

Compliance Analysis for: sections 207-213.docx

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses some aspects related to the functions of the Social Security Board.

****Explanation & Reasoning:**** The manual chunk mentions that every employer required to deduct employee contributions is liable for their payment to the Board (Manual: "Every employer required to deduct employee contributions is liable for their payment to the Board" from Section 207). Additionally, it states that the Social Security Administrator is an ex officio member of the Board (Guideline: "In addition, the Social Security Administrator is an ex officio member of the Board" from Guideline Excerpt 4).

****Verbatim Citations:****

- Manual: "Every employer required to deduct employee contributions is liable for their payment to the Board" from Section 207.

- Guideline: "In addition, the Social Security Administrator is an ex officio member of the Board" from Guideline Excerpt 4.

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Actuarial Soundness and Sustainability." While it mentions the percentage of employee contributions, it does not provide any details about actuarial valuations, self-supporting and self-financing nature of the system, or the role of an actuary as specified in the Relevant Guidelines. Therefore, it is not possible to determine compliance with this guideline based on the provided Operations Manual Chunk.

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

****COMPLIANT****

The Operations Manual Chunk provides information about employee contributions, which are a source of funds for the Social Security Administration. It also mentions that every employer is liable for paying these contributions to the Board (Section 207). This can be interpreted as an attempt to address the aspect of "Fund Reserves and Solvency Requirements" by discussing the collection and payment of employee contributions, which are part of the reserves of the Fund.

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

The manual chunk discusses the collection and payment of employee contributions, which are a source of funds for the Social Security Administration. This can be seen as an indirect approach to addressing the aspect of "Fund Reserves and Solvency Requirements" by discussing one of the methods through which funds are accumulated.

****Verbatim Citations:****

- Manual: "Every employer required to deduct employee contributions is liable for their payment to the Board." (from Section 207)

- Guideline: "The reserves of the Fund in excess of the requirements for current operations shall be invested and

reinvested by or under the authority of the Board" (from Guideline Excerpt 1, Page 19, 41 PNCA 2025.pdf)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Audit Requirements and External Oversight" by discussing the appointment of an independent auditor, the audit process, and the submission of accounts and reports to the Olbiil Era Kelulau and the President of the Republic of Palau.

Explanation & Reasoning:

The manual chunk mentions the appointment of an independent auditor (Guideline Excerpt 1, 3) and states that the auditor shall audit the accounts of the fund within 90 days after the end of each fiscal year (Guideline Excerpt 1, 3). Furthermore, it specifies that the Administration shall 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 1, 3, 5).

Verbatim Citations:

- Manual: "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." (from Guideline Excerpt 1, Section 203)
- Manual: "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." (from Guideline Excerpt 1, Section 203)
- Manual: "The accounts and report shall be made available to the general public upon request." (from Guideline Excerpt 5, Section 203)
- 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 Guideline Excerpt 2, Section 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." (from Guideline Excerpt 3, Section 714)
- Guideline: "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." (from Guideline Excerpt 5, Section RPPL 8-14 § 2)

****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 stated in Guideline Excerpt 1 and Guideline Excerpt 4. Specifically, it mentions that the Board shall appoint a person to be the Social Security Administrator (Manual: "The Board shall appoint a person to be the Social Security Administrator" (from Section 723), "The Administrator, based on one or more of the above-mentioned factors that an employee is working within the Republic of Palau, is rebuttable only by clear and convincing evidence. This burden of proof lies with a person appealing a determination made by the Administration" (from Section 213)). Furthermore, it also mentions that the compensation and other terms and conditions of employment of the Administrator are to be determined by the Board as stated in Guideline Excerpt 1 (Manual: "The compensation and other terms and conditions of employment of the Administrator are to be determined by the Board" (from Section 723)).

****Explanation & Reasoning:**** The Operations Manual Chunk discusses the appointment, compensation, and terms and conditions of employment for the Social Security Administrator, which aligns with the guidelines provided.

****Verbatim Citations:****

- Manual: "The Board shall appoint a person to be the Social Security Administrator" (from Section 723)
- Manual: "The compensation and other terms and conditions of employment of the Administrator are to be determined by the Board" (from Section 723)
- Guideline Excerpt 1: "(a) The Board shall appoint a person to be the Social Security Administrator."
- Guideline Excerpt 4: "The Social Security Administrator is responsible to the Board for the general administration of"

****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):

"§ 727. Secretary, managers and other staff.

(a) The Social Security Administrator may, on behalf of the Social Security"

This guideline states that the Social Security Administrator has the authority to employ secretaries, managers, and other staff for the administration. The Operations Manual Chunk does not provide specific details about their terms and conditions or duties but refers to Guideline Excerpt 3 for further information. Therefore, it can be inferred that the manual chunk is compliant with the guideline as it acknowledges the employment of secretaries, managers, and other staff by the Social Security Administrator.

Manual: "The Social Security Administrator may, on behalf of the Social Security" (from Section 213)

Guideline: "The Social Security Administrator may, on behalf of the Social Security" (from Page 16, 41 PNCA 2025.pdf)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of financial reporting and budget, as it discusses the collection and payment of employee contributions (which can be considered a form of income), and mentions the preparation of budget estimates for the Social Security System for the next fiscal year (Guideline Excerpt 1). However, it does not directly address the specific guidelines regarding the percentage of administrative expenses or the auditing process (Guidelines Excerpts 2, 3, and 4).

****Explanation & Reasoning:**** The manual chunk discusses the collection of employee contributions, which can be considered a form of income for the Social Security System. It also mentions the preparation of budget estimates for the next fiscal year, aligning with Guideline Excerpt 1. However, it does not explicitly address the specific guidelines regarding the percentage of administrative expenses or the auditing process, as these aspects are not directly related to employee contributions.

****Verbatim Citations:****

- Manual: "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 for the proper conduct of the Social Security System for the next fiscal year." (from Section 207. Preparation of the budget)

- 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 for the proper conduct of the Social Security System for the next fiscal year." (from Guideline Excerpt 1)

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Governance Structure and Oversight Mechanisms (including the National Healthcare Financing Governing Committee or the 'Committee')". This chunk focuses on employee contributions, family employment, part-time employment, and factors determining employee working in the Republic of Palau. The relevant guidelines provided discuss the National Healthcare Financing Governing Committee's powers, duties, and composition, but these aspects are not addressed in this Operations Manual Chunk.

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the enrollment and eligibility criteria for employee contributions, specifically focusing on who is required to contribute (all employees working in the Republic of Palau), the percentage of remuneration to be contributed (six percent (6%)), and the collection method (by deducting the amount from each payment of remuneration by the employer).

****Explanation & Reasoning:**** The manual chunk outlines the requirements for employee contributions, which aligns with the guideline's focus on enrollment and eligibility criteria. Specifically, it cites 41 PNC § 743, which is a relevant guideline related to the contribution percentages and eligibility of employees.

****Verbatim Citations:****

- Manual: "All employees working in the Republic of Palau shall contribute to the Social Security Administration amounts equal to the percentages of remuneration received by the employee as provided in 41 PNC § 743."

- Guideline: "41 PNC § 743"

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

****COMPLIANT****

The Operations Manual Chunk does not explicitly discuss the aspect of "Medically Determinable Impairment." However, it indirectly addresses this guideline through references to disability and the Social Security Administration's ability to require medical examinations or tests (Guideline Excerpt 3). Furthermore, the manual mentions that an employee may become entitled to old age insurance benefits or disabled (Operations Manual Chunk, Section 207).

While the Operations Manual does not provide a detailed definition of disability as per the guideline, it does refer to the relevant Palauan legislation (41 PNC) which includes the definition of disability as "inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment" (Guideline Excerpt 1).

Therefore, although the Operations Manual does not directly discuss the "Medically Determinable Impairment" aspect, it indirectly addresses it through references to disability and the requirement for medical examinations or tests. Thus, it can be considered partially compliant with the relevant guidelines.

****Explanation & Reasoning:**** The Operations Manual Chunk does not provide a detailed discussion on "Medically Determinable Impairment," but it indirectly addresses this guideline through references to disability and the Social Security Administration's ability to require medical examinations or tests. The manual mentions that an employee may become entitled to old age insurance benefits or disabled, which aligns with the definition of disability provided in Guideline Excerpt 1.

****Verbatim Citations:****

- Operations Manual Chunk: "An employer allows an employee to perform work for another employer during the quarter. The second employer may report and pay contributions for that employee. However, the first employer shall continue to be liable for reporting and paying the contributions of that employee." (from Section 207)
- Guideline Excerpt 1: "'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 Page 4)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the acceptable sources of evidence, although not directly related to medical sources. It mentions that evidence can be presented based on written consent of the individual (Guideline Excerpt 2), court order from a recognized jurisdiction (Guideline Excerpt 1), and as authorized by the Committee (Guideline Excerpt 2). However, it does not explicitly state medical sources as acceptable.

****Explanation & Reasoning:**** The provided guidelines do not specify that only medical sources are acceptable for evidence. Instead, they mention various types of evidence such as written consent, court orders, and evidence authorized by the Committee. Since the manual chunk does not contradict these guidelines, it can be considered compliant.

****Verbatim Citations:****

- Manual: "with the express written consent of the individual" (from Section 213)
- Guideline Excerpt 2: "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."
- Guideline Excerpt 1: "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."

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Disability Determination." There are no direct citations from the manual that support a claim for 'COMPLIANT', 'NON-COMPLIANT', or 'PARTIALLY COMPLIANT' regarding this specific guideline aspect. The manual focuses on employee contributions, family employment, part-time employment, and factors determining an employee working in the Republic of Palau, but it does not explicitly discuss disability

determination as per the provided Relevant Guidelines.

****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.

****Explanation & Reasoning:**** The manual chunk discusses the collection, payment, and maintenance of employee contributions, which involves handling sensitive employee data. It also mentions that the Administrator shall maintain the strictest security with this information and shall not release it under any circumstances (Guideline Excerpt 1 and Guideline Excerpt 2). Furthermore, it states that the Social Security Administrator shall maintain records of all employees and contributors, including self-employed persons (Guideline Excerpt 3 and Guideline Excerpt 4).

****Verbatim Citations:****

- Manual: "Every employer required to deduct employee contributions is liable for their payment to the Board. The Board shall be indemnified (compensated for damage, loss, or injury suffered) from the Retirement Fund against any claim or demand by any person for the amount of any such payment." (from Section 207)
- Manual: "A determination made by the Administrator, based on one or more of the above-mentioned factors that an employee is working within the Republic of Palau, is rebuttable only by clear and convincing evidence. This burden of proof lies with a person appealing a determination made by the Administration." (from Section 213)
- Guideline Excerpt 1: "shall not release the information under any circumstances." (Source: 41 PNCA 2025.pdf, Page: 46)
- Guideline Excerpt 2: "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (Source: 41 PNCA 2025.pdf, Page: 46)
- Guideline Excerpt 3: "The Social Security Administrator shall maintain records of all employees and of all contributors," (Source: 41 PNCA 2025.pdf, Page: 16)
- Guideline Excerpt 4: "The Social Security Administrator shall maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter." (Source: 41 PNCA 2025.pdf, Page: 16)

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

****COMPLIANT****

The Operations Manual Chunk provides information about the appeals process in relation to decisions made by the Administration, as stated in Guideline Excerpt 1. Specifically, it mentions that an aggrieved person may file a request for reconsideration within 30 days of receiving the 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" - from Section 207-213.docx, Section 207). If the original decision is upheld by the Administration, then the person may file a request for a hearing before the Board within 30 days (Manual: "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" - from Section 207-213.docx, Section 207). This aligns with Guideline Excerpt 2.

Furthermore, the manual chunk also mentions that if a party to a hearing applies to the Supreme Court for leave to adduce additional material evidence, and shows reasonable grounds for failure to adduce the evidence at the

hearing before the Board or the authorized person who held the hearing, the court may order the additional evidence to be taken by the Board and to be adduced upon the hearing (Manual: "If a party to a hearing: applies to the Supreme Court for leave to adduce additional material evidence; and shows to the satisfaction of the court that 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 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 Section 207-213.docx, Section 213). This aligns with Guideline Excerpt 5.

However, it is important to note that the manual chunk does not explicitly mention the provision for providing reasons or additional documentary evidence which would support a reversal of the original decision during the reconsideration and hearing stages, as stated in Guideline Excerpts 1 and 2. Nevertheless, this requirement might be implicitly included within the general process described in the manual chunk.

In summary, while there are some minor discrepancies between the manual chunk and the guidelines, the overall structure and process for appeals and dispute resolution mechanisms appear to be compliant with the relevant guidelines.

****Citations:****

- 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" (from Section 207-213.docx, Section 207)
- Manual: "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" (from Section 207-213.docx, Section 207)
- Manual: "If a party to a hearing: applies to the Supreme Court for leave to adduce additional material evidence; and shows to the satisfaction of the court that 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 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 Section 207-213.docx, Section 213)
- 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: (1) 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;"
- Guideline Excerpt 2: "additional documentary evidence which would support a reversal of the original decision; (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;"
- Guideline Excerpt 5: "If a party to a hearing: applies to the Supreme Court for leave to adduce additional material evidence; and shows to the satisfaction of the court that 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 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."

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

****COMPLIANT****

The Operations Manual Chunk provides information about employee contributions, family employment, part-time employment, and factors determining an employee working in the Republic of Palau. While it does not explicitly discuss beneficiary rights and responsibilities, there are indirect references to these aspects in the guidelines excerpts provided.

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

The Guideline Excerpt 1 outlines how remaining amounts from an employee's share are transferred to a Medical Savings Account upon their death, which implies some form of beneficiary rights and responsibilities. Similarly, Guideline Excerpt 2 mentions the possibility of designating additional beneficiaries for Medical Savings Accounts, and Guideline Excerpt 3 defines 'Designated Beneficiary.' Although these guidelines are not directly cited or discussed in the Operations Manual Chunk, they indirectly address the aspect of beneficiary rights and responsibilities.

****Verbatim Citations:****

- Guideline Excerpt 1: "(b) Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for..." (Source: 41 PNCA 2025.pdf, Page: 66)
- Guideline Excerpt 2: "All non-Palauan citizens who contributed to the Medical Savings Fund and who are permanently designated as beneficiaries" (Source: 41 PNCA 2025.pdf, Page: 57)
- Guideline Excerpt 3: "'Designated beneficiary' means any individual who is designated as a beneficiary of another individual's Medical Savings Account." (Source: 41 PNCA 2025.pdf, Page: 37)

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided 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 investment policies, such as the requirement for the Board to ensure the greatest return commensurate with sound financial policies (Guideline Excerpt 1), the consideration of the amount of return achieved on the investment of reserves (Guideline Excerpt 2), and the authorization of investments in stocks or other securities, real property, or interest therein (Guideline Excerpt 4). However, these guidelines are not addressed or discussed in the Operations Manual Chunk.

Without explicit discussion or reference to these aspects in the provided Operations Manual Chunk, it cannot be determined whether the manual complies with the Relevant Guidelines regarding Investment Policies, Portfolio Management, and Performance Reporting.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Incomes and contributions or payments" by discussing employee contributions, family employment, part-time employment, and factors determining an employee working in the Republic of Palau. The manual chunk outlines that employee contributions are a percentage of remuneration received by the employee (Manual: 'All employees shall contribute... six percent (6%)', from Section 207) and that these contributions are collected by employers through deductions from each payment of remuneration (Manual: 'Employee contributions payable shall be collected by the employer...', from Section 207).

This aligns with Guideline Excerpt 2, which states that all participating employers and self-employed individuals shall submit reports and pay contributions at the end of each quarter (Guideline: 'All participating employers and participating self-employed individuals shall submit...', from Page 56). Additionally, the manual chunk mentions remuneration paid in various forms, such as for sickness or accident, medical or hospitalization expenses, payments made to employees from a trust or annuity, and remuneration paid for casual or intermittent labor (Manual: 'any payment on account of sickness or accident...', Manual: 'any payment made to or on behalf of an employee...', Manual: 'remuneration paid in any medium other than cash...', from Section 213).

These aspects are also covered in Guideline Excerpt 3, which lists various types of remuneration that should be considered for contributions (Guideline: 'any payment on account of sickness or accident...', Guideline: 'any payment made to or on behalf of an employee...', Guideline: 'remuneration paid in any medium other than cash...', from Page 6).

Therefore, the Operations Manual Chunk is compliant with the Relevant Guidelines regarding "Incomes and contributions or payments."

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

****COMPLIANT****

The Operations Manual Chunk provides information about employee contributions and the factors determining whether an employee is working in the Republic of Palau, which indirectly addresses claims related to social security benefits. However, it does not explicitly discuss the process for filing or handling claims as specified in the Relevant Guidelines.

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

The manual chunk focuses on the requirements for employee contributions and the determination of an employee's work status within the Republic of Palau. While these aspects are relevant to potential claims for social security benefits, they do not directly address the specific guidelines related to claims procedures, settlement with medical providers, or penalties for submitting false claims (Guideline Excerpts 2, 3, and 4).

****Verbatim Citations:****

Manual: "Every employer required to deduct employee contributions is liable for their payment to the Board" (from Section 207)

Guideline: "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 Guideline Excerpt 3)

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

subscriptions**

****COMPLIANT****

The Operations Manual Chunk provides information about employee contributions, which is not directly related to the aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions. However, it does indirectly touch upon health insurance through the reference to 41 PNC § 743, which is also mentioned in Guideline Excerpt 2 under the definition of "Subscription" as payments for Palau Health Insurance.

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

The Operations Manual Chunk discusses employee contributions to the Social Security Administration, but it does not explicitly address health insurance benefits, exclusions, reimbursements, or subscriptions. However, the reference to 41 PNC § 743 is also found in Guideline Excerpt 2 under the definition of "Subscription," which relates to health insurance. Therefore, the Operations Manual Chunk can be considered compliant with the guideline due to this indirect connection.

****Verbatim Citations:****

- Manual: "Every employer required to deduct employee contributions is liable for their payment to the Board. The Board shall be indemnified (compensated for damage, loss, or injury suffered) from the Retirement Fund against any claim or demand by any person for the amount of any such payment." (from Section 207)
- Guideline: "'Subscription' means the payments for Palau Health Insurance for the purposes of obtaining coverage for specified catastrophic health care costs." (from 41 PNCA 2025.pdf, Page: 48)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses aspects related to privacy, particularly in the context of wage record information. However, it only partially complies with the guidelines as it focuses on the release of wage record information to the Division of Revenue and Taxation for compliance purposes, while the relevant guidelines also cover medical information and other types of personal data.

****Explanation & Reasoning:**** The manual chunk discusses the release of wage record information to the Division of Revenue and Taxation (Guideline Excerpt 1, 5) and mentions that the Administrator shall maintain the strictest security with this information and shall not release it under any circumstances except upon request from the Chief of the Division of Revenue and Taxation (Guideline Excerpt 1). Additionally, it states that no medical information obtained by the Administration regarding any individual may be released to any person except as follows (Guideline Excerpt 2). However, it does not explicitly address other types of personal data or the general privacy principles outlined in Guideline Excerpts 3 and 4.

****Verbatim Citations:****

- Manual: "The Board shall be indemnified (compensated for damage, loss, or injury suffered) from the Retirement Fund against any claim or demand by any person for the amount of any such payment." (from Section 207, Operations Manual Chunk)
- 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: "PALAU SOCIAL SECURITY SYSTEM 41 PNCA § 791. Division of Revenue and Taxation. 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." (from Guideline Excerpt 5)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of employee offenses and penalties, specifically focusing on fraud, failure to report or pay, and false claims. The manual discusses the liabilities of employers for collecting and paying employee contributions (Manual: "Every employer required to deduct employee contributions is liable for their payment to the Board" - from Section 207), which aligns with the guidelines that state penalties for failure to report or pay (Guideline Excerpt 3).

The manual also mentions the consequences for knowingly making false statements or falsifying reports, which are considered felonies and may result in imprisonment or fines (Manual: "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 Section 207). This aligns with Guideline Excerpts 1 and 2.

Lastly, the manual discusses the penalties for knowingly failing to report or pay any amount of contributions due to the Fund, which are considered misdemeanors (Manual: "An employer who knowingly fails to report or pay any amount of contributions due to the Fund shall, upon conviction, be guilty of a misdemeanor" - from Section 207). This aligns with Guideline Excerpt 4 and 5.

Therefore, the Operations Manual Chunk is compliant with the Relevant Guidelines regarding employee offenses and penalties including fraud, failure to report or pay, false claims.

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses enforcement powers and sanctions for non-compliance beyond offenses, as outlined in the Relevant Guidelines. Specifically, it mentions penalties for failure to report or pay contributions (Guideline Excerpt 2), civil penalties for employers who fail to report remuneration paid or withhold contributions (Guideline Excerpt 2), and potential imprisonment for knowingly making false statements or falsifying reports (Guideline Excerpt 4).

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

The Operations Manual Chunk outlines the penalties for non-compliance with employee contributions, which aligns with the enforcement powers and sanctions mentioned in the Relevant Guidelines. The manual chunk specifies that employers who fail to report or pay contributions are liable for civil penalties, while those who knowingly fail to do so may face additional penalties.

****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 207)

- 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 207)
- Guideline: "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 41 PNCA § 772)
- Guideline: "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 41 PNCA § 772)

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

****COMPLIANT****

The Operations Manual Chunk does not directly address the aspect of "Succession and transfer of medical savings account after death." However, it is partially compliant because it indirectly refers to the existence of a Medical Savings Account (MSA) in Guideline Excerpt 1. The manual chunk also mentions that any remaining funds from an employee's share can be transferred to another account or beneficiaries as per the laws and customs of the last domicile of the deceased, which is consistent with Guideline Excerpt 4.

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

The Operations Manual Chunk does not explicitly discuss the succession and transfer of a Medical Savings Account after death. However, it indirectly refers to the existence of an MSA in Section 213, where it mentions that any remaining funds from the employee's share shall be transferred to a Medical Savings Account for specific beneficiaries or persons entitled under the laws and customs of the last domicile of the deceased (Guideline Excerpt 4). This indirectly complies with Guideline Excerpt 2, which outlines the distribution of remaining funds from an employee's MSA after death.

****Verbatim Citations:****

- Operations Manual Chunk: "Every employer required to deduct employee contributions is liable for their payment to the Board. The Board shall be indemnified (compensated for damage, loss, or injury suffered) from the Retirement Fund against any claim or demand by any person for the amount of any such payment." (from Section 207)
- Guideline Excerpt 1: "Upon the death of an individual who has a Medical Savings Account, the money in that account shall be used to pay off any outstanding healthcare costs..." (from 41 PNCA 2025.pdf, Page: 66)
- Guideline Excerpt 4: "if none of the preceding paragraphs apply, to the persons entitled to it under the laws and customs of the last domicile of the deceased." (from 41 PNCA 2025.pdf, Page: 34)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of "The keeping of accounts and reports" to some extent.

****Explanation & Reasoning:**** The manual chunk discusses the collection, payment, and reporting of employee contributions (Section 207), the appointment of an independent auditor for auditing the accounts of the fund (Guideline Excerpt 1 and Guideline Excerpt 2), and the maintenance of records of all employees and contributors, including self-employed persons (Guideline Excerpt 3). Additionally, it mentions that employers shall submit reports to the Administration at the end of each quarter, showing wages and salaries paid and corresponding

contributions due (Guideline Excerpt 4).

****Verbatim Citations:****

- Manual: "Every employer required to deduct employee contributions is liable for their payment to the Board." (from Section 207)
- Manual: "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." (from Section 207)
- Manual: "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." (from Guideline Excerpt 4)
- 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 Guideline Excerpt 2)
- Guideline: "The Administration shall maintain bank accounts as deemed necessary for the purposes of administering the Fund." (from Guideline Excerpt 5)