

Edited Content Extracted from: sections 214–215.docx

****Operations Manual Content for Editing:****

****PART II. CONTRIBUTIONS (fifth chunk)****

****SUB-PART E: EMPLOYER CONTRIBUTIONS****

Section 214. Employer Contributions

All employers conducting business in the Republic of Palau are required to contribute to the Social Security Administration at a rate equal to the percentage of remuneration paid to employees. The rate is six percent (6%) as of the fourth quarter 2001 and onwards. Employers must deduct Social Security tax from each wage earner's wages and pay an equal amount to the Social Security Administration. If an employer has no eligible employees but generates annual gross revenues exceeding ten thousand dollars (\$10,000), the employer must report themselves at a rate of 10% of gross revenues from the preceding year.

[41 PNC § 744]

Section 215. Employer Not Required to Pay

Employers are not required to pay Social Security contributions under the following circumstances:

- * When the business has no eligible employees and gross annual revenue is less than ten thousand dollars (\$10,000.00). However, the business owner/employer has the option to contribute to the Social Security System by reporting themselves based on their Gross Revenue Tax (GRT) or income per quarter.
- * For casual employment.
- * When employed with grants that are covered under a treaty with the National Government, expressly exempting liability to a specified degree.
- * For employing Domestic Helpers (household helpers); non-business household/domestic employers are exempt from reporting themselves as self-employed.

[41 PNC § 741 & 743]
