STATE OF POHNPEI
PERSONNEL SERVICES CONTRACT
(Employee from Out-of-State)

Contract No.

FOR GOOD AND VALUABLE CONSIDERATION, the State of Pohnpei ("State" hereinafter) and the Employee as identified on the Fact Sheet agree to fully and faithfully perform the terms and conditions set out below and on the Fact Sheet.

TERMS AND CONDITIONS

1. **Reference to Fact Sheet and other documents.** The information set forth in these Terms and Conditions shall be read and interpreted in conjunction with the information set out in the Fact Sheet and any other documents that may be attached hereto and incorporated herein.

2. **Services of the Employee.** Employee agrees to perform the services within the commencement and termination dates indicated on the Fact Sheet. The Employee shall perform the services to the best of his or her ability, and in a diligent, ethical and forthright manner. Employee shall, at all times, act in the best interest of the State and shall not encourage or engage in a strike against the State. Employee's services shall be performed primarily for the Allottee indicated on the Fact Sheet.

3. **Other duties.** Employee agrees to perform any other duties that he or she is assigned by the State provided that the duties are reasonably related to the purpose of this contract and the Employee is capable of performing such duties. If a State employee is placed under the employee's supervision, Employee agrees to provide such training and assistance to said employee, which is reasonably related to the purpose of this contract and within the capability of the Employee.

4. **Materials and other items.** The parties shall provide the materials and other items listed on the Fact sheet. Except as set forth in a list attached hereto (if any) all materials and information developed by the Employee while performing this contract shall be the property of the State.

5. **Compensation and benefits.** Unless this contract is terminated prior to it complete performance or prior to the completion of the full term, Employee shall receive the wage, salary and/or benefits indicated on the Fact Sheet. Payment shall be in accordance with the stated payment schedule. All benefits or reimbursements stated on the Fact Sheet are subject to the State's rules, regulations and policies and the provisions of these Terms and Conditions. The total monetary obligation of the State shall not exceed the amount stated.

6. **Insurance coverage.** If the Employee elects to participate in the State's insurance programs, premiums shall be paid by the Employee and deducted from the wages and salary, or fees.

7. **Deduction for taxes.** It is understood that applicable social security taxes and income taxes will be withheld if required by law.

8. **Travel expense.** If travel expenses are covered by the State, the State may at its option either purchase the ticket(s) for the employee and the Employee's dependents, if any, or require the Employee to purchase the tickets and reimburse the Employee. Travel benefits for repatriation after termination of the contract may be used for any destination but shall not exceed the costs to the original point of hire as indicated on the Fact Sheet. Repatriation benefits shall be forfeited if it is not used within four months of the termination of this contract or when the Employee obtains other employment on Pohnpei, whichever occurs sooner.

9. **"Dependents" defined.** For the purpose of this contract, the term "dependents" includes the Employee's spouse; unmarried children under the age of twenty one and in Employee's legal custody or in the custody of Employee's spouse; physically or mentally handicapped children of any age of either Employee or Employee's spouse who are legally dependent upon Employee for support; and parents of either Employee or Employee's spouse who are legally dependent upon Employee for support.

10. Relocation and transfer expenses. Relocation and transfer expenses (after moving from the point of recruitment to the point of employment) shall be paid or reimbursed according to established State policies, rules and regulations.

11. State housing. If State housing is assigned, Employee agrees to comply with all housing rules and regulations, pay a security deposit and, if applicable, make timely payments of utilities and rent. Employee agrees to sign a lease agreement upon request of the State. Said lease agreement shall, to the

extent applicable, conform to the terms of this contract. Should the State need the house assigned to the Employee for an authorized and specific State purpose, and when alternate housing is made available to Employee, Employee agrees to vacate the house within twenty (20) days of receiving a written notice to vacate. The State shall assist the Employee with such move: Provided that any reimbursable expenses must be approved by the State before such expenses are incurred.

12. Sick Leave. If the Employee is entitled to leave for illness or injury it shall be at the rate of one hundred four (104) hours per contract year and may be used from the commencement of the contract. Unused hours are forfeited and lost at the end of each contract year and shall not accumulate from year to year or carryover upon renewal of the contract. No payment will be made for any unused sick leave upon completion or termination of this contract.

13. Vacation leave. If Employee is entitled to vacation, he/she shall receive 80 hours of paid leave per contract year. Vacations must be taken during the year earned and may not be carried over. Employee will not receive credit, compensation, reimbursement, or monies for unused vacation leave. Applications for vacation must be made to, and approved in advance by the State.

14. Exempt from the public service system. It is understood and agreed that the Employee is exempt from the Pohnpei Public Service System.

15. Overpayments. If the State has advanced or paid an amount in excess of its obligations hereunder, the Employee shall promptly repay the State. Alternatively, The State may at its option withhold the excess from any compensation or benefits due the Employee under this agreement.

16. Termination without cause. This contract may be terminated by either party without cause by giving written notice to the other party no less than sixty (60) days prior to the effective date of termination. Until the termination date, the parties shall continue to fulfill and comply with the terms of this agreement. The wage, salary or fee shall be equitably prorated through the termination date. In the event this agreement is terminated by the State without cause and if travel expenses are to be paid or reimbursed, then the State shall pay or reimburse Employee for the repatriation expenses. Otherwise, such expenses may be paid or reimbursed at the State's sole discretion.

17. Termination for cause. The State may terminate this contract for cause including, but not limited to, Employee's breach of this contract, the failure to commence the services on the date indicated, or if having commenced work the employee abandons the work, fails to make reasonable progress, or fails to perform or complete the services to the satisfaction of the State. Termination for cause may take effect immediately upon written notice to the employee. All benefits and wages shall cease on the effective date of the termination and the State will only be liable for the reasonable value of the services completed, if any. Any unpaid salary, wages, fees or other compensation for past services of the Employee may, however, be used to offset any damages or costs incurred by the State due to Employee's breach or inadequate performance. Such cost may include those incurred as a result of having to recruit and hire a replacement to perform the services that the Employee failed to perform.

18. No additional obligation. Except as provided herein, the State has no further obligation upon completion or earlier termination of this contract.

19. Compliance with laws; interpretation; venue. Employee agrees to comply with all applicable laws and regulations of the State and FSM. This contract shall be fairly construed according to the laws of the State and FSM. The venue of all court actions shall be in a court of competent jurisdiction in Pohnpei.

20. Prior agreements or representations; amendments. The provisions of this contract represent the entire agreement between the parties. All statements or oral representations made prior to this agreement shall have no force or effect unless set out herein. To be enforceable all amendments to this contract must be put into writing and signed by the parties.

21. Effective date. This contract shall be valid and enforceable only after all the parties and agencies have signed it, regardless of who signs first or last.