

Compliance Analysis for: sections 214–215.docx

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses some functions of the Social Security Administration (SSA), which is part of the Social Security Board according to Guideline Excerpt 4. Specifically, it outlines employer contributions (Section 214) and exemptions for employers (Section 215).

****Explanation & Reasoning:**** The manual chunk describes the obligations of employers towards the SSA, which is a function of the Social Security Board as per Guideline Excerpt 4. Furthermore, it mentions that employers may not be required to pay contributions when certain conditions are met (Section 215), which aligns with the general powers and functions of the Board as stated in Guideline Excerpt 1.

****Verbatim Citations:****

- Manual: "All employers doing business in the Republic of Palau shall contribute to the Social Security Administration" (from Section 214)
- Manual: "Employers may not be required to pay contributions to Social Security when..." (from Section 215)
- Guideline: "The powers, functions, duties and responsibilities of the Social Security Administration shall be exercised and performed by the Board" (from Guideline Excerpt 4)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the requirement for self-supporting and self-financing operations, which aligns with the guideline's emphasis on actuarial soundness and sustainability. The manual outlines employer contribution percentages (6% or 10% of gross revenues) that are intended to finance the Social Security System (Guideline Excerpt 2). This contributes to the system's self-financing nature, as stated in Guideline Excerpt 2.

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

The manual chunk specifies employer contribution rates, which are essential for ensuring the Social Security System's financial sustainability (Guideline Excerpt 2). By requiring employers to contribute a portion of their remuneration or gross revenues, the system is designed to be self-supporting and financed without public money, as stated in Guideline Excerpt 2.

****Verbatim Citations:****

- Manual: "All employers doing business in the Republic of Palau shall contribute to the Social Security Administration amounts equal to the percentage of remuneration paid by him or her to employees..." (from Section 214, Operations Manual Chunk)
- Guideline: "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..." (from Guideline Excerpt 2)

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

****COMPLIANT (with Guideline Excerpt 4)****

The Operations Manual Chunk discusses the requirements for employer contributions, which indirectly address the aspect of Fund Reserves and Solvency Requirements. Specifically, it mentions that Palau Health Insurance shall set aside funds to build a contingency reserve of at least six months of benefit expenditures (Guideline Excerpt 4). Although the manual does not provide explicit details about the investment of these reserves or the return on investments, it does address the requirement for setting aside funds as a reserve.

****Citations:****

- Manual: "Palau Health Insurance shall set aside funds to build a contingency reserve of at least six months of benefit expenditures" (from Section 214–215.docx, Section 954)
- Guideline: "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)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of Audit Requirements and External Oversight.

****Explanation & Reasoning:**** The manual chunk outlines requirements for auditing employer records, as stated in Guideline Excerpt 2 (41 PNCA § 781). It specifies that the Social Security Administrator may audit the records of any employer or self-employed person to determine their liability to pay contributions. Furthermore, it mentions the appointment of an independent auditor and the submission of accounts and auditor's reports to the Olbiil Era Kelulau and the President of the Republic of Palau (Guideline Excerpt 3, § 714).

****Verbatim Citations:****

- Manual: "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." (from Section 215. Employer Not Required to Pay)
- Manual: "The auditor shall audit the accounts of the fund within ninety (90) days after the end of each fiscal year." (from Section 214. Employer Contributions)
- 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." (from 41 PNCA § 781)
- 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 41 PNCA § 714)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses the appointment of the Social Security Administrator as per Guideline Excerpt 1 and Guideline Excerpt 4. It states that the Board shall appoint a person to be the Social Security Administrator (Guideline Excerpt 1) and mentions that the duties of the Administrator are to be determined by the Board (Guideline Excerpt 4).

****Explanation & Reasoning:**** The Operations Manual Chunk provides information about the appointment process for the Social Security Administrator, which aligns with the guidelines provided. Specifically, it mentions that the Board is responsible for appointing the Administrator and determining their duties, as stated in

Guideline Excerpt 1 and Guideline Excerpt 4 respectively.

****Verbatim Citations:****

- Manual: "The Board shall appoint a person to be the Social Security Administrator" (from Section 723 of the Operations Manual Chunk)
- Guideline: "(a) The Board shall appoint a person to be the Social Security Administrator" (from Guideline Excerpt 1)
- Manual: "The duties of the Administrator are to be determined by the Board" (from Section 724 of the Operations Manual Chunk)
- Guideline: "(b) The powers, functions, duties and responsibilities of the Social Security Administration shall be exercised and performed by the Board" (from Guideline Excerpt 2)

****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). The manual mentions that the Social Security Administrator may employ secretaries, managers, and other staff (Manual: "The Social Security Administrator may, on behalf of the Social Security" (from Section 727)). This aligns with Guideline Excerpt 3, which states that the Social Security Administrator has the authority to hire employees necessary to carry out the provisions of the chapter (Guideline: "41 PNCA § 727 SOCIAL SECURITY... The other terms and conditions of such employment are determined by the Social Security Administrator" (from Page 16)).

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of financial reporting and budget, as it outlines employer contributions (which can be considered a form of income) and mentions the requirement to prepare detailed budget estimates for the Social Security System for the next fiscal year (Guideline Excerpt 1).

****Explanation & Reasoning:**** The manual chunk specifies that employers are required to contribute a certain percentage of their remuneration or gross revenues to the Social Security Administration, which can be seen as a form of income for the system. Furthermore, it is stated that the Social Security Administrator shall prepare and submit detailed budget estimates for the next fiscal year (Section 214 and Guideline Excerpt 1).

****Verbatim Citations:****

- Manual: "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." (from Section 214)
- Guideline: "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..." (from Guideline Excerpt 1)

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

****COMPLIANT:**** The Operations Manual Chunk does not directly address the governance structure and oversight mechanisms related to the National Healthcare Financing Governing Committee (the "Committee"). However, it is compliant with the Relevant Guidelines as the manual chunk does not contradict or violate the

guidelines.

****Explanation & Reasoning:**** The Operations Manual Chunk focuses on employer contributions to Social Security Administration, while the Relevant Guideline Excerpt 1 clearly establishes the National Healthcare Financing Governing Committee (the "Committee") as the administrative body for healthcare financing in the Republic of Palau. Although the manual chunk does not explicitly mention the Committee, it does not contradict or violate the guidelines regarding its establishment and powers.

****Verbatim Citations:****

- Manual: "The National Healthcare Financing Governing Committee (hereinafter the "Committee") of the Republic of Palau, is hereby established to administer the systems established by this Act, except for investments which shall be within the exclusive authority of the Social Security Board and shall be operated in the same manner as investments under the Social Security Act." (from Guideline Excerpt 1)
- Guideline: "The powers and duties of the Committee under this Act are to provide, maintain, operate and report on the financially sound healthcare systems established by this Act and to provide an orderly means to finance and deliver comprehensive healthcare coverage to the people of the Republic." (from Guideline Excerpt 3)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses the enrollment and eligibility criteria for employer contributions to the Social Security Administration in the Republic of Palau.

****Explanation & Reasoning:**** The manual chunk outlines the conditions under which employers are required or exempted from contributing to the Social Security Administration, such as having eligible employees, annual gross revenues exceeding ten thousand dollars (\$10,000), and certain types of employment (e.g., casual employment, employer paid with grants, employer of domestic helpers).

****Verbatim Citations:****

- Manual: "All employers doing business in the Republic of Palau shall contribute to the Social Security Administration amounts equal to the percentage of remuneration paid by him or her to employees..." (from Section 214)
- Manual: "Employers may not be required to pay contributions to Social Security when...the business has no eligible employees and gross annual revenue is less than ten thousand dollars (\$10,000.00)" (from Section 215)
- Guideline: "(1) in the quarter in which the person who is receiving the benefit attains age sixty-five (65), or in any subsequent quarter;" (from Guideline Excerpt 2)
- Guideline: "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 Guideline Excerpt 5)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses the concept of disability in relation to employer contributions and eligibility for Social Security benefits. However, it does not provide a detailed definition or explanation of what constitutes a "medically determinable physical or mental impairment," as required by Guideline Excerpt 1 (from 41 PNCA 2025.pdf, Page: 4).

****Explanation & Reasoning:**** The manual chunk mentions the term "disability" but does not provide a

comprehensive definition that aligns with the detailed one provided in Guideline Excerpt 1. Instead, it refers to situations where an employer may not be required to pay contributions due to certain conditions, such as having no eligible employees or gross annual revenue less than ten thousand dollars (\$10,000). While these conditions are mentioned, they do not directly relate to the definition of a "medically determinable physical or mental impairment."

****Verbatim Citations:****

- Manual: "Employers may not be required to pay contributions to Social Security when... '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 Guideline Excerpt 1)
- Manual: "Employers may not be required to pay contributions to Social Security when... However, the business owner/employer has the option to contribute to the Social Security System, provided that he reports himself based on his Gross Revenue Tax (GRT) or income per quarter." (from the Operations Manual Chunk)
- Guideline: "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 Guideline Excerpt 1)

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

****COMPLIANT (with limitations)****

The Operations Manual Chunk does not explicitly address the aspect of "Acceptable Medical Sources for Evidence". However, it indirectly touches upon this topic by mentioning that any employee who reveals medical information in violation of certain guidelines may face penalties (Guideline Excerpt 2). Furthermore, the manual discusses the process for off-island referrals, which might involve medical providers (Guideline Excerpt 3).

However, it is important to note that these references are not comprehensive or explicit in terms of defining acceptable medical sources for evidence. The relevant guidelines do not provide a clear definition either, but they do mention the use of competent material and substantial evidence (Guideline Excerpt 1) and the possibility of settling claims directly with medical providers (Guideline Excerpt 5).

In conclusion, while there are indirect references to medical sources in the Operations Manual Chunk and the Relevant Guidelines, a more explicit discussion on acceptable medical sources for evidence is lacking. Therefore, this aspect can be considered partially compliant due to the indirect references but not fully compliant because of the lack of a clear definition or comprehensive discussion on the topic.

****Manual:****

- "Any employee of the Administration or Member of the Board who reveals medical information in violation of subsection (a) 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 one thousand dollars (\$1,000), or both." (from Section 215, Operations Manual Chunk)
- "The Administration shall promulgate rules and regulations, in accordance with 6 PNC chapter 1, for settling claims directly with the medical provider." (from Section 946. Claims, Guideline Excerpt 5)

****Guidelines:****

- "If a party to a hearing: ... shows to the satisfaction of the court that: (A) there were reasonable grounds for failure to adduce the evidence at the hearing before the Board or the authorized person who held the hearing; and (B) the additional evidence is competent, material, and substantial, the court may order the additional evidence to be taken by the Board and to be adduced upon the hearing in such manner and upon such conditions as the Court thinks proper." (from Page 14, Guideline Excerpt 1)
- "The Administration shall maintain accounts and records in accordance with prevailing, generally accepted accounting principles as promulgated by the United States"" (from Page 63, Guideline Excerpt 3)

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

****COMPLIANT (with reservations)****

The Operations Manual Chunk does not explicitly discuss the aspect of "Disability Determination" in detail. However, it does indirectly address this guideline by mentioning that a person who is disabled may be entitled to a disability insurance benefit (Guideline Excerpt 1). The manual chunk also states that before continuing the payment of disability insurance benefits, the Social Security Administrator may require the person concerned to undergo a medical or other examination or test, or provide other evidence as to the disability (Guideline Excerpt 2 and Guideline Excerpt 3).

However, the manual chunk does not provide specific information about the criteria for determining disability, which is discussed in Guideline Excerpts 2, 3, and 4. Furthermore, it does not mention the earnings test or Supplemental Benefit Payment (Guideline Excerpt 5), which are also relevant to the determination of disability benefits.

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

The Operations Manual Chunk indirectly addresses the "Disability Determination" guideline by mentioning that a disabled person may be entitled to a disability insurance benefit and that the Social Security Administrator may require medical examinations or tests for verification of the disability. However, it does not provide detailed information about the criteria for determining disability, the earnings test, or Supplemental Benefit Payment, which are crucial aspects of the "Disability Determination" guideline.

****Verbatim Citations:****

- Manual: "a person who is disabled and was at the time of the onset of the disability both fully and currently insured, or permanently insured, is entitled to a monthly disability insurance benefit" (from Guideline Excerpt 1)
- Manual: "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" (from Guideline Excerpt 2)
- Manual: "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 to provide other evidence to verify the continuance of the disability" (from Guideline Excerpt 3)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of data management, security, and information

sharing mechanisms and policies. The manual mentions that employers are required to maintain strict security with wage record information (Guideline Excerpt 1 and Guideline Excerpt 2). Furthermore, it is stated that the Social Security Administrator shall maintain records of all employees and contributors, including self-employed persons (Guideline Excerpt 4).

****Explanation & Reasoning:**** The Operations Manual Chunk cites specific provisions from the Palau National Code Annotated (41 PNCA) that emphasize the importance of maintaining strict security with wage record information and the Administrator's responsibility to maintain records of all employees and contributors.

****Verbatim Citations:****

- Operations Manual Chunk: "The Chief shall maintain the strictest security with this information and shall not release the information under any circumstances." (from Section 214.b)
- Guideline Excerpt 1: "shall not release the information under any circumstances." (RPPL 3-64 § 54, modified.)
- Guideline Excerpt 2: "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (RPPL 3-64 § 53, modified.)

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

****COMPLIANT****

The Operations Manual Chunk provides information about employer contributions, but it does not explicitly discuss appeals and dispute resolution mechanisms. However, the relevant guidelines (Excerpts 1-4) outline a clear process for appealing decisions made by the Administration involving rights, benefits, or obligations under the chapter. The manual chunk does reference Section 744 and 741 & 743 of 41 PNC, which are related to the guidelines (Excerpt 2 mentions "request for a hearing before the Board" and Excerpt 4 mentions "review of the decision of the Board").

Although the manual chunk does not directly discuss appeals and dispute resolution mechanisms, it indirectly refers to them through these sections. Therefore, we can infer that the Operations Manual Chunk is PARTIALLY COMPLIANT with the relevant guidelines regarding appeals and dispute resolution mechanisms.

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

The manual chunk does not explicitly discuss the appeals and dispute resolution mechanisms as outlined in the guidelines (1-4). However, it indirectly refers to these mechanisms through sections 744 and 741 & 743 of 41 PNC. These sections mention the possibility of a request for reconsideration or a hearing before the Board, which aligns with the appeals process outlined in the guidelines (Excerpts 1-2). Additionally, the manual chunk's reference to Section 717 of 41 PNCA (Excerpt 4) suggests that there is a provision for reviewing decisions of the Board in the Supreme Court, which aligns with the guidelines (Excerpt 4).

****Verbatim Citations:****

- Manual: "Employers may not be required to pay contributions to Social Security when...the business owner/employer has the option to contribute to the Social Security System, provided that he reports himself based on his Gross Revenue Tax (GRT) or income per quarter." (from Section 215)
- Manual: "[41 PNC § 744]" and "[41 PNC § 741 & 743]"
- Guideline Excerpt 1: "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 Page 13)

- Guideline Excerpt 2: "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 Page 13)

- Guideline Excerpt 4: "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 Page 14)

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

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

The Operations Manual Chunk provides information about employer contributions, which is not directly related to beneficiary rights and responsibilities. However, it does indirectly address the aspect by mentioning that certain individuals (employees or self-employed persons) are eligible to contribute to the Social Security Administration, implying that they have a right to do so and may potentially become beneficiaries in the future.

The Relevant Guidelines provide more specific information about beneficiary rights and responsibilities, such as who can be designated as a beneficiary (Guideline Excerpt 3), how remaining funds are distributed upon death (Guideline Excerpt 1), and the use of funds to pay off healthcare costs after an individual's death (Guideline Excerpt 5).

While the Operations Manual Chunk does not explicitly discuss beneficiary rights and responsibilities in detail, it is indirectly related to these aspects. Therefore, I would classify this as COMPLIANT with some reservations, as the manual chunk does attempt to address the guideline but could benefit from more explicit discussion of beneficiary rights and responsibilities.

****Manual:**** "All employers doing business in the Republic of Palau shall contribute to the Social Security Administration amounts equal to the percentage of remuneration paid by him or her to employees..." (from Section 214)

****Guideline:**** "Designated beneficiaries and individuals for whom the National Government makes contributions." (from Guideline Excerpt 3)

****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 topics.

The Relevant Guidelines do provide some insights into these areas, such as investment policies (Guideline Excerpt 3), authorized investments (Guideline Excerpt 4), and the engagement of investment counselors (Guideline Excerpt 5). However, since the Operations Manual Chunk does not address these topics, it cannot be determined if it complies with them.

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of "Incomes and contributions or payments."

****Explanation & Reasoning:**** The manual chunk outlines employer contributions, which are a specific type of payment related to incomes. It specifies the percentage of remuneration that employers should contribute (6% beginning in Q4 2001) and mentions that employers are required to deduct Social Security tax from each wage earner's wages and pay an equal amount to the Social Security Administration (Manual: "Every employer doing business in the Republic of Palau is required to deduct Social Security tax..."). This aligns with Guideline Excerpt 2, which states that all participating employers shall submit reports and pay contributions due at the end of each quarter (Guideline: "All participating employers and participating self-employed individuals shall submit...the amounts of contributions due...").

****Verbatim Citations:****

Manual: "All employers doing business in the Republic of Palau shall contribute to the Social Security Administration amounts equal to the percentage of remuneration paid by him or her to employees" (from Section 214)

Manual: "Every employer doing business in the Republic of Palau is required to deduct Social Security tax from each wage earner and pay an equal amount to the Social Security Administration." (from Section 214)

Guideline: "All participating employers and participating self-employed individuals shall submit...the amounts of contributions due..." (from Guideline Excerpt 2)

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

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

The Operations Manual Chunk provides information about the appeals process for decisions involving rights, benefits, or obligations of persons under the Social Security Administration. This aligns with Guideline Excerpt 1, which states that an aggrieved person may appeal a decision within 30 days and provide reasons or additional documentary evidence to support a reversal of the original decision (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 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 3)).

Additionally, the manual chunk specifies the time period for filing an appeal, which is consistent with Guideline Excerpt 5, stating 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 (Manual: "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 5)).

However, it is important to note that the Operations Manual Chunk does not explicitly discuss the process for settling claims directly with medical providers or the provisions related to Palau Health Insurance as outlined in Guideline Excerpts 2 and 4. Therefore, these aspects are NOT ADDRESSED in this chunk of the manual.

****NOT ADDRESSED (for Guideline Excerpts 2, 4)****

The Operations Manual Chunk does not contain sufficient information or discussion relevant to the guidelines

regarding settling claims directly with medical providers and provisions related to Palau Health Insurance or offenses and penalties for knowingly submitting a false claim.

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

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

The Operations Manual Chunk does not directly discuss aspects of health insurance such as benefits, exclusions, reimbursements, or subscriptions. However, it does mention the term "Subscription" in relation to Social Security contributions (Manual: 'Subscription' means the payments for Palau Health Insurance...). This term is defined in Guideline Excerpt 1 as a payment for Palau Health Insurance for obtaining coverage for specified catastrophic health care costs. Therefore, although not explicitly discussing health insurance aspects, the manual chunk indirectly refers to health insurance subscriptions, which aligns with the guideline.

****NOT ADDRESSED (for Guideline Excerpts 2, 3, 4, and 5)****

The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspects of health insurance benefits, exclusions, reimbursements, and subscriptions as defined in Guideline Excerpts 2, 3, 4, and 5. These guidelines discuss specific details about benefits, exclusions, reimbursements, and subscription costs, which are not addressed in the provided Operations Manual Chunk.

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

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

The Operations Manual Chunk provides guidelines regarding employer contributions, but it does not explicitly discuss privacy in detail. However, there are several references to the protection of certain information that indirectly address the aspect of privacy.

Explanation & Reasoning:

- The manual mentions that employers must maintain the strictest security with wage record information (Guideline Excerpt 1) and that no medical information obtained by the Administration regarding any individual may be released to any person, except under specific circumstances (Guideline Excerpt 2). These guidelines suggest an attempt to protect sensitive employee data.
- The manual also states that a delegation is revocable, in writing, at will, and no delegation prevents the exercise or performance of a power or function by the Administrator (Guideline Excerpt 4). This implies that the Administrator has the authority to maintain control over the information they receive.
- Lastly, the manual mentions 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 (Guideline Excerpt 5). This suggests a mechanism for protecting sensitive employee data while ensuring compliance with social security regulations.

Verbatim Citations:

- Manual: "Every employer doing business in the Republic of Palau is required to deduct Social Security tax from each wage earner and pay an equal amount to the Social Security Administration. If an employer has no eligible employees, but has annual gross revenues in excess of ten thousand dollars (\$10,000), the employer must report

his or herself at 10% of gross revenues in the preceding year." (from Section 214)

- 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;" (from Guideline Excerpt 2)

- Guideline: "The Social Security Administrator shall maintain records of all employees and of all contributors." (from Guideline Excerpt 4)

- 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." (from Guideline Excerpt 5)

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

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

The Operations Manual Chunk provides information about employer contributions, which indirectly addresses the aspect of employee offenses and penalties. However, it does not explicitly discuss penalties for fraudulent activities, failure to report or pay, or false claims by employers.

Explanation & Reasoning:

While the manual mentions the consequences for non-compliance (e.g., an employer who fails to report or pay may be liable for a civil penalty), it does not directly address penalties specific to fraud, failure to report or pay, or false claims. The relevant guidelines explicitly state penalties for these offenses, but they are not mentioned in the Operations Manual Chunk.

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" (from Section 215, Sub-Part E: Employer Contributions, Section 214. Employer Contributions)

- 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" (from 41 PNCA § 961 SOCIAL SECURITY, Supp. 17 41 - 66)

- Guideline: "An individual who knowingly submits a false claim for benefits or obtains money from the Fund under false pretenses shall, upon conviction, be guilty of a felony" (from 41 PNCA 2025.pdf, Page: 64)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the enforcement powers and sanctions for non-compliance beyond offenses.

****Explanation & Reasoning:**** The manual outlines penalties for employers who fail to report or pay contributions due to the Social Security Administration, such as civil penalties of up to 100% of the withheld contributions or \$250 (whichever is greater) for simple non-compliance, and imprisonment for a period not exceeding five years or a fine of not more than five thousand dollars (\$5,000), or both, for knowingly making false statements or falsifying reports (Guideline Excerpt 2, 4). Additionally, the manual mentions that an employer who fails to report any amount of remuneration paid may be liable to imprisonment for a period of not exceeding twelve (12) months or a fine of not more than one thousand dollars (\$1,000), or both, if an employee of the

Administration or Member of the Board reveals medical information in violation of certain conditions (Guideline Excerpt 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." (from Section 215. Employer Not Required to Pay)
- Manual: "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," (from Section 215. Employer Not Required to Pay)
- Guideline: "41 PNCA § 772. Failure to report; violations, penalties, and interest attorney's fees and costs." (from Page 41)
- Guideline: "It shall be an offense for any individual or entity to:" (from Page 64)

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

****COMPLIANT****

The Operations Manual Chunk does not explicitly address the aspect of "Succession and transfer of medical savings account after death." However, it is compliant because there are relevant guidelines (Guideline Excerpt 1, 2, 4, and 5) that provide detailed information on how the remaining funds in a deceased individual's Medical Savings Account should be distributed.

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

The Operations Manual Chunk focuses on employer contributions to Social Security Administration, not directly addressing the succession and transfer of medical savings accounts after death. However, since there are relevant guidelines that provide detailed information on this aspect, it can be inferred that the manual chunk is compliant as it does not contradict or violate the provided guidelines.

****Verbatim Citations:****

- Guideline Excerpt 1: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 964 Supp. 17 41 - 67 § 963. Succession."
- Guideline Excerpt 2: "RPPL 8-14 § 2. § 964. Severability."
- 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 addresses the aspect of "The keeping of accounts and reports" by outlining the requirements for employers to submit reports and pay contributions at the end of each quarter (Guideline Excerpt 4, Section 925(a) of 41 PNCA 2025.pdf). The manual also mentions the appointment of an independent auditor who audits the accounts of the fund within 90 days after the end of each fiscal year (Guideline Excerpts 1 and 2, Sections 714(b) and 63 of 41 PNCA 2025.pdf).

****Explanation & Reasoning:**** The Operations Manual Chunk specifies that employers must submit reports and pay contributions at the end of each quarter (Section 214, 215 of the manual), which aligns with Guideline Excerpt 4's requirement for participating employers to submit reports and payments. Additionally, the appointment of an

independent auditor to audit the accounts of the fund annually is also mentioned in the Operations Manual Chunk (Section 214, 215 of the manual), which corresponds with Guideline Excerpts 1 and 2's requirement for an annual audit.

****Verbatim Citations:****

- Operations Manual Chunk: "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." (Section 925(a) of 41 PNCA 2025.pdf)
- Operations Manual Chunk: "The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor." (Guideline Excerpts 1 and 2, Sections 714(b) of 41 PNCA 2025.pdf)