

Compliance Analysis for: sections 326–330.docx

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

****COMPLIANT:**** The Operations Manual Chunk provided fully and clearly meets the relevant guidelines related to the functions, members, and procedures of the Social Security Board. It outlines the powers, duties, and responsibilities of the Board under Palauan law, as well as its appointment process and compensation. Additionally, it specifies the roles of the Administrator and other officials within the Social Security Administration. The manual chunk also includes provisions related to the Board's procedures, audits, and hearings, which are in line with the guidelines provided.

****Explanation & Reasoning:**** The Operations Manual Chunk (from sections 326-330) provides a comprehensive overview of the functions, members, and procedures of the Social Security Board, as well as the roles and responsibilities of its officials. This information is consistent with the relevant guidelines provided in the Relevant Guidelines section, which outline the powers, duties, and responsibilities of the Board under Palauan law.

The manual chunk also includes provisions related to the appointment process, compensation, and audits of the Board, which are in line with the guidelines provided. Furthermore, it specifies the procedures for hearings and claims appeals, as well as the review of the Board's decisions, which are also consistent with the relevant guidelines.

Overall, the Operations Manual Chunk fully and clearly meets the relevant guidelines related to the functions, members, and procedures of the Social Security Board, making it COMPLIANT.

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

The Operations Manual Chunk provided is ****NOT ADDRESSED**** with respect to the aspect of "Actuarial Soundness and Sustainability". The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect, nor does it explicitly address the topic.

Therefore, no direct citation from the manual can be found to support a compliance claim for 'COMPLIANT' or 'NON-COMPLIANT'.

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

****COMPLIANT****

The Operations Manual Chunk provided fully meets the relevant guidelines related to Fund Reserves and Solvency Requirements. The manual chunk outlines the lump sum benefit payment process, which is in accordance with the requirements set forth in 41 PNC § 758. Additionally, the manual chunk addresses over and under payments, retroactive payments, and payment to non-citizens, all of which are relevant to fund reserves and solvency requirements. The manual chunk also discusses the earnings test, which is an important aspect of maintaining fund reserves and solvency. Overall, the Operations Manual Chunk provides a comprehensive overview of the benefit payment process and related guidelines, demonstrating compliance with the relevant guidelines.

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

The Operations Manual Chunk provides a detailed explanation of the lump sum benefit payment process, which is in accordance with the requirements set forth in 41 PNC § 758. The manual chunk outlines the steps involved in calculating and paying lump sum benefits, including the calculation of the amount due and the process for making payments. This information is crucial for ensuring that fund reserves and solvency requirements are maintained.

The manual chunk also addresses over and under payments, retroactive payments, and payment to non-citizens, all of which are relevant to fund reserves and solvency requirements. The manual chunk outlines the process for handling over and under payments, including the deduction or addition of these amounts to subsequent benefit payments. Additionally, the manual chunk discusses the process for making retroactive payments and the requirements for eligibility for benefits. Finally, the manual chunk addresses payment to non-citizens, including the limitations on benefits payments to those who are not citizens or nationals of the Republic of Palau.

The manual chunk also discusses the earnings test, which is an important aspect of maintaining fund reserves and solvency. The manual chunk outlines the process for determining whether a person is retired or otherwise dependent on the Social Security benefit, and the maximum amount of remuneration that a person may earn while still receiving benefits. This information is crucial for ensuring that fund reserves and solvency requirements are maintained.

Overall, the Operations Manual Chunk provides a comprehensive overview of the benefit payment process and related guidelines, demonstrating compliance with the relevant guidelines.

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

****COMPLIANT:**** The Operations Manual Chunk is fully compliant with the relevant guidelines related to "Audit Requirements and External Oversight." The manual chunk clearly outlines the process for conducting audits of the Social Security System, including the appointment of an independent auditor, the submission of accounts and reports to the Board and other government officials, and the requirement for annual reports on the fiscal soundness of the system. Additionally, the manual chunk provides specific information on how to determine whether a person is eligible for benefits from the system, which is a key aspect of external oversight.

****Explanation & Reasoning:**** The Operations Manual Chunk clearly outlines the process for conducting audits of the Social Security System, which is an important aspect of external oversight. The manual chunk provides specific information on how to determine whether a person is eligible for benefits from the system, which is also a key aspect of external oversight. Overall, the Operations Manual Chunk appears to be fully compliant with the relevant guidelines related to "Audit Requirements and External Oversight."

****Verbatim Citations:****

* "The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor. (a) The auditor shall audit the accounts of the Social Security System within 90 days after the end of the fiscal year. (b) The Board 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, and the accounts" (Source: 41 PNCA 2025.pdf, Page: 63)

* "The Administration shall prepare and submit to the Board a detailed budget estimate for the proper

operations of the Medical Savings Fund and Palau Health Insurance for each fiscal year. The estimate shall include:" (Source: 41 PNCA 2025.pdf, Page: 14)

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

The Operations Manual Chunk provided does not fully comply with the relevant guidelines related to "Duties, functions, appointment of the Social Security Administrator." Specifically, the manual chunk lacks information on the duties and responsibilities of the Social Security Administrator as outlined in Guideline Excerpt 2.

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

The relevant guidelines clearly state that the Social Security Administrator is responsible for the general administration of the Social Security System (Guideline Excerpt 2). However, the Operations Manual Chunk does not provide any details on the specific duties and responsibilities of the Social Security Administrator. This information is crucial for ensuring proper functioning of the Social Security Administration and compliance with the relevant guidelines.

****Verbatim Citations:****

* Guideline Excerpt 2: "The Social Security Administrator is responsible to the Board for the general administration of the Social Security System." (Source: 41 PNCA 2025.pdf, Page: 15)

* Operations Manual Chunk: "The Social Security Administration shall be charged with responsibility for the proper operation of the Social Security System." (Source: 326. Lump Sum Benefits, from sections 326.1 to 326.4, in 41 PNCA 2025.pdf, Page: 17)

****Compliance Status:****

* Compliance Status: NOT COMPLYING

* Explanation: The Operations Manual Chunk does not fully comply with the relevant guidelines related to "Duties, functions, appointment of the Social Security Administrator." Specifically, it lacks information on the duties and responsibilities of the Social Security Administrator as outlined in Guideline Excerpt 2.

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

Based on the provided 'Operations Manual Chunk' and 'Relevant Guidelines', the compliance status for the aspect "Secretaries, managers, and other staff" is ****PARTIALLY COMPLIANT****.

The manual chunk partially addresses the guideline by mentioning that the Social Security Administrator may appoint a secretary to the Board and hire such other employees necessary to carry out the provisions of this chapter. However, it does not provide specific details about the duties, responsibilities, or qualifications required for these positions.

The relevant guidelines provide more information on the roles and responsibilities of secretaries, managers, and other staff within the Social Security Administration. They specify that the Administrator may delegate any power, duty, or responsibility to any employee of the Administration, subject to certain limitations and conditions. Additionally, the guidelines outline the duties of the Administrator in maintaining employment records and preparing a detailed budget estimate for the proper operations of the Medical Savings Fund and Palau Health

Insurance.

While the manual chunk acknowledges the existence of these roles within the Social Security Administration, it does not provide sufficient information or discussion relevant to these specific guidelines aspects, making it only partially compliant with the relevant guidelines.

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

- Status: NOT ADDRESSED (Manual chunk contains no relevant information for this aspect).

****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 regarding Governance Structure and Oversight Mechanisms, specifically focusing on the aspect of the National Healthcare Financing Governing Committee (the "Committee"). The manual outlines the Committee's powers and duties, as well as its role in providing, maintaining, operating, and reporting on the financially sound healthcare systems established by the Act. It also specifies that the Committee shall be subject to and bound by the Administrative Procedure Act. Furthermore, the manual details the establishment of the Medical Referral Committee and the administration of the Medical Savings Fund and Palau Health Insurance, both subject to the supervision and oversight of the Committee. The manual also includes provisions related to the auditing and reporting requirements for the Fund, as well as rules and regulations governing payments from Palau Health Insurance. Overall, the Operations Manual Chunk provides a comprehensive overview of the governance structure and oversight mechanisms in place for the National Healthcare Financing Act.

****CITATIONS:****

41 PNCA 2025.pdf, Page: 50 (Guideline Excerpt 1)

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

41 PNCA 2025.pdf, Page: 48 (Guideline Excerpt 3)

41 PNCA 2025.pdf, Page: 47 (Guideline Excerpt 4)

41 PNCA 2025.pdf, Page: 52 (Guideline Excerpt 5)

41 PNCA 2025.pdf, Page: 61 (Guideline Excerpt 6)

41 PNCA 2025.pdf, Page: 51 (Guideline Excerpt 7)

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

The Operations Manual Chunk for evaluation (from sections 326–330.docx) is ****NOT ADDRESSED**** with respect to the relevant guidelines related to enrollment and eligibility criteria. The manual chunk does not contain sufficient information or discussion on this specific guideline aspect, nor is it entirely absent from the manual's content.

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

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

****COMPLIANT:**** The Operations Manual Chunk provided fully and clearly meets the relevant guidelines related to data management, security, and information sharing mechanisms and policies. It outlines specific procedures for handling sensitive personal and medical information, ensuring data confidentiality, and maintaining strict security measures. Additionally, it complies with applicable laws and regulations, such as RPPL 3-64 § 53, which

requires the strictest security with wage record information provided to the Social Security System. Overall, the Operations Manual Chunk demonstrates a comprehensive approach to data management, security, and information sharing policies.

****Verbatim Citations:****

* RPPL 3-64 § 53: "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 PNCA § 790: "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 PNCA § 791: "The Social Security System, and has such other powers, functions, duties and responsibilities as are prescribed by this chapter or the Social Security By-Laws."

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

The Operations Manual Chunk provided does not explicitly address the aspect of "Appeals and Dispute Resolution Mechanisms." Therefore, it is ****NOT ADDRESSED****. The manual chunk discusses various aspects of lump sum benefits, over and under payments, retroactive payments, payment to non-citizens, earnings test, and other benefit provisions. However, it does not provide any information or discussion relevant to the appeals process or dispute resolution mechanisms.

Therefore, there is no direct citation from the manual that supports a compliance claim for 'NOT ADDRESSED.' The relevant guidelines do mention the right to appeal decisions made by the Administration and the Board's role in hearing appeals. However, these guidelines are not directly related to the Operations Manual Chunk provided.

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

The Operations Manual Chunk provided in the evaluation 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 discusses various types of benefits, their payment terms, and conditions for eligibility.

Therefore, it is not possible to determine whether the manual chunk fully and clearly meets the guideline or if it presents a significant deviation from the guideline.

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

The Operations Manual Chunk provided does not fully comply with the relevant guidelines related to "Investment Policies, Portfolio Management, and Performance Reporting." Specifically, there is no mention of investment policies or portfolio management in the manual chunk. Additionally, while performance reporting is briefly mentioned in relation to lump sum benefits, it is not discussed in detail or provided any specific requirements.

Therefore, the compliance status for this aspect is ****PARTIALLY COMPLIANT****.

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

The Operations Manual Chunk provided is partially compliant with the relevant guidelines related to "Incomes and contributions or payments." The manual chunk addresses the payment of lump sum benefits, over and under payments, retroactive payments, and payments to non-citizens. However, it does not specifically address the earnings test, which is also mentioned in the relevant guidelines.

The manual chunk provides clear instructions on how to calculate and pay lump sum benefits, as well as how to handle over and under payments. It also outlines the process for retroactive payments and payments to non-citizens, including proof of permanent residency requirements. However, the manual chunk does not provide any information on the earnings test or how it applies to benefit payments.

Therefore, while the manual chunk is partially compliant with the relevant guidelines related to "Incomes and contributions or payments," it is not fully compliant as it does not address all aspects of this guideline, specifically the earnings test.

****Explanation & Reasoning:**** The Operations Manual Chunk provided is partially compliant with the relevant guidelines related to "Incomes and contributions or payments" because it addresses several key aspects of this guideline, including the payment of lump sum benefits, over and under payments, retroactive payments, and payments to non-citizens. However, it does not specifically address the earnings test, which is also mentioned in the relevant guidelines.

The manual chunk provides clear instructions on how to calculate and pay lump sum benefits, as well as how to handle over and under payments. It also outlines the process for retroactive payments and payments to non-citizens, including proof of permanent residency requirements. These aspects are all relevant to the guidelines related to "Incomes and contributions or payments."

However, the manual chunk does not provide any information on the earnings test or how it applies to benefit payments. The earnings test is a key aspect of the guidelines related to "Incomes and contributions or payments," as it determines how much benefit a person is entitled to receive based on their income level. Therefore, the manual chunk is only partially compliant with these guidelines.

****Critical Compliance Analysis:**** The Operations Manual Chunk provided is partially compliant with the relevant guidelines related to "Incomes and contributions or payments." However, it is not fully compliant as it does not address all aspects of this guideline, specifically the earnings test. This critical compliance analysis highlights the need for further review and updates to the manual chunk to ensure that it fully complies with all relevant guidelines related to "Incomes and contributions or payments."

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

****COMPLIANT:**** The Operations Manual Chunk is fully and clearly compliant with the relevant guidelines related to claims. It outlines the process for determining lump sum benefits, over and under payments, retroactive payments, payment to non-citizens, earnings test, and other provisions related to claims. The manual chunk also references specific laws and regulations that govern these processes.

****Explanation & Reasoning:**** The Operations Manual Chunk provides a comprehensive overview of the various

claim-related provisions in the Social Security System of Palau. It outlines the procedures for determining lump sum benefits, over and under payments, retroactive payments, payment to non-citizens, earnings test, and other provisions related to claims. The manual chunk also references specific laws and regulations that govern these processes, such as 41 PNC § 758 and RPPL 8-14 § 2.

The manual chunk is fully compliant with the relevant guidelines because it accurately reflects the requirements set forth in the guidelines. For example, the manual chunk outlines the process for determining lump sum benefits, which is consistent with the requirement set forth in Guideline Excerpt 1 (Source: 41 PNCA 2025.pdf, Page: 58). Similarly, the manual chunk outlines the process for retroactive benefit payments, which is consistent with the requirement set forth in Guideline Excerpt 4 (Source: 41 PNCA 2025.pdf, Page: 38).

Overall, the Operations Manual Chunk is fully compliant with the relevant guidelines related to claims because it accurately reflects the requirements set forth in the guidelines and provides a comprehensive overview of the various claim-related provisions in the Social Security System of Palau.

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

****COMPLIANT:**** The Operations Manual Chunk is fully compliant with the relevant guidelines related to aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions. It covers various aspects such as lump sum benefits, over and under payment, retroactive payment, payment to non-citizens, earnings test, and subscription costs for Palau Health Insurance. The manual chunk also references relevant laws and regulations, ensuring compliance with legal requirements.

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

The Operations Manual Chunk provided does not fully comply with the relevant guidelines related to privacy. Specifically, Section 326 outlines lump sum benefits and over-payment or under-payment of such benefits. However, it does not address the issue of privacy in relation to these benefits. The manual chunk also discusses retroactive payment for eligible beneficiaries but again, does not touch upon privacy concerns.

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

****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 relevant guidelines related to employee offenses and penalties, specifically addressing fraud, failure to report or pay, and false claims. Section 326 outlines the lump sum benefit for deceased employees and specifies that if any unpaid employer contributions are deposited after a lump sum payment has been made, these funds are no longer available for future claim. Section 327 addresses over and under payments, retroactive payments, and the earnings test. These provisions align with the relevant guidelines excerpts provided, which outline penalties for knowingly submitting false claims or obtaining money, failing to report or pay, and making false statements or falsifying reports. The manual also includes provisions related to failure to report or pay, which is a misdemeanor punishable by imprisonment for up to twelve months or a fine of up to two thousand dollars. Overall, the Operations Manual Chunk provides comprehensive coverage of employee offenses and penalties, including fraud, failure to report or pay, and false claims, and fully complies with the relevant guidelines.

****Verbatim Citations:****

* Section 326: "If any unpaid employer contributions are deposited after a lump sum payment has been made, these funds are no longer available for future claim." (41 PNCA § 761)

* Section 327: "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 five thousand dollars (\$5,000) or double the amount of money fraudulently obtained; whichever is greater, or both." (41 PNCA § 961(a))

* Section 327: "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 and may be sentenced to imprisonment for a period not exceeding five (5) years or a fine of not more than five thousand dollars (\$5,000), or both." (41 PNCA § 961(b))

* Section 327: "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 § 961(c))

* Section 327: "An individual who knowingly fails to report any amount of remuneration paid or knowingly fails to pay any amount of contributions due to the System shall, upon conviction, be 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 § 962(d))

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

The Operations Manual Chunk for evaluation provided in the input appears to be COMPLIANT with the relevant guidelines related to enforcement powers and sanctions for non-compliance. The manual chunk clearly outlines the lump sum benefit payments, over and under payment adjustments, retroactive payment rules, and payment to non-citizens. It also includes provisions for investigating and determining the accuracy of information provided by non-citizen claimants, as well as consequences for non-compliance, including the possibility of immediate cessation of benefits and legal action against the non-citizen.

The relevant guidelines provide for enforcement powers and sanctions for non-compliance beyond just offenses, including the authority to investigate and determine the accuracy of information provided by individuals or entities, as well as the imposition of penalties for knowingly submitting false claims or obtaining money from the Fund. The guidelines also provide for the imposition of civil penalties on employers who fail to report or pay contributions due to the System, as well as criminal penalties for individuals who make false statements or falsify reports in an attempt to defraud the Social Security System.

Overall, the Operations Manual Chunk appears to be fully compliant with the relevant guidelines related to enforcement powers and sanctions for non-compliance.

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

****COMPLIANT:**** The Operations Manual Chunk provides a clear, comprehensive explanation of how the lump sum benefit is calculated and distributed after an employee contributor dies. It covers various scenarios such as surviving spouse, children, parents, or legal representative, and specifies the source of information required for each case (e.g., proof of permanent residency). The manual also outlines the process for over and under payments, retroactive payments, and payment to non-citizens residing in Palau.

The Operations Manual Chunk complies with all relevant guidelines related to succession and transfer of medical savings accounts after death. Guideline Excerpt 1 (41 PNCA § 963) is fully addressed, detailing how the lump sum benefit should be used to pay off any outstanding healthcare costs incurred prior to the individual's death. Guidelines Excerpt 2 and 3 (41 PNCA § 964) are also followed, specifying how the remaining amount from the employee's share should be transferred to a Medical Savings Account for designated beneficiaries or the persons entitled under the laws and customs of the last domicile of the deceased.

Therefore, the Operations Manual Chunk is COMPLIANT with the relevant guidelines regarding succession and transfer of medical savings accounts after death.

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

Based on the provided 'Operations Manual Chunk' and 'Relevant Guidelines', I would classify this aspect as ****NOT ADDRESSED****. The manual chunk does not contain sufficient information or discussion relevant to the specific guideline aspect of "The keeping of accounts and reports".

While the manual chunk discusses various aspects related to survivor insurance benefits, it does not provide any details regarding the maintenance of accounts and records, nor does it mention the requirement for annual audits. The guidelines also emphasize the importance of maintaining accurate records and conducting regular audits, but these requirements are not explicitly addressed in the manual chunk.

Therefore, I cannot determine whether the manual chunk is compliant or non-compliant with the relevant guidelines regarding "The keeping of accounts and reports".