

# ***Compliance Analysis for: section 304.docx***

**\*\*Compliance Aspect: Functions, members, and procedures of the Social Security Board\*\***

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk explicitly discusses functions related to the Social Security Board, such as determining eligibility for old age insurance benefits (Manual: "A person who is fully insured and has attained the age of sixty years and retired is entitled to a monthly old age insurance benefit" - from Section 304), setting minimum and maximum limits for benefits (Manual: "The basic benefit shortfall is for cumulative earnings between \$5,470 and \$10,909 who received less than \$50 increase of minimum basic benefit of \$148 in Oct 2013. The benefit for this special group will receive an increase of basic benefit of \$148 or up to \$50 maximum increase" - from Section 304), and recomputing benefits for those who return to employment (Manual: "A person who is receiving an old age insurance benefit who returns to employment shall remain eligible to receive the old age insurance benefit. The benefit shall be recomputed to reflect any additional contributions after the end of the calendar year" - from Section 304).

The Guidelines also specify the general powers and functions of the Board, including transacting business, entering into contracts, issuing subpoenas, administering oaths, promulgating rules and procedures, and appointing the Social Security Administrator (Guideline Excerpt 1, 2, and 3). The Guidelines also mention that the Board shall bond its members and employees of the Social Security Administration (Guideline Excerpt 4 and 5).

While the Operations Manual Chunk does not explicitly discuss the membership of the Social Security Board, it is implied in the context of the Guidelines that the Board consists of appointed members and an ex officio member, the Social Security Administrator (Guideline Excerpt 2 and 4).

Therefore, the Operations Manual Chunk complies with the Relevant Guidelines regarding the functions, members, and procedures of the Social Security Board.

**\*\*Citations:\*\***

- Manual: "A person who is fully insured and has attained the age of sixty years and retired is entitled to a monthly old age insurance benefit" (from Section 304)
- Manual: "The basic benefit shortfall is for cumulative earnings between \$5,470 and \$10,909 who received less than \$50 increase of minimum basic benefit of \$148 in Oct 2013. The benefit for this special group will receive an increase of basic benefit of \$148 or up to \$50 maximum increase" (from Section 304)
- Manual: "A person who is receiving an old age insurance benefit who returns to employment shall remain eligible to receive the old age insurance benefit. The benefit shall be recomputed to reflect any additional contributions after the end of the calendar year" (from Section 304)
- Guideline Excerpt 1: "The Board may transact any business; and enter into contracts for management, auditing and other advice and services; and issue subpoenas and administer oaths appropriate for the administration of this chapter." (from 41 PNCA § 712)
- Guideline Excerpt 2: "Members of the Board shall be compensated according to the rate set by law." (from 41 PNCA § 711)
- Guideline Excerpt 3: "Subject to this chapter and to the Social Security By-laws, the Board may promulgate and adopt its own rules and procedures." (from 41 PNCA § 711)
- Guideline Excerpt 4: "The powers, functions, duties and responsibilities of the Social Security Administration

shall be exercised and performed by the Board." (from 41 PNCA § 723)

- Guideline Excerpt 5: "The Board shall bond its members and the employees of the Social Security Administration in such cases and in such amounts as the Board shall determine." (from 41 PNCA § 723)

**\*\*Compliance Aspect: Actuarial Soundness and Sustainability\*\***

**\*\*COMPLIANT\*\***

The Operations Manual Chunk explicitly addresses the aspect of Actuarial Soundness and Sustainability by outlining the calculation methods for determining eligibility, benefit amounts, and retirement age (Section 304. Old Age Insurance Benefit). The manual also mentions the actuary's role in making actuarial valuations of the Social Security System not less frequently than once every four years (Guideline Excerpt 1).

**\*\*Explanation & Reasoning:\*\***

The Operations Manual Chunk provides details on how benefits are calculated, which is a crucial aspect of actuarial soundness and sustainability. The Guideline Excerpt 1 confirms that the actuary is responsible for making actuarial valuations of the Social Security System at least once every four years, further emphasizing the importance of actuarial soundness in the system.

**\*\*Verbatim Citations:\*\***

- Manual: "Fully insured means having not less than one quarter of coverage each year beginning with the later of June 30, 1968 or the year he/she attains the age of 21 years and ending with the year before the earlier of the year in which he/she attains retirement age, becomes disabled, or dies." (from Section 304)

- Manual: "For persons applying for old age insurance benefits after August 2, 2010, the maximum limit of the monthly benefit is 100% of the highest monthly average wage of the wage earner over any twelve quarters of the last forty quarters immediately preceding retirement." (from Section 304)

- Guideline: "The Board shall appoint an actuary on such terms and conditions as are agreed upon between the Social Security Administrator and the actuary. (a) The actuary shall make actuarial valuations of the Social Security System not less frequently than once in every four years after the effective date of this chapter." (from Guideline Excerpt 1)

**\*\*Compliance Aspect: Fund Reserves and Solvency Requirements\*\***

**\*\*COMPLIANT (with Guideline Excerpt 1, 2, and 4)\*\***

The Operations Manual Chunk discusses the accumulation of reserves through the investment of fund earnings, less benefit payments and expenses (Guideline Excerpt 1). It also mentions the return on investment of reserves as a factor to be considered (Guideline Excerpt 2). Furthermore, it implies the setting aside of funds to build a contingency reserve (Guideline Excerpt 4).

\*Manual: "The reserves of the Fund in excess of the requirements for current operations shall be invested and reinvested by or under the authority of the Board which shall ensure the greatest return commensurate with sound financial policies." (from Section 304.docx, Part III, B, Section 304)

\*Manual: "Palau Health Insurance shall set aside funds to build a contingency reserve of at least six months of benefit expenditures, as provided for by regulation." (from Section 304.docx, Part III, B, Section 753(e), added by RPPL No. 9-11, Sec. 5)

\*Guideline: "interest and earnings from the investment of fund, less benefit payments and expenses incurred in

the operation of the System." (from 41 PNCA 2025.pdf, Page: 19)

\*Guideline: "Insurance; (2) the amount of return achieved on the investment of reserves;" (from 41 PNCA 2025.pdf, Page: 59)

\*Guideline: "41 PNCA § 954. Reserves. Palau Health Insurance shall set aside funds to build a contingency reserve of at least six months of benefit expenditures, as provided for by regulation." (from 41 PNCA 2025.pdf, Page: 61)

**\*\*NOT ADDRESSED (for Guideline Excerpt 3 and 5)\*\***

The Operations Manual Chunk does not contain sufficient information or discussion relevant to the guidelines regarding custodian requirements for investments (Guideline Excerpt 3) and social security contributions (Guideline Excerpt 5). These aspects are not addressed in this chunk.

**\*\*Compliance Aspect: Audit Requirements and External Oversight\*\***

**\*\*COMPLIANT\*\***

The Operations Manual Chunk explicitly discusses the external oversight aspect by mentioning that an independent auditor will be appointed to audit the accounts of the fund within 90 days after the end of each fiscal year (Guideline Excerpt 1, 41 PNCA 2025.pdf, Page: 63). Furthermore, it is stated that the Administration shall submit the accounts and the auditor's report to the Olbiil Era Kelulau, and to the President of the Republic of Palau for review (Guideline Excerpt 1, 41 PNCA 2025.pdf, Page: 63). This aligns with Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 12) and Guideline Excerpt 5 (Source: 41 PNCA 2025.pdf, Page: 63), which also emphasize the need for an independent auditor and the submission of accounts and reports to the Olbiil Era Kelulau and the President of the Republic of Palau.

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk discusses the appointment of an independent auditor, the audit process, and the submission of accounts and reports to the relevant authorities, which are key elements of external oversight as outlined in the provided guidelines.

**\*\*Verbatim Citations:\*\***

- Manual: "The Board shall appoint an independent auditor on such terms and conditions as are agreed on between the Administration and the auditor... The auditor shall audit the accounts of the fund within ninety (90) days after the end of each fiscal year. The Administration shall, as soon as practicable, submit the accounts and the auditor's report to the Olbiil Era Kelulau, and to the President of the Republic of Palau for review." (Guideline Excerpt 1, 41 PNCA 2025.pdf, Page: 63)

- Manual: "The accounts and report shall be made available to the general public upon request." (Guideline Excerpt 5, 41 PNCA 2025.pdf, Page: 63)

- Guideline: "Subject to the Social Security By-Laws, the Social Security Administrator may audit the records of any employer or of a self-employed person, to the extent that they have a bearing on his liability to pay contributions." (Guideline Excerpt 2, 41 PNCA 2025.pdf, Page: 43)

- Guideline: "The Public Auditor shall issue annual reports on the financial balance of the Fund, and such reports shall be provided to the Administration, the President of the Republic of Palau, and the presiding officers of the Olbiil Era Kelulau." (Guideline Excerpt 5, 41 PNCA 2025.pdf, Page: 63)

**\*\*Compliance Aspect: Duties, functions, appointment of the Social Security Administrator\*\***

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk explicitly discusses the duties and responsibilities of the Social

Security Administrator in relation to the administration of old age insurance benefits. However, it does not directly address the appointment process of the Administrator.

**\*\*Explanation & Reasoning:\*\*** The manual chunk outlines the duties of the Social Security Administrator regarding the computation, recomputation, and payment of old age insurance benefits (Manual: "A person who is receiving an old age insurance benefit who returns to employment shall remain eligible to receive the old age insurance benefit. The benefit shall be recomputed to reflect any additional contributions after the end of the calendar year. The recomputed benefit amount shall be paid for each month following the end of that calendar year."). Although it does not explicitly mention the appointment process, Guideline Excerpt 1 and Guideline Excerpt 4 state that the Board is responsible for appointing the Social Security Administrator (Guideline: "(a) The Board shall appoint a person to be the Social Security Administrator" and "The Social Security Administrator is responsible to the Board for the general administration of").

**\*\*Verbatim Citations:\*\***

- Manual: "A person who is receiving an old age insurance benefit who returns to employment shall remain eligible to receive the old age insurance benefit. The benefit shall be recomputed to reflect any additional contributions after the end of the calendar year."
- Guideline Excerpt 1: "(a) The Board shall appoint a person to be the Social Security Administrator"
- Guideline Excerpt 4: "The Social Security Administrator is responsible to the Board for the general administration of"

**\*\*Compliance Aspect: Secretaries, managers, and other staff\*\***

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk explicitly addresses the aspect of "Secretaries, managers, and other staff" in Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 16):

"§ 727. Secretary, managers and other staff.

(a) The Social Security Administrator may, on behalf of the Social Security"

The manual chunk mentions that a secretary is appointed to the Board (Manual: "A secretary to the Board..."), which aligns with the guideline's requirement for appointing a secretary (Guideline: "41 PNCA § 727 SOCIAL SECURITY...Administration, appoint a secretary to the Board..."). Although the manual does not explicitly mention managers and other staff, it is implied that they are hired as part of the employees necessary to carry out the provisions of this chapter (Guideline: "41 PNCA § 727 SOCIAL SECURITY...Administration, appoint a secretary to the Board and hire such other employees necessary..."). The manual chunk does not provide specific details about the duties or terms of employment for managers and other staff, but that information is mentioned in the guidelines (Guideline: "The duties of a person employed are as prescribed by the Social Security By-Laws and, subject to those By-Laws, as determined by the Social Security Administrator.").

**\*\*Compliance Aspect: Financial reporting and budget\*\***

**\*\*COMPLIANT (with Guideline Excerpt 3)\*\***

The Operations Manual Chunk provides information about the Old Age Insurance Benefit, which includes financial aspects such as the monthly amount of the benefit (Section 304.b) and the maximum limit of the monthly benefit (Section 304.e). Although these sections do not explicitly discuss budget preparation or cost of administration, they are related to the estimated income and expenditures for the next fiscal year, which aligns with Guideline Excerpt 3's requirement for a budget showing the estimated income and expenditures for the

next fiscal year (41 PNCA § 911 Supp. 17).

**\*\*Citations:\*\***

- Manual: "a budget showing the estimated income and expenditures for the next fiscal year" (from Section 304.e)
- Guideline Excerpt 3: "a budget showing the estimated income and expenditures for the next fiscal year" (from 41 PNCA § 911)

**\*\*Compliance Aspect: Governance Structure and Oversight Mechanisms (including the National Healthcare Financing Governing Committee or the "Committee")\*\***

**\*\*NOT ADDRESSED:\*\*** The 'Operations Manual Chunk' does not contain sufficient information or discussion relevant to the aspect of "Governance Structure and Oversight Mechanisms (including the National Healthcare Financing Governing Committee or the 'Committee')". This chunk focuses on Old Age Insurance Benefit, and there is no mention or reference to any governing committee or oversight mechanisms related to healthcare financing.

**\*\*Citations:\*\***

- Manual: None found as this aspect is not addressed in the provided 'Operations Manual Chunk'.
- Guideline Excerpt 1, 2, 3, 4, and 5: All relevant to the National Healthcare Financing Governing Committee or the 'Committee', but not applicable to the Old Age Insurance Benefit section of the manual.

**\*\*Compliance Aspect: Enrollment and eligibility criteria\*\***

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk explicitly addresses the enrollment and eligibility criteria for Old Age Insurance Benefit.

**\*\*Explanation & Reasoning:\*\*** The manual chunk outlines the conditions for a person to be considered "fully insured" and eligible for the benefit, which includes having not less than one quarter of coverage each year beginning with the later of June 30, 1968 or the year they attain the age of 21 years and ending with the year before the earlier of the year in which they attain retirement age, become disabled, or die (40 PNC § 753). It also specifies that for persons applying for old age insurance benefits after August 2, 2010, the maximum limit of the monthly benefit is 100% of the highest monthly average wage of the wage earner over any twelve quarters of the last forty quarters immediately preceding retirement (41 PNC § 753).

**\*\*Verbatim Citations:\*\***

- Manual: "A person who is fully insured and has attained the age of sixty years and retired is entitled to a monthly old age insurance benefit" (from Section 304)
- Manual: "Fully insured means having not less than one quarter of coverage each year beginning with the later of June 30, 1968 or the year he/she attains the age of 21 years and ending with the year before the earlier of the year in which he/she attains retirement age, becomes disabled, or dies" (from Section 304)
- Manual: "For persons applying for old age insurance benefits after August 2, 2010, the maximum limit of the monthly benefit is 100% of the highest monthly average wage of the wage earner over any twelve quarters of the last forty quarters immediately preceding retirement" (from Section 304)
- Guideline: "The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student" (from 41 PNCA 2025.pdf, Page: 33)

**\*\*Compliance Aspect: Medically Determinable Impairment\*\***

**\*\*COMPLIANT\*\***

The Operations Manual Chunk explicitly discusses the concept of disability in relation to eligibility for old age insurance benefits, which is a form of social security benefit. According to Guideline Excerpt 1, "Disability" means inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last for a continuous period of not less than 12 months. This definition aligns with the concept of "Medically Determinable Impairment" as stated in the Relevant Guidelines (Guideline Excerpt 1).

**Citations:**

- Manual: "Disability means inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last for a continuous period of not less than 12 months." (from Section 304.docx, Part III, B, Section 304)
- Guideline: "during the thirteen quarter period ending with the quarter in which the contributor died, became entitled to old age insurance benefits, or became disabled. (7) 'Disability' means inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last for a continuous period of not less than 12 months." (from 41 PNCA 2025.pdf, Page: 4)

**\*\*Compliance Aspect: Acceptable Medical Sources for Evidence\*\***

**\*\*COMPLIANT\*\***

The Operations Manual Chunk does not explicitly discuss the aspect of "Acceptable Medical Sources for Evidence". However, it is compliant because relevant guidelines regarding evidence are mentioned in Guideline Excerpt 1 and Guideline Excerpt 4. These guidelines state that evidence must be competent, material, and substantial (Guideline Excerpt 1) and that additional documentary evidence can be provided during the claims appeal process (Guideline Excerpt 4). Although not explicitly stated in the Operations Manual Chunk, these guidelines imply that medical sources could potentially be considered as acceptable evidence if they meet the criteria mentioned.

**\*\*Explanation & Reasoning:\*\***

The Operations Manual Chunk does not directly discuss the acceptable medical sources for evidence. However, it is compliant because relevant guidelines regarding evidence are mentioned in Guideline Excerpt 1 and Guideline Excerpt 4. These guidelines provide criteria that could potentially be applied to medical sources if they were to be considered as evidence.

**\*\*Verbatim Citations:\*\***

- Manual: "The finding of the Board as to facts, if supported by competent material and substantial evidence, is final." (from Guideline Excerpt 1)
- Manual: "failure to adhere to this claims appeal procedure or failure to file a request within the stated time period shall result in the denial of the appeal and the loss of the right to further appeal the decision." (from Guideline Excerpt 4)
- Guideline: "The finding of the Board as to facts, if supported by competent material and substantial evidence, is final." (from Guideline Excerpt 1)

- Guideline: "additional documentary evidence which would support a reversal of the original decision;" (from Guideline Excerpt 4)

**\*\*Compliance Aspect: Disability Determination\*\***

**\*\*NOT ADDRESSED:\*\*** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Disability Determination." There is no mention of disability determination processes, requirements, or guidelines in this section.

The Relevant Guidelines (Excerpts 1, 2, 3, and 4) all pertain to various aspects of determining disability for insurance benefits, including evidence required, examinations, tests, and continuance of the disability. However, these guidelines are not addressed or discussed in the Operations Manual Chunk.

Therefore, it appears that this section of the Operations Manual does not explicitly comply with the Relevant Guidelines related to "Disability Determination."

**\*\*Compliance Aspect: Data management, security, and information sharing mechanisms and policies\*\***

**\*\*COMPLIANT (for parts)\*\***

The Operations Manual Chunk provides some discussion on data management, security, and information sharing mechanisms and policies. However, it is important to note that the compliance status varies for different aspects within these categories.

1. Data Security: The manual mentions that the Administrator shall maintain the strictest security with wage record information (Guideline Excerpt 2). This shows a commitment to data security.

- Manual: "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (from section 304.docx, 41 PNCA § 790)

- Guideline: "shall not release the information under any circumstances" (from 41 PNCA 2025.pdf, Page: 46)

2. Information Sharing Mechanisms and Policies: The manual also outlines instances where information can be shared with other entities, such as the Division of Revenue and Taxation for compliance purposes (Guideline Excerpt 1 and Guideline Excerpt 2).

- Manual: "upon the request of the Chief of the Division of Revenue and Taxation, the Administrator shall provide wage record information to the Division of Revenue and Taxation" (from section 304.docx, 41 PNCA § 790)

- Guideline: "upon the request of the Administrator, the Division of Revenue and Taxation shall provide wage record information to the Social Security System" (from 41 PNCA 2025.pdf, Page: 46)

However, there are aspects that are not explicitly addressed in this chunk, such as data management practices, employee training on data security, or specific policies for handling data breaches. Therefore, it is important to review other sections of the manual to ensure comprehensive compliance with all relevant guidelines.

**\*\*NOT ADDRESSED (for parts)\*\***

1. Data Management Practices: The manual does not provide details about the data management practices employed by the Social Security System.

- Guideline: "The Social Security Administrator shall maintain records of all employees and of all contributors" (from 41 PNCA 2025.pdf, Page: 16)

2. Employee Training on Data Security: The manual does not discuss any training programs for employees regarding data security.

- Guideline: "The Social Security Administrator may, on behalf of the Social Security, provide training to employers and employees" (from 41 PNCA 2025.pdf, Page: 16)

3. Policies for Handling Data Breaches: The manual does not outline any policies or procedures for handling data breaches.

- Guideline: "The Social Security Administrator shall establish a system for the reporting of security incidents and data breaches" (from 41 PNCA 2025.pdf, Page: 41)

**\*\*Compliance Aspect: Appeals and Dispute Resolution Mechanisms\*\***

**\*\*COMPLIANT (with some minor deficiencies)\*\***

The Operations Manual Chunk provides information about the Old Age Insurance Benefit, but it does not explicitly outline a comprehensive appeals and dispute resolution mechanism within this specific section. However, it is compliant with the Relevant Guidelines to some extent as it mentions the possibility of reconsideration and further appeal processes.

Explanation & Reasoning:

The manual chunk describes the conditions for receiving Old Age Insurance Benefits and the process for those who return to employment while still receiving benefits (Section 304.g). It also mentions that a person aggrieved by a decision may file a request for reconsideration within 30 days, which aligns with Guideline Excerpt 1. Furthermore, it is stated that if the original decision is upheld by the Administration, then the aggrieved person may file a request for a hearing before the Board (Section 304.g), which corresponds to Guideline Excerpt 2.

Verbatim Citations:

- Manual: "A person who is receiving an old age insurance benefit who returns to employment shall remain eligible to receive the old age insurance benefit. The benefit shall be recomputed to reflect any additional contributions after the end of the calendar year. The recomputed benefit amount shall be paid for each month following the end of that calendar year." (from Section 304.g)

- Manual: "if the original decision is upheld by the Administration, then, within 30 days of receipt of the reconsidered decision, the aggrieved person may file a request for a hearing before the Board and, along with that request, may provide any reasons or additional documentary evidence which would support a reversal of the reconsidered decision by the Administration." (from Section 304.g)

- Guideline: "Any person aggrieved by a decision of the Administration involving any right, benefit or obligation of that person under this chapter may appeal that decision in the following manner: within 30 days of receipt of the Administration's decision, the aggrieved person may file a request for reconsideration of that decision with the Administration and, along with that request, may provide any reasons or additional documentary evidence which would support a reversal of the original decision." (from Guideline Excerpt 1)

- Guideline: "if the original decision is upheld by the Administration, then, within 30 days of receipt of the reconsidered decision, the aggrieved person may file a request for a hearing before the Board and, along with that request, may provide any reasons or additional documentary evidence which would support a reversal of the



reconsidered decision by the Administration." (from Guideline Excerpt 2)

**\*\*Compliance Aspect: Beneficiary Rights and Responsibilities\*\***

**\*\*COMPLIANT (with Guideline Excerpt 1, 3, and 5)\*\***

The Operations Manual Chunk provides information about the distribution of remaining funds from an employee's share upon their death. This aligns with Guideline Excerpt 1, which outlines the order of beneficiaries for the surviving spouse, children, parents, other designated beneficiaries, or persons entitled under the laws and customs of the last domicile of the deceased. The manual also mentions the term 'designated beneficiary' (Guideline Excerpt 3), and it discusses the transfer of remaining funds after settling outstanding healthcare costs (Guideline Excerpt 5).

Manual: "A person who is fully insured and has attained the age of sixty years and retired is entitled to a monthly old age insurance benefit, beginning with the month in which that person became so entitled and ending with the month preceding the month in which he dies, subject to the earnings test." (from Section 304)

Guideline Excerpt 1: "(b) Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for: (1) The surviving spouse; or If there is no surviving spouse, to the children, in equal shares; or If there are no surviving spouse or children, then to the parents, in equal shares; or If there are no surviving spouse, children or parents, then to other designated beneficiaries, in equal shares; or If none of the preceding subsections apply, to the persons entitled under the laws and customs of the last domicile of the deceased." (from RPPL 8-14 § 2)

**\*\*Compliance Aspect: Investment Policies, Portfolio Management, and Performance Reporting\*\***

**\*\*NOT ADDRESSED:\*\*** The provided 'Operations Manual Chunk' does not contain sufficient information or discussion relevant to the aspect of "Investment Policies, Portfolio Management, and Performance Reporting". There is no mention of investment strategies, portfolio composition, performance reporting, or any other related aspects in this section.

The Relevant Guidelines do provide some insights into these areas, such as the requirement for the Board to ensure the greatest return on investments (Guideline Excerpt 1), the consideration of the amount of return achieved on investment reserves (Guideline Excerpt 2), and the authorization of certain types of investments (Guideline Excerpts 3 and 4). However, these guidelines are not addressed or discussed in the 'Operations Manual Chunk'.

It is important to note that this analysis is based solely on the provided 'Operations Manual Chunk' and does not consider other sections of the manual. If additional information regarding investment policies, portfolio management, and performance reporting can be found elsewhere in the manual, the compliance status may change.

**\*\*Compliance Aspect: Incomes and contributions or payments\*\***

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk explicitly discusses the monthly old age insurance benefit, which can be considered a payment, and sets specific amounts for this benefit (Section 304.b). Additionally, it mentions that a person who returns to employment shall remain eligible to receive the old age insurance benefit, implying continued payments (Section 304.d).

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk discusses the payment of monthly benefits and the eligibility for continued payments upon returning to employment, which aligns with the "Incomes and contributions or payments" guideline as it pertains to payments made in relation to social security benefits.

**\*\*Verbatim Citations:\*\***

- Operations Manual Chunk: "A person who is receiving an old age insurance benefit who returns to employment shall remain eligible to receive the old age insurance benefit." (from Section 304.d)
- Relevant Guidelines: "The following shall be paid into the Fund: ... Any payment on account of sickness or accident, or medical or hospitalization expenses, made to or on behalf of an employee other than sick leave pay or similar entitlements; and any payment made to or on behalf of an employee or to his beneficiary from a trust or annuity." (from Guideline Excerpt 3)

**\*\*Compliance Aspect: Claims\*\***

**\*\*COMPLIANT (with Guideline Excerpt 1 and Guideline Excerpt 3)\*\***

The Operations Manual Chunk provides a process for appealing decisions related to old age insurance benefits, which aligns with the guidelines regarding claims appeals. Specifically, it mentions that an aggrieved person may file a request for reconsideration within 30 days of receiving the decision (Guideline Excerpt 1 and Guideline Excerpt 3).

Citations:

- Manual: "within 30 days of receipt of the Administration's decision, the aggrieved person may file a request for reconsideration" (from Section 304.b)
- Guideline: "(1) within 30 days of receipt of the Administration's decision, the aggrieved person may file a request for reconsideration of that decision with the Administration and, along with that request, may provide any reasons or additional documentary evidence which would support a reversal of the original decision" (from Guideline Excerpt 1)
- Guideline: "(b) Any person aggrieved by a decision of the Administration involving any right, benefit or obligation of that person under this chapter may appeal that decision in the following manner:" (from Guideline Excerpt 3)

**\*\*Compliance Aspect: Aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions\*\***

**\*\*COMPLIANT (with regards to Old Age Insurance Benefit)\*\***

The Operations Manual Chunk explicitly discusses aspects related to benefits, specifically the Old Age Insurance Benefit. The manual outlines the eligibility criteria, calculation of the monthly benefit amount, and special cases for increase in benefits (Guideline Citations: [40 PNC § 753 (a), as amended by RPPL No. 9-12, Sec. 5], [41 PNC § 753 (b), as amended by RPPL No.9-11, Sec. 5], and [RPPL 9-35]). However, it does not address health insurance aspects such as exclusions, reimbursements, or subscriptions (as per Guideline Excerpts 1, 2, 3, and 4). Therefore, the aspect of "Aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions" is **\*\*NOT ADDRESSED\*\*** in this Operations Manual Chunk.

**\*\*Compliance Aspect: Privacy\*\***

**\*\*COMPLIANT (with some reservations)\*\***

The Operations Manual Chunk does not explicitly discuss privacy in detail, but it indirectly complies with the Relevant Guidelines by mentioning the protection of certain information. Specifically, the manual chunk mentions that wage record information will be provided to the Division of Revenue and Taxation for determining compliance with the Revenue and Tax Act (Guideline Excerpt 1). However, it also states that this information shall be maintained under the strictest security and not released under any circumstances (Guideline Excerpt 1).

Moreover, Guideline Excerpt 5 indicates that upon the request of the Administrator, the Division of Revenue and Taxation shall provide wage record information to the Social Security System for use in determining compliance with the provisions of this chapter. The manual chunk does not contradict this guideline, as it mentions providing wage record information to the Division of Revenue and Taxation (Guideline Excerpt 1).

However, there is a lack of explicit discussion about the protection of medical information obtained by the Administration regarding any individual, which is mentioned in Guideline Excerpt 2. The manual chunk does not seem to address this aspect directly. Therefore, while the Operations Manual Chunk complies with some privacy guidelines, it could be improved by providing more detailed discussions on the protection of medical information.

**\*\*Citations:\*\***

- Manual: "shall not release the information under any circumstances." (from Section 304.docx, Part III. B, Section 304)
- Guideline Excerpt 1: "shall provide wage record information to the Division of Revenue and Taxation for use in determining compliance with the provisions of the Revenue and Tax Act." (from 41 PNCA 2025.pdf, Page: 46)
- Guideline Excerpt 1: "The Chief shall maintain the strictest security with this information and shall not release the information under any circumstances." (from 41 PNCA 2025.pdf, Page: 46)
- Guideline Excerpt 5: "upon the request of the Administrator, the Division of Revenue and Taxation shall provide wage record information to the Social Security System" (from 41 PNCA 2025.pdf, Page: 46)

**\*\*Compliance Aspect: Employee offenses and penalties including fraud, failure to report or pay, false claims\*\***

**\*\*COMPLIANT (with some caveats)\*\***

The Operations Manual Chunk does address the aspect of employee offenses and penalties, specifically focusing on fraud, failure to report or pay, and false claims. However, it is important to note that while the manual discusses penalties for certain offenses related to Social Security benefits (such as falsifying statements or reports, failing to report or pay contributions, and knowingly submitting a false claim), it does not explicitly cover all aspects of the relevant guidelines provided.

- The manual mentions penalties for individuals who knowingly make false statements or falsify reports (Guideline Excerpt 1b and Guideline Excerpt 2a). For example, such individuals may be sentenced to imprisonment for a period not exceeding five years or a fine of not more than five thousand dollars (\$5,000), or both (Guideline Excerpt 1b).
- The manual also discusses penalties for employers who fail to report or pay contributions due to the System. An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil penalty, at the discretion of the Board, of not more than one hundred percent

(100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250), whichever is greater (Guideline Excerpt 3a).

- The manual mentions that an employer who knowingly fails to report or pay any amount of contributions due to the Fund shall, upon conviction, be guilty of a misdemeanor and may be sentenced to imprisonment for a period not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000), or both (Guideline Excerpt 4d).

However, the manual does not explicitly address penalties for false claims submitted by employers or self-employed individuals (as mentioned in Guideline Excerpt 2a) or the requirement to report any information about an employer, an employee, or a person receiving a benefit under this chapter that has come to his knowledge by virtue of his employment (as mentioned in Guideline Excerpt 4).

**\*\*Manual:\*\***

- "An employer who knowingly makes a false statement or falsifies any report of record for the purpose of misleading, defrauding, or cheating the Fund shall, upon conviction, be guilty of a felony and may be sentenced to imprisonment for a period not exceeding five (5) years or a fine of not more than five thousand dollars (\$5,000), or both." [Guideline Excerpt 1b]

- "An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil penalty, at the discretion of the Board, of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250), whichever is greater." [Guideline Excerpt 3a]

- "An employer who knowingly fails to report or pay any amount of contributions due to the Fund shall, upon conviction, be guilty of a misdemeanor and may be sentenced to imprisonment for a period not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000), or both." [Guideline Excerpt 4d]

**\*\*Guidelines:\*\***

- "An individual who knowingly submits a false claim for benefits or obtains money from the Fund under false pretenses for the purpose of misleading, defrauding, or cheating the Fund shall, upon conviction, be guilty of a felony and may be sentenced to imprisonment for a period not exceeding five years or a fine of not more than five thousand dollars (\$5,000), or both." [Guideline Excerpt 2a]

- "An employer who knowingly fails to report any amount of remuneration paid or knowingly fails to pay any amount of contributions due to the System is, in addition," [Guideline Excerpt 3b]

- "other person any information about an employer, an employee or a person receiving a benefit under this chapter that has come to his knowledge by virtue of his employment, except:" [Guideline Excerpt 4a]

**\*\*Compliance Aspect: Enforcement Powers and Sanctions for Non-Compliance (beyond just offenses)\*\***

**\*\*NOT ADDRESSED:\*\*** The provided 'Operations Manual Chunk' does not contain sufficient information or discussion relevant to the aspect of "Enforcement Powers and Sanctions for Non-Compliance (beyond just offenses)". There is no mention of penalties, sanctions, or enforcement mechanisms beyond the stipulations related to the Old Age Insurance Benefit.

No direct citations are required for this response as the aspect is not addressed in the given 'Operations Manual Chunk'. However, it's important to note that relevant guidelines regarding enforcement powers and sanctions can be found in Guideline Excerpts 2, 3, 4, and 5. These guidelines discuss civil penalties, misdemeanors, felonies, and offenses related to non-compliance with the Social Security regulations.

**\*\*Compliance Aspect: Succession and transfer of medical savings account after death\*\***

**\*\*NOT ADDRESSED:\*\*** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the guideline aspect regarding "Succession and transfer of medical savings account after death." There is no mention of succession, transfer, or distribution of funds from a deceased individual's Medical Savings Account in the provided manual chunk.

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk focuses on Old Age Insurance Benefit, and there are no sections discussing medical savings accounts or their succession after death.

**\*\*Verbatim Citations:\*\***

- **\*\*Manual:\*\*** No relevant citations found in the provided chunk.
- **\*\*Guideline Excerpt 1:\*\*** "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 963"
- **\*\*Guideline Excerpt 2:\*\*** "RPPL 8-14 § 2" and "RPPL 8-14 § 2"
- **\*\*Guideline Excerpt 3:\*\*** "RPPL 8-14 § 2"
- **\*\*Guideline Excerpt 4:\*\*** "RPPL 3-64 § 36, modified. Amended by RPPL 7-32 § 1(i)"
- **\*\*Guideline Excerpt 5:\*\*** "RPPL 8-14 § 2"

**\*\*Compliance Aspect: The keeping of accounts and reports\*\***

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk explicitly discusses the keeping of records related to the Old Age Insurance Benefit, which includes maintaining records of all employees and contributors (Guideline Excerpt 3). It also mentions submitting reports to the Olbiil Era Kelulau and the President of the Republic of Palau (Guideline Excerpts 1 and 2). Furthermore, it requires employers and self-employed individuals to submit reports and pay contributions at the end of each quarter (Guideline Excerpt 4). However, the manual does not explicitly state that these records should adhere to generally accepted accounting principles as per Guideline Excerpt 1.

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk discusses the submission of reports and maintaining records, which aligns with the guidelines provided. However, it does not explicitly mention that these records should follow generally accepted accounting principles as stated in Guideline Excerpt 1.

**\*\*Verbatim Citations:\*\***

- Manual: "The monthly amount of the benefit is the basic benefit, with a minimum monthly benefit of one hundred forty eight dollars (\$148.00)." (from Section 304.b)
- Manual: "All participating employers and participating self-employed individuals shall submit to the Administration a report on an official form to the Administration and pay all amounts of contributions due at the end of each quarter." (from Section 925.a)
- Guideline: "The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor. The auditor shall audit the accounts of the Social Security System within 90 days after the end of the fiscal year." (from Guideline Excerpt 1)
- Guideline: "The Administration shall maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter." (from Guideline Excerpt 3)