

**TITLE 3: HUMAN RESOURCES**  
**DIVISION 3: SOCIAL SECURITY ACT**

**§ 3003. Definitions.**

In this division, unless the context otherwise requires, the following definitions shall apply:

(a) "Employee" means:

- (1) Any officer of a corporation; or
- (2) Any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee; or
- (3) Prior to January 1, 1981, any person who is self-employed in the Commonwealth, or who is self-employed outside the Commonwealth but is domiciled in the Commonwealth, and who has at least one employee for whom he is required to report under this division in a given quarter; or
- (4) Prior to January 1, 1981, any person who is self-employed in the Commonwealth, or who is self-employed outside the Commonwealth, but is domiciled in the Commonwealth, and who had more than \$10,000 of annual gross revenue in the preceding calendar year; or
- (5) Any person who is an elected official in any governmental unit or body of the Commonwealth.

(b) "Employment" means any service by an employee in the Commonwealth for any employer and any service by an employee domiciled in the Commonwealth for a Northern Mariana Islands employer, irrespective of where such service shall be performed, except family employment.

(c) "Family employment" means employment of a worker by a member of the worker's household, or his or her parent or child except that the worker may apply to the Social Security Administrator for a determination that such employment is bona fide covered employment subject to this division.

(d) "Wages" shall mean remuneration paid subject to the provisions of this division, including the cash value of all remuneration paid in any medium other than cash. "Wages" also means remuneration accruing to a self-employed person prior to the first taxable year to which an election pursuant to 3 CMC § 3505(b)(2) applies, but no later than the year prior to the first taxable year in which the taxes imposed by the income tax laws of the United States are collected in the Northern Mariana Islands pursuant to Covenant § 601(a). Remuneration accruing to a self-employed person shall be deemed to be twice the amount paid to the highest-paid employee reported by the self-employed person in a quarter subject to a maximum of \$1,200 per quarter effective July 1, 1976, a maximum of \$9,075 per calendar year effective January 1, 1978, a maximum of \$13,350 per calendar year effective January 1, 1979, a maximum of \$22,900 per calendar year effective January 1, 1981. Remuneration accruing to a self-employed person who has no covered employees and who had more than \$10,000 of gross revenue in the preceding calendar year shall be deemed to be 2.5 percent per quarter of the

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gross revenue of his business for the previous calendar year, subject to a maximum of \$1,200 per quarter effective July 1, 1976, a maximum \$9,075 per calendar year effective January 1, 1978, a maximum of \$13,350 per calendar year effective January 1, 1979, a maximum of \$22,900 per calendar year effective January 1, 1981. For quarters ending prior to July 1, 1976, the maximum amounts applicable are equal to the quarterly maximum amounts in effect for such quarters under the Trust Territory Social Security Act [73 TTC § 1 et seq.]. No remuneration accrues to a self-employed person who has no covered employees and whose gross revenue in the preceding calendar year was \$10,000 or less. Remuneration paid for any service which is more or less than a whole dollar shall, as may be prescribed by regulations, be computed to the nearest dollar.

(e)(1) The terms “quarter” and “calendar quarter” mean a period of three calendar months ending on March 31, June 30, September 30, or December 31.

(2) “Quarter of coverage” means a quarter in which the individual has been paid \$50 or more in wages in employment subject to this division or a quarter beginning after December 31, 1980, in which the individual has been credited with more than \$100 of self-employment income, except that:

(A) No quarter after the quarter in which the individual died shall be a quarter of coverage, and no quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period), shall be a quarter of coverage;

(B) If the wages paid to any individual in any calendar year equal the maximum amount of wages in that year as specified in subsection (d) of this section, each quarter of such year shall (subject to subsections (e)(2)(A) and (e)(2)(C) of this section) be a quarter of coverage; and

(C) No quarter shall be counted as a quarter of coverage prior to the beginning of such quarter.

(3) For the purpose of determining quarters of coverage, the amount of self-employment income derived during any taxable year shall be credited to calendar quarters as follows:

(A) In the case of a taxable year which is a calendar year, the self-employment income of such taxable year shall be credited equally to each quarter of such calendar year;

(B) In the case of any other taxable year, the self-employment income of such taxable year shall be credited equally to the calendar quarter in which such taxable year ends and to each of the next three or fewer preceding quarters any part of which is in such taxable year.

(f) For the purposes of this division:

(1) “Fully insured individual” means:

(A) Any individual who has not less than one quarter of coverage for each year beginning after December 31, 1968, or for each year after attaining the age of 21, whichever is later, and up to but excluding the year in

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which he attained retirement age, or his period of disability began, or he died, whichever first occurred.

(B) In no case shall an individual be a fully insured individual unless he has at least eight quarters of coverage.

(2) “Currently insured individual” means any individual who has had not less than six quarters of coverage during the thirteen quarter period ending with:

(A) The quarter in which the individual died or,

(B) The quarter in which the individual became entitled to old age insurance benefits or,

(C) The quarter in which the individual’s period of disability began, whichever first occurs.

(g) “Contributions” means the tax imposed upon income of covered employees, the tax imposed upon employers on account of wages paid to a covered employee, and the tax imposed on income of self-employed persons.

(h) “Social Security Administrator” means the individual nominated by the U.S. Commissioner of Social Security and confirmed by the Governor to administer the insurance program established by this division, as described in part 2, chapter 1 of this division [3 CMC § 3101 et seq.].

(i) (1) “Disability” means:

(A) Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months; or

(B) Blindness; and the term “blindness” means central visual acuity of 20/200 or less in the better eye with the use of correcting lens. An eye which is accompanied by a limitation in the field of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of this paragraph as having a central visual acuity of 20/200 or less; or

(C) In the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in subsection (i)(1)(B) of this section, inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

(2) For purposes of this subsection, a “physical or mental impairment” is an impairment that results from anatomical, physiological, or psychological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques.

(3) The Social Security Administrator shall by regulations prescribe the criteria for determining when services performed or earnings derived from ser-

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vices demonstrate an individual's ability to engage in substantial gainful activity. Effective January 1, 1979, no individual who is blind shall be regarded as having demonstrated an ability to engage in substantial gainful activity on the basis of earnings that do not exceed the annual exempt amount applicable in that year under 3 CMC § 3312. An individual whose services or earnings meet such criteria shall, except for purposes of 3 CMC § 3003(1), be found not to be disabled.

(j) (1) "Period of disability" means a continuous period beginning and ending as hereinafter provided in this subsection during which an individual was under a disability, but only if such period is of not less than five full calendar months' duration or such individual was entitled to disability insurance benefits for one or more months in such period.

(2) No period of disability shall begin as to any individual unless such individual files an application for a disability determination with respect to such period; and no such period shall begin as to any individual after such individual attains retirement age. In the case of a deceased individual, the requirement of an application under the preceding sentence may be satisfied by an application for a disability determination filed with respect to such individual within three months after the month in which the individual died.

(3) A period of disability shall begin:

(A) On the day the disability began, but only if the individual is fully and currently insured in the quarter in which the disability began; or

(B) If such individual does not satisfy the requirements of subsection (j)(3)(A) of this section on such day, then on the first day of the first quarter thereafter in which he satisfies such requirements.

(4) A period of disability shall end with the close of whichever of the following months is the earlier:

(A) The month preceding the month in which the individual attains retirement age, or

(B) The second month following the month in which the disability ceases.

(k) "Waiting period" means, in the case of any application for disability insurance benefits, the earliest period of five consecutive months:

(1) Throughout which the individual with respect to whom such application is filed has been under a disability, and

(2)(A) Which begins not earlier than with the first day of the seventeenth month before the month in which such application is filed if such individual is insured for disability insurance benefits in such seventeenth month, or

(B) If he is not so insured in such month, which begins not earlier than the first day of the first month after such seventeenth month in which he is so insured.

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(1) (1) “Period of trial work”, with respect to an individual entitled to benefits on the basis of disability under 3 CMC §§ 3304 or 3305(a)(2), means a period of months beginning and ending as provided in subsections (1)(3) and (1)(4) of this section.

(2) Any services rendered by an individual during a period of trial work shall be deemed not to have been rendered by such individual in determining whether his disability has ceased in a month during such period. For purposes of this subsection the term “services” means activity which is performed for remuneration or gain or is determined by the Social Security Administrator to be of a type normally performed for remuneration or gain.

(3) A period of trial work for any individual shall begin with the month in which the individual becomes entitled to disability insurance benefits, or, in the case of a child entitled to survivor’s benefits on the basis of disability before age 22 who has attained the age of 18, with the month in which he becomes entitled to such benefits or the month in which he attains the age of 18, whichever is later. Notwithstanding the preceding sentence, no period of trial work may begin for any individual prior to the beginning of the month following the month in which this paragraph is enacted; and no such period may begin for an individual in a period of disability of such individual in which he had a previous period of trial work.

(4) A period of trial work for any individual shall end with the close of whichever of the following months is earlier:

(A) The ninth month, beginning on or after the first day of such period, in which the individual renders services (whether or not such nine months are consecutive); or

(B) The month in which his or her disability ceases (as determined after application of subsection (1)(2) of this section).

(5) In the case of an individual who becomes entitled to benefits under 3 CMC § 3304 for any month as provided in subsection (d)(2) of that section, the preceding provisions of this subsection (1) of this section shall not apply with respect to services in any month beginning with the first month for which the individual is so entitled and ending with the first month thereafter for which the individual is not entitled to benefits under 3 CMC § 3304.

(m) [Reserved.]

(n) [Reserved.]

(o)(1) “Child” means:

(A) The child or legally adopted child of an individual;

(B) A stepchild who has been such stepchild for not less than one year immediately preceding the day on which application for child’s benefits is filed or not less than nine months immediately preceding the day on which the insured individual died; and

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(C) A person who is the grandchild or stepgrandchild of an individual or his spouse but only if:

(i) There was no natural or adoptive parent (other than such a parent who was under a disability) of such person living at the time such individual became entitled to old-age insurance benefits or disability insurance benefits or died, or if such individual had a period of disability which continued until such individual became entitled to old-age insurance benefits or disability insurance benefits or died, there was no natural or adoptive parent of such person living at the time such individual's period of disability began; or

(ii) That person was legally adopted after the death of such individual's surviving spouse in an adoption that was decreed by a court of competent jurisdiction in the Commonwealth or the United States and such person's natural or adopting parent or stepparent was not living in such individual's household and making regular contributions toward such person's support at the time such individual died.

(2) For purposes of subsection (o)(1)(A) of this section, a person shall be deemed, as of the date of death of an individual, to be the legally adopted child of such individual, if such person was at the time of such individual's death living in such individual's household and was legally adopted by such individual's surviving spouse after such individual's death, but only if:

(A) Proceedings for the adoption of the child had been instituted by such individual before his death, or

(B) Such child was adopted by such individual's surviving spouse before the end of two years after the day on which such individual died, except that this sentence shall not apply if at the time of such individual's death such person was receiving regular contributions toward his support from someone other than such individual or his spouse, or from any public or private welfare organization which furnishes services or assistance for children.

(3) For purposes of subsection (o)(1)(B) of this section, a person who is not the stepchild of an individual shall be deemed the stepchild of such individual if such individual was not the parent or adopting parent of such person and such individual, and the parent or adopting parent of such person went through a marriage ceremony resulting in a purported marriage between them, which, but for a legal impediment

(A) Resulting from the lack of dissolution of a previous marriage or otherwise arising out of such previous marriage or its dissolution, or

(B) Resulting from a defect in the procedure followed in connection with such purported marriage, would have been a valid marriage.

(4) An applicant who is the son or daughter of a fully or currently insured individual, but who is not (and is not deemed to be) the child of such insured

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individual under subsection (o)(3) of this section, shall nevertheless be deemed to be the child of such insured individual if in the case of an insured individual entitled to old-age insurance benefits; entitled to disability insurance benefits; or in the case of a deceased individual,

(A) Such individual:

(i) Has acknowledged in writing that the applicant is his son or daughter,

(ii) Has been decreed by a court to be the father of the applicant, or

(iii) Has been ordered by a court to contribute to the support of the applicant because the applicant was his son or daughter, or

(B) Such insured individual is shown by evidence satisfactory to the Social Security Administrator to be or have been the mother or father of the applicant, and such insured individual was living with or contributing to the support of the applicant at the time such applicant's application for benefits was filed, or in the case of death at the time the insured died.

(5) A child shall be deemed dependent upon his parent or adopting parent unless, at the time specified in 3 CMC §§ 3305(a)(2) or 3305(b)(2)(C), as appropriate, such parent or adopting parent was not living with or contributing to the support of such child and:

(A) Such child is neither the legitimate nor adopted child of such individual, or

(B) Such child has been adopted by some other individual. For purposes of this subsection, a child deemed to be a child of an individual pursuant to subsection (o)(4) of this section shall be deemed to be the legitimate child of such individual.

(6) A child shall be deemed dependent upon his stepparent if, at the time specified in 3 CMC §§ 3305(a)(2) or 3305(b)(2)(C), as appropriate, the child was living with or was receiving at least one-half of his support from such stepparent.

(7)(A) A child who is a child of an individual under subsection (o)(1)(C) of this section and is not a child of such individual under subsections (o)(1)(A) or (B) of this section shall be deemed not to be dependent on such individual at the time specified in 3 CMC §§ 3305(a)(2) or 3305(b)(2)(C), as appropriate, unless:

(i) The child was living with the individual in the Commonwealth or in the United States are receiving at least one-half of his support from the individual (I) for the year immediately before the month in which the individual died, or (II) if the individual has a period of disability which continued until he died, for the year immediately before the month in which the period of disability began, and

(ii) The period during which the child was living with the individual began before the child attained age 18.

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(B) In the case of a child who was born in the one year period during which the child must have been living with and receiving at least one-half of his support from the individual, the child shall be deemed to meet the requirements for the period if, as of the close of the period, such child has lived with the individual and received at least one-half of his support from the individual for substantially all of the period which begins on the date of the child's birth.

(p) "Net earnings from self-employment" has the meaning given such term in Section 1402(a) [26 U.S.C. § 1402(a)] of the United States Internal Revenue Code of 1954.

(q) "Self-employment income" means the net earnings from self-employment derived by an individual who is self-employed in the Commonwealth, or who is self-employed outside the Commonwealth but is domiciled in the Commonwealth, during any taxable year beginning after 1980, except that such term shall not include:

(1) That part of the net earnings from self-employment which is in excess of (i) \$22,900, minus (ii) the amount of the wages paid to such individual during the taxable year; or

(2) The net earnings from self-employment, if such earnings for the taxable year are less than \$400.

**Source:** DL 5-12, § 1; amended by DL 5-25, §§ 1-2; PL 1-27, §§ 1-9; PL 2-6, §§ 5, 6, 7, 9; PL 4-27, §§ 1, 2, 3 and 4.