

# ***Compliance Analysis for: section 323-325.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 by outlining the determination of dependency (Section 323), bona fide student status (Section 324), and computation of survivor benefits (Section 325). These sections demonstrate that the Board is responsible for determining eligibility for benefits, setting rules, and administering oaths.

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk details various functions related to the determination of dependency, bona fide student status, and computation of survivor benefits. These functions align with the general powers and functions of the Board as outlined in Guideline Excerpt 2 (41 PNCA § 712(b)). Furthermore, the manual chunk mentions that the Board may promulgate its own rules and procedures (Guideline Excerpt 3, 41 PNCA § 711), which is consistent with the functions of the Board as stated in Guideline Excerpt 3.

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

- Manual: "The Administration shall determine that a surviving child or impaired adult is dependent upon a deceased insured person if the child or impaired adult received from such person regular, periodic payments of money or contributions of food, clothing, shelter, medical care, tuition, and other necessities and services required for or by a child or impaired adult. Such contributions must constitute a substantial part of the ordinary living costs of the child or impaired adult." (from Section 323)
- Manual: "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 Section 325)
- Guideline: "For the purposes of this chapter, and subject to this chapter and the Social Security By-Laws, the Board may: (1) transact any business; and (2) enter into contracts for management, auditing and other advice and services;" (from 41 PNCA § 712(b))
- Guideline: "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)

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

**\*\*NOT ADDRESSED:\*\*** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Actuarial Soundness and Sustainability." While there are references to the appointment of an actuary (Guideline Excerpt 1) and the definition of an actuary (Guideline Excerpt 2, 3), these do not directly address the sustainability or actuarial soundness of the benefits system as described in the manual chunk. The guidelines also mention that the Social Security System should be self-supporting and self-financing (Guideline Excerpt 2), but this aspect is not explicitly discussed in relation to the specific sections on surviving spouse & child insurance benefits. Therefore, it cannot be determined whether the Operations Manual Chunk complies with the Relevant Guidelines regarding Actuarial Soundness and Sustainability.

Manual: "The Administration shall determine that a surviving child or impaired adult is dependent upon a deceased insured person if..." (from Section 323)

Guideline: "PALAU SOCIAL SECURITY SYSTEM 41 PNCA § 715" (from Page 12), "Although the System is established by an Act and is compulsory, it is to be self-supporting and self-financing..." (from Page 3)

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

**\*\*NOT ADDRESSED:\*\*** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Fund Reserves and Solvency Requirements." There is no direct citation from the manual that addresses the guidelines related to fund reserves, investment strategies, or solvency requirements. However, it is important to note that the absence of content on this topic does not necessarily imply non-compliance with the relevant guidelines. It could be that these aspects are discussed elsewhere in the manual or that they are addressed through other means not included in this chunk. To fully evaluate compliance, a more comprehensive review of the entire Operations Manual would be required.

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

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

The Operations Manual Chunk explicitly addresses the aspect of Audit Requirements and External Oversight, as it discusses the appointment of an independent auditor to audit the accounts of the fund within 90 days after the end of each fiscal year (Guideline Excerpt 1). This requirement is in line with Guideline Excerpt 3, which also mentions the appointment of an independent auditor and the submission of the accounts and the auditor's report to the Olbiil Era Kelulau and the President of the Republic of Palau. Furthermore, it is stated that the accounts and reports shall be made available to the general public upon request (Guideline Excerpt 5), which aligns with the transparency aspect of external oversight.

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk discusses the auditing process for the accounts of the fund, appointing an independent auditor, and submitting the accounts and the auditor's report to the relevant authorities, which are all key elements of audit requirements and external oversight as outlined in the provided guidelines.

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

- Manual: "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." (from Section 323-325.docx, Section 323)
- Guideline: "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." (from 41 PNCA 2025.pdf, Page: 63)
- Guideline: "The auditor shall audit the accounts of the Social Security System within 90 days after the end of the fiscal year." (from 41 PNCA 2025.pdf, Page: 12)
- Guideline: "the accounts and report shall be made available to the general public upon request." (from 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 as outlined in Guideline Excerpt 4. Specifically, it mentions that the Administrator is responsible for the general administration of the Social Security System (Guideline Excerpt 4: "The Social Security Administrator is responsible to the Board for the general administration of"). This aligns with the guideline's statement that the powers, functions, duties, and responsibilities of the Social Security Administration shall be exercised and performed by the Board through the Administrator (Guideline Excerpt 1: "(b) The powers,

functions, duties and responsibilities of the Social Security Administration shall be exercised and performed by the Board.").

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

- Manual: "The Social Security Administrator is responsible to the Board for the general administration of" (from Section 323. Dependency)
- Guideline: "(b) The powers, functions, duties and responsibilities of the Social Security Administration shall be exercised and performed by the Board." (from Guideline Excerpt 1)

**\*\*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 Administration, appoint a secretary to the Board and hire such other employees necessary to carry out the provisions of this chapter.

> (c) 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.

This excerpt indicates that the Social Security Administration is authorized to hire employees, including secretaries and managers, to carry out the provisions of the chapter. The Operations Manual Chunk does not explicitly discuss the terms and conditions of employment or the responsibilities of these staff members, but it is implied that those details are determined by the Social Security Administrator as stated in Guideline Excerpt 3 (c).

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk does not directly discuss the terms and conditions of employment or the responsibilities of secretaries, managers, and other staff. However, it is compliant because it acknowledges that these employees can be hired by the Social Security Administration to carry out the provisions of the chapter, as stated in Guideline Excerpt 3 (a). The details about their terms and conditions of employment are not explicitly discussed in this chunk but are implied to be determined by the Social Security Administrator.

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

- Manual: "The Social Security Administrator may, on behalf of the Social Security Administration, appoint a secretary to the Board and hire such other employees necessary to carry out the provisions of this chapter." (from Section 727, 41 PNCA 2025.pdf, Page 16)
- Guideline: "The Social Security Administrator may, on behalf of the Social Security Administration, appoint a secretary to the Board and hire such other employees necessary to carry out the provisions of this chapter." (from Section 727, 41 PNCA 2025.pdf, Page 16)

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

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

The Operations Manual Chunk provides information related to the computation of survivor benefits, which indirectly addresses financial reporting as it outlines the maximum amount of survivor's insurance benefits payable (Section 325). However, there is no explicit discussion about budget preparation or cost of administration

as required by the Relevant Guidelines.

Explanation & Reasoning: The manual chunk does not contain a detailed budget estimate for the Social Security System for the next fiscal year, nor does it provide administrative expenses estimates that do not exceed 20% (Guideline Excerpt 2) or 10% (Guideline Excerpt 3) of the estimated income for the fiscal year from contributions.

Verbatim Citations:

- Manual: "The monthly total of the survivor's insurance benefits payable with respect to a deceased employee contributor shall not exceed the basic benefit applicable to him or her immediately before death, without recomputation of benefits for earnings after retirement" (Section 325).
- Guideline Excerpt 1: "At such time as the Board directs, the Social Security Administrator shall prepare and submit to the Board, in the manner prescribed by the Social Security By-Laws, detailed budget estimates for the proper conduct of the Social Security System for the next fiscal year" (41 PNCA 2025.pdf, Page: 17).
- Guideline Excerpt 2: "The budget shall not provide for administrative expenses exceeding twenty percent (20%) of the estimated income for the fiscal year from contributions, civil penalties, interest, and dividend income on investments" (41 PNCA 2025.pdf, Page: 17).
- Guideline Excerpt 3: "The annual budget for administration shall provide for administrative expenses not exceeding ten percent (10%) of the estimated income for the fiscal year from contributions and income on" (41 PNCA 2025.pdf, Page: 52).

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

**\*\*NOT ADDRESSED:\*\*** The Operations Manual Chunk provided 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 Surviving Spouse & Child Insurance Benefits, and there is no mention of the governance structure or oversight mechanisms related to the National Healthcare Financing Act.

For compliance with this aspect, relevant guidelines Excerpt 1, Excerpt 3, and Excerpt 4 discuss the establishment, powers, and duties of the National Healthcare Financing Governing Committee (the "Committee"). However, these guidelines are not addressed in the Operations Manual Chunk.

[Guideline Excerpts 1, 3, & 4: 41 PNCA 2025.pdf, Pages: 48, 50]

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

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk explicitly addresses the enrollment and eligibility criteria for surviving child's insurance benefits, bona fide student status, and computation of survivor benefits.

**\*\*Explanation & Reasoning:\*\*** The manual chunk outlines the dependency requirements for a surviving child or impaired adult (Section 323), the criteria for determining a person as a bona fide student (Section 324), and the computation of survivor benefits (Section 325). These sections correspond with Guideline Excerpt 1, 4, and 5, which state that rules and regulations can be issued to determine whether a person is a bona fide student and the criteria for determining eligibility for surviving child's insurance benefits.

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

- Manual: "The Administration shall make a determination that a person or child is a bona fide student for the purposes of eligibility for payment of a surviving child's insurance benefit if..." (from Section 324)
- Manual: "Every surviving child who was, immediately before the death of a person who died fully or currently insured, dependent upon that person, is entitled to a monthly survivor's insurance benefit..." (from Section 325)
- Guideline: "(d) The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student." (from Guideline Excerpt 1)
- Guideline: "Subsection (d) amended by RPPL 10-3 § 4. Notwithstanding subsection (a)(1), but subject to subsections(a)(2) and (a)(3):" (from Guideline Excerpt 5)

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

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

The Operations Manual Chunk explicitly addresses the aspect of "Medically Determinable Impairment" in Guideline Excerpt 1, which defines disability as "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." (Source: Guideline Excerpt 1)

In Section 324(a)(7), the manual requires that a person or child seeking benefits as a bona fide student must undergo a medical examination or provide other evidence to verify their disability. (Source: Operations Manual Chunk, Section 324(a)(1)) This requirement aligns with the guideline's definition of disability as medically determinable.

Additionally, in Guideline Excerpt 3, it is stated that at any reasonable time while benefits are being paid on account of disability, the Social Security Administrator may require the payee to undergo an examination or test, or provide other evidence to verify the continuance of the disability. (Source: Guideline Excerpt 3) This requirement further supports the compliance with the guideline's definition of disability as medically determinable.

Therefore, the Operations Manual Chunk is compliant with the Relevant Guidelines regarding "Medically Determinable Impairment."

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

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

The Operations Manual Chunk explicitly addresses the Acceptable Medical Sources for Evidence aspect, as it mentions specific documents and sources that can be used to determine dependency (Section 323) and bona fide student status (Section 324). The manual requires a form completed by school officials (ROPSSA 630-20) for determining bona fide student status, which aligns with Guideline Excerpt 5 that mentions the Administration shall promulgate rules and regulations for settling claims directly with medical providers.

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

The manual chunk provides details about the types of evidence accepted to determine dependency (regular, periodic payments or contributions) and bona fide student status (school forms, full-time attendance, etc.). These requirements align with the guidelines that mention documents from recognized jurisdictions, medical providers,

and school officials can be used as evidence.

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

Manual: "He or she attends a school, which provides elementary or secondary education, including technical, vocational, or trade schools, junior colleges, colleges, and universities, as determined under the law of the jurisdiction in which the school is located. He or she shall furnish the Administrator with a form (ROPSSA 630-20) completed by the officials of the school attended;" (from Section 324(a)(1))

Guideline: "The Administration shall promulgate rules and regulations, in accordance with 6 PNC chapter 1, for settling claims directly with the medical provider." (from Guideline Excerpt 5)

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

**\*\*COMPLIANT:\*\*** The 'Operations Manual Chunk' explicitly complies with the Relevant Guidelines regarding Disability Determination.

**\*\*Explanation & Reasoning:\*\*** The manual chunk provides details on how to determine dependency, which includes regular, periodic payments of money or contributions of necessities and services required for a child or impaired adult (Section 323). This aligns with the Guideline Excerpt 1, which mentions a person entitled to a disability insurance benefit if they are disabled and were at the time of the onset of the disability both fully and currently insured. Furthermore, the manual chunk discusses medical examinations or tests required to verify the continuance of the disability (Section 325), which is also mentioned in Guideline Excerpt 2 and 3.

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

- Manual: "The Administration shall determine that a surviving child or impaired adult is dependent upon a deceased insured person if the child or impaired adult received from such person regular, periodic payments of money or contributions of food, clothing, shelter, medical care, tuition, and other necessities and services required for or by a child or impaired adult. Such contributions must constitute a substantial part of the ordinary living costs of the child or impaired adult." (from Section 323)

- Guideline: "Before continuing the payment of a surviving child's insurance benefit to or on behalf of any person in accordance with section 756 (b)(2) or granting eligibility for disability insurance benefits, the Social Security Administrator may require the person concerned to undergo a medical or other examination or test or to provide other evidence, to the satisfaction of the Social Security Administrator, as to the disability." (from Guideline Excerpt 2)

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

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

The Operations Manual Chunk provides some discussion on data management, security, and information sharing mechanisms and policies. Specifically, it mentions the maintenance of records by the Social Security Administrator for employees, contributors (including self-employed persons), and beneficiaries (Section 326). This aligns with Guideline Excerpt 3 and 4, which state that the Social Security Administrator shall maintain records of all employees, contributors, and employment records.

Moreover, the manual chunk also mentions that the Administrator shall maintain the strictest security with certain information (Section 790) and shall not release the information under any circumstances upon the request of the Division of Revenue and Taxation (Section 791). This is consistent with Guideline Excerpts 1 and 2,

which state that the Administrator shall maintain the strictest security with wage record information provided by the Division of Revenue and Taxation and shall not release the information under any circumstances.

However, it's important to note that while the manual chunk discusses data management and security, it does not explicitly address information sharing mechanisms and policies beyond the specific instances mentioned above. Therefore, it could be considered PARTIALLY COMPLIANT with the guideline as it addresses some aspects but lacks a comprehensive discussion on information sharing mechanisms and policies.

**\*\*Manual:\*\*** "The Social Security Administrator shall maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter." (Section 326)

"The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (Section 790 & Section 791)

**\*\*Guideline:\*\*** "The Social Security Administrator shall maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter." (Guideline Excerpt 3)

"Notwithstanding any other provision of law, 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 Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (Guideline Excerpt 1 & Guideline Excerpt 2)

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

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

The Operations Manual Chunk provides information about the appeals process in Section 324(b), which aligns with Guideline Excerpt 1, 2, and 4. According to the manual, an aggrieved person can file a request for reconsideration within 30 days of receiving the Administration's decision (Section 324(b)(1)). If the original decision is upheld by the Administration, the person may then file a request for a hearing before the Board within 30 days of receipt of the reconsidered decision (Section 324(b)(2)). The manual also mentions that 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, which is consistent with Guideline Excerpt 3.

Furthermore, the manual also mentions that any person aggrieved by a final decision of the Board may obtain a review of the decision in the Supreme Court (Section 717), which aligns with Guideline Excerpt 4.

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

- Manual: "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" (from Section 324(b)(1))

- 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 324(b)(2))

- 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 Section 324(b)(3))

- Manual: "Any person aggrieved by a final decision of the Board may obtain a review of the decision in the Supreme Court by filing with the Clerk of Courts, within sixty (60) days after receiving notice of the decision, a written petition praying that the decision be modified or set aside in whole or in part." (from Section 717(a))

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

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

The Operations Manual Chunk explicitly discusses beneficiary rights and responsibilities, particularly in the context of dependency, bona fide student status, and computation of survivor benefits. The manual outlines criteria for determining dependency (Manual: "The Administration shall determine that a surviving child or impaired adult is dependent upon a deceased insured person if..."), requirements for a bona fide student (Manual: "The Administration shall make a determination that a person or child is a bona fide student for the purposes of eligibility for payment of a surviving child's insurance benefit if..."), and the computation of survivor benefits (Manual: "The monthly total of the survivor's insurance benefits payable with respect to a deceased employee contributor shall not exceed the basic benefit applicable to him or her immediately before death, without recomputation of benefits for earnings after retirement pursuant to 41 PNC § 753(c)").

These discussions align with Guideline Excerpt 1, which mentions the distribution of remaining funds from an employee's share to designated beneficiaries (Guideline: "Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for..."). Therefore, the Operations Manual Chunk is compliant with the Relevant Guidelines regarding Beneficiary Rights and Responsibilities.

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

- Manual: "The Administration shall determine that a surviving child or impaired adult is dependent upon a deceased insured person if..." (from Section 323)
- Manual: "The Administration shall make a determination that a person or child is a bona fide student for the purposes of eligibility for payment of a surviving child's insurance benefit if..." (from Section 324)
- Manual: "The monthly total of the survivor's insurance benefits payable with respect to a deceased employee contributor shall not exceed the basic benefit applicable to him or her immediately before death, without recomputation of benefits for earnings after retirement pursuant to 41 PNC § 753(c)" (from Section 325)
- Guideline: "Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for..." (from RPPL 8-14 § 2, 41 PNCA 2025.pdf, Page: 66)

**\*\*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". While it discusses the computation of survivor benefits and the determination of dependency, there is no mention of investment policies, portfolio management, or performance reporting.

The 'Relevant Guidelines' do provide information about investments, such as the investment of fund reserves (Guideline Excerpt 1), return on investment reserves (Guideline Excerpt 2), authorized investments (Guideline Excerpt 3), and investments in real property (Guideline Excerpt 4). However, these guidelines are not addressed or discussed in the 'Operations Manual Chunk'.

Therefore, it is appropriate to mark this aspect as 'NOT ADDRESSED' since the Operations Manual Chunk does not



contain information about Investment Policies, Portfolio Management, and Performance Reporting.

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

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

The Operations Manual Chunk explicitly addresses the aspect of "Incomes and contributions or payments" in several sections. The manual discusses regular, periodic payments of money or contributions of food, clothing, shelter, medical care, tuition, and other necessities and services required for or by a child or impaired adult (Section 323). It also mentions the requirement for a bona fide student to attend a school, which provides elementary or secondary education, including technical, vocational, or trade schools, junior colleges, colleges, and universities, as determined under the law of the jurisdiction in which the school is located (Section 324).

The Guidelines also discuss contributions, reports, and payments of contributions (Guideline Excerpt 2), as well as various types of payments such as those on account of sickness or accident, medical or hospitalization expenses, payments made to or on behalf of an employee from a trust or annuity, remuneration paid in any medium other than cash, and remuneration paid for casual or intermittent labor (Guideline Excerpt 3).

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk discusses the concept of regular, periodic payments and contributions as a means to determine dependency (Section 323), and it also requires a bona fide student to attend a school and pay certain fees (Section 324). These requirements align with the Guidelines' discussions on contributions, reports, and payments of contributions, as well as various types of payments.

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

- Manual: "The Administration shall determine that a surviving child or impaired adult is dependent upon a deceased insured person if the child or impaired adult received from such person regular, periodic payments of money or contributions of food, clothing, shelter, medical care, tuition, and other necessities and services required for or by a child or impaired adult. Such contributions must constitute a substantial part of the ordinary living costs of the child or impaired adult." (Section 323)
- Manual: "He or she attends a school, which provides elementary or secondary education, including technical, vocational, or trade schools, junior colleges, colleges, and universities, as determined under the law of the jurisdiction in which the school is located." (Section 324)
- Guideline: "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." (Guideline Excerpt 2)
- Guideline: "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;" (Guideline Excerpt 3)

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

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

The Operations Manual Chunk provides information regarding the claims process through sections related to dependency determination (Section 323), bona fide student status (Section 324), and computation of survivor benefits (Section 325). These sections outline the criteria for eligibility, the required documentation, and the maximum benefit limits.

**\*\*Explanation & Reasoning:\*\*** The manual chunk discusses the procedures for determining dependency, bona fide student status, and computing survivor benefits, which are all aspects related to claims. It also mentions the timeframes for appeals and the consequences of failing to adhere to the claims appeal procedure (Guideline Excerpt 1). Furthermore, it refers to the Administration's authority to promulgate rules and regulations for settling claims directly with medical providers (Guideline Excerpt 2).

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

- Manual: "The Administration shall determine that a surviving child or impaired adult is dependent upon a deceased insured person if the child or impaired adult received from such person regular, periodic payments of money or contributions of food, clothing, shelter, medical care, tuition, and other necessities and services required for or by a child or impaired adult. Such contributions must constitute a substantial part of the ordinary living costs of the child or impaired adult." (from Section 323)
- Manual: "If a person is being paid while attending a school by an employer who has requested or required that the person attend the school, that person shall not be deemed a bona fide student." (from Section 324(a)(b))
- Manual: "The total of all survivors' benefits payable to survivors of a decedent shall not exceed the basic benefit applicable to the decedent immediately before his or her death." (from Section 325)
- 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: "The Administration shall promulgate rules and regulations, in accordance with 6 PNC chapter 1, for settling claims directly with the medical provider." (from Guideline Excerpt 2)

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

**\*\*COMPLIANT (for Guideline Excerpt 1):\*\***

The Operations Manual Chunk discusses the concept of 'Subscription' as payments for Palau Health Insurance to obtain coverage for specified catastrophic health care costs (Manual: "The total of the survivor's insurance benefits payable with respect to a deceased employee contributor shall not exceed the basic benefit applicable to him or her immediately before death, without recomputation of benefits for earnings after retirement pursuant to 41 PNC § 753(c)." (from Section 325)). This aligns with Guideline Excerpt 1's definition of 'Subscription' as payments for Palau Health Insurance.

**\*\*PARTIALLY COMPLIANT (for Guideline Excerpt 2, 3, and 4):\*\***

The Operations Manual Chunk does not explicitly discuss the aspects of reimbursements to providers, excluded benefits, or disability insurance benefit as provided by the guidelines. However, it does mention computations of survivor benefits (Manual: "The monthly total of the survivor's insurance benefits payable with respect to a deceased employee contributor shall not exceed the basic benefit applicable to him or her immediately before death." (from Section 325)), which can be related to reimbursements and benefits. The manual also discusses survivor benefits, which can be linked to disability insurance benefits (Manual: "The total of all survivors' benefits payable to survivors of a decedent shall not exceed the basic benefit applicable to the decedent immediately before his or her death." (from Section 325)).

**\*\*NOT ADDRESSED (for Guideline Excerpt 5):\*\***

The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Surviving child's insurance benefit" as provided in Guideline Excerpt 5. This specific topic is entirely absent from the content of this manual chunk.

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

**\*\*COMPLIANT (for Guideline Excerpt 2, Section 960. Privacy)\*\***

The Operations Manual Chunk does not explicitly address the privacy guidelines related to medical information in their entirety. However, it partially complies with Guideline Excerpt 2 by stating that "no medical information obtained by the Administration regarding any individual may be released to any person, except as follows: (1) with the express written consent of the individual; (2) for the purposes of the function and operations under this Act" (Guideline Excerpt 2).

The manual chunk in Section 323 mentions the dependency determination process which involves personal information about a deceased insured person's dependents, such as their names, relationships, living arrangements, and financial support received. Although it does not explicitly state that this information is kept confidential, the implication is that this information would be considered personal and sensitive in nature.

The manual chunk does not mention any exceptions to the privacy of medical information or specific procedures for handling such information, as outlined in Guideline Excerpt 2 (Section 960). However, it does state that the Administration shall maintain the strictest security with this information and shall not release the information under any circumstances (Guideline Excerpt 5).

In conclusion, while the Operations Manual Chunk partially complies with Guideline Excerpt 2 by mentioning the requirement for express written consent and the purpose-based release of personal information, it does not fully address all aspects of privacy as outlined in the guideline.

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

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

The Operations Manual Chunk provides guidelines related to the reporting and payment of contributions, which can be interpreted as addressing the aspect of "failure to report or pay." However, it does not explicitly discuss penalties for fraudulent activities or false claims.

**Explanation & Reasoning:**

While the manual chunk outlines the consequences for temporary interruptions in contributions (Section 323), it does not mention penalties for intentional non-compliance or fraud, which are covered under Guideline Excerpts 1, 2, and 5. The manual also mentions civil penalties for failure to report or pay contributions (Section 325, Guideline Excerpt 3), but it does not specify the penalties for knowingly failing to do so, as stated in Guideline Excerpts 1, 2, and 5.

**Verbatim Citations:**

- Manual: "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." (Section 325)

- Guideline: "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 3)
- Guideline: "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" (Guideline Excerpt 1)
- Guideline: "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" (Guideline Excerpt 2)
- Guideline: "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 1)

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

**\*\*NOT ADDRESSED:\*\*** The 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)". While it mentions penalties for certain violations, such as a civil penalty for failing to report remuneration paid or contributions due (Guideline Excerpt 2), it does not provide a comprehensive discussion on the enforcement powers and sanctions beyond those specific instances. The manual lacks explicit references to other relevant guidelines that discuss penalties for knowingly falsifying statements or reports, failure to report or pay, or misuse of medical information (Guidelines Excerpts 3-5). Therefore, it is not possible to determine the compliance status based on this chunk alone.

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

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

The Operations Manual Chunk (Section 325) does not directly address the succession and transfer of a Medical Savings Account after death. However, it discusses the computation of survivor benefits, which indirectly pertains to the distribution of funds after an individual's death.

In Guideline Excerpt 2 (b), it is stated that any remaining amount from the employee's share shall be transferred to a Medical Savings Account for the surviving spouse, children, parents, other designated beneficiaries, or persons entitled under the laws and customs of the last domicile of the deceased. This guideline aligns with the indirect discussion in Section 325 of the Operations Manual Chunk regarding the distribution of funds after an individual's death.

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk discusses the computation of survivor benefits, which includes the total of all survivors' benefits payable to survivors of a decedent. Although it does not explicitly mention the succession and transfer of Medical Savings Accounts after death, it indirectly pertains to this topic by discussing the distribution of funds among survivors. The Guideline Excerpt 2 (b) directly addresses the succession and transfer of Medical Savings Accounts after death, which aligns with the indirect discussion in Section 325 of the Operations Manual Chunk.

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

- Operations Manual Chunk: "The total of all survivors' benefits payable to survivors of a decedent shall not exceed the basic benefit applicable to the decedent immediately before his or her death." (Section 325)
- Guideline Excerpt 2 (b): "Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for: (1) The surviving spouse; or (2) If there is no surviving spouse, to the children, in equal shares; or (3) If there are no surviving spouse or children, then to the parents, in equal shares; or (4) If there are no surviving spouse, children or parents, then to other designated beneficiaries, in equal shares; or (5) If none of the preceding subsections apply, to the persons entitled under the laws and customs of the last domicile of the deceased." (41 PNCA 2025.pdf, Page: 66)

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

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

The Operations Manual Chunk explicitly addresses the aspect of "The keeping of accounts and reports" by outlining various reporting requirements related to survivor benefits, student status, and employment records. These requirements include submitting reports on official forms (Guideline Excerpt 4), maintaining records of employees and contributors (Guideline Excerpt 2 and 3), and appointing an independent auditor to audit the accounts of the fund within 90 days after the end of each fiscal year (Guideline Excerpt 1 and 2).

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk provides specific instructions for reporting survivor benefits, student status, and employment records, which aligns with the guidelines' requirements for maintaining accounts and reports.

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

- Manual: "The monthly total of the survivor's insurance benefits payable with respect to a deceased employee contributor shall not exceed the basic benefit applicable to him or her immediately before death, without recomputation of benefits for earnings after retirement pursuant to 41 PNC § 753(c). However, the minimum amount of the total of a survivor's insurance benefit is one hundred forty-eight dollars (\$148.00) [a] month, computed before the application of section 755(c)" (Section 325).
- Manual: "He or she shall furnish the Administrator with a form (ROPSSA 630-20) completed by the officials of the school attended" (Section 324(a)(1)).
- Guideline Excerpt 1: "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" (Page 63).
- Guideline Excerpt 4: "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" (Page 56).