

# ***Edited Content Extracted from: sections 326–330.docx***

## PART III. BENEFITS (fifth chunk)

### SUB-PART E: OTHER BENEFIT PROVISIONS

#### •Section 326. Lump Sum Benefits

If after an employee contributor dies and all rights to survivor insurance benefits with respect to him or her have been terminated, a lump sum benefit equal to six percent (6%) of his or her cumulative covered earnings, less the amount of the benefits actually received by the employee contributor, if any, shall be paid:

- To the spouse; or
- If there is no surviving spouse, to the children, or to any guardian or trustee for the children, in equal shares;
- If there is no surviving spouse or child, to the parents in equal shares;
- If there is no surviving spouse, child, or parent, to the duly appointed legal representative of the deceased;
- If none of the preceding paragraphs apply, to the person entitled to it under the laws and customs of the last domicile of the deceased. 41 PNC § 758.

[Source 41 PNC § 758]

If any unpaid employer contributions are deposited to the Social Security Fund after a lump sum payment has been made, these funds are no longer available for future claim as the Lump Sum benefit has been duly terminated.

#### •Section 327. Over and Under Payment

Any over or under payment of benefits shall be deducted from or added to any subsequent payment of benefit to or with respect to the payee, and in any event it shall, if necessary, be deducted from or added, partially or in-full, to any subsequent payment of a lump sum benefit. The Administrator shall not make any adjustment when determined that the adjustment would be made against equity and good conscience.

[Source 41 PNC § 759]

#### •Section 328. Retroactive Payment

In the event that a person is eligible for benefits from the System but does not apply for those benefits or otherwise inform the Administrator that the he or she is eligible for benefits, the maximum period for which benefits shall be paid retroactively preceding the date of application for benefits shall be twelve (12) months.

[Source 41 PNC § 808]

•“Inform the Administrator” and “Date of Application” is defined as the date whereby all documentation i.e application form and supporting evidence, for a benefit claim has been received by Social Security Administration and is complete and correct.

[Source 41 PNC § 711, § 712(d), § 763, & SSA By-Laws]

•Section 329. Payment to Non-citizens

(a)Overseas: No more than six (6) months of benefits payments shall be paid to any beneficiary who is not a citizen or national of the Republic of Palau while the beneficiary is residing outside of the Republic unless modified by a totalization or bilateral agreement.

(b)Residing in ROP: Any beneficiary who is not a citizen or national of the Republic of Palau that is permanently residing in the Republic of Palau shall be eligible to receive full benefits. A person who is not a citizen or national of the Republic of Palau shall provide to the Administrator the following proof of permanent residency:

- Physical Location of Residence;
- Copy of Immigration Visa \*, if applicable;
- Post Office Box;
- Telephone Number;
- Cell Phone Number;
- Email Address;
- Emergency Contact Person; and
- Any other evidence demonstrating proof of permanent residency.

\* Immigration Visa may be a work permit for private sector and government employment, a dependent permit, a resident permit, a missionary permit, an investor permit or any other document approved by Department of Immigration.

(c)At any time, the Administrator may investigate the accuracy of any information provided and the legitimacy of the claim of permanent residency. The Administrator, after review, may determine that a person is not, in fact, residing in the Republic of Palau.

(1)In the application process, if the Administrator determines that a non-citizen claimant who claims to be residing in the Republic but is not, in fact, residing in the Republic, the Administrator shall pay no more than six (6) months of benefits payments; or

(2) If the Administrator determines that a non-citizen receiving benefits, who claims to be residing in the Republic but is not, in fact, residing in the Republic, the Administrator shall immediately cease all disbursements of benefits. The Administrator shall notify the non-citizen of the determination and shall request that all benefits received after six (6) months shall be returned to the Administrator, with interest. The Administrator may file a civil proceeding to recover these benefits. The Administrator shall also report such non-citizen to the Bureau of Immigration and may refer the case to the Office of the Attorney General for criminal prosecution under 17 PNC [cheating, larceny, etc.].

[Source 41 PNC § 760]

•Section 330. Earnings Test

The “earnings test” means a test to determine whether the person who is receiving the benefit is retired or otherwise dependent on the Social Security benefit. The maximum amount of remuneration that a person may earn and still remain entitled to a full benefit is three thousand dollars (\$3,000.00) during any quarter, except as provided in subsection (c) of Section 761.

•The person who is receiving retirement benefits shall have his or her retirement benefit reduced by one dollar (\$1) for each three dollars (\$3) of wages earned during a quarter in excess of three thousand dollars (\$3,000.00). The reduction shall be applied in the quarters following the quarter in which the wages were earned.

•A person who became eligible to receive the surviving spouse benefit after December 31, 2013, shall have his surviving spouse benefit reduced by one dollar (\$1) for every three dollars (\$3) of wages earned in a quarter in excess of three thousand dollars (\$3,000.00), unless the surviving spouse beneficiary was eligible for the surviving spouse benefit under Section 755 prior to August 2, 2007. The reduction will be applied in the quarters immediately following the quarter in which the wages were earned.

[41 PNC § 761, as amended by RPPL No. 9-12, Sec. 8]

•(d) A surviving spouse beneficiary qualifying under subsection (c)(2) shall receive such benefit at the level in existence immediately prior to August 2, 2007, unless such beneficiary received an increase in his surviving spouse benefit as a result of the enactment of RPPL No. 7-32.

The earnings test is applied as follows:

•A benefit shall be reduced by one dollar (\$1.00) for each three dollars (\$3.00) earned in excess of three thousand eight hundred dollars (\$3,000.00) during any quarter. The reduction shall be applied in the quarter following the quarter in which the wages were earned.

•Earnings from quarters prior to the first quarter the person who is receiving the benefit is retired or otherwise dependent on the Social Security benefit shall not be used to reduce benefits.

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