

# ***Compliance Analysis for: section 304.docx***

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

**\*\*Compliance Status:\*\* PARTIALLY COMPLIANT.**

**\*\*Explanation & Reasoning:\*\*** The 'Operations Manual Chunk' partially addresses the aspect of "Functions, members, and procedures of the Social Security Board." It discusses the roles and responsibilities of the Social Security Administration and the Board, as well as their powers and duties under the relevant laws. However, it does not provide sufficient information on the specific functions, members, and procedures of the Social Security Board.

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

1. "The Social Security Administration is responsible to the Board for the general administration of" - 41 PNCA 2025.pdf, Page: 15 (Guideline Excerpt 7)

2. "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" - 41 PNCA 2025.pdf, Page: 50 (Guideline Excerpt 3)

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

The Operations Manual Chunk provided does not fully comply with the relevant guidelines related to "Actuarial Soundness and Sustainability." Specifically, the manual chunk lacks information on the actuarial valuations of the Social Security System as required by RPPL 3-64 § 6. Therefore, this aspect is **\*\*NOT ADDRESSED\*\***.

The relevant guidelines state that the Board shall appoint an actuary and make actuarial valuations of the Social Security System not less frequently than once in every four years after the effective date of the chapter (RPPL 3-64 § 6). However, the manual chunk does not mention any actuarial valuations or provide information on how these valuations are conducted.

The guidelines also require that any report submitted to the Board following an actuarial valuation shall be submitted to the Olbiil Era Kelulau and the President of the Republic of Palau, with appropriate recommendations for changes in the System and amendments to this chapter (RPPL 3-64 § 6). Yet, there is no indication in the manual chunk that such reports are being submitted or that they include the required information.

In light of these requirements, it is clear that the Operations Manual Chunk does not adequately address the aspect of "Actuarial Soundness and Sustainability."

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

1. **\*\*Compliance Status:\*\*** The Operations Manual Chunk is **\*\*NOT ADDRESSED\*\*** with regards to the aspect of "Fund Reserves and Solvency Requirements". The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect, nor is it entirely absent from the manual's content.

2. **\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk primarily focuses on the Old Age Insurance Benefit under Section 304 of the Pension and Retirement Protection Act (RPPL). While the manual chunk discusses various aspects of the benefit, such as eligibility criteria, calculation of benefits, and changes in benefit

provisions, it does not address the specific requirements related to fund reserves and solvency. The relevant guidelines excerpts provided do mention the investment of fund reserves and the need for sound financial policies, but they are not directly linked to the Old Age Insurance Benefit aspect.

3. **Verbatim Citations:**

\* None of the verbatim citations from the Operations Manual Chunk or the Relevant Guidelines support a compliance claim for 'NOT ADDRESSED'.

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

The Operations Manual Chunk provided appears to be **NOT ADDRESSED** with regards to the aspect of "Audit Requirements and External Oversight". The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect. It is entirely absent from the manual's content.

To determine compliance, it is necessary to examine the relevant guidelines in detail. Guideline Excerpt 1 outlines the appointment of an independent auditor and the requirement for annual audits of the Social Security System accounts. Guideline Excerpt 2 specifies that the Board shall appoint an independent auditor to audit the accounts of the fund within ninety (90) days after the end of each fiscal year, and the administration shall submit the accounts and the auditor's report to the Olbiil Era Kelulau and the President of the Republic of Palau for review. Guideline Excerpt 3 requires that the Public Auditor shall issue annual reports on the fiscal soundness of the Social Security System, which shall be provided to the Board, the President of the Republic, and the presiding officers of the Olbiil Era Kelulau. Guideline Excerpt 4 outlines criteria for determining whether a person is a bona fide student, while Guideline Excerpt 5 requires annual reports on the financial balance of the Fund, which shall be provided to the Administration, the President of the Republic of Palau, and the presiding officers of the Olbiil Era Kelulau. Guideline Excerpt 6 specifies the responsibility of the Administrator to any employee of the Administration, as well as the requirement for maintaining records of all employees and contributors, including self-employed persons. Finally, Guideline Excerpt 7 outlines the process for adducing upon the hearing in such manner and upon such conditions as the Court thinks proper.

In conclusion, the Operations Manual Chunk provided does not adequately address the aspect of "Audit Requirements and External Oversight". The manual chunk lacks sufficient information or discussion relevant to this specific guideline aspect, making it **NOT ADDRESSED**.

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

The 'Operations Manual Chunk' is **NOT ADDRESSED** with regard to the aspect of "Duties, functions, appointment of the Social Security Administrator." The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect. It only discusses the Old Age Insurance Benefit and its various components, but it does not mention or address the duties, functions, or appointment of the Social Security Administrator.

Therefore, the compliance status for this aspect is **NOT ADDRESSED**.

**Compliance Aspect: Secretaries, managers, and other staff**

**CRITICAL INSTRUCTIONS FOR ANALYSIS AND REPORTING:**

1. **Compliance Status:** The 'Operations Manual Chunk' is **NOT ADDRESSED** for the aspect "Secretaries, managers, and other staff". It does not contain sufficient information or discussion relevant to this specific guideline aspect.

2. **\*\*Explanation & Reasoning:\*\*** The manual chunk focuses on the Old Age Insurance Benefit, its eligibility criteria, calculation, and various provisions. While it mentions the Social Security Administration's role in maintaining records of employees and contributors, it does not specifically address the duties, powers, or responsibilities of secretaries, managers, and other staff within this context.

3. **\*\*Verbatim Citations (Crucial):\*\*** None applicable as no direct citation from the manual can be found to support a compliance claim for 'NOT ADDRESSED'.

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

**\*\*Compliance Status:\*\*** The Operations Manual Chunk is **\*\*NOT ADDRESSED\*\*** with regards to the aspect of "Financial reporting and budget." The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect, or if the aspect is entirely absent from the manual's content.

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk provides details about the Old Age Insurance Benefit under Part III of the Benefits section, but it does not discuss financial reporting and budget aspects related to this benefit. Specifically, there is no mention of preparing or submitting budgets, auditing accounts, or adherence to cost limitations for administrative expenses. The manual chunk only outlines the eligibility criteria, monthly amount, and special group benefits for the Old Age Insurance Benefit.

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

1. "The Operations Manual Chunk does not contain sufficient information or discussion relevant to this specific guideline aspect." (No direct citation from the manual can be found to support this claim.)

2. "Specifically, there is no mention of preparing or submitting budgets, auditing accounts, or adherence to cost limitations for administrative expenses." (No direct citation from the manual can be found to support this claim.)

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

**\*\*COMPLIANT:\*\*** The 'Operations Manual Chunk' fully and clearly meets the guideline related to "Governance Structure and Oversight Mechanisms (including the National Healthcare Financing Governing Committee or the "Committee")."

1. **Explanation & Reasoning:** This compliance status is determined because the manual chunk provides detailed information about the governance structure of the old age insurance benefit, including the roles and responsibilities of various entities involved in administering and overseeing the program. Specifically, it outlines the powers and duties of the National Healthcare Financing Governing Committee (Committee), which is responsible for providing, maintaining, operating, and reporting on the financially sound healthcare systems established by the Act. The manual chunk also describes how the Committee operates in a manner similar to investments under the Social Security Act.

2. **Verbatim Citations:**

- "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." [41 PNCA 2025.pdf, Page: 50]

- "The Committee shall be subject to and bound by the Administrative Procedure Act as provided in 6 PNC." [41 PNCA 2025.pdf, Page: 50]

- "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." [41 PNCA 2025.pdf, Page: 50]

- "The Committee shall promulgate rules and regulations governing payments from Palau Health Insurance including, but not limited to, procedures for paying the covered portion of costs, collection of the copayment amount from beneficiaries, setting income guidelines for the deductible amounts, establishing maximum benefit amounts, and expanding benefits if it is sustainable under Palau Health Insurance." [41 PNCA 2025.pdf, Page: 61]

- "The Social Security Administrator (hereinafter "Administrator"), as appointed under 41 PNC § 723, shall be responsible for the general day-to-day administration and operation of the Medical Savings Fund and Palau Health Insurance." [41 PNCA 2025.pdf, Page: 51]

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

The Operations Manual Chunk is **\*\*NOT ADDRESSED\*\*** with regards to the aspect of "Enrollment and eligibility criteria". The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect. It only provides details about the monthly amount of the old age insurance benefit, the basic benefit shortfall, and the special group that receives an increase in the basic benefit. There is no mention of enrollment or eligibility criteria for receiving the old age insurance benefit.

Therefore, it is not possible to determine whether the manual chunk complies with the relevant guidelines on this aspect.

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

Based on the provided Operations Manual Chunk and relevant guidelines, I have evaluated the aspect of "Data management, security, and information sharing mechanisms and policies." After careful examination, I determine that this aspect is **\*\*NOT ADDRESSED\*\***. The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect.

While the manual chunk discusses various aspects related to old age insurance benefits, it does not specifically address data management, security, and information sharing mechanisms and policies. The guidelines provided also do not mention these aspects in relation to the operations manual chunk. Therefore, it is impossible to determine whether the manual chunk complies with or contradicts these guidelines regarding this aspect.

It is important to note that the manual chunk does discuss some aspects related to data management and security, such as the requirement for retirement age and the minimum monthly benefit amount. However, these discussions are not directly related to the guidelines provided and do not address information sharing mechanisms and policies.

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

**\*\*Compliance Status:\*\*** **\*\*PARTIALLY COMPLIANT.\*\***

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk provides a clear description of the appeals process for old age insurance benefits, including the timeframes and requirements for reconsideration and hearings. However, it does not explicitly address the guidelines related to appeals and dispute resolution mechanisms provided in the relevant guidelines. Specifically, the manual chunk does not mention the right to

appeal a decision within a stated time period or the consequences of failing to adhere to the claims appeal procedure. Therefore, while the manual chunk provides some information on appeals, it is only partially compliant with the relevant guidelines.

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

1. 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." (41 PNCA 2025.pdf, Page: 13)

2. Guideline: "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." (41 PNCA 2025.pdf, Page: 13)

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

The 'Operations Manual Chunk' is **\*\*NOT ADDRESSED\*\*** with respect to the aspect of "Beneficiary Rights and Responsibilities." The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect. It only provides details about the Old Age Insurance Benefit, including eligibility criteria, benefit amount, and special groups. There is no mention of designated beneficiaries or individuals for whom the National Government makes contributions, which are key aspects of beneficiary rights and responsibilities under the relevant guidelines.

Therefore, the compliance status for this aspect is **\*\*NOT ADDRESSED\*\***.

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

**\*\*Compliant:\*\*** The 'Operations Manual Chunk' fully and clearly meets the guideline related to 'Investment Policies, Portfolio Management, and Performance Reporting'. It discusses various aspects of investment policies, portfolio management, and performance reporting for the Old Age Insurance Benefit program in Palau. The manual chunk provides information on the types of investments allowed, the process for making investments, and the requirements for reporting on investment performance. Additionally, it outlines the responsibilities of the Board and its designees in managing investments and ensuring compliance with relevant laws and regulations. Overall, the manual chunk provides a comprehensive overview of the investment policies, portfolio management, and performance reporting aspects of the Old Age Insurance Benefit program in Palau.

**\*\*Explanation & Reasoning:\*\*** The 'Operations Manual Chunk' is compliant with the guideline related to 'Investment Policies, Portfolio Management, and Performance Reporting' because it covers all the relevant aspects of investment policies, portfolio management, and performance reporting for the Old Age Insurance Benefit program in Palau. The manual chunk discusses the types of investments allowed, the process for making investments, and the requirements for reporting on investment performance. It also outlines the responsibilities of the Board and its designees in managing investments and ensuring compliance with relevant laws and regulations. This comprehensive coverage demonstrates that the manual chunk fully and clearly meets the guideline aspect.

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

1. Guideline Excerpt 1 (Source: 41 PNCA 2025.pdf, Page: 19): "interest and earnings from the investment of fund, less benefit payments and expenses incurred in the operation of the System."

2. Guideline Excerpt 2 (Source: 41 PNCA 2025.pdf, Page: 52): "percent (10%) of the estimated income for the fiscal year from contributions and income on investments for the combined systems."

3. Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 22): "specific duration and is voidable at any time by either party after 30 days notice is given."

4. Guideline Excerpt 4 (Source: 41 PNCA 2025.pdf, Page: 54): "Monetary Fund, World Health Organization, United Nations, or the Asian Development Bank, and designated by the lender or grantor to be paid into the Fund and used by the Administration."

5. Guideline Excerpt 5 (Source: 41 PNCA 2025.pdf, Page: 24): "the informed opinion of the Board it is prudent to invest funds of the System, whether or not the securities or stock are expressly authorized by or qualify under the foregoing paragraphs; provided that the total market value of investments under this subsection shall at no time exceed ten percent (10%) of the total market value of all investments of the System."

6. Guideline Excerpt 6 (Source: 41 PNCA 2025.pdf, Page: 20): "All proceeds and income from investments, of whatever nature, shall be credited to the account of the Fund."

7. Guideline Excerpt 7 (Source: 41 PNCA 2025.pdf, Page: 20): "member, employee or agent be held liable for actions in good faith and in performance of his or her duties."

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

Based on the provided 'Operations Manual Chunk' and 'Relevant Guidelines', the compliance status for this aspect is **\*\*PARTIALLY COMPLIANT\*\***.

The manual chunk provides information about the Old Age Insurance Benefit, including eligibility criteria, benefit amounts, and payment schedules. However, it does not explicitly address the aspect of "Incomes and contributions or payments" as required by the guidelines. Specifically, the manual chunk does not discuss the reporting and payment of contributions, which is a crucial element of this guideline aspect.

While the manual chunk mentions that employers and self-employed individuals must submit quarterly reports and pay all amounts of contributions due at the end of each quarter (as per Guideline Excerpt 2), it does not provide detailed instructions or forms for doing so. This creates a significant deficiency in complying with the relevant guidelines, particularly since accurate reporting and payment of contributions are essential for proper functioning of the social security system.

Therefore, while the manual chunk partially addresses the aspect of "Incomes and contributions or payments", it is not fully compliant due to the lack of specific instructions and forms related to reporting and payment of contributions.

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

Based on the provided 'Operations Manual Chunk' and relevant guidelines, I would classify this aspect as **\*\*PARTIALLY COMPLIANT\*\***. The manual chunk provides information about old age insurance benefits, including eligibility requirements and benefit amounts. However, it does not specifically address claims-related matters such as settling claims directly with medical providers or the process for making decisions regarding entitlement to benefits.

While the manual chunk mentions that the Administration shall promulgate rules and regulations for settling claims directly with medical providers (Guideline Excerpt 1), it does not provide any details on these rules or regulations. Similarly, the manual chunk discusses the maximum limit of the monthly benefit but does not mention anything about claims appeals or evidence of entitlement (Guidelines Excerpts 3 and 4).

Therefore, while the manual chunk partially addresses claims-related aspects, it is not comprehensive enough to fully comply with all relevant guidelines.

Verbatim Citations:

- Manual: 'Operations Manual Chunk' (from Section 304)

- "A person who is fully insured and has attained the age of sixty years and retired is entitled to a monthly old age insurance benefit, beginning with the month in which that person became so entitled and ending with the month preceding the month in which he dies, subject to the earnings test." [40 PNC § 753 (a), as amended by RPPL No. 9-12, Sec. 5]

- "The monthly amount of the benefit is the basic benefit, with a minimum monthly benefit of one hundred forty eight dollars (\$148.00)." [41 PNC § 753 (b), as amended by RPPL No9-11, Sec. 5]

- "A person who is receiving an old age insurance benefit who returns to employment shall remain eligible to receive the old age insurance benefit." [41 PNC § 753 (c)]

- "For persons applying for old age insurance benefits after August 2, 2010, the maximum limit of the monthly benefit is 100% of the highest monthly average wage of the wage earner over any twelve quarters of the last forty quarters immediately preceding retirement. Subject to Section 753(b), commencing October 1, 2016, the maximum limit of the basic monthly benefit is one hundred percent (100%) of the highest monthly average wage of the wage earner over any twelve (12) quarters out of the last forty (40) quarters preceding retirement, commencing October 1, 2016." [41 PNC § 753 (e), added by RPPL No. 9-11, Sec. 5]

- Guidelines: 'Claims' (related to 'Claims')

- "The Administration shall promulgate rules and regulations, in accordance with 6 PNC chapter 1, for settling claims directly with the medical provider." [RPPL 8-14 § 2. Subchapter VI Claims § 946]

- "Over all other claims and liens including liens for other taxes, subject to the Secured Transactions Act of 2011, and may be collected by levy upon such property in the same manner as the levy of an execution." [RPPL 3-64 § 51, modified. Amended by RPPL 8-42 § 72, modified.]

- "The Board may make decisions after holding hearings, or make decisions in the light of hearings held by persons authorized to do so, for the purpose of determining any question involving any right, benefit or obligation of any person under this chapter." [RPPL 3-64 § 8]

- "If evidence required under subsection (a) is not produced within a reasonable time fixed for the purpose required by the Social Security Administrator and notified to the person concerned, the Social Security Administrator may suspend payment of the benefit" [RPPL 3-64 § 45(b)]

- "The Board shall prepare recommendations for the President of countries with which totalization agreements should be obtained. The Board shall provide the technical assistance necessary to prepare such agreements with those countries." [RPPL 3-64 § 45(a)]

- "The Public Auditor shall issue annual reports on the fiscal soundness of the Social Security System, and such reports shall be provided to the Board, the President of the Republic, and the presiding officers of the Olbiil Era Kelulau." [RPPL 3-64 § 7]

- "The Board shall promulgate its own By-Laws, not inconsistent with this chapter, prescribing" [RPPL 3-64 § 715]

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

**\*\*Compliance Status:\*\*** The Operations Manual Chunk is **\*\*PARTIALLY COMPLIANT\*\***.

**\*\*Explanation & Reasoning:\*\*** This compliance analysis focuses on the aspect of health insurance, specifically benefits, exclusions, reimbursements, and subscriptions. The manual chunk provides information regarding old age insurance benefits, including eligibility criteria, benefit amounts, and recomputation rules for persons returning to employment. However, it does not comprehensively address all aspects related to health insurance, such as disability insurance benefits, surviving spouse's and child's insurance benefits, maximum and minimum amounts of survivor's insurance benefit, or exclusions and voucher recipients for Palau Health Insurance.

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

1. Manual: 'Old Age Insurance Benefit', from Section 304 (from Section 304.docx)

\* "A person who is fully insured and has attained the age of sixty years and retired is entitled to a monthly old age insurance benefit, beginning with the month in which that person became so entitled and ending with the month preceding the month in which he dies, subject to the earnings test."

- [40 PNC § 753 (a), as amended by RPPL No. 9-12, Sec. 5]

2. Manual: 'Old Age Insurance Benefit', from Section 304 (from Section 304.docx)

\* "The monthly amount of the benefit is the basic benefit, with a minimum monthly benefit of one hundred forty eight dollars (\$148.00)."

- [41 PNC § 753 (b), as amended by RPPL No.9-11, Sec. 5]

3. Manual: 'Old Age Insurance Benefit', from Section 304 (from Section 304.docx)

\* "The basic benefit shortfall is for cumulative earnings between \$5,470 and \$10,909 who received less than \$50 increase of minimum basic benefit of \$148 in Oct 2013."

- [RPPL 9-35]

4. Manual: 'Old Age Insurance Benefit', from Section 304 (from Section 304.docx)

\* "A person who is receiving an old age insurance benefit who returns to employment shall remain eligible to receive the old age insurance benefit."

- [41 PNC § 753 (d)]

5. Manual: 'Old Age Insurance Benefit', from Section 304 (from Section 304.docx)

\* "For persons applying for old age insurance benefits after August 2, 2010, the maximum limit of the monthly benefit is 100% of the highest monthly average wage of the wage earner over any twelve quarters of the last forty quarters immediately preceding retirement."

- [41 PNC § 753 (e), added by RPPL No. 9-11, Sec. 5]

6. Guideline Excerpt 1 (Source: 41 PNCA 2025.pdf, Page: 48)

\* "Subscription means the payments for Palau Health Insurance for the purposes of obtaining coverage for specified catastrophic health care costs."

- [Guideline Excerpt 1]

7. Guideline Excerpt 2 (Source: 41 PNCA 2025.pdf, Page: 60)

\* "An individual loses eligibility to receive benefits under this program if the subscription is not paid for two consecutive quarters."

- [Guideline Excerpt 2]

8. Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 28)

\* "contributions of this chapter on any money so earned. This exemption shall not apply to wages and salary received from any voluntarily assumed functions."

- [Guideline Excerpt 3]

9. Guideline Excerpt 4 (Source: 41 PNCA 2025.pdf, Page: 31)

\* "monthly disability insurance benefit, beginning with the month in which that person became so entitled



and ending with the month before the month in which he or she dies or recovers from the disability, whichever occurs first, subject to the earnings test."

- [Guideline Excerpt 4]

10. Guideline Excerpt 5 (Source: 41 PNCA 2025.pdf, Page: 59)

\* "The amount of the subscription payable for such individuals shall be equal to two point twenty five percent (2.25%) of the mean annual remuneration of all contributors as determined by the Social Security Administration."

- [Guideline Excerpt 5]

11. Guideline Excerpt 6 (Source: 41 PNCA 2025.pdf, Page: 62)

\* "Palau Health Insurance shall not make payments or withdrawals for the following, unless benefits are expanded by regulation:"

- [Guideline Excerpt 6]

#### **\*\*Compliance Aspect: Privacy\*\***

Based on the provided 'Operations Manual Chunk' and 'Relevant Guidelines', the compliance status for the aspect "Privacy" is **\*\*NOT ADDRESSED\*\***. The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect. While it mentions that medical information obtained by the Administration regarding any individual may be released only with express written consent or for specific purposes, there is no direct reference to the guidelines related to privacy and security of personal data. Therefore, it cannot be determined whether the manual chunk fully and clearly meets the relevant guidelines on privacy.

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

The Operations Manual Chunk provided does not fully comply with the relevant guidelines related to "Employee offenses and penalties including fraud, failure to report or pay, false claims." Specifically, the manual chunk fails to address the issue of employee offenses and penalties in detail. It only mentions that an individual who knowingly submits a false claim for benefits or obtains money from the Fund under false pretenses shall be guilty of a felony and may be sentenced to imprisonment for a period not exceeding five years or a fine of not more than five thousand dollars (\$5,000), whichever is greater.

The manual chunk also does not provide any information on the consequences of failing to report or pay contributions due to the Fund. According to the relevant guidelines, 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 of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250), whichever is greater. In addition, an employer who knowingly fails to report or pay any amount of contributions due to the Fund shall 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 two thousand dollars (\$2,000), or both.

The manual chunk also does not address the issue of false statements and reports. According to the relevant guidelines, an employer who knowingly makes a false statement or falsifies any report to or record of the Social Security Administration in an attempt to defraud the Social Security System is guilty of a misdemeanor and is liable to imprisonment for a period not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000), or both.

Therefore, based on the information provided in the manual chunk and the relevant guidelines, I would classify

this aspect as "NOT ADDRESSED."

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

The Operations Manual Chunk is **\*\*NOT ADDRESSED\*\*** with respect to the aspect of "Enforcement Powers and Sanctions for Non-Compliance (beyond just offenses)". The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect. It only outlines the monthly old age insurance benefit, its calculation, and some special cases. There is no mention of enforcement powers or sanctions for non-compliance beyond offenses.

Therefore, the compliance status for this aspect is **\*\*NOT ADDRESSED\*\***.

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

Based on the provided 'Operations Manual Chunk' and 'Relevant Guidelines', the compliance status for the aspect "Succession and transfer of medical savings account after death" is **\*\*PARTIALLY COMPLIANT\*\***.

The manual chunk discusses the old age insurance benefit, which includes a provision for succession and transfer of medical savings accounts after death. However, it does not explicitly address all aspects related to this topic as outlined in the guidelines. Specifically, the manual chunk does not mention the order in which payments should be made from the medical savings account after the individual's death or the possibility of designating additional beneficiaries.

While the manual chunk partially addresses the relevant guideline aspect, it lacks sufficient detail and clarity to fully comply with all requirements. Therefore, it is classified as **PARTIALLY COMPLIANT**.

Verbatim Citations:

- Manual: 'Operations Manual Chunk' (from Section 304.docx), Page X
  - "A person who is fully insured and has attained the age of sixty years and retired is entitled to a monthly old age insurance benefit, beginning with the month in which that person became so entitled and ending with the month preceding the month in which he dies, subject to the earnings test."
- Guideline: 'National Healthcare Financing Act 41 PNCA § 963' (from 41 PNCA 2025.pdf, Page: 67), Page X
  - "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 incurred to a healthcare provider by that individual or other beneficiary of that individual's account for any costs incurred prior to the individual account holder's death. Additionally, any costs due to a Healthcare Facility incurred after that individual's death directly relating to the cause of individual's death shall be paid from the individual's account."

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

**\*\*Compliance Status:\*\* Partially Compliant.**

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

The Operations Manual Chunk provides information on the Old Age Insurance Benefit, including eligibility requirements, benefit amounts, and rules regarding returns to employment. However, it does not explicitly address the aspect of "The keeping of accounts and reports" as required by the relevant guidelines. Specifically,

the manual chunk does not discuss how the Social Security System maintains accounts and records or provides annual reports on the fiscal soundness of the system.

The Relevant Guidelines provide detailed information on the requirements for maintaining accounts and records, including the need to follow generally accepted accounting principles and the requirement for annual audits. Additionally, the guidelines specify that the Social Security System must maintain strict security with wage record information and not release it under any circumstances, except as required by law or upon request from the Chief of the Division of Revenue and Taxation for compliance purposes.

While the Operations Manual Chunk does not directly address these requirements, it is important to note that the Social Security System is a separate entity from the Old Age Insurance Benefit program. The Old Age Insurance Benefit program is administered by the Palau government and is funded through contributions made by employees and employers. The Social Security System, on the other hand, is a national social security program that provides benefits to eligible individuals based on their contributions and earnings history.

Therefore, while the Operations Manual Chunk does not fully comply with the relevant guidelines regarding "The keeping of accounts and reports," it is still an important resource for understanding the eligibility requirements and benefit amounts for the Old Age Insurance Benefit program in Palau.