

Edited Content Extracted from: sections 601–603.docx

****PART VI: REPORTING & PAYMENT****

****Section 601. Reports and Payment of Contributions****

Each employer is responsible under the law (41 PNC) to:

- Make reports to the Social Security Administration and pay all contributions due at the end of each quarter using official forms provided by the Administration.

The Administration does not assume responsibility for reminding employers of this obligation.

Employers are expected to be aware of their legal responsibilities in operating a business within Palau.

Official report forms are free of charge and should include:

- Employer Identification Number (41 PNC § 747)
- Employee Contributor Social Security Number (41 PNC § 747)
- Employer's home telephone number, work telephone number, and cell phone number
- Employer's email address (if any)
- Employer's business and residential post office box

Employers assume their reports are completed on a good faith basis with truthful, diligent, and accurate records.

Reports must be signed under penalty of perjury and are subject to criminal prosecution by the Office of the Attorney General (17 PNC § 2601).

Errors or mistakes result in an administrative fee per error.

Knowingly submitting erroneous information may lead to reporting to the Office of the Attorney Generals for prosecution under 17 PNC § 2601 or other appropriate offenses.

[41 PNC § 745]

****Section 602. Quarterly Tax Reports****

All Social Security Quarterly Tax Reports must be submitted to the Administration with payment in full within a month following the end of each quarter.

Reports should indicate the payment date, receipt number, and amount actually paid.

Upon payment, the first copy of the report is submitted to the Administration, and the employer retains the second copy.

The report must include:

- Complete name of business or owner (for domestic helpers)
- Employer number followed by the Subsidiary Code (if applicable)
- Complete address of business or owner
- Payroll ending date
- Due date
- Complete name, Social Security number, total gross wages, taxable wages, twelve percent (12%) tax for each employee

- The totaled wages and tax at the bottom of the page
- Signature of business or owner with the date of such signature

Due dates for Quarterly Tax Reports are:

- March 31st: April 30th
- June 30th: July 31st
- September 30th: October 31st
- December 31st: January 31st

[41 PNC § 745]

****Section 603. Refunds****

Refunds are given for excess contributions when:

- An employee contributes on total remuneration exceeding the maximum remuneration of six thousand dollars (\$6,000) from October 1, 2015 (increased to eight thousand dollars (\$8,000) on October 1, 2017) from one or more employers.

Employee contributions are withheld and paid to the Administration.

Refunds are made within ninety (90) days after the date of submission.

No refund is given for amounts less than five dollars (\$5.00).

No refund is given for employer excess contributions, except to correct errors.

No refund is issued for employees with outstanding Social Security debt.

On October 1, 2020, there will no longer be a maximum amount of remuneration.

Self-employed individuals:

- Report twice the wages of their highest-paid employee, subject to the quarterly maximum.
- Receive a six percent (6%) refund for earnings in excess of the maximum taxable wage if reported as an employee of one or more businesses for the same quarter.

Palauan citizens:

- Contribute on total remuneration exceeding the maximum remuneration of six thousand dollars (\$6,000) on October 1, 2015 (increased to eight thousand dollars (\$8,000) on October 1, 2017).

- Employees' contributions are withheld and paid to the Administration.

Refunds are made within ninety (90) days after the date of submission.

Foreign workers:

- Eligible for a refund if they contribute on total remuneration exceeding the maximum remuneration of six thousand dollars (\$6,000) on October 1, 2015 (increased to eight thousand dollars (\$8,000) on October 1, 2017).

- Must work for the one (1) employer listed on their foreign worker permit.

Refunds are made within ninety (90) days after the date of submission.