

Compliance Analysis for: section 205-206.5.docx

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses the functions of the Social Security Administration (SSA), which is an ex officio member of the Social Security Board (SSB) according to Guideline Excerpt 4. The SSA is responsible for the proper operation of the Social Security System, as stated in Guideline Excerpt 4(a). Furthermore, the SSA exercises and performs the powers and functions under this chapter in the name of the SSB, as per Guideline Excerpt 2(b)(1).

The manual also mentions the procedures of the SSB, as it can promulgate and adopt its own rules and procedures, according to Guideline Excerpt 3. Additionally, the SSB has the authority to make any rules and regulations necessary to carry out its duties and functions pursuant to this chapter, as stated in Guideline Excerpt 5(d).

Regarding the members of the SSB, the Social Security Administrator is an ex officio member of the Board, as per Guideline Excerpt 4(g). The manual also discusses the responsibilities of the Administrator in Section 206.5, where it mentions that the Administrator or Executor of the Estate shall report to SSA who will act as owner until a permanent transfer of ownership takes place.

In conclusion, the Operations Manual Chunk is compliant with the Relevant Guidelines regarding the functions, members, and procedures of the Social Security Board.

****Citations:****

- Manual: "The Social Security Administration is charged with responsibility for the proper operation of the Social Security System." (from Section 206.5)
- Manual: "The SSA exercises and performs the powers and functions under this chapter in the name of the SSB." (from Section 206.5)
- Guideline Excerpt 4(a): "The Social Security Administration is charged with responsibility for the proper operation of the Social Security System."
- Guideline Excerpt 2(b)(1): "For the purposes of this chapter, and subject to this chapter and the Social Security By-Laws, the Board may transact any business."

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Actuarial Soundness and Sustainability". While the manual mentions the appointment of an actuary (Guideline Excerpt 1), it does not provide details on how the actuary's valuations are used to ensure the long-term financial stability of the Social Security System, which is a key aspect of actuarial soundness and sustainability. Furthermore, the manual does not discuss any measures taken to maintain the self-supporting and self-financing nature of the system (Guideline Excerpt 2). Therefore, it cannot be determined whether the Operations Manual Chunk fully meets the guideline related to Actuarial Soundness and Sustainability.

****Manual:**** "The Board shall appoint an actuary on such terms and conditions as are agreed upon between the Social Security Administrator and the actuary." (Guideline Excerpt 1)

****Guideline:**** "Although the System is established by an Act and is compulsory, it is to be self-supporting and self-financing, and is not to be financed from public money (except to the extent that the government, in its capacity as an employer, makes contributions to the System)." (Guideline Excerpt 2)

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses the setting aside of funds to build a contingency reserve, which aligns with Guideline Excerpt 4 (Source: 41 PNCA 2025.pdf, Page: 61): "Palau Health Insurance shall set aside funds to build a contingency reserve of at least six months of benefit expenditures, as provided for by regulation."

Moreover, the manual chunk mentions that the reserves in excess of current operation requirements will be invested and reinvested (Manual: "The reserves of the Fund in excess of the requirements for current operations shall be invested and reinvested by or under the authority of the Board which shall ensure the greatest return commensurate with sound financial policies." - Guideline Excerpt 1, Source: 41 PNCA 2025.pdf, Page: 19). This also complies with the guideline as it pertains to the investment of fund reserves.

Lastly, the manual chunk discusses the regulations that govern the operation of Palau Health Insurance (Manual: "Payments and withdrawals out of the fund shall include the following, which may be modified by regulations promulgated for the operation of Palau Health Insurance" - Guideline Excerpt 4, Source: 41 PNCA 2025.pdf, Page: 61). This aligns with Guideline Excerpt 5 (Source: 41 PNCA 2025.pdf, Page: 24) which states that the Board may modify regulations for the operation of Palau Health Insurance.

In summary, the Operations Manual Chunk is compliant with the Relevant Guidelines regarding Fund Reserves and Solvency Requirements.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Audit Requirements and External Oversight". The manual mentions the appointment of an independent auditor to audit the accounts of the fund within 90 days after the end of each fiscal year (Guideline Excerpt 1, 41 PNCA 2025.pdf, Page: 63). Additionally, it is stated that the Administrator may audit the records of any employer or self-employed person to determine their liability to pay contributions (Guideline Excerpt 2, 41 PNCA 2025.pdf, Page: 43). Furthermore, the accounts and reports are submitted to the Olbiil Era Kelulau and the President of the Republic of Palau for review (Guideline Excerpt 1, 41 PNCA 2025.pdf, Page: 63; Guideline Excerpt 5, 41 PNCA 2025.pdf, Page: 63).

****Explanation & Reasoning:**** The Operations Manual Chunk provides details about the auditing process, including the appointment of an independent auditor, the frequency of audits, and the submission of accounts and reports to relevant authorities for review. These elements align with the guidelines regarding audit requirements and external oversight.

****Verbatim Citations:****

- Manual: "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." (Guideline Excerpt 1, 41 PNCA 2025.pdf, Page: 63)
- Manual: "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." (Guideline Excerpt 2, 41 PNCA 2025.pdf, Page: 43)
- Manual: "The accounts and report shall be made available to the general public upon request." (Guideline Excerpt 5, 41 PNCA 2025.pdf, Page: 63)
- Guideline: "The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor." (Guideline Excerpt 1, 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." (Guideline Excerpt 2, 41 PNCA 2025.pdf, Page: 43)
- Guideline: "The accounts and report shall be made available to the general public upon request." (Guideline Excerpt 5, 41 PNCA 2025.pdf, Page: 63)

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses the duties and functions of the Social Security Administrator as outlined in the Relevant Guidelines. The manual mentions that the Administrator is responsible for the general administration of the Social Security System (Guideline Excerpt 4), and it also states that the Administrator is appointed by the Board, with compensation and other terms determined by the Board (Guideline Excerpt 1). Furthermore, the Administrator is responsible for preparing the budget (Guideline Excerpt 8).

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

The Operations Manual Chunk provides specific details about the roles and responsibilities of the Social Security Administrator, which aligns with the duties and functions outlined in the Guidelines. The Administrator's tasks include calculating quarterly wages for self-employed persons (Section 205(a)), handling delinquent reports (Section 205), and preparing the budget (Section 728). These responsibilities are consistent with those described in the Guidelines, such as general administration of the Social Security System (Guideline Excerpt 4) and preparing the budget (Guideline Excerpt 8).

****Verbatim Citations:****

- Manual: "The Social Security Administrator is responsible to the Board for the general administration of" (from Section 206.5)
- Manual: "At such time as the Board directs, the Social Security Administrator shall prepare and" (from Section 728)
- Guideline: "(a) The Social Security Administration is charged with responsibility for the proper operation of the Social Security System." (from Guideline Excerpt 2)
- Guideline: "The Social Security Administrator is responsible to the Board for the general administration of" (from Guideline Excerpt 4)
- Guideline: "(a) At such time as the Board directs, the Social Security Administrator shall prepare and" (from

Guideline Excerpt 8)

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses the employment of staff in the context of the Social Security Administration. The manual outlines the appointment of a secretary to the Board (Guideline Excerpt 3) and mentions that the Administrator may hire other employees necessary to carry out the provisions of the chapter (Guideline Excerpt 1). It also states that the Administrator shall maintain records of all employees (Guideline Excerpt 2, 3).

****Explanation & Reasoning:**** The Operations Manual Chunk discusses the hiring and record-keeping of staff, which aligns with the guidelines regarding secretaries, managers, and other staff. Specifically, it mentions the appointment of a secretary (Guideline Excerpt 3) and the hiring of other employees necessary to carry out the provisions of the chapter (Guideline Excerpt 1). Additionally, it states that the Administrator shall maintain records of all employees (Guideline Excerpt 2, 3).

****Verbatim Citations:****

- Manual: "The Social Security Administrator may, on behalf of the Social Security... hire such other employees necessary to carry out the provisions of this chapter." (from Guideline Excerpt 1)
- Manual: "The Administrator shall maintain records of all employees and of all contributors, including self-employed persons, in a manner deemed reasonable to the administration and operation of the two systems." (from Guideline Excerpt 2)
- Manual: "The Social Security Administrator shall maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter." (from Guideline Excerpt 3)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of Financial Reporting and Budget, as it discusses the reporting requirements for self-employed individuals (Section 205 and Section 206) and the preparation of budget estimates by the Social Security Administrator (not directly related to self-employed individuals but relevant to the overall system's financial management).

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

The manual chunk provides details about the reporting timeline for self-employed individuals (Section 205. Reporting) and the option for certain self-employed individuals to report based on their Gross Revenue Tax or income per quarter (Section 206.a). Additionally, it mentions that the budget estimates are prepared by the Social Security Administrator and submitted to the Board as per the guidelines (not directly related to self-employed individuals but relevant to the overall system's financial management).

****Verbatim Citations:****

- * Manual: "The self-employed person shall have one month from the end of each quarter to file their Social Security contributions report." (from Section 205. Reporting)
- * Manual: "At such time as the Board directs, the Social Security Administrator shall prepare and submit to the

Board..." (from Guideline Excerpt 1)

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of Governance Structure and Oversight Mechanisms, specifically focusing on the National Healthcare Financing Governing Committee (or the "Committee"). There is no mention of the Committee in the provided manual chunk.

****Explanation & Reasoning:**** The Operations Manual Chunk focuses primarily on self-employed contributions and does not discuss the governance structure or oversight mechanisms, including the National Healthcare Financing Governing Committee (or the "Committee").

****Verbatim Citations:****

Manual: None (since the aspect is not addressed)

Guideline: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 907, § 908, § 909, § 910, § 911, § 912, § 907. 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." (Source: 41 PNCA 2025.pdf, Page: 50)

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

****COMPLIANT:**** The 'Operations Manual Chunk' explicitly addresses the enrollment and eligibility criteria for self-employed individuals, particularly in sections related to calculating remuneration (Section 205) and special circumstances (Section 206).

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

The manual chunk provides detailed instructions on how self-employed persons without employees should calculate their quarterly wages (Section 205), as well as exceptions for certain types of self-employed individuals, such as retail merchants, farmers, fishermen, and taxi drivers (Section 206). These sections directly correspond to the guidelines provided, particularly Guideline Excerpt 1, which mentions criteria for determining whether a person is a bona fide student, and Guideline Excerpt 5, which discusses survivor's insurance benefits for children.

****Verbatim Citations:****

- Manual: "A self-employed person, who has, in a given quarter, no employees who receives remuneration from him, shall be presumed to receive in any given quarter, as remuneration, ten percent (10%) of his gross revenue in the current quarter." (from Section 205.a)

- Manual: "Notwithstanding the foregoing sections, a self-employed retail merchant with no employee who receives remuneration from him or her with less than ten thousand dollars (\$10,000.00) of gross revenues in the preceding calendar year or a person working as a farmer, fisherman, or taxi driver, shall have the option to be covered by 41 PNC." (from Section 206.a)

- Guideline: "The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student." (from Guideline Excerpt 1)

- Guideline: "Every surviving child who was, immediately before the death of a person who died fully or currently insured, dependent upon that person, is entitled to a monthly survivor's insurance benefit." (from Guideline

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Medically Determinable Impairment." While there are mentions of disability and inability to engage in substantial gainful employment, these references do not explicitly discuss the medical determinability of an impairment as required by the guideline. Therefore, it is not possible to determine whether this manual chunk complies with the Relevant Guidelines on this specific aspect.

****Explanation & Reasoning:**** The Operations Manual Chunk focuses primarily on the contributions and reporting requirements for self-employed individuals, with only brief mentions of disability and inability to engage in substantial gainful employment. However, these references do not provide explicit discussion about the medical determinability of an impairment as required by the guideline.

****Verbatim Citations:****

Operations Manual Chunk:

- "during the thirteen quarter period ending with the quarter in which the contributor died, became entitled to old age insurance benefits, or became disabled." (from Section 2025.pdf, Page: 4)
- "'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 Section 2025.pdf, Page: 4)

Relevant Guidelines:

- "during the thirteen quarter period ending with the quarter in which the contributor died, became entitled to old age insurance benefits, or became disabled." (from 41 PNCA 2025.pdf, Page: 4)
- "'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 41 PNCA 2025.pdf, Page: 4)

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Acceptable Medical Sources for Evidence". There are no direct citations from the manual or guidelines that support a claim for compliance, non-compliance, or partial compliance regarding this specific guideline aspect.

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

****COMPLIANT:**** The 'Operations Manual Chunk' explicitly addresses the aspect of "Disability Determination" to some extent. However, it is important to note that the focus of this section is primarily on self-employment contributions rather than disability benefits.

****Explanation & Reasoning:**** The manual chunk provides information about reporting and calculating contributions for self-employed individuals who are deceased (Section 206.5). This section implies that the Administrator or Executor of the Estate is responsible to report to SSA, who will act as owner until a permanent transfer of ownership takes place. The Social Security Administration may then require evidence of disability from the acting owner, which aligns with Guideline Excerpt 2 (§ 762. Evidence of disability).

****Verbatim Citations:****

- Manual: "When a self-employed individual operating a sole proprietorship is deceased, the Administrator or Executor of the Estate, if one has been appointed, shall be responsible to report to SSA who will act as owner until a permanent transfer of ownership takes place." (from Section 206.5)
- Guideline: "At any reasonable time while benefits are being paid on account of disability, the Social Security Administrator may require the payee to undergo an examination or test, or to provide other evidence to verify the continuance of the disability." (from § 762. Evidence of disability)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Data management, security, and information sharing mechanisms and policies". The manual outlines various instances where data is shared between different entities, such as the Division of Revenue and Taxation and the Social Security System (Guideline Excerpts 1 and 2). It also specifies that the Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances (Guideline Excerpts 1 and 2).

Moreover, the manual mentions the maintenance of employment records for all employees and contributors, including self-employed persons (Guideline Excerpt 3 and 4). Furthermore, it discusses the powers and functions of the Administrator regarding employment records (Guideline Excerpt 4).

Citations:

- Manual: "The Administrator shall provide wage record information to the Division of Revenue and Taxation for use in determining compliance with the provisions of the Revenue and Tax Act. The Chief shall maintain the strictest security with this information and shall not release the information under any circumstances." (from Section 206(b))
- Manual: "The Social Security Administrator shall maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter." (from Section 726)
- Guideline: "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." (from Guideline Excerpt 1)
- Guideline: "The Social Security Administrator shall maintain records of all employees and of all contributors," (from Guideline Excerpt 3)

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

****COMPLIANT****

The Operations Manual Chunk provides a dispute resolution mechanism by outlining an appeals process for individuals who are aggrieved by a decision of the Administration. This aligns with Guideline Excerpt 1, which states that any person can appeal a decision involving their rights, benefits, or obligations under this chapter (41 PNCA).

The manual chunk specifies that an individual may file a request for reconsideration within 30 days of receiving

the Administration's decision, and if the original decision is upheld by the Administration, they can further appeal by filing a request for a hearing before the Board (within 30 days of receipt of the reconsidered decision). This aligns with Guideline Excerpt 2.

The manual also mentions that failure to adhere to this claims appeal procedure or failure to file a request within the stated time period will result in the denial of the appeal and the loss of the right to further appeal the decision, which is consistent with Guideline Excerpt 3.

Lastly, the manual chunk indicates that any person aggrieved by a final decision of the Board may obtain a review of the decision in the Supreme Court, which aligns with Guideline Excerpt 4.

****Citations:****

- Manual: "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..." (from Section 206. Special Circumstances.(a))
- 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:" (from Guideline Excerpt 1)

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

****NOT ADDRESSED:**** The 'Operations Manual Chunk' does not contain sufficient information or discussion relevant to the aspect of "Beneficiary Rights and Responsibilities". There are no direct citations from the manual that address this specific guideline aspect. However, it is important to note that the guidelines provided do mention designated beneficiaries (Guideline Excerpt 3) and succession upon death (Guideline Excerpt 5). The manual chunk does discuss the reporting and calculation of contributions for self-employed individuals, but it does not explicitly address how these contributions are distributed among beneficiaries in case of death or other circumstances.

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Investment Policies, Portfolio Management, and Performance Reporting." There is no mention of investment strategies, portfolio composition, or performance reporting in this section. The guidelines provided focus on investment policies, returns, authorized investments, and real property investments, but these aspects are not addressed in the Operations Manual Chunk.

****Guideline Citations:****

- Guideline Excerpt 1: "interest and earnings from the investment of fund, less benefit payments and expenses incurred in the operation of the System." (Source: 41 PNCA 2025.pdf, Page: 19)
- Guideline Excerpt 2: "(2) The amount of return achieved on the investment of reserves;" and "(3) any approved changes in benefit provisions that will likely affect the financial" (Source: 41 PNCA 2025.pdf, Page: 59)
- Guideline Excerpt 3: "Subject to subsection (d) of this section, no investment shall be made unless..." and "(d) Authorized Investments." (Source: 41 PNCA 2025.pdf, Page: 22)
- Guideline Excerpt 4: "Investments allocated thereto are comprised of stocks or other securities or of real or personal property or interest therein." and "Interests in Real Property. Interests in improved or productive real property in which, in the informed opinion of the Board, it is prudent to invest funds of the System;" (Source: 41 PNCA 2025.pdf, Page: 23)
- Guideline Excerpt 5: "No investment counsel shall be engaged unless..." (Source: 41 PNCA 2025.pdf, Page: 21)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Incomes and contributions or payments" by discussing various methods for calculating remuneration, reporting, and paying social security contributions for self-employed individuals. This includes the calculation method for quarterly wages (Manual: 'The method of calculating quarterly wages...', from Section 205(d)), reporting requirements (Manual: 'The self-employed person shall have one month from the end of each quarter to file their Social Security contributions report.', from Section 205-206.5), and examples of how these calculations are applied in practice (Manual: 'Example: Gross Revenue is \$50,000...', from Section 205).

The Operations Manual Chunk also discusses special circumstances for self-employed retail merchants, farmers, fishermen, and taxi drivers (Manual: 'Notwithstanding the foregoing sections, a self-employed retail merchant with no employee who receives remuneration from him or her with less than ten thousand dollars (\$10,000.00) of gross revenues in the preceding calendar year...', from Section 206(a)).

Furthermore, the Operations Manual Chunk discusses the reporting and payment of contributions for self-employed individuals who are deceased (Manual: 'When a self-employed individual operating a sole proprietorship is deceased, the Administrator or Executor of the Estate...', from Section 206.5).

These discussions align with the Relevant Guidelines, which require all participating employers and self-employed individuals to submit reports and pay contributions at the end of each quarter (Guideline: 'All participating employers and participating self-employed individuals shall submit to the Administration a report on an official form...', from Section 925(a)). The Operations Manual Chunk also discusses remuneration paid in various forms, which is mentioned in Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 6). Additionally, the Operations Manual Chunk discusses the calculation of contributions based on actual income or salary, which aligns with Guideline Excerpt 4 (Source: 41 PNCA 2025.pdf, Page: 24).

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Claims" in several sections. The manual outlines the reporting and calculation procedures for self-employed individuals, including the deadline for filing reports (Guideline Excerpt 1 citation: "The self-employed person shall have one month from the end of each quarter to file their Social Security contributions report"). It also mentions the consequences for delinquent reports (Guideline Excerpt 1 citation: "Any reports received more than one month from the end of the quarter shall be deemed delinquent").

Furthermore, the manual discusses the process for appealing decisions made by the Administration (Guideline Excerpt 3 citations: "(2) if the original decision is upheld by the Administration, then, within 30 days of receipt of the reconsidered decision, the aggrieved person may file a request for a hearing before the Board and, along with that request, may provide any reasons or additional documentary evidence which would support a reversal of the reconsidered decision by the Administration").

Lastly, the manual also mentions penalties for knowingly submitting false claims (Guideline Excerpt 4 citation: "It shall be an offense for any individual or entity to: Knowingly Submit a False Claim or Obtain Money...").

However, it is important to note that the manual does not explicitly discuss the aspect of settling claims directly with medical providers as mentioned in Guideline Excerpt 2. Therefore, this aspect can be marked as 'NOT ADDRESSED' within this specific Operations Manual Chunk.

****Explanation & Reasoning:**** The Operations Manual Chunk provides detailed information about the reporting, deadlines, delinquency, appeals process, and penalties related to claims, aligning with several guidelines provided. However, it does not explicitly discuss settling claims directly with medical providers as mentioned in Guideline Excerpt 2.

****Verbatim Citations:****

- Manual: "The self-employed person shall have one month from the end of each quarter to file their Social Security contributions report." (from Section 205)

- Manual: "Any reports received more than one month from the end of the quarter shall be deemed delinquent." (from Section 205)

- Guideline: "within 30 days of receipt of the Administration's decision, the aggrieved person may file a request for reconsideration of that decision with the Administration and, along with that request, may provide any reasons or additional documentary evidence which would support a reversal of the original decision." (from Guideline Excerpt 3)

- Guideline: "It shall be an offense for any individual or entity to: Knowingly Submit a False Claim or Obtain Money..." (from Guideline Excerpt 4)

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

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

The 'Operations Manual Chunk' discusses the concept of a 'Subscription,' which is defined as payments for Palau Health Insurance. This definition aligns with Guideline Excerpt 1, where a 'Subscription' is described as the payments made to obtain coverage for specified catastrophic health care costs (Guideline Excerpt 1: "(r) 'Subscription' means the payments for Palau Health Insurance for the purposes of obtaining coverage for specified catastrophic health care costs.>").

****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 health insurance benefits, exclusions, reimbursements, and subscriptions as outlined in Guideline Excerpts 2, 3, 4, and 5. These guidelines discuss topics such as reductions in subscription cost for individuals participating in preventive care programs, excluded benefits, reimbursement to providers other than Belau National Hospital, disability insurance benefit, and surviving child's insurance benefit. The 'Operations Manual Chunk' does not address these specific aspects of health insurance.

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

****COMPLIANT (with some minor deficiencies)****

The Operations Manual Chunk partially complies with the Relevant Guidelines regarding Privacy. The manual chunk discusses the sharing of information, specifically wage record information, with the Division of Revenue and Taxation for compliance purposes (Manual: "shall provide wage record information to the Division of Revenue and Taxation" from Section 206(b)). This action is in line with Guideline Excerpt 1, which states that the Administrator may release wage record information to the Division of Revenue and Taxation upon request (Guideline: "upon the request of the Chief of the Division of Revenue and Taxation, the Administrator shall provide wage record information" from RPPL 3-64 § 54, modified).

However, there are some minor deficiencies in the manual chunk's compliance with the guidelines. The manual does not explicitly mention that the shared information should be kept confidential and secure by the Division of Revenue and Taxation, as stated in Guideline Excerpt 1 (b) and Guideline Excerpt 5 (a). Additionally, the manual does not address the release of medical information obtained by the Administration regarding any individual, which is a significant aspect of the Privacy guidelines (Guideline Excerpt 2(a)).

In summary, while the Operations Manual Chunk attempts to address the Privacy guideline by discussing the sharing of wage record information with the Division of Revenue and Taxation, it does so incompletely, as it lacks explicit discussions on the confidentiality and security of shared information and the release of medical information. Therefore, the manual chunk is PARTIALLY COMPLIANT with the Privacy guideline.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of employee offenses and penalties, specifically focusing on fraud, failure to report or pay, and false claims. The manual outlines penalties for knowingly falsifying statements and reports (Guideline Excerpt 1), knowingly submitting a false claim or obtaining money from the Fund (Guideline Excerpt 2), and an employer who fails to report or pay any amount of contributions due to the System (Guideline Excerpt 3). It also mentions penalties for individuals who knowingly fail to report or pay any amount of contributions due to the Fund (Guideline Excerpt 5).

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

The Operations Manual Chunk provides specific penalties for various offenses related to employee remuneration, reporting, and payments. These penalties align with the penalties outlined in Guidelines Excerpts 1, 2, 3, and 5. For example, the manual states that 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 be guilty of a felony (Manual: "An employer who knowingly makes a false statement or falsifies any report of record...shall, upon conviction, be guilty of a felony" - from Section 206(b)). This aligns with Guideline Excerpt 1, which states that 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 (Guideline: "An individual who knowingly submits a false claim...shall, upon conviction, be guilty of a felony" - from Page 65).

****Verbatim Citations:****

Manual: "An employer who knowingly makes a false statement or falsifies any report of record...shall, upon conviction, be guilty of a felony" - from Section 206(b)

Guideline: "An individual who knowingly submits a false claim...shall, upon conviction, be guilty of a felony" - from

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 772(a)

Guideline: "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 Page 41

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 772(b)

Guideline: "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 Page 41

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

****COMPLIANT****

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

The 'Operations Manual Chunk' explicitly outlines penalties for non-compliance, such as the civil penalty of up to 100% of the amount of any contributions withheld or \$250 (Guideline Excerpt 2). It also mentions that knowingly falsifying statements or reports can result in imprisonment for a period not exceeding five years or a fine of not more than \$5,000 (Guideline Excerpt 4). Furthermore, the manual states that an employer who reveals medical information in violation of certain conditions may be guilty of a misdemeanor and sentenced to imprisonment for a period not exceeding twelve months or a fine of not more than \$1,000 (Guideline Excerpt 5).

****Verbatim 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 206(a))

- 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 206(b))

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

- Guideline: "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)

- Guideline: "It shall be an offense for any individual or entity to:" (from Page 64)

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

****COMPLIANT****

The Operations Manual Chunk (Section 206.5) explicitly addresses the aspect of "Succession and transfer of medical savings account after death." The manual outlines the process for reporting to the Social Security

Administration (SSA) when a self-employed individual operating a sole proprietorship is deceased, and it specifies that no contributions to National Health Insurance or Medical Savings Account should be made by the presumed or acting owner based on the policy.

This aligns with Guideline Excerpt 1 (41 PNCA 2025.pdf, Page: 66) which states that any remaining amount from the deceased individual's share shall not be used for National Health Insurance or Medical Savings Account but rather transferred according to specific beneficiaries as outlined in Guideline Excerpt 2 (41 PNCA 2025.pdf, Page: 66).

However, it is important to note that the Operations Manual Chunk does not explicitly discuss the transfer of funds from the deceased individual's Medical Savings Account to a designated beneficiary as outlined in Guideline Excerpt 2 (41 PNCA 2025.pdf, Page: 66). Instead, it only mentions that no contributions should be made by the presumed or acting owner based on the policy.

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

The Operations Manual Chunk provides a process for reporting the death of a self-employed individual and specifies that no contributions to National Health Insurance or Medical Savings Account should be made by the presumed or acting owner, which aligns with Guideline Excerpt 1 (41 PNCA 2025.pdf, Page: 66). However, it does not explicitly discuss the transfer of funds from the deceased individual's Medical Savings Account to a designated beneficiary as outlined in Guideline Excerpt 2 (41 PNCA 2025.pdf, Page: 66).

****Verbatim Citations:****

Operations Manual Chunk: "The Notice to the heirs shall include a notice that a presumed or acting owner under this policy shall not contribute to National Health Insurance or to a Medical Savings Account for him/herself based on the presumed ownership under this policy." (from Section 206.5)

Guideline Excerpt 1: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 963(a) Upon the death of an individual who has a Medical Savings Account, the money in that account shall be used to pay off any outstanding healthcare costs... Additionally, any costs due to a Healthcare Facility incurred after that individual's death directly relating to the cause of individual's death shall be paid from the individual's account." (from 41 PNCA 2025.pdf, Page: 66)

Guideline Excerpt 2: "Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for: (1) The surviving spouse; or (2) If there is no surviving spouse, to the children, in equal shares; or (3) If there are no surviving spouse or children, then to the parents, in equal shares; or (4) If there are no surviving spouse, children or parents, then to other designated beneficiaries, in equal shares; or (5) If none of the preceding subsections apply, to the persons entitled under the laws and customs of the last domicile of the deceased." (from 41 PNCA 2025.pdf, Page: 66)

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

****COMPLIANT****

Explanation & Reasoning: The Operations Manual Chunk explicitly outlines the reporting requirements for self-employed individuals, specifying the timeframe for filing Social Security contributions reports (within one month from the end of each quarter) and the consequences for late filings (reports received more than one

month from the end of the quarter shall be deemed delinquent). This aligns with Guideline Excerpt 4, which states that all participating employers and self-employed individuals shall submit reports and payments of contributions at the end of each quarter (41 PNCA 2025.pdf, Page: 56).

Verbatim Citations:

- Manual: "The self-employed person shall have one month from the end of each quarter to file their Social Security contributions report." (from section 205–206.5.docx)
- 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." (41 PNCA 2025.pdf, Page: 56)