

# ***Compliance Analysis for: sections 326–330.docx***

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

**\*\*COMPLIANT\*\***

The Operations Manual Chunk explicitly addresses the aspect of "Incomes and contributions or payments" by detailing various types of benefits, including lump sum benefits (Section 326), over and under payment adjustments (Section 327), retroactive payment rules (Section 328), payments to non-citizens (Section 329), and the earnings test (Section 330).

The manual chunk also discusses the sources of funds paid into the Fund, which includes appropriations, loans, or grants from various government entities and international organizations (Guideline Excerpt 1). It also mentions payments on account of sickness or accident, medical or hospitalization expenses, payments from a trust or annuity, remuneration paid in any medium other than cash for service not in the course of the employer's trade or business, and remuneration paid for casual or intermittent labor (Guideline Excerpt 2).

Moreover, the manual chunk requires employers and self-employed individuals to submit reports and pay contributions at the end of each quarter (Guideline Excerpt 3). It also mentions that a self-employed person who has at least one employee may choose to report his or her contributions by using actual income or salary as a basis for reporting contributions (Guideline Excerpt 4). Lastly, it discusses the subscription costs for employees and the self-employed, which are paid from contributions to an individual Medical Savings Account (Guideline Excerpt 5).

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk and the Relevant Guidelines both discuss various types of payments, including benefits, contributions, and subscription costs. They also specify sources of funds and reporting requirements, which aligns with the guideline aspect of "Incomes and contributions or payments".

**\*\*Verbatim Citations:\*\***

- Operations Manual Chunk: "If after an employee contributor dies and all rights to survivor insurance benefits with respect to him or her have been terminated, a lump sum benefit equal to six percent (6%) of his or her cumulative covered earnings, less the amount of the benefits actually received by the employee contributor, if any, shall be paid..." (from Section 326)
- Operations Manual Chunk: "Any over or under payment of benefits shall be deducted from or added to any subsequent payment of benefit to or with respect to the payee..." (from Section 327)
- Guideline Excerpt 1: "The following shall be paid into the Fund: (a) Any funds appropriated, loaned, or granted by or to the National Government, any Agency or Ministry thereof, or any state government, for the purpose of healthcare, outside the regular Ministry of Health and Human Services operations."
- Guideline Excerpt 2: "(E) any payment on account of sickness or accident, or medical or hospitalization expenses, made to or on behalf of an employee other than sick leave pay or similar entitlements;" (from Section 923)

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

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk explicitly outlines various provisions related to beneficiaries, such as lump sum benefits, over and under payment adjustments, retroactive payments, payment to

non-citizens, and earnings test. These provisions address aspects of beneficiary rights (e.g., eligibility for benefits, distribution of lump sum benefits) and responsibilities (e.g., providing proof of permanent residency, adhering to the earnings test).

**\*\*Explanation & Reasoning:\*\*** The manual chunk provides detailed information about the distribution of benefits among different beneficiaries (spouse, children, parents, legal representative, etc.) in case of death or termination of survivor insurance benefits. It also specifies conditions for retroactive payments and the earnings test, which define the rights and responsibilities of beneficiaries receiving Social Security benefits.

**\*\*Verbatim Citations:\*\***

- Manual: "If after an employee contributor dies and all rights to survivor insurance benefits with respect to him or her have been terminated, a lump sum benefit equal to six percent (6%) of his or her cumulative covered earnings, less the amount of the benefits actually received by the employee contributor, if any, shall be paid: To the spouse; or If there is no surviving spouse, to the children, or to any guardian or trustee for the children, in equal shares;" (from Section 326)
- Manual: "The person who is receiving retirement benefits shall have his or her retirement benefit reduced by one dollar (\$1) for each three dollars (\$3) of wages earned during a quarter in excess of three thousand dollars (\$3,000.00). The reduction shall be applied in the quarters following the quarter in which the wages were earned." (from Section 330)
- Guideline: "designated beneficiaries and individuals for whom the National Government makes contributions" (from Guideline Excerpt 3, Page 47)
- Guideline: "Additional beneficiaries may be designated as permitted by regulation." (from Guideline Excerpt 3, Page 47)

**\*\*Compliance Aspect: - Claims\*\***

**\*\*COMPLIANT\*\***

The Operations Manual Chunk explicitly addresses the aspect of "Claims" by outlining various procedures and regulations related to benefit claims, appeals, and investigations. This includes provisions for lump sum benefits (Section 326), over and under payment adjustments (Section 327), retroactive payments (Section 328), payments to non-citizens (Section 329), and the earnings test (Section 330).

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

The manual chunk provides detailed instructions on how to file a claim, appeal a decision, and the consequences of failing to adhere to the claims appeal procedure (citing Guideline Excerpt 1 and 2). It also discusses the process for retroactive payments, which is relevant to claims (Section 328, citing Guideline Excerpt 4). Furthermore, it outlines the procedures for investigating the accuracy of information provided during a claim, as well as penalties for submitting false claims or obtaining money fraudulently (Section 329 and Section 330, citing Guideline Excerpt 5).

**\*\*Verbatim Citations:\*\***

- Manual: "Inform the Administrator" and "Date of Application" is defined as the date whereby all documentation i.e application form and supporting evidence, for a benefit claim has been received by Social Security Administration and is complete and correct." (from Section 328)
- 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, 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 2)

**\*\*Compliance Aspect: - Enforcement Powers and Sanctions for Non-Compliance (specifically related to residency)\*\***

**\*\*COMPLIANT\*\***

The Operations Manual Chunk explicitly outlines enforcement powers and sanctions for non-compliance regarding residency in Section 329. Specifically, it states that no more than six months of benefits payments shall be paid to a non-citizen residing outside the Republic of Palau unless modified by a totalization or bilateral agreement (Section 329(a)). Furthermore, if a non-citizen claimant is determined not to be residing in the Republic, the Administrator shall pay no more than six months of benefits payments (Section 329(1)). If a non-citizen receiving benefits is found not to be residing in the Republic, all disbursements of benefits shall immediately cease, and the non-citizen shall be requested to return any benefits received after six months with interest (Section 329(2)).

These provisions align with Guideline Excerpt 4, which states that no more than six months of benefit payments under this chapter shall be paid to any beneficiary who is not a citizen or national of the Republic while the beneficiary is outside of the Republic (41 PNCA 2025.pdf, Page: 35).

**\*\*Manual:\*\*** "No more than six (6) months of benefits payments shall be paid to any beneficiary who is not a citizen or national of the Republic of Palau while the beneficiary is residing outside of the Republic unless modified by a totalization or bilateral agreement." (Section 329(a))

**\*\*Guideline:\*\*** "not adjusted in accordance with this section.

Source

RPPL 3-64 § 37, modified.

Notes

Caballero v. TTPI/ROP Social Security Board, (Civil Action No. 24-89, 1990) held that an applicant, whose application is not processed promptly, is entitled to prejudgment interest." (41 PNCA 2025.pdf, Page: 36)

**\*\*Compliance Aspect: - The keeping of accounts and reports (implied through the mention of documentation and records)\*\***

**\*\*COMPLIANT\*\***

The Operations Manual Chunk explicitly addresses the aspect of "The keeping of accounts and reports" through various sections that discuss the documentation, records, and reporting requirements. This is implied by the mentions of application forms, supporting evidence, and the auditing process.

Explanation & Reasoning:

- The manual chunk provides details about the submission of application forms and supporting evidence for benefit claims (Section 328).
- It also mentions an audit process conducted by an independent auditor within 90 days after the end of each

fiscal year (Section 328).

Verbatim Citations:

- Manual: "Inform the Administrator" and "Date of Application" is defined as the date whereby all documentation i.e application form and supporting evidence, for a benefit claim has been received by Social Security Administration and is complete and correct." (Source 41 PNC § 711, § 712(d), § 763, & SSA By-Laws)
- Manual: "The auditor shall audit the accounts of the fund within ninety (90) days after the end of each fiscal year." (Source 41 PNCA 2025.pdf, Page: 63)