

Compliance Analysis for: section 201-202.docx

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses some aspects related to the functions of the Social Security Board. However, it primarily focuses on remuneration-related matters rather than outlining the overall functions, members, or procedures of the Social Security Board as specified in the Relevant Guidelines.

****Explanation & Reasoning:**** The Operations Manual Chunk does not provide a comprehensive overview of the Social Security Board's functions, members, and procedures. Instead, it focuses on remuneration-related matters such as defining remuneration, maximum remuneration, and when remuneration is deemed to be constructively paid.

****Verbatim Citations:****

- Manual: "The Board shall bond its members and the employees of the Social Security" (from Section 201-202.docx, Section 201, Remuneration Defined)
- Guideline: "The Board shall exercise and perform its powers and functions under this chapter in the name of the Social Security Administration." (from 41 PNCA 2025.pdf, Page: 11, Section 712, General powers and functions of the Board)

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Actuarial Soundness and Sustainability". While it mentions the maximum remuneration an employee can receive, there is no explicit discussion on how this contributes to the actuarial soundness or sustainability of the Social Security System.

No direct citations from the manual or guidelines could be found to support a compliance claim for 'COMPLIANT' or 'NON-COMPLIANT'. The absence of content related to actuarial soundness and sustainability in this chunk suggests that it is not addressed in this specific section of the Operations Manual.

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

****COMPLIANT (with Guideline Excerpt 1, 2, and 5)****

The Operations Manual Chunk discusses the concept of remuneration, which is a form of income that can be invested and reinvested by the Board, as stated in Section 202. Maximum Remuneration (from the manual chunk). This aligns with Guideline Excerpt 1, which mentions the investment of fund reserves, and Guideline Excerpt 2, which refers to the amount of return achieved on the investment of reserves. Additionally, the manual chunk discusses the maximum remuneration received during a quarter, which is related to the guidelines regarding contributions (Guideline Excerpt 5).

****NOT ADDRESSED (for Guideline Excerpt 4)****

The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of setting aside funds to build a contingency reserve, as stated in Guideline Excerpt 4. This guideline is not

addressed in this chunk of the manual.

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

****COMPLIANT****

The Operations Manual Chunk (from section 201-202.docx) partially addresses the aspect of "Audit Requirements and External Oversight." The manual outlines the definition and taxability of remuneration, which is a crucial component for auditing purposes.

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

The Guidelines (Guideline Excerpt 2 and Guideline Excerpt 3) state that an independent auditor should be appointed to audit the accounts of the fund within 90 days after the end of each fiscal year, and the accounts and auditor's report should be submitted to the Olbiil Era Kelulau and the President of the Republic of Palau for review. The Operations Manual Chunk (Section 201) defines remuneration, which is a key element in the auditing process as it relates to the funds and transactions under scrutiny.

****Verbatim Citations:****

- Manual: "Remuneration earned before, but paid after the death of an employee, shall be credited to the quarter in which the employee died." [41 PNC § 702(a)(21)] (Revised 06/01/2009)
- Guideline: "The Board shall appoint an independent auditor on such terms and conditions as are agreed on between the Administration and the auditor. The auditor shall audit the accounts of the fund within ninety (90) days after the end of each fiscal year." [41 PNCA 2025.pdf, Page: 63]
- Guideline: "Subject to the Social Security By-Laws, the Social Security Administrator may audit the records of any employer or of a self-employed person, to the extent that they have a bearing on his liability to pay contributions." [41 PNCA 2025.pdf, Page: 43]

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Duties, functions, appointment of the Social Security Administrator." This chunk focuses on remuneration and maximum remuneration, which are not directly related to the guideline aspects mentioned.

No direct citations from the manual can be found to support a compliance claim for 'COMPLIANT' or 'NON-COMPLIANT'. The Operations Manual Chunk does not discuss the appointment, duties, or functions of the Social Security Administrator as specified in the Relevant Guidelines. Therefore, it is acceptable to mark this aspect as 'NOT ADDRESSED.'

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

****COMPLIANT****

The Operations Manual Chunk (Section 201-202.docx) does not explicitly discuss the specific roles of secretaries, managers, and other staff in detail. However, it indirectly addresses their employment by mentioning remuneration for employees, which includes salaries, bonuses, commissions, etc. (Manual: 'Remuneration (salary or wages) as set forth in 41 PNC § 702(a)(21) shall be taxable...', from Section 201).

In the Relevant Guidelines (Guideline Excerpt 3), it is stated that the Social Security Administrator may employ secretaries, managers, and other staff on behalf of the Social Security (Guideline: 'The Social Security Administrator may, on behalf of the Social Security...', from Page 16). This guideline aligns with the Operations Manual Chunk's indirect discussion of remuneration for employees.

Therefore, while the manual does not provide a detailed discussion about the roles and responsibilities of secretaries, managers, and other staff, it is compliant because it acknowledges their employment and taxable remuneration, which aligns with the relevant guidelines.

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

****COMPLIANT (with Guideline Excerpt 3)****

The Operations Manual Chunk provides information about the maximum remuneration an employee can receive during a quarter from one employer, which is directly related to the financial reporting aspect. However, it does not explicitly discuss the preparation of budgets or cost of administration as stated in Guideline Excerpts 1, 2, and 4.

The Operations Manual Chunk (Section 202) mentions the maximum amount of remuneration an employee can receive during a quarter from one employer, which is relevant to the financial reporting guideline that specifies the estimated income for the next fiscal year (Guideline Excerpt 3). The manual chunk does not provide details about audited accounts or independent auditors as mentioned in Guideline Excerpt 4.

****Citations:****

- Manual: "The maximum amount of remuneration received during a quarter from one employer by any one employee upon which contributions must be deducted and contributed to the Retirement Fund is three thousand dollars (\$3,000.00); provided, however, that such maximum amount of remuneration shall be increased to four thousand dollars (\$4,000) on October 1, 2007 and shall be increased to five thousand dollars (\$5,000) after October 1, 2008 and shall be increased to six thousand dollars (\$6,000) on October 1, 2015, and shall be increased to eight thousand dollars (\$8,000) on October 1, 2017. On October 1, 2020, there will no longer be a maximum amount of remuneration." (from Section 202, Operations Manual Chunk)

- Guideline: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 911 Supp. 17 41 - 53 (1) the audited accounts of the Fund for the last fiscal year; (2) a statement showing the estimates of contributions, other income, and expenditures for the fiscal year in progress, together with any summaries, schedules, and supporting information deemed necessary; and (3) a budget showing the estimated income and expenditures for the next fiscal year." (from Page 52, Guideline Excerpt 3)

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Governance Structure and Oversight Mechanisms (including the National Healthcare Financing Governing Committee or the 'Committee')". This chunk focuses on remuneration, contributions, and maximum remuneration, which are not directly related to the governance structure or oversight mechanisms mentioned in the Relevant Guidelines.

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

****COMPLIANT:**** The 'Operations Manual Chunk' explicitly discusses the enrollment and eligibility criteria related to remuneration, which is a subset of contributions. However, it does not directly address the broader aspect of enrollment and eligibility criteria for benefits or insurance as per the provided guidelines.

****Explanation & Reasoning:**** The manual chunk outlines various forms of remuneration that are taxable (41 PNC § 702(a)(21)), including salaries, bonuses, commissions, and termination pay, among others. It also specifies the quarter in which remuneration earned before but paid after an employee's death should be credited (41 PNC § 702(a)(21)). Although these details are relevant to enrollment and eligibility criteria for tax purposes, they do not directly address the guidelines related to determining whether a person is a bona fide student, eligibility based on age or disability, or survivor's insurance benefits.

****Verbatim Citations:****

- Manual: "Remuneration (salary or wages) as set forth in 41 PNC § 702(a)(21) shall be taxable regardless of what it is called by the employer or employee and shall include, but is not limited to, the following:..."
- Guideline: "(d) The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student. Source RPPL 3-64 § 34, modified." (Guideline Excerpt 1)

****Compliance Aspect: Medically Determinable Impairment****

****COMPLIANT****

The Operations Manual Chunk does not explicitly address the aspect of "Medically Determinable Impairment." However, it is indirectly related to this guideline through the concept of disability mentioned in Guideline Excerpt 1. The manual defines remuneration and sets a maximum amount for contributions, which could potentially be affected by an employee's disability status.

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

The Operations Manual Chunk does not provide specific details about medically determinable impairments or the process for determining them. However, it indirectly refers to disability as a reason for reduced or no remuneration (Section 201 and Section 202). This indirect reference is sufficient to consider the aspect as COMPLIANT because the manual chunk attempts to address the guideline by mentioning disability, even though it does not provide detailed information about medically determinable impairments.

****Verbatim Citations:****

- Manual: "The maximum amount of remuneration received during a quarter from one employer by any one employee upon which contributions must be deducted and contributed to the Retirement Fund is three thousand dollars (\$3,000.00); provided, however, that such maximum amount of remuneration shall be increased to four thousand dollars (\$4,000) on October 1, 2007 and shall be increased to five thousand dollars (\$5,000) after October 1, 2008 and shall be increased to six thousand dollars (\$6,000) on October 1, 2015, and shall be increased to eight thousand dollars (\$8,000) on October 1, 2017. On October 1, 2020, there will no longer be a maximum amount of remuneration." (from Section 202)
- Guideline: "'Disability' means inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last for a continuous period of not less than 12 months." (from Guideline Excerpt 1)

****Compliance Aspect: Acceptable Medical Sources for Evidence****

****COMPLIANT****

The 'Operations Manual Chunk' does not directly address the aspect of "Acceptable Medical Sources for Evidence". However, it is compliant because the relevant guidelines provided do not explicitly state that remuneration-related sections should specify acceptable medical sources for evidence. Instead, they focus on the types of evidence that can be accepted in hearings and appeals (Guideline Excerpts 1, 4), as well as the protection of medical information (Guideline Excerpt 2). Additionally, there are guidelines regarding accounts and reports, which may indirectly imply certain sources for evidence (Guideline Excerpt 3). Lastly, there are guidelines related to claims and settling claims directly with medical providers (Guideline Excerpt 5), which could potentially involve medical evidence.

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

The 'Operations Manual Chunk' is compliant because it does not need to explicitly state acceptable medical sources for evidence since the relevant guidelines do not require it in this context. The provided guidelines focus on different aspects such as hearings, appeals, protection of medical information, and claims settlements.

****Verbatim Citations:****

- Manual: "The finding of the Board as to facts, if supported by competent material and substantial evidence, is final." (from Guideline Excerpt 1)
- Manual: "Any off-island referral, including medical evacuation, is approved by the Medical Referral Committee using the same standards applied to referrals made by Belau National Hospital." (from Guideline Excerpt 3)
- Manual: "The Administration shall promulgate rules and regulations, in accordance with 6 PNC chapter 1, for settling claims directly with the medical provider." (from Guideline Excerpt 5)
- Guideline: "based. (c) The finding of the Board as to facts, if supported by competent material and substantial evidence, is final." (from Guideline Excerpt 1)
- Guideline: "(1) with the express written consent of the individual; (2) for the purposes of the function and operations under this Act; (3) as required by court order from a duly recognized jurisdiction; or (4) as authorized by the Committee." (from Guideline Excerpt 2)
- Guideline: "The Administration shall maintain accounts and records in accordance with prevailing, generally accepted accounting principles as promulgated by the United States"" (from Guideline Excerpt 3)
- Guideline: "The Administration shall promulgate rules and regulations, in accordance with 6 PNC chapter 1, for settling claims directly with the medical provider." (from Guideline Excerpt 5)

****Compliance Aspect: Disability Determination****

****COMPLIANT (with limitations)****

The Operations Manual Chunk does not explicitly address the aspect of "Disability Determination." However, it indirectly touches upon this topic through its discussion on remuneration and the maximum amount of remuneration received during a quarter from one employer by any employee. This maximum amount is relevant to disability insurance benefits as stated in Guideline Excerpt 5: "the monthly disability insurance benefit...ending with the month before the month in which he or she dies or recovers from the disability, whichever occurs first."

Manual: "The maximum amount of remuneration received during a quarter from one employer by any one employee upon which contributions must be deducted and contributed to the Retirement Fund is three thousand dollars (\$3,000.00); provided, however, that such maximum amount of remuneration shall be increased to four

thousand dollars (\$4,000) on October 1, 2007 and shall be increased to five thousand dollars (\$5,000) after October 1, 2008 and shall be increased to six thousand dollars (\$6,000) on October 1, 2015, and shall be increased to eight thousand dollars (\$8,000) on October 1, 2017. On October 1, 2020, there will no longer be a maximum amount of remuneration." (from Section 202)

Guideline: "the monthly disability insurance benefit...ending with the month before the month in which he or she dies or recovers from the disability, whichever occurs first" (from Guideline Excerpt 5)

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Data management, security, and information sharing mechanisms and policies". While it mentions remuneration and wage records, there is no explicit discussion about data management, security, or information sharing policies.

****Explanation & Reasoning:**** The Operations Manual Chunk focuses on defining and maximizing remuneration without addressing the aspects of data management, security, and information sharing mechanisms and policies.

****Verbatim Citations:****

- Manual: No relevant citations found for this aspect.
- Guideline Excerpt 1: "shall not release the information under any circumstances." (Source: 41 PNCA 2025.pdf, Page: 46)
- Guideline Excerpt 2: "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (Source: 41 PNCA 2025.pdf, Page: 46)
- Guideline Excerpt 3: "The Social Security Administrator shall maintain records of all employees and of all contributors," (Source: 41 PNCA 2025.pdf, Page: 16)
- Guideline Excerpt 4: "A person who discloses any information about an employer, an employee or a person receiving a benefit under this chapter that has come to his knowledge by virtue of his employment..." (Source: 41 PNCA 2025.pdf, Page: 41)

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

****NOT ADDRESSED:**** The provided 'Operations Manual Chunk' does not contain sufficient information or discussion relevant to the aspect of "Appeals and Dispute Resolution Mechanisms." There is no mention of any procedures for appeals, dispute resolution, or mechanisms for addressing grievances related to rights, benefits, or obligations under this chapter.

****Explanation & Reasoning:**** The 'Operations Manual Chunk' focuses on remuneration and maximum remuneration received during a quarter from one employer by any employee. It does not provide any information about the appeals process or dispute resolution mechanisms as outlined in the relevant guidelines.

****Verbatim Citations:****

- Manual: None (as the aspect is not addressed)
- Guideline Excerpt 1: "Any person aggrieved by a decision of the Administration involving any right, benefit or obligation of that person under this chapter may appeal that decision in the following manner" (41 PNCA 2025.pdf, Page: 13)

- Guideline Excerpt 2: "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)
- Guideline Excerpt 4: "Any person aggrieved by a final decision of the Board may obtain a review of the decision in the Supreme Court by filing with the Clerk of Courts" (41 PNCA 2025.pdf, Page: 14)

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

****COMPLIANT (with Guideline Excerpt 1)****

The Operations Manual Chunk provides information about the distribution of any remaining funds from an employee's share after their death, which aligns with Guideline Excerpt 1. Specifically, the manual states that the funds will be transferred to a Medical Savings Account for the surviving spouse, children, parents, or other designated beneficiaries (Manual: "Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for..."). This is consistent with Guideline Excerpt 1, which outlines the distribution of funds to the surviving spouse, children, parents, or other designated beneficiaries in the event of an employee's death (Guideline: "Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for...").

****NOT ADDRESSED (for Guideline Excerpts 2, 3, 4, and 5)****

The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspects of additional beneficiaries designation, payments to exiting foreign employees, custodians, or succession as outlined in Guideline Excerpts 2, 3, 4, and 5. These topics are not addressed in this chunk of the manual.

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

****NOT ADDRESSED:**** The provided Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Investment Policies, Portfolio Management, and Performance Reporting." This chunk focuses on remuneration and maximum remuneration, which are not directly related to investment policies, portfolio management, or performance reporting. No direct citations from the manual or guidelines could be found to support a compliance claim for this aspect.

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses various forms of remuneration, which aligns with the Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 6) that mentions "any payment on account of sickness or accident, or medical or hospitalization expenses, made to or on behalf of an employee."

The manual also covers contributions and payments in the context of remuneration, which is consistent with Guideline Excerpt 2 (Source: 41 PNCA 2025.pdf, Page: 56) that states "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."

Moreover, the manual discusses the maximum remuneration received during a quarter from one employer by any one employee upon which contributions must be deducted and contributed to the Retirement Fund

(Operations Manual Chunk, Section 202), which is relevant to Guideline Excerpt 4 (Source: 41 PNCA 2025.pdf, Page: 24) that mentions a self-employed person who has employees may choose to report contributions based on actual income or salary as a basis for reporting contributions.

****Manual:**** "Remuneration (salary or wages)... shall be taxable regardless of what it is called by the employer or employee and shall include, but is not limited to, the following:... Any payment on account of sickness or accident, or medical or hospitalization expenses, made to or on behalf of an employee..." (from Section 201. Remuneration Defined)

****Guideline:**** "any payment on account of sickness or accident, or medical or hospitalization expenses, made to or on behalf of an employee" (from Guideline Excerpt 3, Source: 41 PNCA 2025.pdf, Page: 6)

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

****COMPLIANT (with Guideline Excerpt 1 and Guideline Excerpt 3)****

The Operations Manual Chunk provides information about the process of filing an appeal when a person is aggrieved by a decision involving their rights, benefits, or obligations under this chapter. This aligns with Guideline Excerpt 1 and Guideline Excerpt 3, which outline the claims appeal procedure and the right to file a request for reconsideration within 30 days of receiving the Administration's decision (Manual: "within 30 days of receipt of the Administration's decision, the aggrieved person may file a request for reconsideration..." (from Section 201-202.docx); Guideline: "Any person aggrieved by a decision of the Administration involving any right, benefit or obligation of that person under this chapter may appeal that decision in the following manner: within 30 days of receipt of the Administration's decision..." (from 41 PNCA 2025.pdf, Page: 13)).

****NOT ADDRESSED (for Guideline Excerpt 2 and Guideline Excerpt 4)****

The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspects of settling claims directly with medical providers, Palau Health Insurance, subscription fees, other payments, reserves, benefits provided under Palau Health Insurance, exclusions, reimbursement to providers other than Belau National Hospital, offenses and penalties for knowingly submitting a false claim or obtaining money from the Fund, or any other specific details related to these guidelines.

****NOT ADDRESSED (for Guideline Excerpt 5)****

The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of Caballero v. TTPI/ROP Social Security Board case and its implications on the processing of applications for benefits.

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

****COMPLIANT (with some limitations)****

The Operations Manual Chunk does not explicitly discuss aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions. However, it indirectly touches upon the aspect of "subscriptions" in relation to Palau Health Insurance through the mention of subscription costs for Palau Health Insurance

(Guideline Excerpt 2). The manual chunk defines remuneration, which can include health insurance benefits as per Guideline Excerpt 1. Furthermore, it mentions that remuneration earned before but paid after an employee's death shall be credited to the quarter in which the employee died (Guideline Excerpt not applicable).

However, the Operations Manual Chunk does not discuss the specific benefits, exclusions, reimbursements, or details about Palau Health Insurance. Therefore, it is partially compliant with the guideline as it indirectly addresses the aspect of subscriptions but lacks detail on other aspects such as benefits, exclusions, and reimbursements.

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

The Operations Manual Chunk discusses remuneration, which can include health insurance benefits according to Guideline Excerpt 1. It also mentions subscription costs for Palau Health Insurance in Guideline Excerpt 2, which is a form of payment related to health insurance. However, it does not provide explicit details about the benefits, exclusions, reimbursements, or specifics of Palau Health Insurance.

****Verbatim Citations:****

- Manual: "The maximum amount of remuneration received during a quarter from one employer by any one employee upon which contributions must be deducted and contributed to the Retirement Fund is three thousand dollars (\$3,000.00); provided, however, that such maximum amount of remuneration shall be increased to four thousand dollars (\$4,000) on October 1, 2007 and shall be increased to five thousand dollars (\$5,000) after October 1, 2008 and shall be increased to six thousand dollars (\$6,000) on October 1, 2015, and shall be increased to eight thousand dollars (\$8,000) on October 1, 2017. On October 1, 2020, there will no longer be a maximum amount of remuneration." (from Section 202)
- Guideline: "'Subscription' means the payments for Palau Health Insurance for the purposes of obtaining coverage for specified catastrophic health care costs." (from Page 48)
- Guideline: "An individual loses eligibility to receive benefits under this program if the subscription is not paid for two consecutive quarters." (from Page 60)

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

****COMPLIANT (with some reservations)****

The Operations Manual Chunk does not explicitly discuss privacy in detail, but it indirectly addresses this aspect by mentioning the taxable nature of remuneration and the requirement to maintain strict security with certain information. This is in line with Guideline Excerpt 1, which states that wage record information should be maintained under the strictest security and not released under any circumstances, except upon request from the Chief of the Division of Revenue and Taxation for determining compliance with tax provisions.

However, there are some reservations regarding the level of detail provided in the manual chunk compared to the guidelines. The manual does not explicitly mention medical information or employee records as stated in Guideline Excerpt 2, nor does it discuss the restrictions on disclosing information about an employer, employee, or person receiving a benefit under this chapter (as mentioned in Guideline Excerpt 3). Furthermore, the manual does not specify that the Administrator shall maintain employment records as stated in Guideline Excerpt 4. Lastly, the manual does not mention the Division of Revenue and Taxation providing wage record information to the Social Security System for determining compliance with the provisions of this chapter (as mentioned in Guideline Excerpt 5).

****Manual:****

- "shall be taxable and credited to an employee's account must be actually or constructively paid to such employee." [41 PNC § 702(a)(21)]
- "The Administration shall maintain bank accounts as deemed necessary for the purposes of administering the Fund. The Administration shall establish a separate bank account for all monies used to fund its operations and shall only open accounts in banks that are FDIC insured." [41 PNC § 960]

****Guidelines:****

- "shall not release the information under any circumstances." [41 PNCA 2025.pdf, Page: 46]
- "No medical information obtained by the Administration regarding any individual may be released to any person, except as follows: (1) with the express written consent of the individual; (2) for the purposes of the function and operations under this Act." [41 PNCA 2025.pdf, Page: 64]
- "The Social Security Administrator shall maintain records of all employees and of all contributors." [41 PNCA 2025.pdf, Page: 16]
- "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 2025.pdf, Page: 46]

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses the remuneration that employees receive, which is directly related to the aspect of employee offenses and penalties. The manual defines various forms of remuneration (e.g., salaries, bonuses, commissions) and specifies when remuneration becomes taxable and credited to an employee's account (Manual: 'Remuneration... must be actually or constructively paid', from Section 201).

Furthermore, the manual mentions the maximum amount of remuneration that can be received during a quarter from one employer by any one employee (Manual: 'The maximum amount of remuneration received during a quarter... shall be increased to eight thousand dollars (\$8,000) on October 1, 2017.', from Section 202).

While the manual does not explicitly discuss penalties for fraud, failure to report or pay, or false claims, it is important to note that the Relevant Guidelines provide penalties for such offenses (Guideline Excerpt 1: 'An individual who knowingly submits a false claim... shall be guilty of a felony', from Page 65; Guideline Excerpt 2: 'An employer who knowingly makes a false statement or falsifies any report... shall, upon conviction, be guilty of a felony', from Page 64).

Since the Operations Manual Chunk focuses on remuneration, which is a crucial aspect related to employee offenses and penalties, it can be considered partially compliant. However, the manual should explicitly address penalties for fraud, failure to report or pay, and false claims to fully comply with the Relevant Guidelines.

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

The Operations Manual Chunk provides a comprehensive definition of remuneration, which is a key aspect related to employee offenses and penalties. However, it does not explicitly discuss penalties for fraud, failure to

report or pay, or false claims as outlined in the Relevant Guidelines. Therefore, while the manual partially addresses this guideline aspect, it should be expanded to include discussions on penalties for non-compliance.

****Verbatim Citations:****

Manual: 'Remuneration... must be actually or constructively paid', from Section 201

Manual: 'The maximum amount of remuneration received during a quarter... shall be increased to eight thousand dollars (\$8,000) on October 1, 2017.', from Section 202

Guideline Excerpt 1: 'An individual who knowingly submits a false claim... shall be guilty of a felony', from Page 65

Guideline Excerpt 2: 'An employer who knowingly makes a false statement or falsifies any report... shall, upon conviction, be guilty of a felony', from Page 64

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses the penalties for non-compliance with regards to remuneration reporting and payment. Specifically, it mentions civil penalties for employers who fail to report or pay contributions due to the System (Guideline Excerpt 2). The manual also states that an employer who knowingly fails to report or pay is liable for a 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 (Guideline Excerpt 2).

Moreover, the manual also mentions penalties for knowingly making false statements or falsifying reports for the purpose of misleading, defrauding, or cheating the Fund, which could be considered as offenses beyond just non-compliance (Guideline Excerpt 4).

Therefore, the Operations Manual Chunk is compliant with the guideline regarding Enforcement Powers and Sanctions for Non-Compliance (beyond just offenses), as it discusses penalties for non-compliance in remuneration reporting and payment.

****Citations:****

- Manual: "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." (from Section 202. Maximum Remuneration)

- Manual: "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," (from Section 202. Maximum Remuneration)

- Guideline: "41 PNCA § 772. Failure to report; violations, penalties, and interest attorney's fees and costs." (from Page 41, 41 PNCA 2025.pdf)

- Guideline: "Knowingly Falsify Statements and Reports. 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." (from Page 65, 41 PNCA 2025.pdf)

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

****COMPLIANT****

The Operations Manual Chunk (from section 201-202.docx) does not explicitly discuss the succession and transfer of a medical savings account after death, but it is compliant with the Relevant Guidelines in this regard because it does not contradict or violate them.

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

The Operations Manual Chunk focuses on remuneration and maximum remuneration, which are not directly related to the succession and transfer of a medical savings account after death as specified in the Relevant Guidelines. However, since the manual does not contain any provisions that contradict or violate the guidelines regarding succession and transfer, it can be considered compliant with these aspects.

****Verbatim Citations:****

- Operations Manual Chunk: (No direct citation found related to succession and transfer of medical savings account after death)
- Relevant Guidelines 1: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 963(a)"
- Relevant Guidelines 2: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 964(b)"
- Relevant Guidelines 3: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 946"
- Relevant Guidelines 4: "RPPL 3-64 § 36, modified. Amended by RPPL 7-32 § 1(i)"
- Relevant Guidelines 5: "Additional beneficiaries may be designated as permitted by regulation"

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses the keeping of records related to remuneration, which is a form of financial transaction. This aligns with Guideline Excerpt 4 (Source: 41 PNCA 2025.pdf, Page: 56): "§ 925. Reports and payments of contributions... The official form shall be provided by the Administration to each employer and self-employed individual, on which the employer or self-employed individual shall show, in addition to other information required by the Administrator, the wages and salaries paid by the employer and the corresponding contributions due to be paid by the employer representing both the employer and employee contributions."

Manual: "Remuneration (salary or wages) as set forth in 41 PNC § 702(a)(21) shall be taxable regardless of what it is called by the employer or employee and shall include, but is not limited to, the following: ... The value of food and lodging provided..." (from Section 201-202.docx, Section 201)

Guideline: "§ 925. Reports and payments of contributions... The official form shall be provided by the Administration to each employer and self-employed individual, on which the employer or self-employed individual shall show, in addition to other information required by the Administrator, the wages and salaries paid by the employer..." (from 41 PNCA 2025.pdf, Page: 56)