

# ***Edited Content Extracted from: sections 214-215.docx***

## PART II. CONTRIBUTIONS (fifth chunk)

### SUB-PART E: EMPLOYER CONTRIBUTIONS

#### **\*\*Section 214. Employer Contributions\*\***

All employers conducting business in the Republic of Palau are required to contribute to the Social Security Administration an amount equal to six percent (6%) of the remuneration paid to employees, or for self-employed individuals subject to 41 PNC § 741, the equivalent amount deemed to have been paid to them. This percentage applies from the fourth quarter of 2001 onwards.

If an employer has no eligible employees but has annual gross revenues exceeding ten thousand dollars (\$10,000), they are obligated to report themselves at a rate of ten percent (10%) of their gross revenues from the preceding year.

**\*\*[41 PNC § 744]\*\***

#### **\*\*Section 215. Employer Not Required to Pay\*\***

Employers may be exempted from contributing to Social Security under the following circumstances:

- The business has no eligible employees and gross annual revenue is less than ten thousand dollars (\$10,000.00). However, the business owner/employer has the option to contribute to the Social Security System, provided that they report themselves based on their Gross Revenue Tax (GRT) or income per quarter.
- In cases of casual employment.
- When the employer is paid with grants that are covered under a treaty with the National Government and explicitly exempt the employer from liability to a specified degree.
- Employers of Domestic Helpers (household helpers); in other words, non-business household/domestic employers are exempt from reporting themselves as self-employed.

**\*\*[41 PNC § 741 & 743]\*\***