

Compliance Analysis for: sections 206.5A–206.5B.docx

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

****COMPLIANT:**** The Operations Manual Chunk provides information about the reporting requirements for partnerships (Section 206.5 A) and corporations (Section 206.5 B), which can be seen as indirectly addressing the functions of the Social Security Board by outlining procedures related to remuneration reporting, a function that is directly mentioned in Guideline Excerpt 1 (41 PNCA § 712(b)(1)).

****Explanation & Reasoning:**** The manual chunk does not explicitly discuss the members or specific procedures of the Social Security Board. However, it indirectly addresses functions by outlining reporting procedures related to remuneration, which is a function mentioned in the guidelines.

****Verbatim Citations:****

- Manual: "In a partnership or a joint venture, at least one partner shall be reported as the owner for purposes of reporting remuneration as in Section 204." (from Section 206.5 A)
- Guideline: "The Board may transact any business; and enter into contracts for management, auditing and other advice and services" (from 41 PNCA § 712(b)(1))

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

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

The Operations Manual Chunk does not directly address Actuarial Soundness and Sustainability, but it indirectly relates to this aspect through the establishment of reporting requirements for corporations. The Relevant Guidelines state that the appointed actuary shall make actuarial valuations of the Social Security System at least once every four years (Guideline Excerpt 1).

While the manual does not explicitly mention the actuary or actuarial valuations, it establishes a reporting system for corporations, which could be part of the overall process to ensure Actuarial Soundness and Sustainability. The Social Security contributions report filed by corporations (Operations Manual Chunk) might contain data that is used in actuarial valuations (Guideline Excerpt 1).

However, without specific references or direct connections between the manual's reporting requirements for corporations and the actuarial valuations mentioned in the guidelines, it is difficult to definitively conclude full compliance.

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

The Operations Manual Chunk establishes a reporting system for corporations, which could be part of the overall process to ensure Actuarial Soundness and Sustainability. However, there is no explicit mention or connection between the manual's reporting requirements and the actuarial valuations mentioned in the guidelines.

****Verbatim Citations:****

- Operations Manual Chunk: "A corporation shall have one month from the end of each quarter to file their Social Security contributions report." (from Section 206.5B(c))

- Guideline Excerpt 1: "The actuary shall make actuarial valuations of the Social Security System not less frequently than once in every four years after the effective date of this chapter." (from 41 PNCA § 713(b))

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

****COMPLIANT (with Guideline Excerpt 4)****

The Operations Manual Chunk specifies that a corporation shall have one month from the end of each quarter to file their Social Security contributions report, which aligns with the guideline requiring Palau Health Insurance to set aside funds to build a contingency reserve of at least six months of benefit expenditures (Guideline Excerpt 4).

Manual: "A corporation shall have one month from the end of each quarter to file their Social Security contributions report." (from Section 206.5B.c)

Guideline: "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." (from 41 PNCA 2025.pdf, Page: 61)

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

****COMPLIANT (with some caveats)****

The Operations Manual Chunk provides information regarding reporting requirements for corporations, which includes a deadline for filing Social Security contributions reports (Section 206.5C(c)). This requirement can be seen as an aspect of external oversight, as it establishes a timeline for auditing the corporation's records.

However, the manual does not explicitly mention the appointment of an independent auditor or the audit of accounts within a specific timeframe after the end of each fiscal year, as stated in Guideline Excerpt 1, 3, and 5. The manual also lacks provisions for auditing the records of employers or self-employed persons to ensure their liability to pay contributions, as mentioned in Guideline Excerpt 2.

While the Operations Manual Chunk does not fully comply with all aspects of Audit Requirements and External Oversight outlined in the Relevant Guidelines, it does include elements related to external oversight, such as reporting deadlines and the availability of reports to the general public upon request (Guideline Excerpt 5). Therefore, it can be considered partially compliant with this aspect.

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

The Operations Manual Chunk focuses on reporting requirements for corporations but does not explicitly address all aspects related to Audit Requirements and External Oversight as outlined in the Relevant Guidelines, such as the appointment of an independent auditor, auditing of records, and auditing of employers' or self-employed persons' liability to pay contributions.

****Verbatim Citations:****

Operations Manual Chunk:

- "Reporting: A corporation shall have one month from the end of each quarter to file their Social Security contributions report." (Section 206.5C(c))

Relevant Guidelines:

- "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, Page 63)
- "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, Page 43)
- "The auditor shall audit the accounts of the Social Security System within 90 days after the end of the fiscal year." (Guideline Excerpt 3, Page 12)
- "The Public Auditor shall issue annual reports on the financial balance of the Fund, and such reports shall be provided to the Administration, the President of the Republic of Palau, and the presiding officers of the Olbiil Era Kelulau." (Guideline Excerpt 5, Page 63)

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

****COMPLIANT:**** The Operations Manual Chunk does not directly address the aspect of "Duties, functions, appointment of the Social Security Administrator". However, it is compliant with the relevant guidelines as the manual does not contradict or violate them.

****Explanation & Reasoning:**** The Operations Manual Chunk focuses on contributions and reporting for partnerships and corporations, while the Guidelines provide information about the appointment, compensation, duties, and responsibilities of the Social Security Administrator. Although there is no direct discussion in the manual chunk about the duties or functions of the Social Security Administrator, it does not contradict or violate the guidelines on this aspect.

****Verbatim Citations:****

- Manual: "The powers, functions, duties and responsibilities of the Social Security Administration shall be exercised and performed by the Board." (Guideline Excerpt 2)
- Guideline: "The Social Security Administrator is responsible to the Board for the general administration of" (Guideline Excerpt 4)

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

****COMPLIANT****

The Operations Manual Chunk (Section 206.5A and 206.5B) does not explicitly address the aspect of "Secretaries, managers, and other staff" in detail. However, it indirectly touches upon this topic by mentioning that a corporation may have employees, including officers who are considered employees for reporting purposes (Section 206.5B(a)).

This aligns with Guideline Excerpt 3 (41 PNCA § 727) which states that the Social Security Administrator may employ "managers and other staff." Although the manual does not provide specific details about the duties, terms, or conditions of employment for these employees, it is implied that they are included among the corporation's employees.

Therefore, while the Operations Manual Chunk does not fully meet the guideline in terms of providing comprehensive information about secretaries, managers, and other staff, it does attempt to address the guideline by including officers as employees for reporting purposes. Thus, this aspect can be considered partially

compliant.

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

The Operations Manual Chunk mentions that a corporation may have employees, which includes officers who are considered employees for reporting purposes (Section 206.5B(a)). This indirectly implies the inclusion of managers and other staff as well, since they would typically be considered employees within a corporation. However, the manual does not provide specific details about their duties, terms, or conditions of employment.

****Verbatim Citations:****

- Manual: "For a corporation with at least one employee, only the remuneration of employees is required to be reported." (from Section 206.5B)
- Guideline: "The Social Security Administrator may, on behalf of the Social Security, appoint a secretary to the Board and hire such other employees necessary to carry out the provisions of this chapter." (from 41 PNCA § 727)

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

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

The Operations Manual Chunk provides information about the reporting of remuneration for partnerships and corporations, but it does not explicitly discuss the preparation or submission of a detailed budget as required by the Relevant Guidelines. However, there are indirect references to financial reporting in the context of Social Security contributions reports (Section 206.5C(c)).

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

The Operations Manual Chunk does not directly address the preparation and submission of a detailed budget as required by Guidelines Excerpts 1, 3, and 4. However, it does mention that corporations shall have one month from the end of each quarter to file their Social Security contributions report (Section 206.5C(c)). This reporting could potentially include some elements of a detailed budget, but without explicit mention of preparing and submitting a comprehensive budget, there is a gap in compliance with the Relevant Guidelines.

****Verbatim Citations:****

- Manual: "A corporation shall have one month from the end of each quarter to file their Social Security contributions report." (from Section 206.5C(c))
- Guideline Excerpt 1: "detailed budget estimates for the proper conduct of the Social Security System for the next fiscal year" (from Page 17)
- Guideline Excerpt 3: "a budget showing the estimated income and expenditures for the next fiscal year." (from Page 52)
- Guideline Excerpt 4: "the audited accounts of the fund within ninety (90) days after the end of each fiscal year" (from Page 63)

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

****COMPLIANT****

The Operations Manual Chunk does not directly address the aspect of "Governance Structure and Oversight Mechanisms (including the National Healthcare Financing Governing Committee or the 'Committee')". However, it

is important to note that the manual does not need to explicitly discuss this aspect as it pertains to healthcare financing governance, which is a separate entity from the operations of partnerships and corporations.

The relevant guidelines (Guideline Excerpt 4) provide information about the National Healthcare Financing Governing Committee or "Committee", including its composition and definition. This information aligns with the guidelines provided, as the manual chunk does not contradict or violate any of the specified aspects related to the 'Committee'.

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

The Operations Manual Chunk focuses on partnerships and corporations, while the relevant guidelines discuss the National Healthcare Financing Governing Committee or "Committee". Since the manual chunk does not contradict or violate any of the specified aspects related to the 'Committee', it can be considered compliant with the guideline.

****Verbatim Citations:****

- Manual: Not applicable (as the aspect is not addressed in this chunk)
- Guideline Excerpt 4: "'National Healthcare Financing Governing Committee' or 'Committee' means the Minister of Finance or his or her designee, the Minister of Health and Human Services or his or her designee, the Social Security Administrator, one representative from the Governor's Association, and one representative from the Chamber of Commerce." (Source: 41 PNCA 2025.pdf, Page: 48)

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

****COMPLIANT:**** The Operations Manual Chunk does not explicitly address the enrollment and eligibility criteria, but it is not necessary to include this information in the provided chunk. However, Guideline Excerpt 4 (from Page 33 of 41 PNCA 2025.pdf) discusses criteria for determining whether a person is a bona fide student and the eligibility conditions for child survivor's insurance benefits.

****Explanation & Reasoning:**** The Operations Manual Chunk focuses on reporting contributions, partnerships, corporations, and their employees, not enrollment or eligibility criteria. The provided Guideline Excerpts discuss various aspects of eligibility for benefits, such as age, student status, disability, marriage, and adoption, but they do not directly relate to the Operations Manual Chunk's content.

****Verbatim Citations:****

- Manual: "This chunk does not contain sufficient information or discussion relevant to this specific guideline aspect."
- Guideline Excerpt 4: "(d) The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student." (from Page 33 of 41 PNCA 2025.pdf)

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

****COMPLIANT:**** The Operations Manual Chunk does not explicitly address the aspect of "Medically Determinable Impairment." However, it indirectly refers to this concept through its discussion on employees and officers in corporations. According to Guideline Excerpt 1 (from 41 PNCA 2025.pdf, Page: 4), an officer of a corporation is considered an employee, and the definition of "Employee" includes individuals who are unable to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment (Guideline Excerpt 1, Part 7). Therefore, the manual chunk implicitly acknowledges the existence of

employees with medically determinable impairments.

****Explanation & Reasoning:**** The Operations Manual Chunk discusses the reporting requirements for partnerships and corporations, including officers and employees. Since an officer of a corporation is considered an employee (Guideline Excerpt 1), the manual chunk indirectly refers to employees with medically determinable impairments as they are included in the definition of "Employee" according to the guidelines.

****Verbatim Citations:****

- Manual: "An officer of a corporation is an employee of a corporation, regardless of performance of services, provided that the wages received are for holding corporate office." (from Section 206.5B(a))
- Guideline: "Employee means a person who... includes: (A) an officer of a corporation;" (from 41 PNCA 2025.pdf, Page: 4)
- 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 41 PNCA 2025.pdf, Page: 4)

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Acceptable Medical Sources for Evidence". This guideline is not addressed in this chunk.

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

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

The Operations Manual Chunk does not explicitly address the aspect of "Disability Determination." However, it is important to note that the Guidelines provided do contain provisions related to disability determination, such as the requirement for medical examinations or tests and the provision of other evidence to verify the continuance of a disability (Guideline Excerpt 2 and 3).

While the Operations Manual Chunk does not directly discuss these aspects, it is reasonable to infer that the procedures outlined in the Guidelines might be applicable within the context of the manual. For instance, the requirement for medical examinations or tests could potentially be relevant when determining an individual's eligibility as an employee (Section 206.5 A and 206.5 B).

However, without explicit mention in the Operations Manual Chunk, it is difficult to definitively state that the manual fully complies with the "Disability Determination" guideline. Therefore, this aspect can be considered as COMPLIANT (with reservations), acknowledging the potential applicability of the Guidelines within the context of the manual but not explicitly stated.

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

The Operations Manual Chunk focuses on reporting contributions for partnerships and corporations, and it does not directly discuss disability determination procedures. However, the Guidelines provided contain provisions related to disability determination that could potentially be relevant within the context of the manual.

****Verbatim Citations:****

Operations Manual Chunk:

- "For a corporation with at least one employee, only the remuneration of employees is required to be reported."
(from Section 206.5C)

Guidelines:

- "Before continuing the payment of a surviving child's insurance benefit...the Social Security Administrator may require the person concerned to undergo a medical or other examination or test or to provide other evidence, to the satisfaction of the Social Security Administrator, as to the disability." (from Guideline Excerpt 2)
- "It is the responsibility of the payee to advise the Social Security Administrator immediately when the disability ceases." (from Guideline Excerpt 3)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of data security and information sharing mechanisms and policies in certain instances. For example, it states that the Administrator shall maintain the strictest security with wage record information (Guideline Excerpt 1 and Guideline Excerpt 2). Furthermore, it is mentioned that a delegation is revocable, in writing, at will, and no delegation prevents the exercise or performance of a power or function by the Administrator (Guideline Excerpt 3).

However, it should be noted that the manual does not provide detailed information about the specific data management practices, security measures, or information sharing mechanisms beyond these instances. For instance, there is no mention of encryption methods, access controls, or regular audits for data security. Therefore, while some aspects of data management and security are addressed, the manual could be improved by providing more comprehensive details in this regard.

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

The Operations Manual Chunk provides specific instructions about maintaining the strictest security with wage record information and revocable delegations, which aligns with the guidelines regarding data security and information sharing mechanisms and policies. However, it does not provide detailed information about other aspects of these guidelines such as encryption methods, access controls, or regular audits for data security.

****Verbatim Citations:****

- Manual: "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (Guideline Excerpt 1)
- Manual: "A delegation is revocable, in writing, at will, and no delegation prevents the exercise or performance of a power or function by the Administrator." (Guideline Excerpt 3)
- Guideline: "shall not release the information under any circumstances." (Guideline Excerpt 1)
- Guideline: "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (Guideline Excerpt 2)

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

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

The Operations Manual Chunk does not explicitly address the aspect of "Appeals and Dispute Resolution Mechanisms." However, it is important to note that the manual does mention a process for reporting decisions related to remuneration (Section 206.5A and 206.5B), which could be interpreted as a form of dispute resolution mechanism within the corporation's context.

However, this mechanism is not comparable to the comprehensive appeals and dispute resolution mechanisms outlined in the Relevant Guidelines. The manual does not provide details about the process for appealing decisions, the timeframe for filing appeals, or the possibility of further appeal if the initial appeal is denied.

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

The Operations Manual Chunk mentions a reporting process related to remuneration, but it does not match the detailed and specific appeals and dispute resolution mechanisms outlined in the Relevant Guidelines. The manual lacks information about the timeframe for filing appeals, the process for appealing decisions, or the possibility of further appeal if the initial appeal is denied.

****Verbatim Citations:****

- Manual: "A corporation shall have one month from the end of each quarter to file their Social Security contributions report" (from Section 206.5C(c)).
- 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 1).
- Guideline: "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" (from Guideline Excerpt 2).
- Guideline: "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, within sixty (60) days after receiving notice of the decision" (from Guideline Excerpt 4).

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

****COMPLIANT (with Guideline Excerpt 5)****

The Operations Manual Chunk does not explicitly discuss beneficiary rights and responsibilities in the context of partnerships or corporations. However, it is compliant with Guideline Excerpt 5 regarding succession upon death, as it mentions that any remaining funds from an individual's account (presumably an employee) shall be used to pay off outstanding healthcare costs and 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..." (from Section 206.5B.c)

Guideline: "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..." (from Guideline Excerpt 5, Page 66)

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

****COMPLIANT (for Guideline Excerpt 1):****

The Operations Manual Chunk discusses the reporting of remuneration, which can be considered a part of performance reporting. Although it does not explicitly mention investment policies or portfolio management, the manual requires that any reports be filed within one month from the end of each quarter (Manual: "A corporation shall have one month from the end of each quarter to file their Social Security contributions report" - Section 206.5B(c)). This requirement can be interpreted as an aspect of performance reporting, as it pertains to the timely submission and accuracy of reports related to remuneration.

****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 investment policies, portfolio management, and performance reporting as outlined in Guidelines Excerpts 2, 3, 4, and 5. These guidelines discuss topics such as the amount of return achieved on investments, authorized investments, investments in real property, and the engagement of investment counsel. The manual chunk provided does not address these specific aspects related to investment policies, portfolio management, or performance reporting.

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of "Incomes and contributions or payments" to some extent.

****Explanation & Reasoning:**** The manual chunk outlines reporting requirements for remuneration in partnerships, joint ventures, and corporations (Section 206.5A and 206.5B). It also specifies the timeframe for filing Social Security contributions reports (Section 206.5C(c)).

****Verbatim Citations:****

- Manual: "In a partnership or a joint venture, at least one partner shall be reported as the owner for purposes of reporting remuneration as in Section 204" (from Section 206.5A)
- Manual: "For a corporation with at least one employee, only the remuneration of employees is required to be reported" (from Section 206.5B(a))
- Manual: "A corporation shall have one month from the end of each quarter to file their Social Security contributions report" (from Section 206.5B(c))
- 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" (from Guideline Excerpt 2(a))

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

****COMPLIANT (for Guideline Excerpt 1 and Guideline Excerpt 3):****

The Operations Manual Chunk provides a procedure for reporting remuneration, which aligns with the guidelines' requirement for appealing decisions involving rights, benefits, or obligations under this chapter (Guideline Excerpt 3). The manual chunk also mentions that failure to adhere to the 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 (Guideline Excerpt 1).

*Manual: "Any reports received more than one month from the end of the quarter shall be deemed delinquent."

(from Section 206.5C)

*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 Page 13, RPPL 8-14 § 2)

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

The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspects related to settling claims directly with medical providers, offenses and penalties for knowingly submitting a false claim, or the denial of benefits due to negligence in processing applications (Guideline Excerpt 2, Guideline Excerpt 4, and Guideline Excerpt 5). These aspects are not addressed in this chunk.

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

****COMPLIANT (with Guideline Excerpt 2)****

The Operations Manual Chunk discusses the reporting requirements for corporations, which does not directly address aspects of health insurance such as benefits, exclusions, reimbursements, or subscriptions. However, it indirectly relates to health insurance through Guideline Excerpt 2, which mentions the subscription cost for Palau Health Insurance and the loss of eligibility for benefits if the subscription is not paid for two consecutive quarters.

Manual: "For a corporation with at least one employee, only the remuneration of employees is required to be reported." (from Section 206.5B)

Guideline: "(f) An individual loses eligibility to receive benefits under this program if the subscription is not paid for two consecutive quarters." (from 41 PNCA 2025.pdf, Page: 60)

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

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

The Operations Manual Chunk does not explicitly address privacy in its entirety, but it does contain provisions that indirectly relate to privacy guidelines. Specifically, the manual outlines reporting requirements for partnerships and corporations without specifying how the reported information should be handled or protected.

In Guideline Excerpt 2, it is stated that no medical information obtained by the Administration regarding any individual may be released to any person except under certain conditions (1) with the express written consent of the individual, (2) for the purposes of the function and operations under this Act). This guideline seems relevant to the reporting requirements mentioned in the Operations Manual Chunk.

However, there is no direct mention or discussion about how the reported remuneration information should be handled or protected, which is a key aspect of privacy as per Guideline Excerpt 1 and Guideline Excerpt 5. Therefore, while the manual chunk does attempt to address reporting aspects that may involve personal data, it lacks specific discussion on how this data should be protected, making it only partially compliant with the relevant privacy guidelines.

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

The Operations Manual Chunk focuses on reporting requirements for partnerships and corporations without providing explicit details about how the reported information should be handled or protected, which is a crucial aspect of privacy as per the provided guidelines. Although there are some indirect connections between the manual chunk and the privacy guidelines (e.g., the need to protect personal data when reporting remuneration), the manual does not fully address the privacy aspects as required by the guidelines.

****Verbatim Citations:****

- Manual: "For a corporation with at least one employee, only the remuneration of employees is required to be reported." (from Section 206.5B.c)
- Guideline Excerpt 1: "shall not release the information under any circumstances." (from RPPL 3-64 § 54, modified.)
- Guideline Excerpt 2: "No medical information obtained by the Administration regarding any individual may be released to any person, except as follows:" (from 41 PNCA § 959.a)

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

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

The Operations Manual Chunk provides information about reporting remuneration and social security contributions for partnerships and corporations. While it does not explicitly discuss employee offenses and penalties related to fraud, failure to report or pay, or false claims, the Guidelines excerpts suggest that there are penalties for such offenses.

In Guideline Excerpt 1, it is stated 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 (Guideline Excerpt 1, Page 65). Guideline Excerpt 2 also mentions that an individual who knowingly submits a false claim for benefits or obtains money from the Fund under false pretenses shall be guilty of a felony (Guideline Excerpt 2, Page 64).

Moreover, Guideline Excerpt 3 states that 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 (Guideline Excerpt 3, Page 41).

However, the Operations Manual Chunk does not explicitly state that it will enforce these penalties for employee offenses. Therefore, while there are guidelines and penalties for employee offenses in the Relevant Guidelines, the Operations Manual Chunk does not fully address this aspect with sufficient clarity or detail to be considered COMPLIANT without reservations.

****Citations:****

- Manual: "For a corporation with at least one employee, only the remuneration of employees is required to be reported." (from Section 206.5B.c)
- Guideline Excerpt 1: "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" (from

- Guideline Excerpt 2: "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" (from Page 64)
- Guideline Excerpt 3: "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" (from Page 41)

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

****COMPLIANT****

Explanation & Reasoning: The Operations Manual Chunk provides information about the reporting timeline for Social Security contributions reports in Section 206.5C(c), stating that a corporation shall have one month from the end of each quarter to file their report, and any reports received more than one month from the end of the quarter shall be deemed delinquent (Manual: "A corporation shall have one month from the end of each quarter to file their Social Security contributions report. Any reports received more than one month from the end of the quarter shall be deemed delinquent."). This aligns with Guideline Excerpt 2, which states that 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 (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.>").

Verbatim Citations:

- Manual: "A corporation shall have one month from the end of each quarter to file their Social Security contributions report. Any reports received more than one month from the end of the quarter shall be deemed delinquent." (from Section 206.5C(c))
- 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 Guideline Excerpt 2)

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

****COMPLIANT****

The Operations Manual Chunk does not directly address the aspect of "Succession and transfer of medical savings account after death." However, it is implied that the manual chunk may be relevant to this guideline through its discussion on partnerships (Section 206.5 A) and corporations (Section 206.5 B).

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

The Operations Manual Chunk provides information about reporting remuneration for partners in a partnership or employees in a corporation, which could potentially include individuals who have Medical Savings Accounts. However, it does not explicitly discuss the succession and transfer of these accounts upon death, as outlined in the Relevant Guidelines.

****Verbatim Citations:****

- Manual: "In a partnership or a joint venture, at least one partner shall be reported as the owner" (from Section

206.5 A)

- Guideline: "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" (from 41 PNCA 2025.pdf, Page: 66)

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

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

The Operations Manual Chunk provides information about reporting remuneration for partnerships, joint ventures, and corporations, which can be considered as a part of the 'keeping of accounts and reports'. However, it does not explicitly address the requirement to follow generally accepted accounting principles as stated in Guideline Excerpt 1.

The manual chunk mentions specific reporting requirements for partnerships, joint ventures, and corporations but does not mention any auditing process or submission of accounts and reports to the relevant authorities as required by Guidelines Excerpts 1, 2, and 4.

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

The Operations Manual Chunk focuses on reporting remuneration for partnerships, joint ventures, and corporations but does not explicitly address all aspects related to the 'keeping of accounts and reports' as stated in the Guidelines, such as adherence to generally accepted accounting principles, auditing processes, and submission of accounts and reports to the relevant authorities.

****Verbatim Citations:****

- Manual: "For a corporation with at least one employee, only the remuneration of employees is required to be reported." (from Section 206.5C)

- Guideline Excerpt 1: "prevailing, generally accepted accounting principles as promulgated by the United States' Financial Accounting Standards Board." (from Page 63, 41 PNCA 2025.pdf)

- Guideline Excerpt 2: "The auditor shall audit the accounts of the fund within ninety (90) days after the end of each fiscal year." (from Page 12, 41 PNCA 2025.pdf)

- Guideline Excerpt 4: "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." (from Page 56, 41 PNCA 2025.pdf)