated letters showing the wage history of each contributor to

the system. This will give detailed information about how many quarters have already been credited to the wage earner. This will also help to determine whether his or her present and former employers have remitted his or her contributions.

Donna White and Jill Derickson will be spending at least three weeks with MISSA Managers and Staff to ensure the success and efficiency of the new system.

Ricky Kurn (center) and Harden Lelet, Tax Examiner and Ebeye Branch Manager, respectively, consult with Jill Derickson during a training session.







# Non-filers' list: an effective tool to collect taxes

Starting the quarter ended December 31, 2004, MISSA has published in a local newspaper the names of employers and their owners/board members who failed to file and pay their contributions to MISSA. The list also included Ebeye employers.

Numerous businesses included in the list of non-filers have already been reminded in the past (in writing) by MISSA and were given a chance to settle their obligations amicably. However, such businesses continue to ignore MISSA's demands.

MISSA, through its Legal Counsel, Atty. David Strauss, has already filed numerous cases and won court judgments against delinquent employers. Now, the Administration is considering other options to enforce its authority. One of these alternatives is to file criminal charges with the possible denial of entry privileges into the United States.

MISSA may also file a civil action to obtain judgment and writ of execution to seize and auction all personal properties of the employer. In fact, this was already done early this year. MISSA was able to auction to the public around \$5,000 worth of equipment, furniture and fixtures owned by one local business in Majuro.

The move to publish the non-filers' list was seriously considered by the Administration to address the difficulties it faced with numerous employers, more particularly by local governments and private schools who continuously failed to meet their Social Security payments.

To-date, Bikini, Rongelap and Utrik are the only local governments that have no outstanding taxes due to MISSA. Most of the other local governments were not able to pay-off taxes covering current quarters and prior years, mainly due to inadequate

funding. According to the Administrator, MISSA plans to meet with government officials and hopes to find a way to these long-outstanding problems.

Numerous private schools in Majuro and Ebeye have also been delinquent in their social security contributions, some of which extend back to the 1980s. MISSA is in close contact with most of these schools and is in the process of negotiating for a more affordable payment plan. Another option that MISSA has taken is to have these schools' government subsidies "re-directed" to MISSA to pay-off their obligations.

The Administration has already made arrangement with the RMI government, through the Ministry of Finance, to re-direct to MISSA a portion or the entire amount of a delinquent private schools' subsidies.

Several organizations, mainly NGOs, were also included in

the "non-filers' list" even if they are non-profit and no payroll was paid by them. This is due to MISSA's long-standing policy that as long as an employer is registered with MISSA and holds a valid employer identification number (EIN), that employer is required by law to file a return with MISSA on or before the due date. Unfortunately, some of these NGOs may not be fully aware of this requirement.

As the 2nd quarterly deadline due last July 11 has lapsed already, it is estimated that more than 200 Majuro and Ebeye employers have again failed to file and pay their dues to MISSA. MISSA is again in the process of updating the non-filers' list which will be published again in the Marshall Islands Journal in the coming weeks.

*"MISSA may also file a civil action to obtain judgment and writ of execution to seize and auction all personal properties of the employer"*





# "Continuing Education" : a key to productivity

In this period of dramatic and constant changes in computer technology, MISSA strives to ensure that its employees are familiar with the most widely and frequently used computer applications that will help them deliver optimum results.

From June 8 to July 6, 2005, twenty one (21) employees attended a 33-hour computer training at the CMI's computer lab in Majuro. Timothy "Tim" Owens, Head of CMI's Business Studies & Computer Science Department, conducted the training that covered the latest version of Microsoft Office's primary applications: Microsoft Word, Excel, Powerpoint and Outlook.

"I learned about formatting spreadsheets and integrating data from one application to another"; "I can now design my own worksheets the way I want them to"; "Very interesting! I was doing everything the long way – Now I can do so much more with the shortcuts"; "I wish I'd known these tips, tricks and shortcuts years ago". These feedbacks are just some of the comments from most of the participants whose outputs from their day-to-day functions are influenced by their limited knowledge of the basic Windows applications, more par-

ticularly with Microsoft Word and Excel.

*"Very interesting! I was doing everything the long way – Now I can do so much more with the shortcuts"; "I wish I'd known these tips, tricks and shortcuts years ago"...*

At least half of the total training hours were focused on Microsoft Excel, as this application is more frequently used, more particularly by Accounting and Tax Compliance personnel. To those who are either working with Excel for some time or are new to this powerful spreadsheet application, attending this workshop is an awesome discovery. After learning how to format data and large cells, use formulas, present graphs and reports and use editing commands that drastically reduce time-consuming data re-entry, they just realized that what they knew before the training are just only the "tip of a big iceberg" of what this program can do.





# "Why is Social Security important for my family and community?"

By Sunshine Presas

“It is a typical Majuro Saturday night, a night of partying and drunk people. While Alex is driving his bike, suddenly, out of nowhere, comes a car out of control and hits him. He goes flying to the air and woke up in the hospital two weeks later, paralyzed. Then the doctor told him that he will be disabled for the rest of his life, thanks to the drunk driving the car.”

The above scenario is just an imaginative incident depicted in the winning entry by Sunshine Presas, a 10th Grade student of the Seventh Day Adventist (SDA) School, in the MISSA-sponsored essay writing contest in SDA. Her composition earned her a cash prize and a certificate of recognition presented to her during the 37th Year Anniversary of MISSA and the Republic’s 2nd Retirees’ Day held on July 1st. She was also requested to read her winning entry in front of the hundreds of retirees currently receiving benefits from MISSA.

The essay contest was the result of a prior initiative by SDA high school teacher Samuel Ngala, who invited MISSA representatives to discuss with his sophomore and junior students the benefit programs and implementing guidelines of MISSA. Although the discussion was short, the MISSA representatives have noted the enthusiasm of the students to learn about the benefits of social security. As these students will virtually find jobs or will become employers in just a few years, they would be joining the thousands of Marshallese and foreign workers and employers who are contributing to the social security re-



Sunshine Presas

tirement and health funds.

Below is the complete text of Sunshine’s winning entry:

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“A man named Alex is driving his nice new bike beside the road. He has 2 kids and a housewife. Both kids are in school. It is a typical Majuro Saturday night, a night of partying and drunk people. While he pedals on, suddenly, out of nowhere, comes a car out of control and hits him. He goes flying to the air and woke up in the hospital two weeks later, paralyzed. Then the doctor told him that he will be disabled for the rest of his life, thanks to the drunken people driving the car. What



Pictured above are Bill Joseph and Ave Gimao Jr. of MISSA, with SDA Teacher Samuel Ngala and some of the SDA students who attended the orientation about MISSA’s benefit programs.

(Continued on page 11)





# "Why is Social Security important?"

(Continued from page 10)

should he do? How will he support his family and non-working wife financially?

Well, he does not have to worry because the Marshall Islands Social Security Administration (MISSA) is there which has a benefit program for Alex and people like him. MISSA has disability benefits. This program help people like Alex who will be paralyzed for the rest of his life. The benefits will help him and his family financially.

But disability benefits are not the only benefits that MISSA has. There are also retirement benefits. This program helps those people in the community who need to retire because they are too old to work. This program helps the Marshallese community a lot because some of the kids of the retirees still depend on them and so, in order to help support these kids financially, they need money. And of course, they are too old to work. So, getting some retirement benefits is always a good thing.

When the parents die, the kids get the retiree benefits to support them. This is called the survivor benefits. This program helps the closest family of the retiree who died. The life span of a typical Marshallese is about 50 to 60 years old. So, I'm

sure this program is used a lot here in the Marshall Islands.

The last kind of benefit program they have is called the lump sum benefit. This is when you get all your social security money all at once. This is very helpful to those people in the community who are in debt. If you are an impatient person and you can't wait to get all those money, this is something good for you.

The people of the Marshall Islands need uplifting of their personal and economic life financially. And that is what MISSA is here for. Just as their mission statement says: "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."

Name	: Sunshine Presas
Age	: 15
Nationality	: Filipino
School	: SDA Delap, Majuro
Grade	: 10th
Title	: " The importance of Social Security for my family and community"

## Sports...

Two of MISSA's female employees and athletes, Angeline Balos and Laban Konelios, joined Majuro's famous women's softball team "Rough Riders" and played a weekend series with the Kwajalein Scrubs. The Rough Riders handily won all the three games.





# 2nd Quarter's financial, investment and tax highlights

## Financials

**R**etirement fund collections from April 1 to June 30, 2005 amounted to \$2.84 million, which is \$0.09 million or 3% higher than the collections from the same period last year.

Retirement, survivor, disability and lump sum benefits paid to more than 3,200 beneficiaries amounted to \$2.69 million, reflecting an increase of \$0.21 million or 9% from the same period last year.

On the other hand, administrative expenses for the same quarter totaled \$0.18 million, or only 7.0% of the total revenues. By law, MISSA may spend as much as 20% of the estimated tax revenues and other income from investments for the year, for administrative expenses.

As a result of effective cash management, a cash surplus of \$1.2 million accumulated in the last six months, was injected to the retirement trust fund.

MISSA's fiscal year-to-date investment income totaled \$0.99 million, net of \$0.07 million management and broker's fees. Further, interest income from current accounts, TCDs and other fees amounted to \$.12 million, which is 18% or \$0.019 million higher than that of the same period last year.

## Investments

In his investment report as of June 30, 2005, Frank Armstrong of Investor Solutions, Inc., MISSA's Investment Advisor, highlighted the following:

- Investment gain for the first quarter of 2005 was \$0.70 million, reflecting a net Internal Rate of Return (IRR) of 1.78%. This was higher than the global equity benchmark of 1.56%.
- The total market value of MISSA's offshore in-

vestments amounted to \$40.1 million, showing a total investment gain of \$13.4 million or 18.11% net annual IRR since MISSA hired its current investment advisor and custodian in late 2002.

- \$3.8 million worth of Time Certificates of Deposit is being held at BOMI.
- Management and brokerage fees charged by the investment advisor and custodian amounted to \$24,436 only.

## Tax Compliance

To-date, a total of 71 delinquent employers have voluntarily entered into more affordable payment arrangements with MISSA which resulted in a total notes receivables of \$3.3 million as of June 30, 2005. However, only 20 employers or 28% were up-to-date in their monthly payments and remained current in their quarterly remittances.

There was a total of 39 delinquency cases referred to the Legal Counsel and 24 of these, with an aggregate amount of \$2.75 million, have court judgments already been made in favor of MISSA. However, a significant number of them failed to pay on time and remain current. To counteract, MISSA obtained court judgment to have some of these employers put under receivership. To those receiving rental income, the Legal Counsel was also able to have them assign the rent to MISSA.

Total employers who have registered with MISSA to-date reached 2,079. However, 1,280 or 62% have either closed permanently or have no business activity for the last calendar year.

A total of 109 new businesses have applied for Employer Identification Number (EIN) in the second quarter. These bring a total of 709 active employers to-date.