

# ***Compliance Analysis for: section 101-112.docx***

**\*\*Compliance Aspect:** - Establishment and Legal Basis of the Social Security and Healthcare Financing System**\*\***

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk explicitly complies with the Relevant Guidelines regarding the establishment and legal basis of the Social Security and Healthcare Financing System.

**\*\*Explanation & Reasoning:\*\*** The manual chunk outlines the authority and purpose of the Social Security Administration, which is a compulsory, self-supporting, and self-financing national insurance system (Section 102). This aligns with Guideline Excerpt 2, which notes that the National Government takes positive action to promote health and social welfare through the establishment of a health care finance system. The manual also mentions that these rules and procedures are promulgated pursuant to RPPL No. 2-29, as amended by RPPL No. 3-64, as codified in Title 41 of the Palau National Code (Section 101), which is consistent with Guideline Excerpt 1, stating that the National Healthcare Financing Governing Committee (Committee) is established to administer systems under this Act, except for investments, which shall be within the exclusive authority of the Social Security Board.

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

- Manual: "The purpose of these operational rules and procedures is to ensure the efficient and economical operation of the Social Security Administration as a governmental administrative agency which is charged with the responsibility and duty of providing a compulsory, self-supporting, and self-financing national insurance system which is also known as the Social Security System." (Section 102)

- Guideline: "Article VI of the Constitution provides that the National Government take positive action to promote the health and social welfare of the citizens of the Republic of Palau through the establishment of a health care finance system that provides free or subsidized health care for citizens of the Republic of Palau." (Guideline Excerpt 2)

**\*\*Compliance Aspect:** - Functions, members, and procedures of the Social Security Board (Section 101)**\*\***

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

The Operations Manual Chunk explicitly outlines several functions, members, and procedures of the Social Security Board as per Section 101. This compliance is based on the following citations:

- Functions: The purpose of the operational rules and procedures is to ensure the efficient operation of the Social Security Administration (SSA) as a governmental administrative agency that provides a national insurance system, as stated in Section 102 ("The purpose of these operational rules and procedures is to ensure the efficient and economical operation of the Social Security Administration..." [Source: 41 PNC § 701]).

- Members: The manual mentions the Administrator as an ex officio member of the Board, which aligns with the guideline that states "In addition, the Social Security Administrator is an ex officio member of the Board" (Guideline Excerpt 1, Subsection g).

- Procedures: The manual allows the Board to promulgate and adopt its own rules and procedures, as stated in Section 105 ("Subject to this chapter and to the Social Security By-laws, the Board may promulgate and adopt its own rules and procedures" [Source: RPPL 2-29 § 11, modified]). This aligns with the guideline that states "The Board may promulgate and adopt its own rules and procedures" (Guideline Excerpt 3). Additionally, the manual

mentions the Board's ability to transact business, enter into contracts, issue subpoenas, and administer oaths, which are powers and functions of the Board as per Guideline Excerpt 2.

The Operations Manual Chunk does not explicitly address all aspects mentioned in the Relevant Guidelines (e.g., compensation of members, bonding of members and employees), but it is compliant with the specific aspect of "- Functions, members, and procedures of the Social Security Board (Section 101)".

**\*\*Compliance Aspect:** - Duties, functions, appointment, legal foundations of the Social Security Administrator (implied but not explicitly stated)**\*\***

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk does comply with the Relevant Guidelines regarding the duties, functions, appointment, and legal foundations of the Social Security Administrator.

**\*\*Explanation & Reasoning:\*\*** The manual chunk outlines the authority of the Social Security Board (Section 101), which includes the power to promulgate rules and procedures that have the force and effect of law (citation: "These rules and procedures are promulgated pursuant to and in accordance with RPPL No. 2-29, as amended by RPPL No. 3-64, as codified in Title 41 of the Palau National Code"). The Administrator is mentioned as an employee of the Social Security Administration (Section 103), and it is stated that the Administrator shall have discretion to deviate from these rules and procedures as he or she deems necessary (Section 109).

The Guidelines explicitly state that the Board shall appoint a person to be the Social Security Administrator, determine their compensation, and the Administrator's duties are to be exercised and performed by the Board (Guideline Excerpt 1). The manual chunk does not contradict this information. Furthermore, the Guidelines mention that the Administrator is responsible for the general administration of the Social Security Administration (Guideline Excerpt 4), which aligns with the discretion granted to the Administrator in Section 109 of the Operations Manual Chunk.

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

- Manual: "The following rules and procedures are promulgated pursuant to and in accordance with RPPL No. 2-29, as amended by RPPL No. 3-64, as codified in Title 41 of the Palau National Code (hereinafter "PNC") pursuant to § 711 and § 712 (d)."

- Manual: "The Administrator shall have the discretion to deviate from these rules and procedures as he or she deems necessary to best serve the interest of the Administration."

- Guideline: "(b) The powers, functions, duties and responsibilities of the Social Security Administration shall be exercised and performed by the Board."

- Guideline: "The Social Security Administrator is responsible to the Board for the general administration of"

**\*\*Compliance Aspect:** - The keeping of accounts and reports (Section 107)**\*\***

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk explicitly complies with the Relevant Guidelines regarding the keeping of accounts and reports (Section 107).

**\*\*Explanation & Reasoning:\*\*** Section 107 of the Operations Manual Chunk states that the Administrator shall maintain records of all employees and contributors, including self-employed persons for a minimum of ten (10) years. This requirement aligns with Guideline Excerpt 4 from 41 PNCA 2025.pdf, Page: 63, which specifies that the Administration shall maintain accounts and records in accordance with prevailing, generally accepted accounting principles as promulgated by the United States' Financial Accounting Standards Board (FASB).

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

- Manual: "The Administrator shall maintain records of all employees and of all contributors, including self-employed persons for a minimum of ten (10) years." (from Section 107)
- Guideline: "The Administration shall maintain accounts and records in accordance with prevailing, generally accepted accounting principles as promulgated by the United States' Financial Accounting Standards Board (FASB)." (from 41 PNCA 2025.pdf, Page: 63)

**\*\*Compliance Aspect: - Enforcement Powers and Sanctions for Non-Compliance (beyond just offenses) (implied but not explicitly stated)\*\***

**\*\*NOT ADDRESSED:\*\*** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the guideline aspect of "Enforcement Powers and Sanctions for Non-Compliance (beyond just offenses)". While there are mentions of penalties for specific offenses such as failure to report remuneration or contributions (Guideline Excerpt 3), these do not explicitly address the broader aspect of enforcement powers and sanctions beyond offenses. The manual does not provide information on how non-compliance with general rules or procedures will be addressed, nor does it discuss potential consequences for such actions. Therefore, this guideline aspect is not addressed in the Operations Manual Chunk.

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

- Manual: "No citations found that directly address the guideline aspect."
- Guideline: "Guideline Excerpt 3: '(a) 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.'"