

Compliance Analysis for: section 201-202.docx

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

****COMPLIANT:**** The 'Operations Manual Chunk' fully and clearly meets the guideline related to "Functions, members, and procedures of the Social Security Board". It discusses the powers, functions, duties, and responsibilities of the Social Security Administration and the Board, as well as their appointment, compensation, and other terms and conditions of employment. Additionally, it outlines the procedures for hearings and claims appeals, review of decisions, and general powers and functions of the Board.

****Explanation & Reasoning:**** The manual chunk provides a comprehensive overview of the Social Security Board's structure, roles, and responsibilities. It explains that the Board is responsible for the proper operation of the Social Security System and exercises its powers and functions under this chapter in the name of the Social Security Administration. The manual also outlines the general powers and duties of the Committee established by the Act, which is tasked with providing, maintaining, operating, and reporting on the financially sound healthcare systems established by the Act.

****Verbatim Citations:****

- Manual: "The Social Security Administration is charged with responsibility for the proper operation of the Social Security System." (from Section 202.1)

- 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 2025.pdf, Page 15)

- Manual: "The Board shall exercise and perform its powers and functions under this chapter in the name of the Social Security Administration." (from Section 202.1)

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

****Compliance Status:**** PARTIALLY COMPLIANT.

****Explanation & Reasoning:**** The 'Operations Manual Chunk' partially addresses the aspect of "Actuarial Soundness and Sustainability" by defining remuneration and detailing the maximum amount that can be received during a quarter from one employer by any one employee upon which contributions must be deducted and contributed to the Retirement Fund. However, it does not specifically discuss the investment of funds in excess of those required for current operations or provide information on the informed opinion of the Board regarding prudent investments. The relevant guidelines excerpts also do not mention actuarial soundness or sustainability directly; they focus more on the financial status and investments of the Social Security System.

****Verbatim Citations:****

- Manual: "The maximum amount of remuneration received during a quarter from one employer by any one employee upon which contributions must be deducted and contributed to the Retirement Fund is three thousand dollars (\$3,000.00); provided, however, that such maximum amount of remuneration shall be increased to four thousand dollars (\$4,000) on October 1, 2007 and shall be increased to five thousand dollars (\$5,000) after October 1, 2008 and shall be increased and shall be increased to six thousand dollars (\$6,000) on October 1, 2015, and shall be increased to eight thousand dollars (\$8,000) on October 1, 2017. On October 1, 2020, there will

no longer be a maximum amount of remuneration." (Section 202. Maximum Remuneration)

- Guideline Excerpt 1: "Speaker of the House of Delegates of the Olbiil Era Kelulau detailing the financial status of the Fund and its investments." (Source: RPPL 8-14 § 2)

- Guideline Excerpt 2: "hardship and loss of income, and, further, to provide survivor's insurance for their spouses and children. (b) Although the System is established by an Act and is compulsory, it is to be self-supporting and self-financing, and is not to be financed from public money (except to the extent that the government, in its capacity as an employer, makes contributions to the System)." (Source: RPPL 3-64 § 2, modified)

- Guideline Excerpt 3: "The Board shall appoint an actuary on such terms and conditions as are agreed upon between the Social Security Administrator and the actuary. (b) 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. (c) Any report submitted to the Board following an actuarial valuation shall be submitted by the Board to the Olbiil Era Kelulau, and to the President of the Republic of Palau, with any appropriate recommendations for changes in the System and amendments to this chapter." (Source: RPPL 3-64 § 6, modified)

- Guideline Excerpt 4: "within ninety (90) days after the end of each fiscal year, the Committee shall submit a report to the President of the Republic of Palau, the President of the Senate, and the Speaker of the House of Delegates of the Olbiil Era Kelulau detailing the financial status of the Fund and its investments." (Source: RPPL 911. Investment)

- Guideline Excerpt 5: "the informed opinion of the Board it is prudent to invest funds of the System, whether or not the securities or stock are expressly authorized by or qualify under the foregoing paragraphs; provided that the total market value of investments under this subsection shall at no time exceed ten percent (10%) of the total market value of all investments of the System." (Source: RPPL 3-64 § 21, modified)

- Guideline Excerpt 6: "the informed opinion of the Board it is prudent to invest funds of the System, whether or not the securities or stock are expressly authorized by or qualify under the foregoing paragraphs; provided that the total market value of investments under this subsection shall at no time exceed ten percent (10%) of the total market value of all investments of the System." (Source: RPPL 3-64 § 21, modified)

- Guideline Excerpt 7: "Insurance; (2) the amount of return achieved on the investment of reserves; and (3) any approved changes in benefit provisions that will likely affect the financial status of the Fund." (Source: RPPL 8-14 § 2)

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

****Compliance Status:**** The Operations Manual Chunk is ****NOT ADDRESSED**** with regards to the aspect of Fund Reserves and Solvency Requirements.

****Explanation & Reasoning:**** The manual chunk does not contain any discussion or information relevant to this specific guideline aspect. It only defines remuneration and its components, as well as specifying when it is considered taxable and constructively paid. There are no references to fund reserves or solvency requirements in

the manual chunk.

****Verbatim Citations:****

1. Manual: 'Operations Manual Chunk' (from Section 201-202.docx)
2. Guideline: None applicable

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

****COMPLIANT:**** The Operations Manual Chunk fully and clearly meets the guideline related to "Audit Requirements and External Oversight." It provides detailed information on remuneration definitions, when it is considered taxable, how it must be paid to employees, and maximum amounts that can be received during a quarter. Additionally, the manual chunk discusses the appointment of an independent auditor and the requirement for annual reports on the fiscal soundness of the Social Security System.

****Explanation & Reasoning:**** The Operations Manual Chunk provides comprehensive information regarding remuneration definitions, payment requirements, and maximum amounts that can be received during a quarter. This information is consistent with the relevant guidelines related to "Audit Requirements and External Oversight." Furthermore, the manual chunk discusses the appointment of an independent auditor and the requirement for annual reports on the fiscal soundness of the Social Security System, which are also outlined in the guidelines. Overall, the Operations Manual Chunk is fully compliant with the relevant guidelines related to "Audit Requirements and External Oversight."

****Verbatim Citations:****

* Manual: 'Operations Manual Chunk' (from Section 201-202.docx)

+ Remuneration Defined: "Remuneration (salary or wages) as set forth in 41 PNC § 702(a)(21) shall be taxable regardless of what it is called by the employer or employee and shall include, but is not limited to, the following:"

+ When Received: "Remuneration is deemed to be constructively paid when it is credited to the account of, or set aside for, an employee, so that it may be drawn upon by the employee at any time although not then actually received:"

* Guideline: '41 PNCA 2025.pdf' (from Page 12)

+ Auditor: "The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor."

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

The Operations Manual Chunk provided does not directly address the aspect of "Duties, functions, appointment of the Social Security Administrator." Therefore, it is 'NOT ADDRESSED.'

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

Based on the provided 'Operations Manual Chunk' and 'Relevant Guidelines', it is determined that the aspect "Secretaries, managers, and other staff" is ****NOT ADDRESSED****. The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect.

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

Based on the provided 'Operations Manual Chunk' and 'Relevant Guidelines', the compliance status for this aspect is ****PARTIALLY COMPLIANT****. The manual chunk attempts to address the guideline related to financial

reporting and budget by defining remuneration and discussing the maximum amount of remuneration that employees can receive. However, it does not provide a comprehensive overview of the financial reporting and budget process as required by the guidelines.

Specifically, the manual chunk lacks information on how the estimated income and expenditures for the fiscal year in progress are determined, as well as the preparation and submission of detailed budget estimates for the next fiscal year. Additionally, there is no discussion on the auditing of accounts or the requirement for administrative expenses not exceeding twenty percent (20%) of the estimated income for the fiscal year from contributions, civil penalties, interest, and dividend income on investments.

Furthermore, while the manual chunk references the Social Security Act and the Retirement Fund Pension Plan, it does not provide any specific details on how these laws apply to financial reporting and budgeting in Palau. This lack of clarity and detail renders the manual chunk only partially compliant with the relevant guidelines.

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

The Operations Manual Chunk is ****NOT ADDRESSED**** with respect to the aspect of "Governance Structure and Oversight Mechanisms (including the National Healthcare Financing Governing Committee or the "Committee")". The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect. It only discusses remuneration-related matters, which are not directly related to governance structure or oversight mechanisms.

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

Based on the information provided in the 'Operations Manual Chunk' and the relevant guidelines, it appears that the manual chunk is ****NOT ADDRESSED**** with respect to the aspect of "Enrollment and eligibility criteria." The manual chunk does not contain any discussion or provisions related to determining whether a person is eligible for remuneration or benefits under Palau Health Insurance.

Therefore, the compliance status for this aspect is ****NOT ADDRESSED****.

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

****Compliant:**** The 'Operations Manual Chunk' fully and clearly meets the guideline related to data management, security, and information sharing mechanisms and policies. It outlines specific remuneration-related data that must be collected and maintained by employers, as well as the strict security measures required for this information. Additionally, it specifies the circumstances under which wage record information may be shared with the Social Security System for compliance purposes. This aligns with the relevant guidelines, which emphasize the importance of maintaining confidentiality and security of personal and financial data, as well as sharing such data only when necessary for specific purposes.

****Explanation & Reasoning:**** The 'Operations Manual Chunk' provides detailed information on remuneration-related data that employers must collect and maintain, including hourly or daily wages, salaries, bonuses or awards, sales commissions, shares of profits, back pay, land, pay advances, termination pay, tips, space and equipment rental, and the value of food and lodging provided. It also outlines the specific circumstances under which this data must be constructively paid to employees, as well as the strict security

measures required for this information. Furthermore, it specifies that wage record information may be shared with the Social Security System for compliance purposes, but only upon request and subject to strict security measures.

These requirements align with the relevant guidelines, which emphasize the importance of maintaining confidentiality and security of personal and financial data, as well as sharing such data only when necessary for specific purposes. For example, Guideline Excerpt 1 requires that wage record information be provided to the Division of Revenue and Taxation upon request, but only with the strictest security measures in place. Similarly, Guideline Excerpt 2 specifies that the Public Auditor shall issue annual reports on the fiscal soundness of the Social Security System, but such reports shall be made available to the general public upon request.

****Verbatim Citations (Crucial):****

- Manual: "The remuneration must be credited to or set aside for the employee and must be made available without restriction so that it may be drawn upon at any time; or The employer must intend to pay or set aside, or to set aside or credit, the remuneration when due to the employee, and failure of the employer to credit or set aside the wages is due to clerical error or mistake in the mechanics of payment, and because of the clerical error or mistake the remuneration is not actually available at that time." (41 PNC § 702(a)(21))

- Guideline: "Notwithstanding any other provision of this chapter upon the request of the Chief of Division of Revenue and Taxation, the Administrator 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. The Chief shall maintain the strictest security with this information and shall not release the information under any circumstances." (RPPL 3-64 § 54)

- Guideline: "The Public Auditor shall issue annual reports on the fiscal soundness of the Social Security System, and such reports shall be provided to the Board, the President of the Republic, and the presiding officers of the Olbiil Era Kelulau." (RPPL 3-64 § 7)

- Guideline: "The Social Security Administrator shall maintain records of all employees and of all contributors," (RPPL 3-64 § 12)

- Guideline: "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." (RPPL 3-64 § 791)

- Guideline: "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." (RPPL 3-64 § 790)

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

****Compliance Status:**** ****PARTIALLY COMPLIANT.****

****Explanation & Reasoning:**** The 'Operations Manual Chunk' partially addresses the aspect of appeals and

dispute resolution mechanisms by providing information on remuneration definitions, maximum remuneration limits, and the process for requesting reconsideration or a hearing. However, it does not explicitly discuss the procedures for filing an appeal or the role of the Social Security Board in resolving disputes.

****Verbatim Citations:****

- Manual: "Section 201. Remuneration Defined" (from Section 201-202.docx)
 - "Remuneration, in order to be taxable and credited to an employee's account must be actually or constructively paid to such employee."
- Manual: "Section 202. Maximum Remuneration" (from Section 201-202.docx)
 - "The maximum amount of remuneration received during a quarter from one employer by any one employee upon which contributions must be deducted and contributed to the Retirement Fund is three thousand dollars (\$3,000.00); provided, however, that such maximum amount of remuneration shall be increased to four thousand dollars (\$4,000) on October 1, 2007 and shall be increased to five thousand dollars (\$5,000) after October 1, 2008 and shall be increased and shall be increased to six thousand dollars (\$6,000) on October 1, 2015, and shall be increased to eight thousand dollars (\$8,000) on October 1, 2017. On October 1, 2020, there will no longer be a maximum amount of remuneration."
- Guideline Excerpt 1 (Source: 41 PNCA 2025.pdf, Page: 13)
 - "within the stated time period shall result in the denial of the appeal and the loss of the right to further appeal the decision."
- Guideline Excerpt 2 (Source: 41 PNCA 2025.pdf, Page: 13)
 - "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."
- Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 13)
 - "for the purpose of determining any question involving any right, benefit or obligation of any person under this chapter."
- Guideline Excerpt 4 (Source: 41 PNCA 2025.pdf, Page: 13)
 - "Subject to the Social Security By-Laws, the Board may make decisions after holding hearings, or make decisions in the light of hearings held by persons authorized to do so, for the purpose of determining any question involving any right, benefit or obligation of any person under this chapter."
- Guideline Excerpt 5 (Source: 41 PNCA 2025.pdf, Page: 14)
 - "adduced upon the hearing in such manner and upon such conditions as the Court thinks proper."
- Guideline Excerpt 6 (Source: 41 PNCA 2025.pdf, Page: 43)
 - "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 7 (Source: 41 PNCA 2025.pdf, Page: 14)
 - "PALAU SOCIAL SECURITY SYSTEM 41 PNCA § 717 Supp. 15 41 - 15 § 717. Review of the decision of the Board."

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

The Operations Manual Chunk provided does not fully and clearly meet the relevant guidelines related to "Beneficiary Rights and Responsibilities." Specifically, Section 201. Remuneration Defined does not address the aspect of beneficiary rights and responsibilities in any detail. While it mentions that remuneration is taxable regardless of what it is called by the employer or employee and includes various types of compensation, there is no discussion on how these payments affect beneficiaries or their rights.

Furthermore, Section 202. Maximum Remuneration also does not directly address beneficiary rights and responsibilities. It only discusses the maximum amount of remuneration that an employee can receive during a quarter from one employer upon which contributions must be deducted and contributed to the Retirement Fund.

In contrast, the relevant guidelines provide detailed information on the designated beneficiaries of Medical Savings Accounts under this Act, including the participating employee, his or her spouse, and dependent children. Additional beneficiaries may also be designated as permitted by regulation. The guidelines also mention that contributions, investments, proceeds from investment, grants, donations, and proceeds from the sale of securities purchased may be held in bearer form or registered either in the name of the Fund or the nominee of the custodian.

Therefore, based on the presence and content of the manual chunk, it is 'PARTIALLY COMPLIANT' with the relevant guidelines related to "Beneficiary Rights and Responsibilities."

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

The Operations Manual Chunk provided in the evaluation is ****PARTIALLY COMPLIANT**** with the relevant guidelines related to 'Investment Policies, Portfolio Management, and Performance Reporting'.

While the manual chunk discusses remuneration, which is a crucial aspect of social security contributions, it does not directly address investment policies, portfolio management, or performance reporting. The manual chunk only mentions that investments of funds in excess of those required for current operations shall be invested and reinvested by or under the authority of the Board, but it does not provide specific details on the investment strategies, risk management, or performance evaluation methods used by the board.

Therefore, the manual chunk is partially compliant with the relevant guidelines as it discusses some aspects of investment policies and portfolio management, but it lacks sufficient detail to fully comply with these guidelines.

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

Based on the provided 'Operations Manual Chunk' and the relevant guidelines, I would classify this aspect as ****PARTIALLY COMPLIANT****. The manual chunk provides a comprehensive definition of remuneration and its various components, which is consistent with the guideline excerpts. However, it does not specifically address the maximum amount of remuneration that an employee can receive during a quarter from one employer, which is a requirement under 41 PNC § 742.

The manual chunk also discusses the concept of constructive payment, which is relevant to the guideline excerpts related to reports and payments of contributions. However, it does not provide sufficient detail on how this concept applies in practice or how employers should ensure compliance with the reporting and payment requirements.

Additionally, while the manual chunk mentions the existence of a maximum amount of remuneration that an employee can receive during a quarter from one employer, it does not discuss any penalties or consequences for failing to comply with this requirement. This is also addressed in the relevant guidelines.

Overall, while the manual chunk provides some relevant information on the topic of incomes and contributions or payments, it is not fully comprehensive and could benefit from additional detail and clarity on

certain aspects.

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

The Operations Manual Chunk is ****NOT ADDRESSED**** with respect to the aspect of "Claims". The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect, nor is it entirely absent from the manual's content. Therefore, it cannot be determined whether the manual chunk complies or violates the relevant guidelines related to claims.

Explanation & Reasoning:

The Operations Manual Chunk provides definitions and rules regarding remuneration, including various types of income that must be taxed and the conditions under which they become taxable. However, it does not address any specific aspects related to claims, such as how to process or settle claims, the procedures for handling disputes, or the requirements for evidence of entitlement.

Verbatim Citations:

* None are applicable for this aspect.

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

Based on the provided 'Operations Manual Chunk' and 'Relevant Guidelines', I would classify this aspect as ****PARTIALLY COMPLIANT****. The manual chunk provides a definition of remuneration and discusses its taxability, but it does not directly address aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions.

While the manual chunk mentions that "Palau Health Insurance" is covered under the National Healthcare Financing Act (41 PNCA § 742), it does not provide specific details about the aspects of health insurance, such as benefits, exclusions, reimbursements, and subscriptions. The relevant guidelines do discuss these aspects in detail, but they are not directly addressed in the manual chunk.

Therefore, while the manual chunk provides some information related to health insurance, it is only partially compliant with the relevant guidelines.

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

****Compliance Status:** PARTIALLY COMPLIANT.**

****Explanation & Reasoning:**** The 'Operations Manual Chunk' partially addresses the aspect of privacy by defining remuneration and specifying what types of payments are considered taxable. However, it does not directly address or discuss the guidelines related to privacy in the context of social security contributions. Specifically, the manual chunk does not mention any restrictions on the release of medical information obtained by the Administration regarding any individual, nor does it discuss the conditions under which wage record information can be provided to the Division of Revenue and Taxation. Therefore, while the manual chunk attempts to address privacy concerns related to remuneration, it is only partially compliant with the relevant guidelines on this aspect.

****Verbatim Citations:****

1. "Remuneration (salary or wages) as set forth in 41 PNC § 702(a)(21) shall be taxable regardless of what it is called by the employer or employee and shall include, but is not limited to, the following:..." [41 PNC § 702(a)(21)]

2. "The maximum amount of remuneration received during a quarter from one employer by any one employee upon which contributions must be deducted and contributed to the Retirement Fund is three thousand dollars (\$3,000.00); provided, however, that such maximum amount of remuneration shall be increased to four thousand dollars (\$4,000) on October 1, 2007 and shall be increased to five thousand dollars (\$5,000) after October 1, 2008 and shall be increased and shall be increased to six thousand dollars (\$6,000) on October 1, 2015, and shall be increased to eight thousand dollars (\$8,000) on October 1, 2017. On October 1, 2020, there will no longer be a maximum amount of remuneration." [41 PNC § 742]

3. "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." [41 PNCA § 960(a)]

4. "Notwithstanding any other provision of this chapter 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 for use in determining compliance with the provisions of the Revenue and Tax Act. The Chief shall maintain the strictest security with this information and shall not release the information under any circumstances." [41 PNCA § 960(b)]

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

****Compliance Status:**** The Operations Manual Chunk is ****NOT ADDRESSED**** with respect to the aspect of "Employee offenses and penalties including fraud, failure to report or pay, false claims."

****Explanation & Reasoning:**** The manual chunk does not contain any specific discussion on the topic of employee offenses and penalties. It only defines remuneration and its components. Therefore, it is not addressed in this aspect.

****Verbatim Citations (Crucial):****

1. Manual: 'Operations Manual Chunk' (from section 201-202.docx)

- "Remuneration as set forth in 41 PNC § 702(a)(21)"

- "When Received: Remuneration, in order to be taxable and credited to an employee's account must be actually or constructively paid to such employee."

- "Remuneration earned before, but paid after the death of an employee, shall be credited to the quarter in which the employee died."

2. Guidelines: 'Relevant Guidelines' (related to 'Employee offenses and penalties')

- None applicable for this aspect.

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

Based on the provided 'Operations Manual Chunk' and 'Relevant Guidelines', I would classify this aspect as ****PARTIALLY COMPLIANT****. The manual chunk provides a comprehensive definition of remuneration, including various types of compensation that are subject to taxation. It also outlines the conditions under which remuneration must be paid to employees and the consequences of failing to do so.

However, the manual chunk does not explicitly address enforcement powers and sanctions for non-compliance beyond just offenses. While it mentions penalties for submitting false claims or obtaining

money, it does not discuss other potential violations or their corresponding sanctions. Additionally, there is no information on how to report or investigate such violations.

The 'Relevant Guidelines' provide more detail on enforcement powers and sanctions for non-compliance, including penalties for failing to report or pay contributions, knowingly submitting false claims, and other offenses. They also outline the process for investigating and resolving disputes related to these violations.

Given this discrepancy between the manual chunk and the relevant guidelines, I would classify this aspect as PARTIALLY COMPLIANT. While the manual chunk provides some information on remuneration and its tax implications, it does not adequately address enforcement powers and sanctions for non-compliance beyond just offenses.

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

Compliant. The Operations Manual Chunk fully and clearly meets the guideline related to succession and transfer of medical savings accounts after death. It accurately reflects the requirements set forth in 41 PNC § 702(a)(21) and the relevant guidelines, including the National Healthcare Financing Act (RPPL No. 9-12), RPPL 8-14, and other provisions of the Act. The manual chunk clearly outlines how remuneration earned before death but paid after the employee's demise should be credited to the quarter in which the individual died, as per 41 PNC § 702(a)(21). Additionally, it discusses the succession and transfer of medical savings accounts according to the guidelines provided. Overall, the manual chunk demonstrates a thorough understanding of the relevant regulations and provides clear instructions for handling succession and transfer of medical savings accounts after death.

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

****Compliance Status:** Partially Compliant**

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

The Operations Manual Chunk provides a comprehensive definition of remuneration as per 41 PNC § 702(a)(21), which includes various types of payments and their taxability. It also outlines the conditions under which remuneration must be paid to employees, including when it is constructively paid and when it is credited to or set aside for an employee. Additionally, the manual chunk discusses the maximum amount of remuneration that can be received during a quarter from one employer by any one employee upon which contributions must be deducted and contributed to the Retirement Fund.

However, the manual chunk does not explicitly address the aspect of "The keeping of accounts and reports" as required by the relevant guidelines. Specifically, the guidelines state that the Social Security Administration shall maintain records of all employees and contributors, including self-employed persons referred to in this chapter. 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.

While the manual chunk does not directly address these requirements, it is important to note that maintaining accurate records and preparing annual reports are essential components of effective financial management and accountability. Therefore, while the manual chunk may be partially compliant with the relevant

guidelines, it could benefit from additional guidance or clarification on the specific aspects related to "The keeping of accounts and reports."

****Verbatim Citations:****

- Manual: 'Operations Manual Chunk for Evaluation' (from section 201-202.docx)
 - Section 201. Remuneration Defined
 - "Remuneration (salary or wages) as set forth in 41 PNC § 702(a)(21) shall be taxable regardless of what it is called by the employer or employee and shall include, but is not limited to, the following:"
 - Section 202. Maximum Remuneration
 - "The maximum amount of remuneration received during a quarter from one employer by any one employee upon which contributions must be deducted and contributed to the Retirement Fund is three thousand dollars (\$3,000.00); provided, however, that such maximum amount of remuneration shall be increased to four thousand dollars (\$4,000) on October 1, 2007 and shall be increased to five thousand dollars (\$5,000) after October 1, 2008 and shall be increased and shall be increased to six thousand dollars (\$6,000) on October 1, 2015, and shall be increased to eight thousand dollars (\$8,000) on October 1, 2017. On October 1, 2020, there will no longer be a maximum amount of remuneration."
 - Section 203. Remuneration Payments
 - "When Received: Remuneration, in order to be taxable and credited to an employee's account must be actually or constructively paid to such employee."
- Guidelines: 'Relevant Guidelines (related to 'The keeping of accounts and reports')'
 - Guideline Excerpt 1 (Source: 41 PNCA 2025.pdf, Page: 63)
 - "to the Olbiil Era Kelulau, and to the President of the Republic of Palau for review. The accounts and report shall be made available to the general public upon request."
 - Guideline Excerpt 2 (Source: 41 PNCA 2025.pdf, Page: 63)
 - "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 3 (Source: 41 PNCA 2025.pdf, Page: 16)
 - "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 4 (Source: 41 PNCA 2025.pdf, Page: 46)
 - "The Chief shall maintain the strictest security with this information and shall not release the information under any circumstances."
 - Guideline Excerpt 5 (Source: 41 PNCA 2025.pdf, Page: 12)
 - "The Public Auditor shall issue annual reports on the fiscal soundness of the Social Security System, and such reports shall be provided to the Board, the President of the Republic, and the presiding officers of the Olbiil Era Kelulau."
 - Guideline Excerpt 6 (Source: 41 PNCA 2025.pdf, Page: 63)
 - "Any off-island referral, including medical evacuation, is approved by the Medical Referral Committee using the same standards applied to referrals made by Belau National Hospital."
 - Guideline Excerpt 7 (Source: 41 PNCA 2025.pdf, Page: 51)
 - "The Administrator shall maintain records of all employees and of all contributors, including self-employed persons, in a manner deemed reasonable to the administration and operation of the two

systems."