
A SENATE BILL FOR AN ACT

To establish a minimum wage for workers in the private sector in the State of Chuuk, and for other purposes.

Be it enacted by the Chuuk State Legislature:

1 **Section 1. Title.** This Act shall be known as the “Chuuk State Minimum Wage Act
2 of 2025.”

3 **Section 2. Legislative Findings.** The Legislature finds and declares that a sufficient
4 wage is essential for workers in the State of Chuuk to earn enough money to support their
5 families and maintain a fair and reasonable standard of living.

6 **Section 3. Definition.** As used in this Act, the following terms shall be given the
7 meanings to them herein:

8 (1) “Chief” means the Chief of the Chuuk State Division of Commerce and
9 Industry;

10 (2) “Division” means the Chuuk State Division of Commerce and Industry;

11 (3) “Employee” means to engage in one’s service; to hire; to use as an agent or
12 substitute in transacting business; to commission and entrust with the
13 performance of certain acts or functions or with the management of one’s
14 affairs; and, when used in respect to a servant or hired laborer, the term is
15 equivalent to hiring, which implies as request and a contract for compensation;

16 (4) “Employee” means a person in the service of another under any contract of
17 hire, express or implied, oral or written, where the employer has the power or
18 right to control and direct the employee in the material details of work
19 performance, but shall not include:

20 (a) an immediate family member employed by the employer; or

21 (b) a seaman; or

22 (c) a nonprofit school employee during the time such individual is a
23 student attending such school.

1 (5) "Employer" means one who hires the service of others, or one for whom
2 employees work and who pays the wages or salaries, and such term shall
3 include an individual, partnership, association, corporation, business trust,
4 limited liability company, joint venture, legal representative or any organized
5 group of persons acting directly or indirectly in the interest of an employer in
6 relation to an employee.

7 (6) "Industry" means a trade, business, industry or branch thereof, or group of
8 industries in which individuals are employed.

9 (7) "Skilled employee" means any local worker who has practical and familiar
10 knowledge of the principles and processes of an art, science, or trade,
11 combined with the ability to apply them in practice in a proper and approved
12 manner and with readiness and dexterity.

13 (8) "Tipped employee" means any local employee in an occupation in which
14 the employee customarily and regularly receives more than \$20 per month in
15 tips.

16 (9) "Unskilled employee" means any local employee not having or requiring any
17 special skill, training or experience.

18 (10) "Salaries" means reward or recompense for services performed a fixed
19 periodical compensation paid for services rendered. It is in a form of legal
20 tender of the United States of America or checks on banks convertible into
21 cash on demand at a full face value thereof and, in addition thereto, the
22 reasonable cost as determined by the office, to the employer for furnishing un
23 employee with board, lodging or other facilities, if such board, lodging or
24 other facilities are customarily furnished by such employer to the employees.

25 (11) "Wage" means a compensation given to a hired person for his/her service;
26 compensation of employees based on time worked or output of production;
27 every form or remuneration payable for a given period to an individual for
28 personal services, including salaries, commissions, vacation pay, dismissal
29 wages, bonuses, and reasonable value of board, rent, housing, lodging,
30 payments in kind, tips, and any other similar advantage received from the
31 individual's employer or directly with respect to work for the employer.

1 (12) "Week" or "work-week" means a fixed and regularly recurring period of
2 seven consecutive days.

3 **Section 4. Minimum Wage.** Every employer shall pay to each employee of that
4 employer wages not less than \$1.35 per hour of work. Employees paid by salary shall be paid
5 an amount that is not less than \$1.35 per hour of time the salaried employee actually worked,
6 whether such salaried employee's time is logged or not. The hourly wage of a tipped
7 employee may be deemed to be the combination of regular wages and tips received by the
8 employee; provided that, an employer may not pay wages to a tipped employee less than
9 twenty cents below the minimum wage established by this Act or any subsequent
10 amendments to the minimum wage, and the combined total of wages and tips shall be at least
11 equal to the minimum wage.

12 **Section 5. Wage Discrimination Prohibited.** No employer shall discriminate in any
13 manner with regard to the payment of wages as between person of different races, religions,
14 or gender; provided that nothing contained in this Act shall prohibit a variation of rates of
15 pay for employees engaged in the same classification of work based on a difference in
16 seniority, length of service, substantial difference in duties pr services performed, or a
17 difference in shifts, time of day worked, or hours of work.

18 **Section 6. No Waivers Permitted.** No provision of this Act may be contravened,
19 waived, or set aside by private agreement. No employee shall be permitted to waive his or
20 her rights under this Act, and any such waiver shall be null and void.

21 **Section 7. Duties of Administration and Recordkeeping.**

22 (1) The Chief shall have responsibility to administer and enforce this Act.

23 (2) Every employer shall keep in or about the premises wherein any employee is
24 employed a record of the name, address, and occupation of each of its employees.
25 Such records shall also include the amount paid each pay period to each
26 employee, hours worked, applicable rate of pay, and such other and further
27 information as the Chief may prescribe by regulation. An employer shall keep
28 and maintain such records for not less than two years after the conclusion of the
29 fiscal year in which the records were created, and for such longer periods of time
30 as the Chief may prescribe by regulation. Employers that employ workers in more

1 than one location shall not be required to keep such records in more than one
2 location in which any employee is employed.

3 (3) The Chief or the Chief's authorized representative shall have access to and the
4 right to copy such records, and shall be entitled to examine such records at
5 reasonable times and places. Upon request by the Chief or the Chief's authorized
6 representative, an employer shall cooperate with an examination of the records
7 and provide such additional information relating to the employment of workers
8 as is requested and as the Chief may prescribed.

9 (4) Every employer shall post and keep posted notices pertaining to the application of
10 the law as shall be prescribed by the Chief. Such notice shall be posted in
11 conspicuous places in each establishment where an employee of that employer is
12 employed, with the intent of this section being to provide all workers an
13 opportunity to read such notices on the way to and from their workplace.

14 (5) Whenever an employee is paid, the employer shall furnish to the employee a
15 legibly printed, typewritten, or handwritten notice showing the employee's:

- 16 (a) total hours worked;
- 17 (b) straight-time hours;
- 18 (c) other compensation;
- 19 (d) total gross compensation;
- 20 (e) amount and purpose of each deduction from gross compensation;
- 21 (f) total net compensation;
- 22 (g) date of payment; and
- 23 (h) pay period covered by the payment.

24 (6) The Chief shall cause this Act to be printed, and copies thereof shall be furnished
25 to interested persons upon request without charge.

26 (7) Every employer shall permit the Chief or the Chief's authorized representative to
27 confer with and interrogate any employee of the employer at the place of
28 employment and during working hours with respect to any matter cognizable
29 under this Act.

30 **Section 8. Willful Violations; Penalty.** Any employer that willfully hinders or
31 delays the Chief or the Chief's authorized representative in the performance of duties under

1 or enforcement of this Act, or that willfully refuses to allow the Chief or the Chief's
2 representative access to a place of employment or records kept therein, or to provide
3 information requested by the Chief or the Chief's representative under section 8(2) of this
4 Act when such information is within the possession of the employer, shall be guilty of a
5 violation of this Act. Any person or business entity found guilty of a violation of this Act
6 shall, upon conviction, be fined not less than \$500, or imprisoned for a term of not less than
7 30 days, or both such fine and imprisonment.

8 **Section 9. Disclosure of Information.** Information obtained by any official of the
9 government as a result of examinations, interrogations, or requests for information under this
10 Act shall be held confidential and shall not be disclosed for any purpose except for purposes
11 of administration and enforcement of this Act and any prosecutions thereunder.

12 **Section 10. Other Violations; Penalty.** A. The following acts shall constitute a
13 violation of this Act:

- 14 (1) Divulging information in violation of this Act;
- 15 (2) An employer that fails to keep records as required by this Act;
- 16 (3) An employer that fails to provide information to its employees at the time of
17 payment of wages or salaries as required by section 8 of this Act;
- 18 (4) Any employer, employer's agent, or officer of an employer corporation that
19 discharges or in any manner discriminates against any employee as a result of
20 that employee making a complaint to the employer, the Chief, or to any other
21 person or government agency that the employer has not paid wages in accordance
22 with this Act, or as a result of such employee testifying in proceedings against the
23 employer under this act; and
- 24 (5) Any employer that pays or agrees to pay employee compensation less than the
25 minimum wage.

26 (a) Any person or business entity that violates this Act by engaging in any of
27 the prohibited conduct listed above in this section shall, upon conviction,
28 be punished by a fine of not less than \$1,000, or by imprisonment of not
29 less than one year, or both such fine and imprisonment.

30 (b) In addition to the criminal penalties provided above, any employer that
31 violates section 4 of this Act shall be liable to the employee or employees

1 affected in an amount equal to triple the unpaid minimum wages or unpaid
2 compensation, and in the event that court proceedings are instituted to
3 collect such sums, a reasonable attorney's fee and costs of the action.

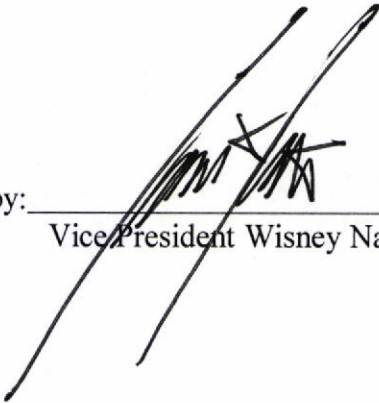
4 **Section 11. Collection Actions.** Actions to recover sums dues an employee for
5 unpaid minimum wages or overtime compensation may be maintained in any court of
6 competent jurisdiction by any one or more employees for and on behalf of themselves and
7 other employees similarly situated. The employee or employees may designate an agent or
8 representative to maintain the action for and on behalf of all employees similarly situated.
9 The court in such an action shall, in addition to any judgment awarded to the plaintiff or
10 plaintiffs, in the event the plaintiff prevails, award a reasonable attorney's fee to be paid by
11 the employer' defendant, and for costs of the action.

12 **Section 12. Enactment of Regulations.** The Chief shall have the power and
13 authority to promulgate rules and regulations for the administration and enforcement of this
14 Act, which shall be promulgated in accordance with the laws of the State of Chuuk. Such
15 rules and regulations shall have the force and effect of law, and any violations thereof shall
16 be punishable as violations of this Act.

17 **Section 13. Effective Date.** This Act shall become effective 12 months after approval
18 by the Governor or upon its becoming effective without such approval.

Date: 15 AUGUST 20

Introduced by: _____


Vice President Wisney Nakayama