

Compliance Analysis for: section 203-204.docx

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

Based on the provided 'Operations Manual Chunk' and relevant guidelines, I have evaluated the compliance status of this aspect as follows:

****COMPLIANT:**** The manual chunk fully and clearly meets the guideline related to "Functions, members, and procedures of the Social Security Board." It outlines the roles and responsibilities of the National Government of Palau as an employer within the Republic, as well as the factors that will be used to determine whether a person is an employee or self-employed. The manual chunk also references the relevant sections of the Social Security Act and the Administrative Procedure Act.

****Explanation & Reasoning:**** The manual chunk provides a comprehensive overview of the functions, members, and procedures of the Social Security Board in Palau. It outlines the roles and responsibilities of the National Government of Palau as an employer within the Republic, as well as the factors that will be used to determine whether a person is an employee or self-employed. The manual chunk also references the relevant sections of the Social Security Act and the Administrative Procedure Act.

****Verbatim Citations (Crucial):****

* "The National Government of the Republic of Palau is an employer within the Republic." [Manual: '...' (from Section 203), Guideline: '...' (from Page Z)]

* "A person employed under a contract may be a self-employed independent contractor or may be in an employer-employee relationship." [Manual: '...' (from Section 203), Guideline: '...' (from Page Z)]

* "The Administrator will determine whether a person is an employee or self-employed using the factors listed below:" [Manual: '...' (from Section 204), Guideline: '...' (from Page Z)]

* "There is no "magic" or set number of factors that "makes" the worker an employee or self-employed, and no one factor stands alone in making this determination." [Manual: '...' (from Section 204), Guideline: '...' (from Page Z)]

* "The keys are to look at the entire relationship, consider the degree or extent of the right to direct and control, and finally, to document each of the factors used in coming up with the determination." [Manual: '...' (from Section 204), Guideline: '...' (from Page Z)]

* "A self-employed person shall be presumed to be his own employer and his own employee, and accordingly is liable to pay to the System with respect to himself for both employer contributions and employee contributions, and shall include himself in reports under section 745." [Manual: '...' (from Section 204), Guideline: '...' (from Page Z)]

* "A self-employed individual shall include an officer in a corporation or partner in a partnership as an employee for purposes of Social Security contributions." [Manual: '...' (from Section 204), Guideline: '...' (from Page Z)]

* "The Board may promulgate and adopt its own rules and procedures subject to this chapter and the Social Security By-Laws." [Manual: '...' (from Section 711), Guideline: '...' (from Page Z)]

* "The Board shall exercise and perform its powers and functions under this chapter in the name of the Social Security Administration." [Manual: '...' (from Section 712), Guideline: '...' (from Page Z)]

* "The Social Security Administration is charged with responsibility for the proper operation of the Social Security System." [Manual: '...' (from Section 723), Guideline: '...' (from Page Z)]

* "The powers, functions, duties and responsibilities of the Social Security Administration shall be exercised and performed by the Board." [Manual: '...' (from Section 723), Guideline: '...' (from Page Z)]

* "The Administrator is responsible to the Board for the general administration of the Social Security System." [Manual: '...' (from Section 724), Guideline: '...' (from Page Z)]

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

The Operations Manual Chunk provided does not explicitly address the aspect of "Actuarial Soundness and Sustainability." The manual discusses various factors that determine whether a person is an employee or self-employed, but it does not provide any specific information regarding actuarial soundness or sustainability. Therefore, this aspect cannot be evaluated as either COMPLIANT, NON-COMPLIANT, or PARTIALLY COMPLIANT.

It is important to note that the Relevant Guidelines do contain provisions related to actuarial soundness and sustainability. For example, Guideline Excerpt 1 mentions the financial status of the Fund and its investments, while Guideline Excerpt 2 specifies that the System is self-supporting and self-financing. Additionally, Guideline Excerpt 4 requires the Committee to submit a report detailing the financial status of the Fund and its investments within 90 days after the end of each fiscal year.

However, these guidelines are not directly related to the aspect of "Actuarial Soundness and Sustainability" as it is typically understood in the context of actuarial science and finance. Therefore, even though the Relevant Guidelines contain provisions related to financial management and reporting, they do not specifically address the aspect of "Actuarial Soundness and Sustainability."

In conclusion, the Operations Manual Chunk provided does not comply with the relevant guidelines regarding "Actuarial Soundness and Sustainability," as it does not explicitly address this aspect.

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

1. ****Compliant:**** The 'Operations Manual Chunk' is compliant with the relevant guidelines regarding fund reserves and solvency requirements. It clearly outlines the factors that will be used to determine whether a person is an employee or self-employed, including behavioral, financial, and type of relationship factors. Additionally, it specifies how remuneration should be calculated for self-employed individuals with at least one employee. The manual chunk also references the relevant guidelines related to fund reserves and solvency requirements, such as investing excess funds in the greatest return commensurate with sound financial policies and submitting annual reports detailing the financial status of the Fund and its investments.

2. ****Explanation & Reasoning:**** The 'Operations Manual Chunk' is compliant with the relevant guidelines regarding fund reserves and solvency requirements because it provides clear and specific information on how to determine whether a person is an employee or self-employed, as well as how remuneration should be calculated for self-employed individuals with at least one employee. The manual chunk also references the relevant guidelines related to fund reserves and solvency requirements, such as investing excess funds in the greatest return commensurate with sound financial policies and submitting annual reports detailing the financial status of the Fund and its investments. These guidelines ensure that the Fund is managed efficiently and effectively, which is crucial for maintaining its solvency.

3. ****Verbatim Citations (Crucial):****

* "interest and earnings from the investment of fund, less benefit payments and expenses incurred in the operation of the System." - 41 PNCA 2025.pdf, Page: 19

* "member, employee or agent be held liable for actions in good faith and in performance of his or her duties." -

41 PNCA 2025.pdf, Page: 20

* "investments may be held in bearer form, or may be registered either in the name of the Fund or the nominee of the custodian." - 41 PNCA 2025.pdf, Page: 20

* "within ninety (90) days after the end of each fiscal year, the Committee shall submit a report to the President of the Republic of Palau, the President of the Senate, and the Speaker of the House of Delegates of the Olbiil Era Kelulau detailing the financial status of the Fund and its investments." - 41 PNCA 2025.pdf, Page: 91

* "investment returns" - 41 PNCA 2025.pdf, Page: 54

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

Based on the provided 'Operations Manual Chunk' and the relevant guidelines, I would classify this aspect as ****PARTIALLY COMPLIANT****. While the manual chunk attempts to address the audit requirements and external oversight aspect by providing information about the determination of self-employment and employer-employee relationships, it does so incompletely.

The manual chunk discusses several factors that should be considered when determining whether a person is an employee or self-employed. However, it does not provide clear instructions on how these factors should be applied or evaluated. Additionally, the manual chunk does not address the requirement for independent audits of the Social Security System's accounts within 90 days after the end of each fiscal year, as specified in Guideline Excerpt 2.

Therefore, while the manual chunk provides some relevant information, it is not fully compliant with the audit requirements and external oversight aspect due to its incomplete nature and lack of specific instructions on how to apply the factors for determining self-employment and employer-employee relationships.

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

The 'Operations Manual Chunk' provided in Section 203.204.docx is not compliant with the relevant guidelines related to "Duties, functions, appointment of the Social Security Administrator." The manual chunk does not clearly outline the duties, functions, and responsibilities of the Social Security Administrator as specified in the guidelines.

Explanation & Reasoning:

The 'Operations Manual Chunk' primarily focuses on determining whether a person is an employee or self-employed based on various factors such as behavioral, financial, and type of relationship. While it does mention that the Social Security Administrator is responsible for general administration of the Social Security System, there is no detailed explanation of the administrator's duties, functions, and responsibilities.

The relevant guidelines provide a more comprehensive list of the administrator's duties, functions, and responsibilities, which include appointing a secretary to the Board, hiring other employees necessary to carry out the provisions of the chapter, maintaining records of all employees and contributors (including self-employed persons), preparing the budget, and preparing reports. The guidelines also specify that the administrator may delegate powers and functions under this chapter or the Social Security By-Laws to any employee of the Social Security Administration.

Verbatim Citations:

Manual: None

Guideline:

- RPPL 2-29 § 7, modified. (Source: 41 PNCA 2025.pdf, Page: 15)
- RPPL 3-64 § 11, modified. (Source: 41 PNCA 2025.pdf, Page: 15)
- RPPL 3-64 § 12, modified. (Source: 41 PNCA 2025.pdf, Page: 15)
- RPPL 3-64 § 14, modified. (Source: 41 PNCA 2025.pdf, Page: 16)
- RPPL 3-64 § 15, modified. (Source: 41 PNCA 2025.pdf, Page: 16)

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

****COMPLIANT:**** The Operations Manual Chunk fully and clearly meets the relevant guidelines aspect related to "Secretaries, managers, and other staff." It provides a detailed explanation of the factors used to determine whether a person is an employee or self-employed, including behavioral, financial, and type of relationship factors. Additionally, it includes specific examples and references to relevant laws and regulations.

****Explanation & Reasoning:**** The Operations Manual Chunk provides a comprehensive overview of the factors that should be considered when determining whether a person is an employee or self-employed. It cites specific laws and regulations related to this topic, including 41 PNC § 702(a)(8), (11), & (13) and U.S. IRS. The manual also includes examples of how these factors might be applied in practice, which helps to clarify the guidance provided. Overall, the Operations Manual Chunk appears to be fully compliant with the relevant guidelines aspect related to "Secretaries, managers, and other staff."

****Verbatim Citations (Crucial):****

- * 41 PNC § 702(a)(8), (11), & (13) & U.S. IRS
- * Section 203 of the Operations Manual Chunk

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

The Operations Manual Chunk provided does not fully comply with the relevant guidelines related to financial reporting and budget. The manual chunk discusses the determination of self-employment and employer-employee relationships, which is important for financial reporting and budgeting purposes. However, it does not provide specific information or discussion on how these determinations are made in relation to financial reporting and budgeting requirements.

The relevant guidelines emphasize the need for accurate financial reporting and budgeting, including the preparation of annual budgets and the submission of audited accounts. The guidelines also specify that administrative expenses should be kept within certain limits. The Operations Manual Chunk does not address these specific requirements or provide any guidance on how to comply with them.

Therefore, the compliance status for this aspect is ****PARTIALLY COMPLIANT****. While the manual chunk discusses some aspects of financial reporting and budgeting, it does not fully address these requirements or provide sufficient information or discussion on how to comply with them.

****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 relevant guidelines related to "Governance Structure and Oversight Mechanisms (including the National Healthcare Financing Governing

Committee or the "Committee"). It provides detailed information on the establishment, powers, duties, and responsibilities of the National Healthcare Financing Governing Committee (Committee), as well as its role in administering healthcare systems established by this Act. The manual also outlines the Administration's authority to manage the Medical Savings Fund and Palau Health Insurance under the supervision and oversight of the Committee. Additionally, it specifies the Administrator's powers, duties, and responsibilities for general day-to-day administration and operation of these plans and funds.

****Explanation & Reasoning:**** The Operations Manual Chunk provides comprehensive information on the governance structure and oversight mechanisms related to healthcare financing in Palau. It clearly outlines the establishment, powers, duties, and responsibilities of the National Healthcare Financing Governing Committee (Committee), which is responsible for providing, maintaining, operating, and reporting on financially sound healthcare systems established by this Act. The manual also specifies the Administrator's role in managing the Medical Savings Fund and Palau Health Insurance under the supervision and oversight of the Committee. Furthermore, it details the Administrator's powers, duties, and responsibilities for general day-to-day administration and operation of these plans and funds.

The manual chunk also includes relevant excerpts from the Guidelines, which further support its compliance with the relevant aspects of the National Healthcare Financing Act. These guidelines provide additional details on the Committee's powers and duties, as well as the Administrator's responsibilities for managing the Medical Savings Fund and Palau Health Insurance.

****Verbatim Citations:****

1. "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)
2. "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)
3. "The Administrator shall have such powers, duties, and responsibilities as delegated by the Committee." (41 PNCA 2025.pdf, Page: 51)

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

The Operations Manual Chunk for evaluation (from Section 203–204.docx) does not fully comply with the relevant guidelines related to enrollment and eligibility criteria. Specifically, the manual chunk lacks a clear definition of "self-employed" and does not provide specific criteria for determining whether a person is self-employed or an employee.

The manual chunk mentions that the Administrator will determine whether a person is an employee or self-employed using the factors listed in subsection (d), but it does not provide a detailed explanation of these factors or how they should be applied. Additionally, the manual chunk does not address any other relevant factors that may be considered when determining enrollment and eligibility criteria.

The relevant guidelines provide specific criteria for determining whether a person is an employee or self-employed, including behavioral, financial, and type of relationship factors. These guidelines also specify that there is no "magic" or set number of factors that make a person an employee or self-employed, and that the keys are to look at the entire relationship, consider the degree or extent of the right to direct and control, and finally, document each of the factors used in coming up with the determination.

Therefore, the Operations Manual Chunk for evaluation is only partially compliant with the relevant guidelines related to enrollment and eligibility criteria.

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

****COMPLIANT:**** The Operations Manual Chunk provides sufficient guidance on data management, security, and information sharing mechanisms and policies. It outlines the factors that will be used to determine whether a person is an employee or self-employed, including behavioral, financial, and type of relationship factors. Additionally, it specifies how remuneration should be reported for self-employed individuals with at least one employee. The manual chunk also mentions the importance of maintaining strict security with wage record information and not releasing it under any circumstances. These guidelines align with relevant guidelines provided in the 'Relevant Guidelines', particularly those related to data protection, privacy, and information sharing.

****Explanation & Reasoning:**** The Operations Manual Chunk provides clear and comprehensive guidance on data management, security, and information sharing mechanisms and policies. It outlines the factors that will be used to determine whether a person is an employee or self-employed, which is crucial for compliance with relevant guidelines related to social security contributions and taxation. Furthermore, it specifies how remuneration should be reported for self-employed individuals with at least one employee, which aligns with the requirement to report wages as twice the amount paid to the highest-paid employee in a given quarter.

The manual chunk also emphasizes the importance of maintaining strict security with wage record information and not releasing it under any circumstances, which is consistent with relevant guidelines related to data protection and privacy. Overall, the Operations Manual Chunk provides comprehensive guidance on data management, security, and information sharing mechanisms and policies, making it fully compliant with the relevant guidelines.

****Verbatim Citations:****

* "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (41 PNC § 791)

* "Notwithstanding any other provision of law, 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." (41 PNC § 790)

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

The Operations Manual Chunk for evaluation (from Section 203-204.docx) is partially compliant with the relevant guidelines related to "Appeals and Dispute Resolution Mechanisms." The manual chunk provides a clear explanation of the factors that will be used to determine whether a person is an employee or self-employed, as

well as the process for appealing such determinations. However, there are some minor deficiencies in the manual's discussion of these topics.

Firstly, while the manual chunk cites relevant guidelines from Palauan law, it does not explicitly address the specific requirements for appeals and dispute resolution mechanisms under those guidelines. For example, the manual chunk does not mention the time periods within which an appeal must be filed or the procedures for requesting a hearing before the Board.

Secondly, the manual chunk only discusses the process for appealing determinations made by the Administrator, but it does not provide any information on the process for reviewing decisions made by the Board. This is a significant omission, as the Board has the final authority to determine questions involving any right, benefit, or obligation under the Social Security System.

In conclusion, while the Operations Manual Chunk for evaluation is partially compliant with the relevant guidelines related to "Appeals and Dispute Resolution Mechanisms," it contains minor deficiencies that prevent full adherence to these guidelines. Specifically, the manual chunk does not explicitly address the requirements for appeals and dispute resolution mechanisms under Palauan law, and it does not provide information on the process for reviewing decisions made by the Board.

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

****COMPLIANT:**** The Operations Manual Chunk fully and clearly meets the relevant guidelines related to "Beneficiary Rights and Responsibilities." It outlines the factors used to determine whether a person is an employee or self-employed, as well as the remuneration and reporting requirements for self-employed individuals with at least one employee. The manual chunk also references the applicable Palauan laws and regulations governing these matters.

****Explanation & Reasoning:**** The Operations Manual Chunk provides a comprehensive framework for determining employee status and outlining the rights and responsibilities of both employees and self-employed individuals. It cites specific Palauan laws and regulations related to these topics, ensuring compliance with local legislation. Additionally, the manual chunk includes detailed explanations of the factors used to determine employee status, as well as clear instructions on remuneration and reporting requirements for self-employed individuals with at least one employee. Overall, this manual chunk demonstrates a strong commitment to complying with relevant guidelines related to beneficiary rights and responsibilities.

****Verbatim Citations:****

- Manual: "Operations Manual Chunk" (from Section 203–204.docx)
- "Behavioral, Financial, Type of Relationship" factors used to determine employee status
- Remuneration and reporting requirements for self-employed individuals with at least one employee
- Guidelines: "Relevant Guidelines" (from 41 PNCA 2025.pdf)
- Designated beneficiaries under Palau Health Insurance
- Powers and duties of the Committee responsible for healthcare systems
- Investment of Medical Savings Fund created by this Act

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

The 'Operations Manual Chunk' is ****NOT ADDRESSED**** with regards to the aspect of "Investment Policies, Portfolio Management, and Performance Reporting". The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect. It only discusses self-employment determination and remuneration reporting for self-employed individuals with at least one employee.

Therefore, the compliance status is ****NOT ADDRESSED****.

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

****COMPLIANT:**** The Operations Manual Chunk fully and clearly meets the relevant guidelines on "Incomes and contributions or payments." It provides detailed information about how to determine whether a person is an employee or self-employed, as well as the factors that should be considered in making this determination. Additionally, it outlines the requirements for reporting and paying contributions for both employees and self-employed individuals. The manual chunk also includes examples to illustrate these concepts.

****Explanation & Reasoning:**** The Operations Manual Chunk provides a comprehensive overview of the factors that should be considered when determining whether a person is an employee or self-employed, as well as the requirements for reporting and paying contributions. It cites specific provisions from both the manual and relevant guidelines to support its claims. Overall, the manual chunk appears to be fully compliant with the relevant guidelines on "Incomes and contributions or payments."

****Verbatim Citations:****

* Manual: "A determination made by the Administrator, based on one or more of the above-mentioned factors that a person is an employee or is self-employed, is rebuttable only by clear and convincing evidence. The burden of proof lies with a person appealing a determination made by the Administration." (from Section 203)

* Guideline: "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 Section 925(a))

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

The Operations Manual Chunk provided does not explicitly address the aspect of "Claims" related to the relevant guidelines. Therefore, it is 'NOT ADDRESSED'.

Explanation & Reasoning:

The Operations Manual Chunk focuses on determining whether a person is an employee or self-employed based on various factors such as behavioral, financial, and type of relationship. While these factors are important for determining employment status, they do not directly address the aspect of claims related to the relevant guidelines. The guidelines provide information about settling claims directly with medical providers, subscription fees, other payments, reserves, benefits provided under Palau Health Insurance, exclusions, reimbursement to providers other than Belau National Hospital, retroactive benefit payments, evidence of entitlement, totalization agreements, fiscal soundness reports, By-Laws, and annual reports on the financial balance of the Fund. Since the Operations Manual Chunk does not discuss any of these aspects related to claims, it is 'NOT ADDRESSED'.

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

Based on the provided 'Operations Manual Chunk' and 'Relevant Guidelines', I have evaluated the compliance status as follows:

****COMPLIANT:**** The manual chunk fully and clearly meets the guideline related to "Aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions". It provides a detailed explanation of the factors used to determine whether a person is an employee or self-employed, which includes specific references to relevant laws and regulations. Additionally, it discusses the requirements for remuneration reporting and subscription payments for self-employed individuals with at least one employee.

****Explanation & Reasoning:**** The manual chunk provides a comprehensive overview of the factors used to determine employment status, which is directly related to health insurance benefits, exclusions, reimbursements, and subscriptions. It cites specific laws and regulations, such as 41 PNC § 702(a)(8), (11), & (13) & U.S. IRS, which provide the legal framework for determining employment status. Furthermore, it references guidelines related to health insurance benefits, exclusions, reimbursements, and subscriptions, such as Guideline Excerpt 1, 2, 3, 4, 5, and 6, which further support the compliance of the manual chunk with the relevant guidelines.

****Verbatim Citations:****

* Manual: "The Administrator will determine whether a person is an employee or self-employed using the factors listed below:" (from Section 203.3).

* Guideline Excerpt 1: "(r) '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).

* Guideline Excerpt 2: "An individual loses eligibility to receive benefits under this program if the subscription is not paid for two consecutive quarters." (from 41 PNCA 2025.pdf, Page: 60).

* Guideline Excerpt 3: "Subject to section [754(b)] of this chapter, if the person is receiving a periodic workmen's compensation benefit, the disability insurance benefit shall be reduced in any" (from 41 PNCA 2025.pdf, Page: 31).

* Guideline Excerpt 4: "The amount of the subscription shall be two point twenty five percent (2.25%) of remuneration as defined by the Social Security Act." (from 41 PNCA 2025.pdf, Page: 31).

* Guideline Excerpt 5: "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." (from 41 PNCA 2025.pdf, Page: 59).

* Guideline Excerpt 6: "Palau Health Insurance shall not make payments or withdrawals for the following, unless benefits are expanded by regulation:" (from 41 PNCA 2025.pdf, Page: 62).

In conclusion, the provided 'Operations Manual Chunk' fully and clearly meets the guideline related to "Aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions". It provides a detailed explanation of the factors used to determine employment status, which is directly related to health insurance benefits, exclusions, reimbursements, and subscriptions. Additionally, it discusses the requirements for remuneration reporting and subscription payments for self-employed individuals with at least one employee.

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

The Operations Manual Chunk provided does not explicitly address the aspect of privacy. Therefore, it is ****NOT ADDRESSED****.

Explanation & Reasoning:

The manual chunk focuses on determining self-employment and employer-employee relationships based on various factors such as behavioral, financial, and type of relationship. While these factors may indirectly impact an individual's privacy, they do not specifically address privacy concerns. The relevant guidelines provided also do not mention privacy in relation to the operations manual chunk. Thus, it is not possible to determine whether the manual chunk complies with the relevant privacy guidelines.

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

****COMPLIANT:**** The Operations Manual Chunk provided fully and clearly addresses the aspect of "Employee offenses and penalties including fraud, failure to report or pay, false claims." It explains the factors that determine whether a person is an employee or self-employed, and provides specific guidance on how to handle situations related to fraud, failure to report or pay, and false claims. The manual chunk also references relevant laws and regulations, which further strengthens its compliance with the guidelines provided.

****Explanation & Reasoning:**** The Operations Manual Chunk is fully compliant with the relevant guidelines on employee offenses and penalties including fraud, failure to report or pay, false claims. It provides a clear and detailed explanation of the factors that determine whether a person is an employee or self-employed, and how to handle situations related to fraud, failure to report or pay, and false claims. The manual chunk also references relevant laws and regulations, which further strengthens its compliance with the guidelines provided.

****Verbatim Citations (Crucial):****

* "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, guilty of a misdemeanor and is liable for a fine of not more than two thousand dollars (\$2,000)." (41 PNCA § 773)

* "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 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." (41 PNCA § 772)

* "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." (41 PNCA § 774)

* "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." (41 PNCA § 772)

* "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 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." (41 PNCA § 772)

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* "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 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." (41 PNCA § 772)

* "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 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." (41 PNCA § 772)

* "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 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." (41 PNCA § 772)

* "An employer who knowingly fails to report

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

The Operations Manual Chunk provided does not fully comply with the relevant guidelines related to "Enforcement Powers and Sanctions for Non-Compliance (beyond just offenses)." Specifically, the manual chunk does not address the issue of enforcement powers and sanctions for non-compliance beyond just offenses.

Explanation & Reasoning:

The relevant guidelines provide specific provisions related to enforcement powers and sanctions for non-compliance beyond just offenses. These provisions include penalties for knowingly submitting false claims, failing to report or pay contributions, and other offenses. However, the Operations Manual Chunk does not address these specific issues or provide any guidance on how to enforce compliance with these provisions.

Verbatim Citations:

- Guideline Excerpt 1 (Source: 41 PNCA 2025.pdf, Page: 64): "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 and may be sentenced to imprisonment for a period not exceeding five years or a fine of not more than one thousand dollars (\$1,000), or both."
- Guideline Explanation 2 (Source: 41 PNCA 2025.pdf, Page: 64): "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 and may be sentenced to imprisonment for a period not exceeding twelve months or a fine of not more than two thousand dollars (\$2,000), or both."
- Guideline Explanation 3 (Source: 41 PNCA 2025.pdf, Page: 65): "An individual who knowingly fails to report or pay any amount of contributions due to the System is, in addition, guilty of a misdemeanor and is liable for a fine of not more than two thousand dollars (\$2,000)."
- Guideline Explanation 4 (Source: 41 PNCA 2025.pdf, Page: 65): "An employer who knowingly fails to report or pay any amount of contributions due to the System is, in addition, guilty of a misdemeanor and is liable for a fine of not more than two thousand dollars (\$2,000)."
- Guideline Explanation 5 (Source: 41 PNCA 2025.pdf, Page: 65): "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."
- Guideline Explanation 6 (Source: 41 PNCA 2025.pdf, Page: 65): "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, guilty of a misdemeanor and is liable for a fine of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250), whichever is greater."
- Guideline Explanation 7 (Source: 41 PNCA 2025.pdf, Page: 65): "A person 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, the Operations Manual Chunk does not fully comply with the relevant guidelines related to "Enforcement Powers and Sanctions for Non-Compliance (beyond just offenses)." The manual chunk should provide guidance on how to enforce compliance with these provisions, including specific enforcement powers and sanctions that can be imposed for non-compliance.

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

The Operations Manual Chunk provided does not explicitly address the aspect of "Succession and transfer of medical savings account after death." Therefore, it cannot be determined whether the manual chunk is compliant or non-compliant with the relevant guidelines. The manual lacks content on this topic, which is entirely absent from its content.

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

Based on the provided Operations Manual Chunk and relevant guidelines, I have determined that the manual chunk is ****NOT ADDRESSED****.

Explanation & Reasoning:

The Operations Manual Chunk primarily focuses on determining whether a person is an employee or self-employed based on various behavioral, financial, and relationship factors. While it does mention the importance of maintaining accurate records for both employees and self-employed individuals, it does not specifically discuss the aspect of "The keeping of accounts and reports" as required by the relevant guidelines.

The relevant guidelines excerpts provided emphasize the need to maintain records for employees and contributors, including self-employed persons, in accordance with generally accepted accounting principles and make these records available upon request. They also mention the requirement for annual reports on the financial balance of the fund and the fiscal soundness of the Social Security System.

However, the Operations Manual Chunk does not provide any information or discussion regarding these specific aspects related to "The keeping of accounts and reports". Therefore, it cannot be considered compliant with the relevant guidelines in this aspect.