

Annual Report 2020



PUBLIC SERVICE COMMISSION

January – December 2020

TABLE OF CONTENTS

I.	Introduction	2
	A. Mandate	2
	B. The Commission	2
	C. Organization	3
	D. 2020 in Brief	3
II.	The Public Service	4
	A. Size and Composition	4
	B. Personnel Cost and Trends	6
	C. Gender and Age in the Public Service	10
	D. Personnel Activities	12
	E. Training and Development Across the Public Service	13
	F. Performance Management and Workforce Development	14
	G. Government Leased Housing	17
	H. Group Life Insurance Program	18
III.	Challenges and Limitation	19
IV.	Way Forward	20
V.	Conclusions	21
VI.	Attachments	22
	A. PSC Instruction 2020/001	
	B. PSC Instruction 2020/002	
	C. PSC Instruction 2020/003	

I. INTRODUCTION

A. Mandate

In 1979, the Public Service Commission (PSC) came into existence upon the acceptance and approval of the Constitution of the Republic of the Marshall Islands (RMI). Article 7, Section 9 (1) of the Constitution of the Republic of the Marshall Islands, designates the Public Service Commission as the “employing authority for the Public Service and shall have the general oversight and control of its organization and management and shall be responsible for reviewing the efficiency and economy of all Departments and offices of the Government.”

The Public Service Act of 1979, which in part, empowers the Public Service Commission to adopt and enforce all regulations necessary to execute its powers and duties under the Constitution and granted to it by Act. The Act extends the responsibility of PSC to include training, government leased housing, and an optional group life insurance.

The Public Service Commission, vested by its authority, is responsible to the Cabinet, including the adoption and implementing of regulations and instructions for the workforce and workplace, standard operating procedures, and evaluation of work performance by public servants.

B. The Commission

The Public Service Commission consists of a Chairman and two other members. The members of the Commission make joint decisions in dispensing its mandated functions, as stipulated in the PSC Act of 1979. The PSC is responsible to the Cabinet for carrying out its duties and exercising its functions and powers. It is required to conduct efficiency and economy reviews of all the ministries, agencies, and offices of the government. An annual report is prepared by PSC to the Cabinet at the end of each calendar year on the state of the public service, on the works and activities carried out during that year.

C. Organization

The Office of the Public Service Commission is generally made up of two main division: 1) the Division of Administration and Housing; and 2) the Division of Personnel and Training. In addition to the general administrative functions and housing needs of public servants, the Division of Administration and Housing is responsible for the RMI Government Life Insurance Program, and the Human Resource Management Information System (HRMIS). The Division of Personnel and Training has the responsibility to oversee the management of personnel and recruitment, as well as all Government trainings needs. Managing of efficient and effective execution of policies, programs and services are all administered by the Division of Personnel.

D. The Year 2020 in Brief

This report is based on public service activities that happened during the calendar year 2020. Raw data and information were compiled by the Public Service Commission for the purpose of this report. It contains information on Government personnel under the purview of the Public Service Commission, budget costs, employee trainings, performance, housing, and the Government group term life insurance program.

While taking into account the COVID-19 pandemic that disrupted global processes around the world, this report also describes the productivity as well as the challenges that were met during the year.

Finally, as a way forward, recommendations are outlined in this report for the delivery of quality public services and programs for the benefit of the Republic of the Marshall Islands.

II. THE PUBLIC SERVICE

A. Size and Composition

During the year 2020, the Government spent approximately \$20M (\$20, 492,669.00) on personnel costs alone, for a workforce of 1,161 employees. This is, in fact, the first time the personnel cost of the RMI public service workforce has ever reached the \$20 million mark. Other than those specified under Personnel Cost, the other identified contributing factors for this noticeable jump are: (1) Contractual Retainment of the higher management posts; (2) Higher rates and incidences of Salary Increments; and (3) the higher frequency rates of recruitment and/or the employment placements of the BA holders. Table 1 shows that 44% of the workforce consisted of female employees, while 56% consisted of male. While there were a fewer number of female workers in the workforce, their average annual salaries (\$17,856) continue to be slightly higher than their male counterparts (\$17,491).

Table 1: Profile of the RMI Public Service for 2020

Table 1. Profile of the RMI Public Service for CY2020					
Category	Number	Percentage	Cost in Millions	Percentage	Ave. Cost Per
All Employees	1161	100%	\$20,492,669	100%	\$17,651
Female	508	44%	\$9,071,072	44%	\$17,856
Male	653	56%	\$11,421,597	56%	\$17,491
Retirees	121	10%	\$2,328,707	11%	\$19,246
Marshallese	1005	87%	\$16,467,797	80%	\$16,386
Expatriates	156	13%	\$4,024,872	20%	\$25,800

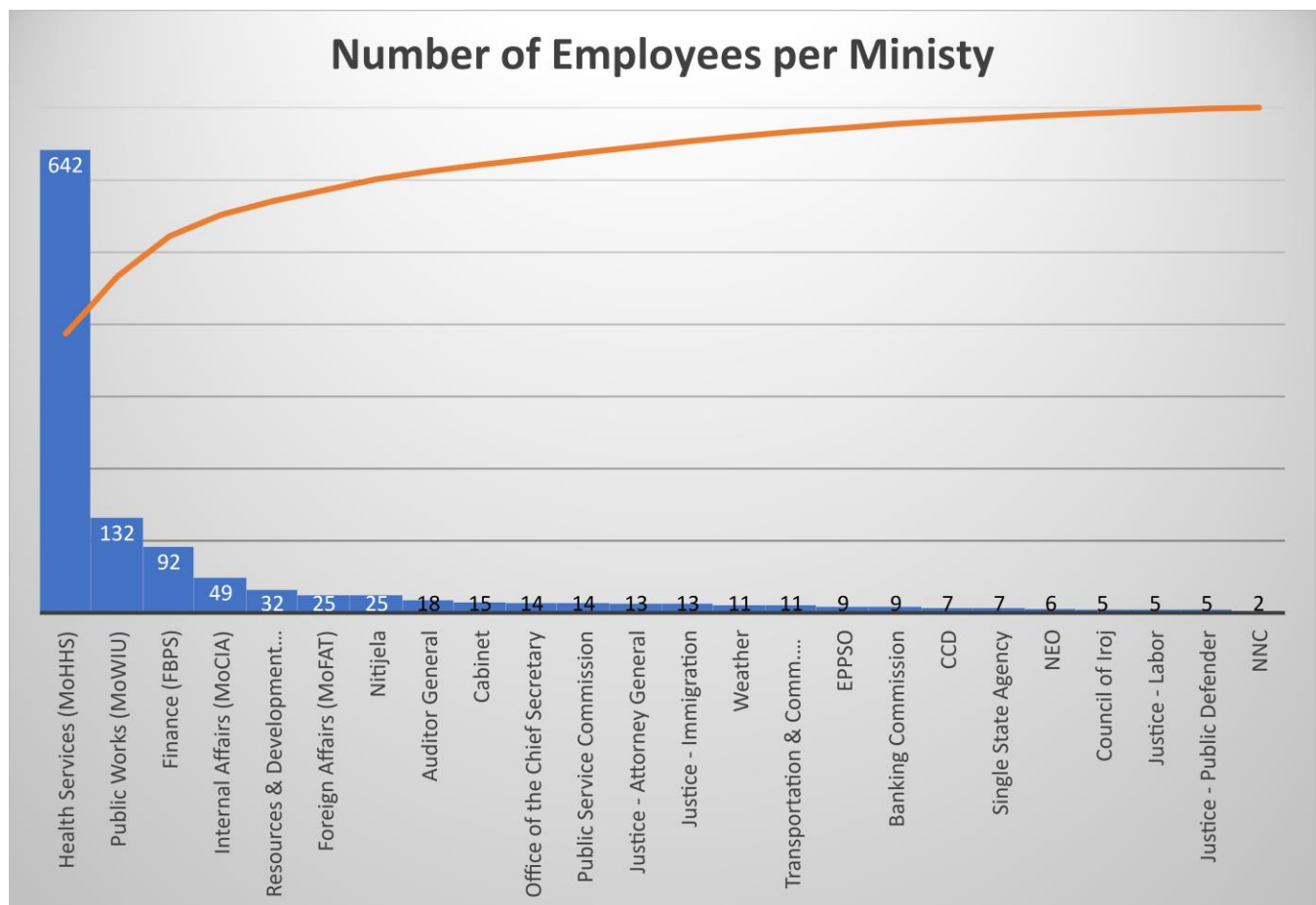
The table also shows that there were 121 retired employees in that year, with an average annual salary of \$19,246. There were 156 expatriate employees in the workforce, mostly from our Asia-Pacific neighbors, the Philippines and Fiji. Their average annual salary was \$25,800. The total number of Marshallese employees during this period was 1005, comprising 87% of the total

workforce, with an average salary spending of \$16,386. The size of the workforce increased in number by only 43 compared to 2019.

Table 2 shows the three Ministries with the highest number of employees: (i) the Ministry of Health and Human Services (MoHHS) with a total of 642 employees; (ii) the Ministry of Works, Infrastructure and Utilities (MoWIU) with a total of 132 employees; and (iii) the Ministry of Finance, Banking and Postal Services (MoFBPS) with a total of 92 employees.

There was a slight increase in the number of employees in 2019 from 596 workers to 642 in 2020. Most of the increase in recruitment occurred in the Ministry of Health and Human Services. This was primarily due to the increase in demand for more employees in the health sector to assist with the Dengue Fever outbreak and the COVID-19 pandemic.

Graph 1: Number of Employees Per Ministry for 2020



Also, of important to note in this report are the Offices with the least number of employees. The National Nuclear Commission had only 2 employees, while the Council of Iroij, the Division of Labor and the Public Defender office had 5 employees each during the year.

B. Personnel Cost

The Public Service personnel cost for CY 2020 (\$20,492,669) compared to CY 2019 (\$19,250,729) was increased by \$1,241,940.00. This increase is a result of establishment of new positions, salary increments, reclassifications, and promotions to higher positions within the public service. The sources of funding for employees derive mostly from the General Fund.

Perhaps the most obvious reason for the increase in personnel cost was the need for more employees and the overtime excess hours associated with this need – the COVID-19 Pandemic. During the year, the Public Service Commission issued out three Instructions in response to the the State of National Emergency associated with the COVID-19 Pandemic. The three Instructions were:

- PSC Instruction 2020/1 (Attachment 1) on State of Emergency Overtime Working Hours:
 - (i) Allowed concerned Ministries/Agencies to expedite the hiring of needed personnel;
 - (ii) established the guidelines for the payment of employees' over time hours.
- PSC Instruction 2020/02 (Attachment 2) on Differentials in which the Hazardous Pay Differentials (HPD) was deemed necessary to add along with the Night Differentials (ND), Stand by Differentials (SD), and the Ebeye Differentials (ED)
- PSC Instruction 2020/03 (Attachment 3) on Hazardous Pay Differentials (HPD): A form of extra compensation given to employees for performing dangerous and life-threatening duties. It will only be given to workers whose jobs involved exposure to extreme distressful conditions (COVID-19 and other similar pandemics). A guideline of Percentage Rates for HPD was authorized and applied to frontline employees on the roster of a particular day or week.

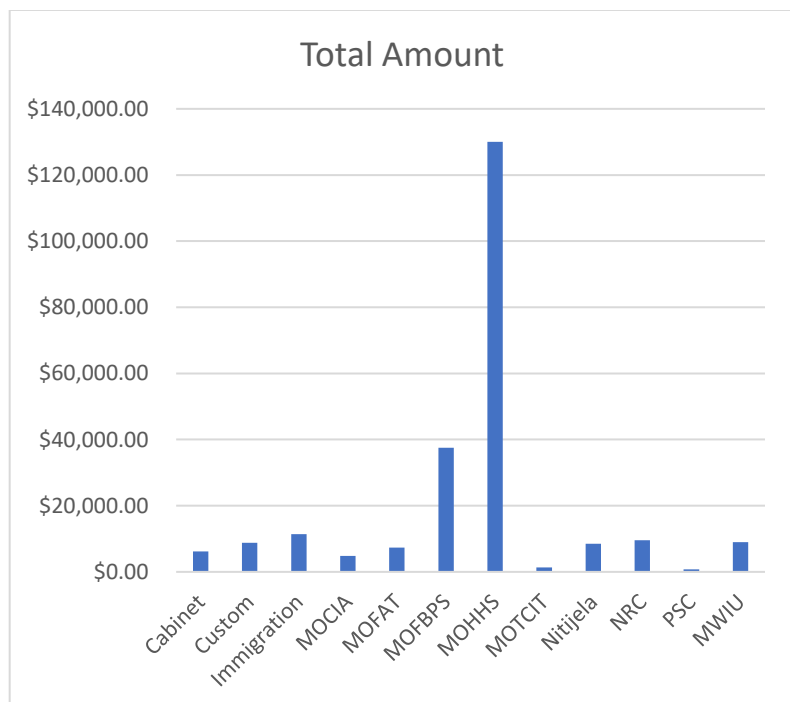
The general language of Instruction 2020/1 led to un-monitored over time hours, which unfortunately was overused and out of control by almost every Ministry. To help monitor the unfortunate situation, respective Ministries/Agencies were required to send their employees over time hours for further review and approval by the Commission.

The information on Table 2 (also in graph form on Table 2) shows that during the year 2020, the total amount spent on overtime hours was at \$235,209.56. The Ministry of Health and Human Services total overtime hours amounted to \$1297483.12 during the year. Since the COVID-19 pandemic, MOHHS and other key Ministries and Agencies needed to establish preparatory measures. Since the COVID-19 was a new virus, necessary meetings and exercises were essential for leaders as well as “front line” workers to know their roles and responsibilities during COVID-19. This turned into an unfortunate situation where overtime hours were unmonitored. Therefore, Ministries/Agencies were required to send their employees over time hours for further review and approval by the Commission. This situation is under a keen watchful eye of the Commission.

Table 2: Total Amount Spent on Overtime by Ministry/Agency

Ministry/Agency	Total Amount
Cabinet	\$6,147.80
Custom	\$8,803.97
Immigration	\$11,400.00
MOCIA	\$4,859.21
MOFAT	\$7,357.11
MOFBPS	\$37,530.15
MOHHS	\$130,038.45
MOTCIT	\$1,299.13
Nitijela	\$8,485.55
NRC	\$9,522.08
PSC	\$783.88
MWIU	\$8,982.23
TOTAL	\$235,209.56

Graph 2: Total Amount in Dollars Spent on Overtime Hours by Ministry/Agency



According to reference from the Ministry of Finance, Banking and Postal Services, during FY 2019, about \$120,000.00 was spend on overtime from the General Fund alone, compared to FY 2020 where it almost tripled to about \$350,000.00

With regards to personnel costs by Nationality, the figures below in Table 6 illustrates the number of employees within the Public Service by Nationality (i.e. Marshallese and Expatriates by cost). For the year 2020, there was a total of 156 expatriates in the workforce. There was a slight increase of 17 expatriates this year compared to last year, and about twenty percent (20%) of the overall salary was spent on expatriates during CY 2020. The total cost in dollar was \$4,024,872.00, compared to the year before which was \$3,756,760.00. The rise in the size of the expatriates was mostly brought on by the frequent recruitment of qualified personnel (nurses and other medical specialists) in responding to the COVID-19 responsive strategies of the government.

Although the idea to train capable Marshallese to fill in vacant posts continue to be observed, there is still a need for expatriates to do specialized work. During the year, we saw an increase in costs spend on expatriates, as the Government continued hiring expatriates into the workforce. As mentioned in the 2019 annual report, there continues to be a lack of expertise on certain specialized areas such as doctors, engineers, accountants, lawyers, and nurses. During the year, more medical specialists were hired in the wake of the COVID-19 pandemic and the ongoing Dengue Fever outbreak. Another reason for the increase in cost for expatriates was the need to cover salary increments.

We have also seen progress over the years. There is an emerging of well-trained Marshallese securing specialized positions, mostly in the health and legal sectors.

Table 3: 2020 National Government Employees under the purview of PSC by Nationality

	2020					
	Marshallese		Expatriates			
	# of Emps	Ttl Amount	# of Emps	Ttl Amount	Ttl Emps	Ttl Amount
Auditor General	18	464,000			18	464,000
Cabinet	15	305,645			15	305,645
NNC	2	61,000			2	61,000
Office of the Chief Secretary	13	376,940	1	24,000	14	400,940
EPPSO	9	195,940			9	195,940
CCD	6	152,025	1	30,000	7	182,025
NEO	6	148,025			6	148,025
Weather	11	316,970			11	316,970
Council of Iroj	5	105,075			5	105,075
Finance (FBPS)	92	1,701,880			92	1,701,880
Banking Commission	8	196,000	1	31,000	9	227,000
Single State Agency	7	116,205			7	116,205
Foreign Affairs (MoFAT)	24	578,965	1	24,000	25	602,965
Health Services (MoHHS)	499	7,239,862	143	3,538,872	642	10,778,734
Internal Affairs (MoCIA)	49	767,080			49	767,080
Justice - Attorney General	11	335,925	2	125,000	13	460,925
Justice - Immigration	13	160,660			13	160,660
Justice - Labor	5	94,115			5	94,115
Justice - Public Defender	3	61,025	2	85,000	5	146,025
Nitijela	25	405,700			25	405,700
Public Service Commission	14	310,320			14	310,320
Public Works (MoWIU)	127	1,656,015	5	167,000	132	1,823,015
Resources & Development (NRC)	32	501,490			32	501,490
Transportation & Comm. (TC&IT)	11	216,935			11	216,935
	1,005	16,467,797	156	4,024,872	1,161	20,492,669

Table 3 also shows that the majority of the Marshallese workforce was employed at the Ministry of Health and Human Services (499). During that year, the Public Service had a total of 156 expatriate employees, where 143 of these expatriates worked with MoHHS. Of the total of 1,005 Marshallese employees, almost half (475) were employed with MoHHS. The remaining thirteen (13) expatriates worked with Ministry of Works, Infrastructure and Utility (5 expatriates), Public Defender (2), Attorney General (2), Banking Commission (1), Ministry of Foreign Affairs and Trade (1), Climate Change Directorate (1), and Office of the Chief Secretary (1).

As mentioned before, there is a gradual trend in Marshallese returning home with completed degrees on specialized fields. During 2020, one Marshallese student successfully completed her degree in law from Australia, and she came home and worked with Attorney General's Office as an Assistant Attorney General. Also, during the year, one employee went on a two-year educational leave to complete his Masters in Law. Arrangements were put in place, such as the

bonding-agreement between PSC and the employee. These arrangements will increase the number of qualified Marshallese workers within the Public Service. Not only will this process help lift the reliance on expatriates, but this will also reduce costs associated with salary, repatriation, housing, and other employment privileges and entitlements.

C. Gender and Age in the Public Service

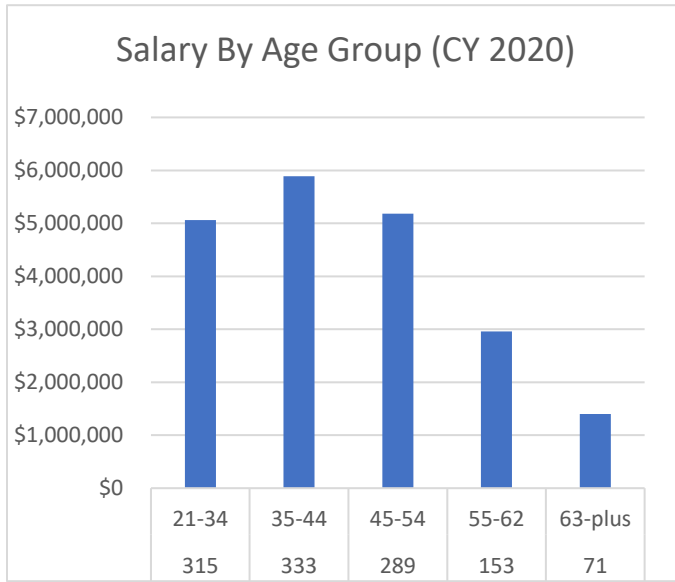
Gender is a silent issue when it comes to the workplace, especially here in the Marshall Islands. Males continue to lead the workforce in number. During the year 2020, the total number of males in the workforce was 653, while their female counterparts was 508 – the gap of 145 between male and female in the workforce has been more or less stagnant over the years. While this may be the case, the year has seen a growth of women in mid to senior level positions. This has led to an increase in the total cost of gains for female employees. During the year 2020, 508 females were employed, while 478 were employed in 2019. Although this showed a slight increase of 47 more females, the salary costs for female employees increased by an astonishing \$803,485 between calendar year 2019 and 2020.

Table 4: Age Group by Salary CY 2020

The table on the right (Table 4) shows the different age categories within the Public Service during the calendar year 2020. The bulk of the total workforce consisted of 648 employees between the ages of 21-44, with a total salary cost of \$10,950,891. This is slightly more than half of what the Government is spending in total for the whole workforce.

Age Group	Number of Employees	Total Salary
21-34	315	\$5,061,642.00
35-44	333	\$5,889,249.00
45-54	289	\$5,182,060.00
55-62	153	\$2,961,465
63 plus	71	\$1,398,253.00
Total	1,161	\$20,492,669.00

Graph 3: Salary By Age Group (CY 2020)

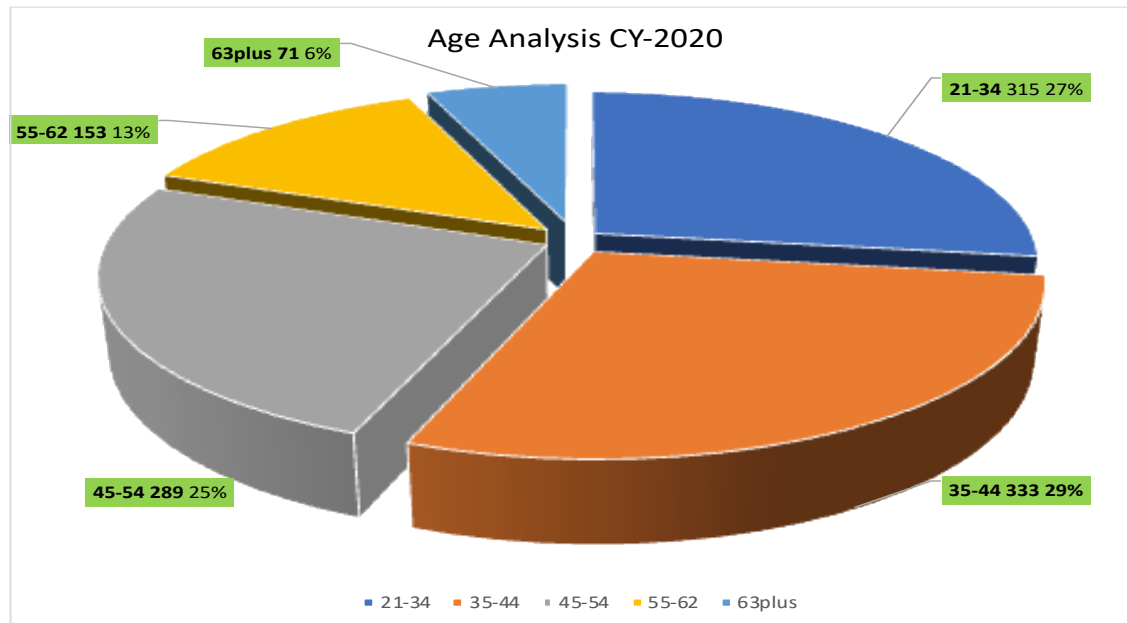


By looking at Graph 3, we can see the obvious outcome, the more employees in an age group, the more spending on personnel cost, and the lesser number of employees in an age group, the less spending on personnel costs.

Graph 4 also shows that 71 employees or 6% of the workforce reached the retirement age. The highest number of the workforce, 333 or 27%, belonged to the

age group between the ages of 35-44. There were 315 employees or 25% of the workforce belonged to the age group between the ages 21-34. As mentioned before, we are seeing a number of young and eager graduates returning home looking for employment, while at the same time, job opportunities become available as employees reach retirement age.

Graph 4: Age Group by Percentage in the Public Sector (CY 2020)

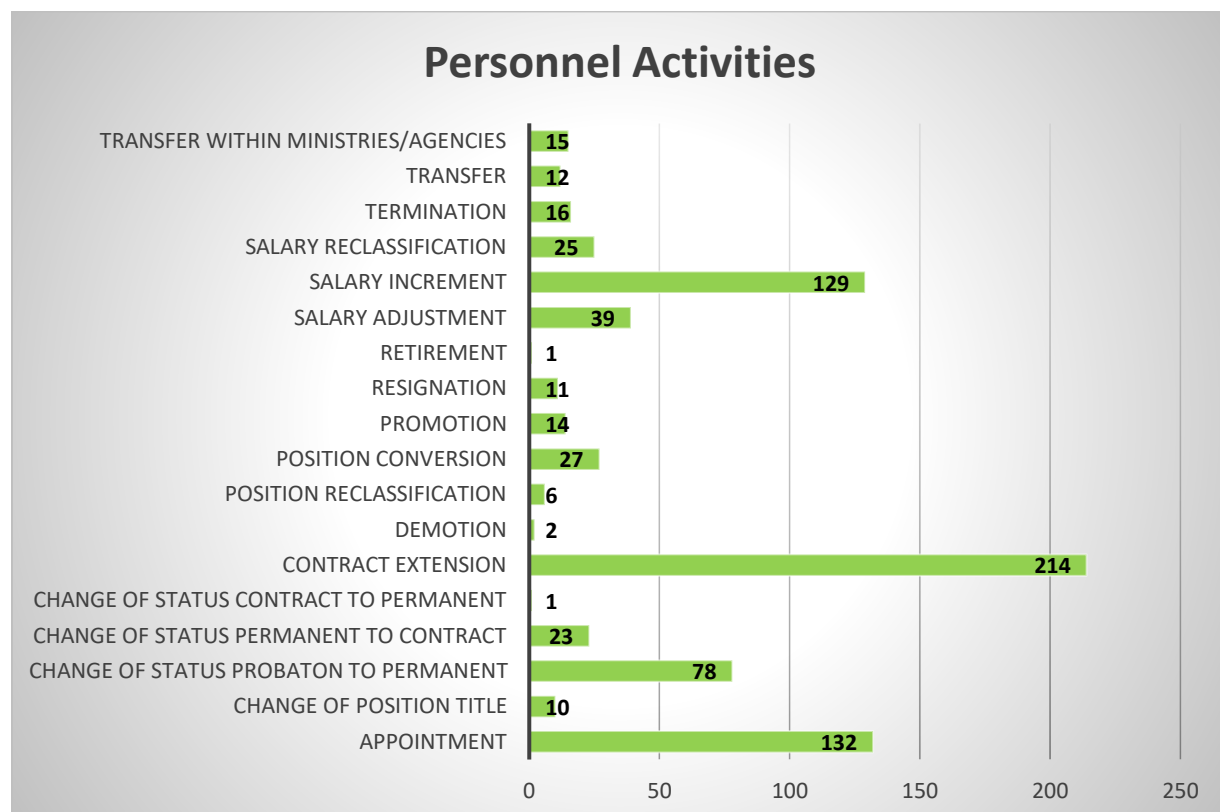


The numbers on the table shows that the majority of the workforce, or 29%, is representative of the ages ranging from 35-44 years old. Then the trend goes downward to 27% (age group of 21-34 years old), next is 25% of the workforce (age group of 45-54 years old), then 13% of the workforce (age group of 55-62), and finally only 6% (belonging to the age group of 63 years old and above).

D. Personnel Activities

The numbers on Graph 5 show the number of personnel activities over the year. As shown on the data below, there was a total of 755 approved action items. Compared to 2019, only 149 action items were approved by the Commission. The big difference between the two years is due mainly to the growth in the public service sector, as well as changing social, economic and environmental landscape due primarily to the COVID-19 pandemic.

Graph 5: Personnel Activities CY 2020



During the year, the Commission approved 214 contract extensions, 132 appointments, 129 salary increments, and 78 status change from probation to permanent. Also, during the year, there was only 1 retirement, 1 status change from contract to permanent, 2 demotions, 14 promotions, 11 resignations, and 16 terminations.

E. Training and Development Across the Public Service

The Public Service Commission induction program has long been an integral part of the hiring process. The purpose of the induction program is for the employee, especially new to the Government workforce, to be fully oriented on the Public Service Commission Rules and Regulations, Code of Conduct/Ethics and Values for personal safety and guidance.

Aside from PSC's induction sessions that are held almost quarterly, PSC also has the responsibility to offer trainings to employees to improve certain skills and knowledge on areas where needed.

During 2020, a training was provided by Ergonosys on "Corporate Governance and Enterprise Risk Management." This training took place via web meeting due to travel restrictions from COVID-19. Two other trainings were scheduled for the year from the College of the Marshall Islands and Ken Knowledge, but were both cancelled due to budget constraints.

A total of four inductions were held during the year (April, May, August and December).

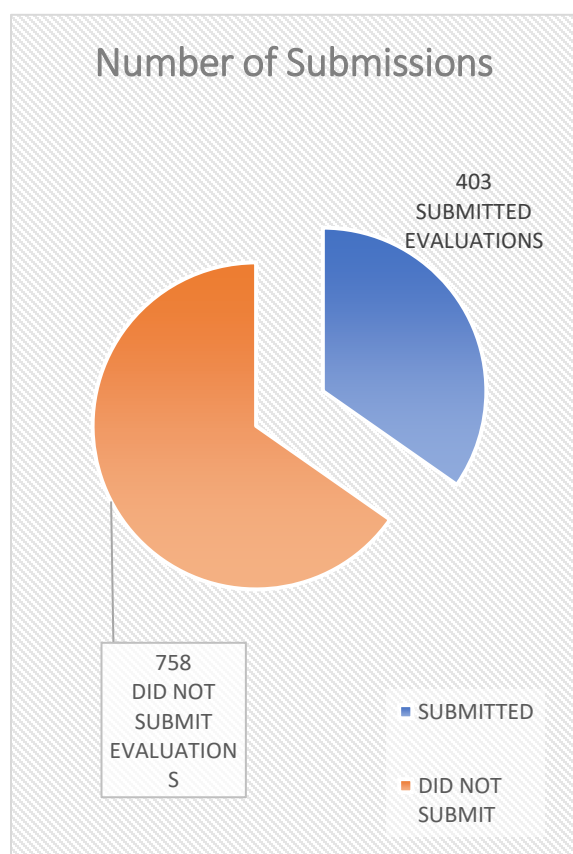
Over the course of the years since its launch in 2017, the Human Resource Management Information System, HRMIS, has played a key role in the management of the human resource within the Public Service. The rollout of this system to Ministries and Agencies under the purview of PSC had some challenges, mainly due to employees' unfamiliarity with the use of modern technology. However, the HRMIS is an efficient and effective tool because we have seen more information is stored, shared and delivered across on timely basis. Therefore, continued training on the use of the HRMIS is available and necessary.



(Photo: Key participants from Ministries and Agencies training on the HRMIS system, PSC Training Room, 2020)

F. Performance Management and Workforce Development

Graph 6: Number of Submissions



During the FY 2019, there were (24) line Ministries and Agencies under the purview of the Public Service Commission, with a total number of 1,161 public service employees, whom were required to submit performance evaluations and self-appraisals. Of the 1,161 total workforce, only 403 (or 33%) of performance evaluations were submitted, and 758 (or 67%) of performance evaluations failed to submit to the Public Service Commission (Graph 6). As stipulated under PSC Regulations, 2008, each Head of Department shall furnish the Commission with performance evaluations of each employee, and shall be carried out at least once a year – clearly portrays this important element to the effectiveness and efficiency of the Public Service. However, with

67% of the workforce not being evaluated, such has raised alarming concern which must be dealt with immediately.

Having submitted performance evaluations for their employees, an analysis was done on each Ministries/Agencies on its overall performance rating (see Table 5); a rate that although can be partial, shows how well the Ministry/Agency has performed. For accuracy purposes, these numbers were collected and entered into an Excel database where they were computerized, and yielded an average performance score. This overall score is an appraisal of the quality of performance by each Ministry/Agency throughout the year assessed. Table 6 shows the performance rating and score of each grade.

Of the 24 Ministries and Agencies, only four Ministries/Agencies did not submit their employee performance evaluations on or after the deadline. Below are the names of the Ministries/Agencies who were non-compliant with zero (0) submission:
Council of Iroij, Attorney General's Office, Nitijela, and Ministry of Finance, Banking & Postal Services.

Table 5: Ministry/Agency Overall Performance Rating

Ministry/Agency	Overall Performance Rating	Ministry/Agency	Overall Performance Rating
Council of Iroij	-	Chief Secretary	3.60
EPPSO	3.60	WIU	3.50
MOFBPS	-	Auditor General	3.80
MONRC	3.70	Cabinet	3.64
MOFAT	4.11	MOTC&IT	3.62
Nitijela	-	CCD	3.80
MOCIA	3.84	PSC	3.33
MOHHS	3.80	Public Defender	3.90
Attorney General	-	NNC	3.51
		NEO	4.42

The Graph 6 depicts the 403 submitted performance evaluations (or 33%), which demonstrates the following:

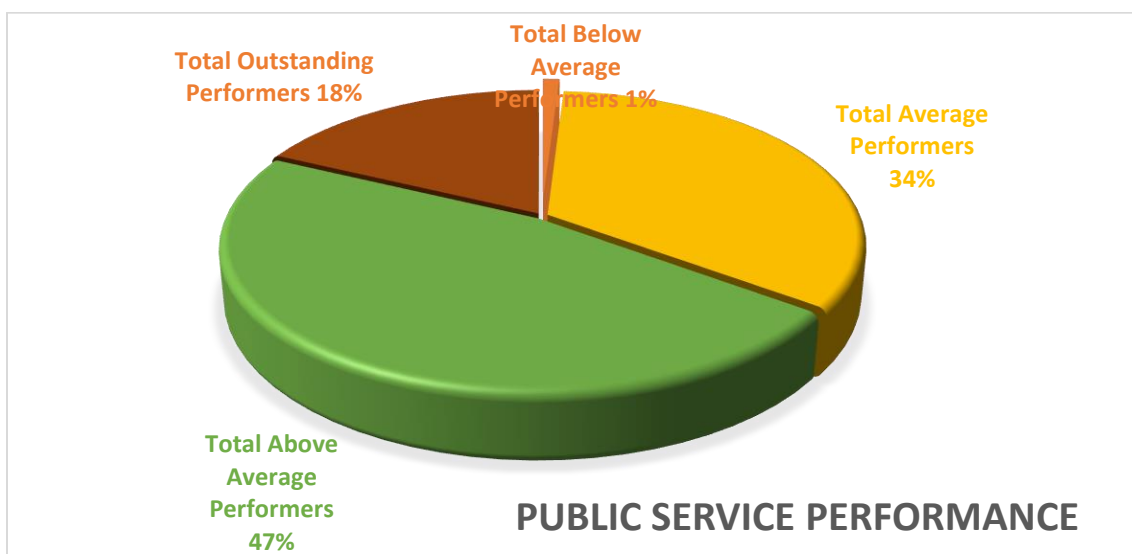
- No one received an “unsatisfactory” rating
- Only 1% received “Below Average” rating
- About 34% received “Average” rating
- About 47% received “Above Average” rating
- About 18% received “Outstanding” rating

Overall, based on the submitted performance evaluations, over 95% of the workforce under the purview of PSC had maintained an exceptionally satisfactory rating status during the reported period.

Table 6: Performance Ratings

PERFORMANCE RATINGS	PERFORMANCE EVALUATIONS
0.08 – 1.49	UNSATISFACTORY
1.50 – 2.42	BELOW AVERAGE
2.50 – 3.33	AVERAGE
3.42 – 4.33	ABOVE AVERAGE
4.42 – 5.00	OUTSTANDING

Graph 7: Performance by Average Percentage in 2020



G. Government Lease Housing

One of the responsibilities of the Public Service Commission is to deliver contractual house lease to the expatriate workforce, and others as may be determined. The Ministry of Health and Human Services has the highest number of expatriates in the workforce. Table 7 shows that during the year 2020, the Government leased a total of 119 houses or apartments to house our expat counterparts. A total of seventy (70) houses/apartments were leased on Majuro, while forty-nine (49) houses were leased on Ebeye. Relatively the same number of rental units over the last two to three years.

Table 7: Leased Housing for MOHHS

MOHHS – HOUSING CONTRACTS	
Location	Number of Housing
Majuro	70
Ebeye	49
Total	119

Other than the Ministry of Health and Human Services, there were 22 houses that were leased for expats employed with other Ministries and Agencies. Table 8 shows that the Government leased two (2) apartments on Ebeye, and twenty (20) on Majuro.

Table 8: Leased Housing during Calendar Year 2020

OTHER MINISTRIES/AGENCIES – HOUSING CONTRACTS	
Location	Number of Housing
Majuro	20
Ebeye	2
Total	22

During the year, we have seen common problems associated with leased housing. For example, there are houses/apartments which are not up to standard as expected, and other times, tenants are too demanding for better accommodations. Rental payments are occasionally late which is

due primarily to the processing of the payment documents requiring immediate signatures necessary to secure and speed up rental payments.

H. Group Life Insurance

The Group Life Insurance for employees within the Public Service has always been an important element that is an option available for those who are interested. The Public Service Commission has a contract with the Individual Assurance Company, IAC.

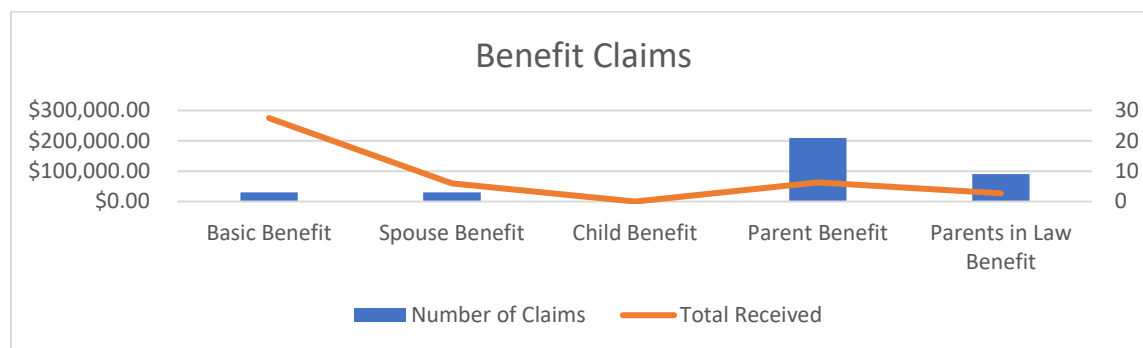
Type of claim	# of Claims	Total received
Basic Benefit	3	\$275,000.00
Spouse Benefit	3	\$60,000.00
Child Benefit	0	\$0.00
Parent Benefit	21	\$63,000.00
Parents in law Benefit	9	\$27,000.00
Total	36	\$425,000.00

Table 9: Benefit Claims Processed and Reviewed (CY 2020)

The GRMI's contract with IAC was expired at the end of October 2020, but a one-year extension was agreed upon which is scheduled to be renewed next

year, 10/30/21. The total amount of claim awarded during the year 2020 was \$425,000.00 (Table 9). Also, during the year, there were 5 new enrollees, 7 added benefits, 1 changed option, 1 changed beneficiary, 11 denied and 3 discontinued. This information is shown on the bar below (Graph 8).

Graph 8: Benefit Type and Amount Claimed during 2020



As depicted, the Basic Benefit had continued to generate much more as compared to other benefit options. One obvious contributing factor for such as to do with benefits of employees holding reasonably higher paying jobs, indicating also that the recently endorsed amendment to

triple up the benefit rate for the Basic Coverage has, in fact, produced dividends serving the interest of the insured clients.

III. CHALLENGES & LIMITATIONS

The Public Service Commission is still faced with the same challenges, but also new ones. These are the challenges:

- A. Limited resources, financial and manpower, for the Public Service to:
 - 1. Effectively carry out its mandates
 - 2. Realign itself to serve as the leading agency in the areas of human resource management and training across the Public Service
 - 3. Seek technical assistance from international donors;
- B. Limited capacity building across the border;
- C. The need to upgrade the current PSC remuneration and classification scheme
- D. Lack of workforce development plans;
- E. Lack of required skills, knowledge and experience among Marshallese especially in key areas of health, accounting, and engineering;
- F. Lack of serious attention and action by senior to mid-level managers in the performance evaluation process;
- G. Slow processing of personnel actions/contracts which is due mainly to the increase in the number of the required signatories, but also due to personnel actions being held by Ministries/Agencies mainly to satisfy internal controlling procedures.

With the ongoing COVID-19 Pandemic, we were faced with many new challenges during the year. These are the challenges associated with the current pandemic:

- A. Closed border which caused many employees on travel to be stuck for a long period of time in the United States;
- B. Exponential increase spending on overtime hours, including hazardous compensations;
- C. Travel restrictions due to closed borders hence no trainings or workshops were hosted.

IV. WAY FORWARD

As a way forward from these challenges and limitations that were met during the year 2020, the following are recommendations:

- A. Seek financial and technical assistance from international and regional donors in order to provide capacity building/trainings where needed.
- B. Update or improve the current Performance Evaluation Form.
- C. Develop Performance Management Framework/Guideline with a joint undertaking with the Ministry of Finance on the same capacity building initiative.
- D. Update the PSC Pay Scale.
- E. Revise PSC Regulation 2008.
- F. Public Service Reforms on Polices.
- G. Work on a Workforce Development Plan and the rolling out of such with the other Ministries/Agencies.
- H. Provide national HR trainings once or twice a year.
- I. Continue to review and revise the recruitment strategies to address the number of retired and expatriate employees within the system.
- J. Continue with developing the public service workforce (trainings, internship and educational leave).

V. CONCLUSION

The Public Service Commission is an independent body of the Government. The challenges over the year must be addressed sooner than later, in order to gain momentum. Although the COVID-19 pandemic caused many of the routine and normal processes to change, the workforce continues to grow, and we have seen the data show trends that follow over the years. In responding to the emerging challenges, a set of three Instructions associated with the ongoing COVID-19 Pandemic were issued by the Commission, including an endorsed Covid-19 Contingency Plan with guidelines and responsive strategies and remedial measures contained therein.

The data in this report shows that the Government workforce (under PSC purview) was at a total of 1,161 number of employees. This has resulted in a hefty package of a little over \$20M spent for personnel costs alone.

The Public Service Commission has actually, throughout the year, started to work on most of the recommendations with the assistance from the Pacific Public Service Commission and the World Bank. These strategic undertakings will entail civil service reforms, updating the pay scale structure, revising the PSC regulations, develop performance management guidelines, and develop Leadership Training and Reward and Sanction frameworks altogether as well.

Though recognizing that challenges are as essential developmental tools as much as the recommendations are, we should also note the Republic's slowly and maturely growing economy. In conclusion, in order to learn and put in place policies and procedures to have an efficient and effective Public Service, the need to join force with a high level of collaboration will no doubt serve greater good and maximize the benefit serving the national interest with long lasting impacts.

ATTACHMENTS

1. PSC Instruction 2020/001
2. PSC Instruction 2020/002
3. PSC Instruction 2020/003



Republic of the Marshall Islands
Office of the Public Service Commission

PO Box 90 ~ Majuro, MH 96960 ~ Marshall Islands
Phone: 692.625.8298/8498 ~ Fax: 692.625.3382 ~ Website: pscrmi.net

March 6, 2020

PUBLIC SERVICE INSTRUCTION 2020/01

STATE OF EMERGENCY OVERTIME WORKING HOURS

By virtue of the statutory functions and powers vested under the Constitution, Article VII, Section 9, and the Public Service Regulation, the Commission hereby issue **Instruction 2020/01 “State of Emergency”**. This Instruction put forth into effect shall read as follows:

This instruction is designed to ensure of PSC guidelines for the accommodation and be readily responding to process overtime working hours occurred during emergency. This includes disaster and Health emergencies, and/or **declared State of Emergency only**, and such imminent event that affects or threatens the health, safety or welfare of the people, property and infrastructure.

1. PSC Regulation 26: (1)(2)(3). Emergency Appointment:

- (1) When a disaster has occurred, or is about to occur, ministries needing additional staff to deal with the state of emergency will inform the Commission of their requirements;*
- (2) the Commission will direct other ministries to release suitable employees to affected ministries, and arrangements will be made, with the approval of Cabinet to recruit additional staff from outside the service for the period of emergency,*
- (3) such emergency appointments will terminate when the condition ceases to exist, and will be phased out as needs diminish.*

2. Personnel Compensation:

Notwithstanding **Instruction No. 2017/005**, public service employees who are involved and/or providing public services during the duration of the declared ***State of Emergency*** shall be compensated under the following terms and conditions and in the manner as prescribed:

1. Employees required to worked 80 working hours shall be compensated at their based rate only.
2. Overtime hours in excess of 80 working hours shall be compensated at time and one-half (1.5), excess hours not to exceed 64 hours per pay period, or 32 earned overtime hours per week.
3. Employees who are asked by their supervisors to work on weekends (Saturday and/or Sunday) and/or on holidays shall be compensated at double time (2x) their based rate.

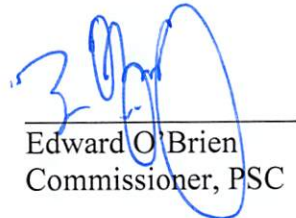
4. The Overtime requirements as prescribed in **Instruction 2017/005** shall be deemed adhered and enforced accordingly.

This Public Service Instruction 2020/01 shall take effect immediately and shall be the prevailing norm. All Ministries and Agencies of government are to ensure that the prescribed instruction be observed as stipulated above.



Kenneth Anitok
Chairman, PSC

Justina R. Langidrik
Commissioner, PSC



Edward O'Brien
Commissioner, PSC



Republic of the Marshall Islands
Office of the Public Service Commission

PO Box 90 ~ Majuro, MH 96960 ~ Marshall Islands
Phone: 692.625.8298/8498 ~ Fax: 692.625.3382 ~ Webpage: www.pscrmj.net

March 23, 2020

PUBLIC SERVICE INSTRUCTION 2020/02

DIFFERENTIALS

By virtue of the statutory functions and powers vested under the Constitution, Article VII, Section 9, and the Public Service Regulation, the Commission hereby issue **Instruction 2020/02 "Differentials"**. This Instruction put forth into effect shall read as follows:

Night Differentials (ND)

The 15% night differential is authorized and given to employees that are required to work night shifts. The night differential only applies when an employee is placed and actually works night shifts. If an employee is not placed and does not work night shifts, the night differential shall not apply.

Standby Differentials (SD)

The 20% standby differential shall apply only to those employees that are listed on a standby roster for a particular day or week. The standby roster must have been prepared by a controlling officer and approved by the head of a ministry. The roster must be attached to the timesheet submitted to the Payroll Division, Ministry of Finance. Any employee that is not listed on a standby roster for a particular day or week shall not receive the 20% standby differential.

Ebeye Differentials (ED)

The 20% Ebeye differential shall apply only to: (a) citizens of the Republic of the Marshall Islands; (b) citizens of Palau and the Federated States of Micronesia, as approved by the Commission.

Contracted expatriates shall not be entitled to this differential.

Hazardous Pay Differentials (HPD)

Hazardous pay is a form of extra compensation given to employees for performing dangerous duties. It will only be given to workers whose jobs involve exposure to extreme distressful conditions, (COVID-19 and other similar pandemics) – especially if protective devices will not entirely mitigate the danger or hardship involved.



Republic of the Marshall Islands
Office of the Public Service Commission

PO Box 90 ~ Majuro, MH 96960 ~ Marshall Islands
Phone: 692.625.8298/8498 ~ Fax: 692.625.3382 ~ Webpage: www.pscrmi.net

By virtue of the statutory functions and powers vested under the Constitution, Article VII, Section 9, and the Public Service Regulation, the Commission hereby issue **Instruction 2020/03 “Hazardous Pay Differentials”**. This Instruction put forth into effect shall read as follows:

Night Differentials (ND)

The 15% night differential is authorized and given to employees that are required to work night shifts. The night differential only applies when an employee is placed and actually works night shifts. If an employee is not placed and does not work night shifts, the night differential shall not apply.

Standby Differentials (SD)

The 20% standby differential shall apply only to those employees that are listed on a standby roster for a particular day or week. The standby roster must have been prepared by a controlling officer and approved by the head of a ministry. The roster must be attached to the timesheet submitted to the Payroll Division, Ministry of Finance. Any employee that is not listed on a standby roster for a particular day or week shall not receive the 20% standby differential.

Ebeye Differentials (ED)

The 20% Ebeye differential shall apply only to: (a) citizens of the Republic of the Marshall Islands; (b) citizens of Palau and the Federated States of Micronesia, as approved by the Commission.

Contracted expatriates shall not be entitled to this differential.

Hazardous Pay Differentials (HPD)

Hazardous pay is a form of extra compensation given to employees for performing dangerous and life-threatening duties. It will only be given to workers whose jobs involve exposure to extreme distressful conditions, (COVID-19 and other similar pandemics) – especially if protective devices will not be sufficiently mitigating the danger or hardship involved.

The set of procedural guidelines of Percentage Rates for Hazardous Pay Differentials (***Please see Table, attached***) is hereby authorized and applied to those front-line employees that are required to work under extreme conditions and circumstances in which exposure to infectious disease/agent could further result in, and causing an employee to becomes infected and/or may be resulted in fatality.

The HPD shall be based on Annual Base Salary only, which is sorted out into four different percentage rates of four distinct categorized groups of employees as follows:

1. *Employees making \$27,000 and above shall be compensated at 30% of their annual base salaries;*
2. *Employees making \$18,000 and up to \$25,000 shall be compensated at 35% of their annual base salaries;*
3. *Employees making \$10,025 and up to \$17,025 shall be compensated at 40% of their annual base salaries; and,*
4. *Employees making \$9,380 and below shall be compensated at 45% of their annual base salaries.*

HPD shall be applied only to those employees that are listed on a frontline Worker Roster for a particular day or week. A roster of such shall be prepared and endorsed by the controlling officer and the head of a ministry and/or agency. Endorsement of such listing shall be secured also by the Office of the Chief Secretary and further approved by the Public Service Commission. It shall be attached to a Timesheet submitted to the Payroll Division, Ministry of Finance. Any employee that is not listed on a hazardous pay roster shall not receive the approved rates for hazardous pay differentials as so prescribed.

Notwithstanding to the HPD provisions, any incidence directly caused by excessive exposure which could be resulted in infection and/or fatality, such shall be compensated at a fixed flat rate of \$10,000.00 dollars. Any claim to be processed thereunder however, shall require medical documentation to serve as proof.

Duration of Premium. The premium pay period:

1. Must be for a specified and clear duration of time to ensure workers can rely on it for their economic security and plan for family essential needs; and
2. Should cover all hours worked by each approved essential frontline worker through December 31, 2020, or until the worker's salary-based maximum premium pay is reached, whichever comes first (*Please see HPD table with premium rates, attached*).

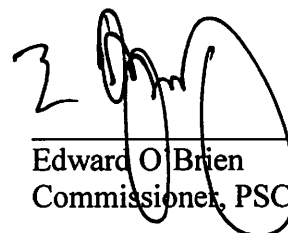
The Hazardous Pay Differential shall be applied only to deadly pandemics as COVID-19 and others as may be medically and clinically justified.

This Public Service Instruction 2020/03 shall take effect immediately and shall be the prevailing norm. All Ministries and Agencies of government are to ensure that the prescribed instruction be observed as stipulated above.



Kenneth Anitok
Chairman, PSC

Justina R. Langidrik
Commissioner, PSC



Edward O'Brien
Commissioner, PSC

**PUBLIC SERVICE COMMISSION
HAZARDOUS PAY DIFFERENTIAL**

Annual Salary	Hazardous Pay Percentage						Percent Apply	Annual Salary Plus Hazardous Pay by Percentage					
	25%	30%	35%	40%	45%	50%		25%	30%	35%	40%	45%	50%
40,000.00	10,000.00	12,000.00	14,000.00	16,000.00	18,000.00	20,000.00	30%	50,000.00	52,000.00	54,000.00	56,000.00	58,000.00	60,000.00
38,000.00	9,500.00	11,400.00	13,300.00	15,200.00	17,100.00	19,000.00	30%	47,500.00	49,400.00	51,300.00	53,200.00	55,100.00	57,000.00
36,000.00	9,000.00	10,800.00	12,600.00	14,400.00	16,200.00	18,000.00	30%	45,000.00	46,800.00	48,600.00	50,400.00	52,200.00	54,000.00
34,000.00	8,500.00	10,200.00	11,900.00	13,600.00	15,300.00	17,000.00	30%	42,500.00	44,200.00	45,900.00	47,600.00	49,300.00	51,000.00
32,000.00	8,000.00	9,600.00	11,200.00	12,800.00	14,400.00	16,000.00	30%	40,000.00	41,600.00	43,200.00	44,800.00	46,400.00	48,000.00
31,000.00	7,750.00	9,300.00	10,850.00	12,400.00	13,950.00	15,500.00	30%	38,750.00	40,300.00	41,850.00	43,400.00	44,950.00	46,500.00
30,000.00	7,500.00	9,000.00	10,500.00	12,000.00	13,500.00	15,000.00	30%	37,500.00	39,000.00	40,500.00	42,000.00	43,500.00	45,000.00
28,000.00	7,000.00	8,400.00	9,800.00	11,200.00	12,600.00	14,000.00	30%	35,000.00	36,400.00	37,800.00	39,200.00	40,600.00	42,000.00
27,000.00	6,750.00	8,100.00	9,450.00	10,800.00	12,150.00	13,500.00	30%	33,750.00	35,100.00	36,450.00	37,800.00	39,150.00	40,500.00
25,000.00	6,250.00	7,500.00	8,750.00	10,000.00	11,250.00	12,500.00	35%	31,250.00	32,500.00	33,750.00	35,000.00	36,250.00	37,500.00
24,000.00	6,000.00	7,200.00	8,400.00	9,600.00	10,800.00	12,000.00	35%	30,000.00	31,200.00	32,400.00	33,600.00	34,800.00	36,000.00
23,000.00	5,750.00	6,900.00	8,050.00	9,200.00	10,350.00	11,500.00	35%	28,750.00	29,900.00	31,050.00	32,200.00	33,350.00	34,500.00
22,000.00	5,500.00	6,600.00	7,700.00	8,800.00	9,900.00	11,000.00	35%	27,500.00	28,600.00	29,700.00	30,800.00	31,900.00	33,000.00
21,000.00	5,250.00	6,300.00	7,350.00	8,400.00	9,450.00	10,500.00	35%	26,250.00	27,300.00	28,350.00	29,400.00	30,450.00	31,500.00
20,000.00	5,000.00	6,000.00	7,000.00	8,000.00	9,000.00	10,000.00	35%	25,000.00	26,000.00	27,000.00	28,000.00	29,000.00	30,000.00
19,000.00	4,750.00	5,700.00	6,650.00	7,600.00	8,550.00	9,500.00	35%	23,750.00	24,700.00	25,650.00	26,600.00	27,550.00	28,500.00
18,000.00	4,500.00	5,400.00	6,300.00	7,200.00	8,100.00	9,000.00	35%	22,500.00	23,400.00	24,300.00	25,200.00	26,100.00	27,000.00
17,025.00	4,256.25	5,107.50	5,958.75	6,810.00	7,661.25	8,512.50	40%	21,281.25	22,132.50	22,983.75	23,835.00	24,686.25	25,537.50
15,925.00	3,981.25	4,777.50	5,573.75	6,370.00	7,166.25	7,962.50	40%	19,906.25	20,702.50	21,498.75	22,295.00	23,091.25	23,887.50
14,895.00	3,723.75	4,468.50	5,213.25	5,958.00	6,702.75	7,447.50	40%	18,618.75	19,363.50	20,108.25	20,853.00	21,597.75	22,342.50
13,935.00	3,483.75	4,180.50	4,877.25	5,574.00	6,270.75	6,967.50	40%	17,418.75	18,115.50	18,812.25	19,509.00	20,205.75	20,902.50
13,045.00	3,261.25	3,913.50	4,565.75	5,218.00	5,870.25	6,522.50	40%	16,306.25	16,958.50	17,610.75	18,263.00	18,915.25	19,567.50
12,220.00	3,055.00	3,666.00	4,277.00	4,888.00	5,499.00	6,110.00	40%	15,275.00	15,886.00	16,497.00	17,108.00	17,719.00	18,330.00
11,440.00	2,860.00	3,432.00	4,004.00	4,576.00	5,148.00	5,720.00	40%	14,300.00	14,872.00	15,444.00	16,016.00	16,588.00	17,160.00
10,710.00	2,677.50	3,213.00	3,748.50	4,284.00	4,819.50	5,355.00	40%	13,387.50	13,923.00	14,458.50	14,994.00	15,529.50	16,065.00
10,025.00	2,506.25	3,007.50	3,508.75	4,010.00	4,511.25	5,012.50	40%	12,531.25	13,032.50	13,533.75	14,035.00	14,536.25	15,037.50
9,380.00	2,345.00	2,814.00	3,283.00	3,752.00	4,221.00	4,690.00	45%	11,725.00	12,194.00	12,663.00	13,132.00	13,601.00	14,070.00
8,785.00	2,196.25	2,635.50	3,074.75	3,514.00	3,953.25	4,392.50	45%	10,981.25	11,420.50	11,859.75	12,299.00	12,738.25	13,177.50
8,240.00	2,060.00	2,472.00	2,884.00	3,296.00	3,708.00	4,120.00	45%	10,300.00	10,712.00	11,124.00	11,536.00	11,948.00	12,360.00
7,735.00	1,933.75	2,320.50	2,707.25	3,094.00	3,480.75	3,867.50	45%	9,668.75	10,055.50	10,442.25	10,829.00	11,215.75	11,602.50
7,255.00	1,813.75	2,176.50	2,539.25	2,902.00	3,264.75	3,627.50	45%	9,068.75	9,431.50	9,794.25	10,157.00	10,519.75	10,882.50
6,795.00	1,698.75	2,038.50	2,378.25	2,718.00	3,057.75	3,397.50	45%	8,493.75	8,833.50	9,173.25	9,513.00	9,852.75	10,192.50
6,385.00	1,596.25	1,915.50	2,234.75	2,554.00	2,873.25	3,192.50	45%	7,981.25	8,300.50	8,619.75	8,939.00	9,258.25	9,577.50

Hazardous Pay Rates base on Annual Salary			
Cat. 1	\$27,000 and above		30%
Cat. 2	\$18,000 and up to \$25,000		35%
Cat. 3	\$10,025 and up to \$17,025		40%
Cat. 4	\$9,380 and below		45%

Cat. - Category

The 25% Hazardous Pay Differentials is hereby authorized and applied to those front-line employees (nurses, doctors, allied health fields, ambulance drivers, security/police officers, housekeeping, disinfectant officers) that are required to work under extreme conditions and circumstances in which exposure to infectious disease/agent could further result in, and causing an employee to become infected and/or death.

HPD shall be applied only to those employees that are listed on a frontline Worker Roster for a particular day or week. A roster of such shall be prepared and endorsed by the controlling officer and the head of a ministry. It shall be attached to the Timesheet submitted to the Payroll Division, Ministry of Finance. Any employee that is not listed on a hazardous pay roster shall not receive 25% hazardous pay differentials.

Notwithstanding to the HPD provisions, any incident directly caused by excessive exposure which may be resulted in infection and/or death such shall be compensated at a flat rate of \$5,000.00 dollars. Any claim to be processed thereunder such shall require medical documentation for confirmation.

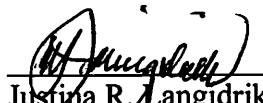
The Hazardous Pay Differential shall be applied to deadly pandemics declared by the World Health Organization (WHO) and further endorsed by the RMI Government.

Termination of HPD shall be in effect at the cession of the RMI declared state of emergency of the pandemic outbreak.

This Public Service Instruction 2020/02 shall take effect immediately and shall be the prevailing norm. All Ministries and Agencies of government are to ensure that the prescribed instruction be observed as stipulated above.



Kenneth Anitok
Chairman, PSC



Justina R. Langidrik
Commissioner, PSC



Edward O'Brien
Commissioner, PSC