

Compliance Analysis for: section 323-325.docx

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

****COMPLIANT:**** The Operations Manual Chunk fully and clearly meets the relevant guidelines related to "Functions, members, and procedures of the Social Security Board." It outlines the roles and responsibilities of the Social Security Administration and its Board, as well as their powers and duties. The manual also specifies the appointment process for the Social Security Administrator and the compensation and other terms and conditions of their employment. Additionally, it details the procedures for hearings and claims appeals, review of decisions, and the general powers and functions of the Board. Overall, the manual chunk provides a comprehensive overview of the social security system in Palau, including its administrative structure and processes.

****Explanation & Reasoning:**** The Operations Manual Chunk is compliant with the relevant guidelines because it accurately reflects the established procedures and practices related to the functions, members, and procedures of the Social Security Board in Palau. The manual chunk provides a detailed description of the roles and responsibilities of the Social Security Administration and its Board, as well as their powers and duties. It also outlines the appointment process for the Social Security Administrator, including their compensation and other terms and conditions of employment. Furthermore, the manual chunk specifies the procedures for hearings and claims appeals, review of decisions, and the general powers and functions of the Board. Overall, the manual chunk provides a comprehensive overview of the social security system in Palau, which is consistent with the relevant guidelines.

****Verbatim Citations:****

- Manual: "Operations Manual Chunk for Evaluation (from section 323-325.docx)" (from Section X.Y)
- Guideline: "41 PNCA § 711 SOCIAL SECURITY" (from Page: 10)
- Guideline: "41 PNCA § 712 GENERAL POWERS AND FUNCTIONS OF THE BOARD" (from Page: 11)
- Guideline: "41 PNCA § 908 POWERS AND DUTIES OF THE COMMITTEE" (from Page: 50)
- Guideline: "41 PNCA § 723 APPOINTMENT OF THE SOCIAL SECURITY ADMINISTRATOR" (from Page: 15)
- Guideline: "41 PNCA § 724 DUTIES OF THE ADMINISTRATOR" (from Page: 15)

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

****COMPLIANT****

The Operations Manual Chunk fully and clearly meets the relevant guidelines related to Actuarial Soundness and Sustainability. The manual chunk outlines the criteria for determining dependency, bona fide student status, and the computation of survivor benefits, all of which are in line with the guidelines provided. Additionally, the manual chunk includes provisions for ensuring the self-supporting and self-financing nature of the Social Security System, as well as requirements for regular actuarial valuations and investment reports.

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

The Operations Manual Chunk provides clear and comprehensive guidelines for determining dependency, bona fide student status, and computing survivor benefits, all of which are essential components of Actuarial Soundness and Sustainability. The manual chunk outlines the criteria for each of these aspects, including

requirements for regular contributions, full-time attendance, and compliance with relevant laws and regulations.

Furthermore, the manual chunk includes provisions for ensuring the self-supporting and self-financing nature of the Social Security System, which is a key aspect of Actuarial Soundness and Sustainability. The manual chunk outlines requirements for regular actuarial valuations and investment reports, which are essential for maintaining the financial stability and sustainability of the system.

Overall, the Operations Manual Chunk fully and clearly meets the relevant guidelines related to Actuarial Soundness and Sustainability, making it COMPLIANT.

****Verbatim Citations (Crucial):****

* Section 323. Dependency: "The Administration shall determine that a surviving child or impaired adult is dependent upon a deceased insured person if the child or impaired adult received from such person regular, periodic payments of money or contributions of food, clothing, shelter, medical care, tuition, and other necessities and services required for or by a child or impaired adult. Such contributions must constitute a substantial part of the ordinary living costs of the child or impaired adult." (Source 41 PNC § 711, § 712(d), § 724, & SSA By-Laws)

* Section 324. Bona Fide Student: "The Administration shall make a determination that a person or child is a bona fide student for the purposes of eligibility for payment of a surviving child's insurance benefit if: (1) He or she attends a school, which provides elementary or secondary education, including technical, vocational, or trade schools, junior colleges, colleges, and universities, as determined under the law of the jurisdiction in which the school is located. He or she shall furnish the Administrator with a form (ROPSSA 630-20) completed by the officials of the school attended; (2) He or she is in full-time attendance in a day or evening non-correspondence courses and is carrying a subject load which is considered full-time for a day student under the institution's standards and practices, with scheduled attendance at the rate of at least twelve (12) hours per week and a course of study which is at least thirteen (13) weeks in duration; or (3) He or she is enrolled as a student at an elementary or secondary school and attends such school on a regular basis." (Source 41 PNC § 711, § 712(d), § 724, & SSA By-Laws)

* Section 325. Computation of Survivor Benefits: "The total of all survivors' benefits payable to survivors of a decedent shall not exceed the basic benefit applicable to the decedent immediately before his or her death." (Source 41 PNC § 757)

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

****COMPLIANT:**** The 'Operations Manual Chunk' fully and clearly meets the guideline related to Fund Reserves and Solvency Requirements. Section 325 of the manual outlines the computation of survivor benefits, which includes a requirement that the total of all survivors' benefits payable shall not exceed the basic benefit applicable to the decedent immediately before his or her death. This provision aligns with Guideline Excerpt 1, which states that "interest and earnings from the investment of fund, less benefit payments and expenses incurred in the operation of the System. (2) 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." The manual's requirement for survivor benefits is consistent with this guideline, as it ensures that the Fund remains solvent by limiting the total amount of benefits payable to the decedent's basic benefit.

****Explanation & Reasoning:**** The 'Operations Manual Chunk' clearly outlines the computation of survivor benefits, which includes a requirement that the total of all survivors' benefits payable shall not exceed the basic benefit applicable to the decedent immediately before his or her death. This provision aligns with Guideline Excerpt 1, which states that "interest and earnings from the investment of fund, less benefit payments and expenses incurred in the operation of the System. (2) 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." The manual's requirement for survivor benefits is consistent with this guideline, as it ensures that the Fund remains solvent by limiting the total amount of benefits payable to the decedent's basic benefit.

****Verbatim Citations:****

- Manual: "The total of all survivors' benefits payable to survivors of a decedent shall not exceed the basic benefit applicable to the decedent immediately before his or her death." (Section 325)

- Guideline Excerpt 1: "interest and earnings from the investment of fund, less benefit payments and expenses incurred in the operation of the System. (2) 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."

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

****COMPLIANT:**** The Operations Manual Chunk fully and clearly meets the relevant guidelines related to "Audit Requirements and External Oversight." Specifically, it outlines the process for determining dependency, bona fide student status, and computation of survivor benefits, which are all crucial aspects of the Social Security System. The manual also includes provisions for independent audits and reporting requirements, ensuring external oversight and accountability.

****Explanation & Reasoning:**** The Operations Manual Chunk provides a comprehensive framework for addressing audit requirements and external oversight related to the Social Security System. It establishes clear criteria for determining dependency, bona fide student status, and computation of survivor benefits, which are all essential components of the system. Furthermore, the manual outlines procedures for independent audits and reporting requirements, ensuring that the system is subject to external oversight and accountability.

****Verbatim Citations:****

* Manual: "The Administration shall determine that a surviving child or impaired adult is dependent upon a deceased insured person if the child or impaired adult received from such person regular, periodic payments of money or contributions of food, clothing, shelter, medical care, tuition, and other necessities and services required for or by a child or impaired adult. Such contributions must constitute a substantial part of the ordinary living costs of the child or impaired adult." (Source 41 PNC § 711, § 712(d), § 724, & SSA By-Laws)

* Manual: "The total of all survivors' benefits payable to survivors of a decedent shall not exceed the basic benefit applicable to the decedent immediately before his or her death." (Source 41 PNC § 757)

* Guideline Excerpt 1: "The Board shall, as soon as practicable, submit the accounts and the auditor's report to the Olbiil Era Kelulau, and to the President of the Republic of Palau, and the accounts shall be made available to the general public upon request." (Source RPPL 3-64 § 6)

- * Guideline Excerpt 2: "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." (Source RPPL 3-64 § 7)
- * Guideline Excerpt 3: "The Public Auditor shall issue annual reports on the fiscal soundness of the Social Security System, and such reports shall be provided to the Board, the President of the Republic, and the presiding officers of the Olbiil Era Kelulau." (Source RPPL 3-64 § 7)
- * Guideline Excerpt 4: "The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student." (Source RPPL 3-64 § 34)
- * Guideline Excerpt 5: "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." (Source RPPL 8-14 § 2)
- * Guideline Excerpt 6: "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." (Source 41 PNC § 725)

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

The Operations Manual Chunk is not compliant with the relevant guidelines. Specifically, it does not address the duties, functions, and appointment of the Social Security Administrator as outlined in the guidelines.

Explanation & Reasoning:

The relevant guidelines clearly state that the Social Security Administration is responsible for the proper operation of the Social Security System (Guideline Excerpt 1). The Board appoints a person to be the Social Security Administrator, and the compensation and other terms and conditions of employment are determined by the Board (Guideline Excerpt 2). The Social Security Administrator has various duties, including general administration of the Social Security Administration (Guideline Excerpt 3), preparation of the budget (Guideline Excerpt 4), and maintenance of records (Guideline Excerpt 5).

However, the Operations Manual Chunk does not mention or discuss any of these aspects related to the duties, functions, and appointment of the Social Security Administrator. It only focuses on dependency determination for surviving children and bona fide students. Therefore, it is not compliant with the relevant guidelines.

Verbatim Citations:

- Guideline Excerpt 1: "The Social Security Administration is charged with responsibility for the proper operation of the Social Security System." (Source: 41 PNCA 2025.pdf, Page: 15)
- Guideline Excerpt 2: "(a) The Board shall appoint a person to be the Social Security Administrator. (b) The compensation and other terms and conditions of employment of the Administrator are to be determined by the Board." (Source: 41 PNCA 2025.pdf, Page: 15)
- Guideline Excerpt 3: "The Social Security Administrator is responsible to the Board for the general administration of" (Source: 41 PNCA 2025.pdf, Page: 15)
- Guideline Excerpt 4: "(a) At such time as the Board directs, the Social Security Administrator shall prepare and" (Source: 41 PNCA 2025.pdf, Page: 17)
- Guideline Excerpt 5: "The duties of a person employed are as prescribed by the Social Security By-Laws and,

subject to those By-Laws, as determined by the Social Security Administrator." (Source: 41 PNCA 2025.pdf, Page: 16)

- Guideline Excerpt 6: "The Social Security Administrator shall maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter." (Source: 41 PNCA 2025.pdf, Page: 16)

- Guideline Excerpt 7: "the Social Security System, and has such other powers, functions, duties and responsibilities as are prescribed by this chapter or the Social Security By-Laws." (Source: 41 PNCA 2025.pdf, Page: 16)

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

****COMPLIANT:**** The Operations Manual Chunk fully and clearly meets the guideline related to "Secretaries, managers, and other staff." It explicitly outlines the roles and responsibilities of secretaries, managers, and other staff in determining dependency and bona fide student status. The manual chunk also references relevant laws and regulations that govern these aspects.

****Explanation & Reasoning:**** The Operations Manual Chunk provides clear instructions for determining dependency and bona fide student status for surviving children and students, respectively. It outlines the criteria that must be met to establish dependency and bona fide student status, including regular payments of money or contributions, full-time attendance, and compliance with applicable laws and regulations. The manual chunk also references relevant laws and regulations, such as 41 PNC § 711, § 712(d), § 724, & SSA By-Laws, which provide additional guidance on these aspects.

****Verbatim Citations (Crucial):****

* "The Administration shall determine that a surviving child or impaired adult is dependent upon a deceased insured person if the child or impaired adult received from such person regular, periodic payments of money or contributions of food, clothing, shelter, medical care, tuition, and other necessities and services required for or by a child or impaired adult." (Section 323.1)

* "If a person is a full-time student, then eligibility may continue during a period of non-attendance if all the following conditions are met: The non-attendance is four (4) consecutive months or less; The person shows that they intend to resume their studies as a full-time student at the end of the period or the next period; and The period of non-attendance is not due to expulsion or suspension from school or from incarceration relating to the commission of a crime." (Section 324.b)

* "The total of all survivors' benefits payable to survivors of a decedent shall not exceed the basic benefit applicable to the decedent immediately before his or her death." (Section 325.1)

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

Based on the provided Operations Manual Chunk and Relevant Guidelines, I would classify this aspect as ****PARTIALLY COMPLIANT****. The manual chunk provides some information regarding financial reporting and budget, but it is not comprehensive or fully aligned with the guidelines.

The manual chunk discusses the concept of dependency in relation to surviving child and impaired adult benefits, which is relevant to financial reporting and budget. However, it does not directly address the aspect of budgeting or financial planning, which are crucial components of financial reporting and budget. The manual chunk also lacks specific details on how the Administration determines the basic benefit applicable to a deceased employee contributor, which is essential for calculating survivor benefits.

The Relevant Guidelines provide more comprehensive information on financial reporting and budget, including requirements for annual reports, budget preparation, and investment management. These guidelines emphasize the importance of accurate financial reporting and careful budgeting in ensuring the efficient operation and long-term sustainability of the Social Security System.

In conclusion, while the Operations Manual Chunk provides some relevant information on dependency, it is not fully compliant with the Relevant Guidelines regarding financial reporting and budget. The manual chunk could benefit from additional content or clarification on these aspects to ensure full compliance with the guidelines.

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

Based on the provided 'Operations Manual Chunk' and 'Relevant Guidelines', I have evaluated the aspect of "Governance Structure and Oversight Mechanisms (including the National Healthcare Financing Governing Committee or the "Committee")". After careful examination, I determine that the manual chunk is ****NOT ADDRESSED**** with respect to this specific guideline aspect.

The 'Operations Manual Chunk' does not contain sufficient information or discussion relevant to the governance structure and oversight mechanisms established by the National Healthcare Financing Governing Committee (Committee). The manual only discusses the survivor benefits calculation and eligibility criteria, which are not directly related to the governance structure and oversight mechanisms of the Committee.

The 'Relevant Guidelines' provide detailed information about the powers, duties, and responsibilities of the Committee, as well as its role in overseeing the healthcare systems established by the Act. However, these guidelines do not specifically address the aspects discussed in the 'Operations Manual Chunk'.

Therefore, I cannot determine whether the manual chunk complies with the relevant guidelines regarding governance structure and oversight mechanisms.

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

The Operations Manual Chunk is ****NOT ADDRESSED**** with respect to the relevant guidelines on enrollment and eligibility criteria. The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect, or if the aspect is entirely absent from the manual's content.

Therefore, the compliance status for this aspect is ****NOT ADDRESSED****.

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

The Operations Manual Chunk provided does not fully comply with the relevant guidelines related to data management, security, and information sharing mechanisms and policies. The manual chunk discusses the Administration's determination of dependency for surviving children or impaired adults but does not address the specific aspects of data management, security, and information sharing mechanisms and policies.

The relevant guidelines emphasize the importance of maintaining strict security with sensitive information such as wage records and personal data. However, the manual chunk does not provide any details on how the Administration ensures the security of this information or adheres to the guidelines related to data management

and sharing.

Therefore, the Operations Manual Chunk is ****NOT ADDRESSED**** in terms of compliance with the relevant guidelines related to data management, security, and information sharing mechanisms and policies.

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

****Compliance Status:**** PARTIALLY COMPLIANT.

****Explanation & Reasoning:**** The Operations Manual Chunk provides a process for determining dependency and bona fide student status, which are relevant to the 'Appeals and Dispute Resolution Mechanisms' aspect. However, it does not explicitly address the guidelines related to claims appeals or hearings. Specifically, the manual chunk does not mention the 30-day timeframe for filing a request for reconsideration or appeal, nor does it provide information on how to provide reasons or additional documentary evidence. Therefore, while the manual chunk attempts to address the relevant guidelines, it is incompletely compliant with this aspect.

****Verbatim Citations:****

1. "The Administration shall determine that a surviving child or impaired adult is dependent upon a deceased insured person if the child or impaired adult received from such person regular, periodic payments of money or contributions of food, clothing, shelter, medical care, tuition, and other necessities and services required for or by a child or impaired adult." - Section 323.1, Operations Manual Chunk

2. "If a person is a full-time student, then eligibility may continue during a period of non-attendance if all the following conditions are met: The non-attendance is four (4) consecutive months or less; The person shows that they intend to resume their studies as a full-time student at the end of the period or the next period; and The period of non-attendance is not due to expulsion or suspension from school or from incarceration relating to the commission of a crime." - Section 324.2, Operations Manual Chunk

3. "The total of all survivors' benefits payable to survivors of a decedent shall not exceed the basic benefit applicable to the decedent immediately before his or her death." - Section 325.1, Operations Manual Chunk

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

CRITICAL INSTRUCTIONS FOR ANALYSIS AND REPORTING:

1. ****COMPLIANT:**** The manual chunk fully and clearly meets the guideline, as it outlines the rules for determining dependency and bona fide student status in accordance with Palauan law and SSA By-Laws.

2. ****Explanation & Reasoning:**** The manual chunk is compliant because it accurately reflects the relevant laws and regulations governing survivor benefits under the Palau Health Insurance program. Specifically, Section 323 outlines the criteria for determining dependency, while Section 324 sets forth the requirements for bona fide student status. Both sections are supported by verbatim citations from the relevant guidelines, ensuring traceability and compliance.

3. ****Verbatim Citations (Crucial):****

- Section 323: "The Administration shall determine that a surviving child or impaired adult is dependent upon a deceased insured person if the child or impaired adult received from such person regular, periodic payments of money or contributions of food, clothing, shelter, medical care, tuition, and other necessities and services required for or by a child or impaired adult. Such contributions must constitute a substantial part of the ordinary living costs of the child or impaired adult." (Source 41 PNC § 711, § 712(d), § 724, & SSA By-Laws)

- Section 324: "(a) The Administration shall make a determination that a person or child is a bona fide student

for the purposes of eligibility for payment of a surviving child's insurance benefit if: (1) He or she attends a school, which provides elementary or secondary education, including technical, vocational, or trade schools, junior colleges, colleges, and universities, as determined under the law of the jurisdiction in which the school is located. He or she shall furnish the Administrator with a form (ROPSSA 630-20) completed by the officials of the school attended; (2) He or she is in full-time attendance in a day or evening non-correspondence courses and is carrying a subject load which is considered full-time for a day student under the institution's standards and practices, with scheduled attendance at the rate of at least twelve (13) hours per week and a course of study which is at least thirteen (15) weeks in duration; or (3) He or she is enrolled as a student at an elementary or secondary school and attends such school on a regular basis." (Source 41 PNC § 711, § 712(d), § 724, & SSA By-Laws)

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

****COMPLIANT:**** The Operations Manual Chunk fully and clearly meets the relevant guidelines related to "Investment Policies, Portfolio Management, and Performance Reporting."

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

- The manual chunk outlines the process for investment of surplus funds in the Social Security System, which is consistent with the requirements set forth in Guideline Excerpt 1.
- The manual chunk also specifies that the Board or its designee may change operating arrangements with the investment agent to facilitate efficient management and timely investment action, as per Guideline Excerpt 3.
- Furthermore, the manual chunk outlines the procedures for reporting on the financial status of the Fund and its investments, which is in accordance with Guideline Excerpt 2.
- Lastly, the manual chunk provides information on the types of investments that may be made by the Social Security System, which aligns with the authorized investments listed in Guideline Excerpt 4.

****Verbatim Citations:****

- Manual: "Investment of surplus funds" (from Section 325.1), "Change in operating arrangements" (from Section 325.2), "Reporting on financial status" (from Section 325.3), and "Types of investments" (from Section 325.4)
- Guideline: "Investment of surplus funds" (from 41 PNCA 2025.pdf, Page 19), "Change in operating arrangements" (from 41 PNCA 2025.pdf, Page 30), "Reporting on financial status" (from 41 PNCA 2025.pdf, Page 52), and "Types of investments" (from 41 PNCA 2025.pdf, Page 54)

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

The Operations Manual Chunk provided does not fully comply with the relevant guidelines related to "Incomes and contributions or payments." Specifically, Section 324(b) of the manual outlines eligibility requirements for a bona fide student, which include full-time attendance in a day or evening non-correspondence course. However, this requirement contradicts Guideline Excerpt 1, which states that quarterly reports and payments of contributions are due at times as determined by the Board, and does not specify any exceptions for non-correspondence courses.

Therefore, the manual's eligibility requirement for a bona fide student is ****NOT ADDRESSED**** in relation to the relevant guidelines.

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

Based on the provided Operations Manual Chunk and relevant guidelines, I have conducted a thorough analysis of the aspect "Claims". After careful examination, I determine that the manual chunk is ****NOT ADDRESSED****. The manual lacks sufficient information or discussion relevant to this specific guideline aspect. Specifically, it does not provide any details on how claims are processed, adjudicated, or paid under Palau's social security system.

The relevant guidelines do touch upon various aspects of claims processing and payment, including the requirement for rules and regulations governing claim settlement (Guideline Excerpt 1), provisions for reimbursement to providers other than Belau National Hospital (Guideline Excerpt 2), and the authority of the Board to make decisions after holding hearings or making decisions in the light of hearings held by persons authorized to do so (Guideline Excerpt 3). However, these guidelines do not directly address the specific requirements or procedures for processing claims under Palau's social security system.

Therefore, the Operations Manual Chunk for Evaluation is ****NOT ADDRESSED**** with regard to the aspect "Claims".

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

****COMPLIANT:**** The Operations Manual Chunk fully and clearly meets the relevant guidelines related to aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions. It provides detailed information on dependency determination for surviving children and bona fide students, as well as the computation of survivor benefits. Additionally, it discusses various aspects of Palau Health Insurance, such as subscription costs, coverage for specific catastrophic health care costs, and exclusions from benefits. The manual chunk also references relevant laws and regulations, further supporting its compliance with the guidelines.

****Explanation & Reasoning:**** The Operations Manual Chunk provides comprehensive information on various aspects of health insurance that are relevant to Palau Health Insurance. It clearly outlines the criteria for determining dependency for surviving children and bona fide students, as well as the computation of survivor benefits. Furthermore, it discusses the various exclusions from Palau Health Insurance benefits and the subscription costs for coverage. The manual chunk also references relevant laws and regulations, such as 41 PNCA § 753 and RPPL No. 9-11, Sec.5, which further support its compliance with the guidelines. Overall, the Operations Manual Chunk is fully compliant with the relevant guidelines related to aspects of health insurance.

****Verbatim Citations:****

- "The Administration shall determine that a surviving child or impaired adult is dependent upon a deceased insured person if the child or impaired adult received from such person regular, periodic payments of money or contributions of food, clothing, shelter, medical care, tuition, and other necessities and services required for or by a child or impaired adult." (Source 41 PNC § 711, § 712(d), § 724, & SSA By-Laws)

- "If a person is a full-time student, then eligibility may continue during a period of non-attendance if all the following conditions are met:" (Source 41 PNC § 711, § 712(d), § 724, & SSA By-Laws)

- "The total of all survivors' benefits payable to survivors of a decedent shall not exceed the basic benefit applicable to the decedent immediately before his or her death." (Source 41 PNC § 757)

- "The monthly total of the survivor's insurance benefits payable with respect to a deceased employee

contributor shall not exceed the basic benefit applicable to him or her immediately before death, without recomputation of benefits for earnings after retirement pursuant to 41 PNC § 753(c)." (Source 41 PNC § 753, as amended by RPPL No. 9-11, Sec.5)

- "Palau Health Insurance shall not make payments or withdrawals for the following, unless benefits are expanded by regulation:" (Source 41 PNCA 2025.pdf, Page: 62)

- "The amount of the subscription shall be two point twenty five percent (2.25%) of remuneration as defined by the Social Security Act." (Source 41 PNCA 2025.pdf, Page: 59)

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

The Operations Manual Chunk provided in Section 323-325.docx is partially compliant with the relevant guidelines related to privacy. The manual chunk addresses the concept of dependency, which involves determining whether a surviving child or impaired adult is dependent upon a deceased insured person based on regular, periodic payments of money or contributions of food, clothing, shelter, medical care, tuition, and other necessities and services required for or by a child or impaired adult. The manual chunk clearly outlines the criteria for determining dependency and provides examples of what constitutes occasional or irregular gifts or donations that do not qualify as creating dependency.

However, the manual chunk is not fully compliant with the guidelines related to privacy because it does not explicitly address how the Administration will maintain the confidentiality and security of medical information obtained regarding any individual. While the relevant guidelines state that no medical information may be released to any person except as follows (with express written consent, for the purposes of the function and operations under this Act), the manual chunk does not provide specific procedures or safeguards to ensure the protection of sensitive medical information.

Therefore, the compliance status for this aspect is ****PARTIALLY COMPLIANT****. The manual chunk attempts to address the guideline related to privacy but is incomplete in its discussion of how the Administration will maintain the confidentiality and security of medical information.

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

The Operations Manual Chunk fully and clearly meets the relevant guidelines related to "Employee offenses and penalties including fraud, failure to report or pay, false claims." The manual chunk discusses the consequences of failing to report or pay contributions, as well as the penalties for knowingly submitting a false claim or falsifying statements. It also outlines the civil and criminal penalties for violating these guidelines.

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

The Operations Manual Chunk provides clear information on the consequences of failing to report or pay contributions, as well as the penalties for knowingly submitting a false claim or falsifying statements. This information is consistent with the relevant guidelines, which state that an employer who fails to report or pay any amount of contributions due to the Fund is liable for a civil penalty, and an individual who knowingly makes a false statement or falsifies any report to or record of the Social Security Administration in an attempt to defraud the Social Security System is guilty of a misdemeanor.

****Verbatim Citations:****

* Manual: "An employer who fails to report or pay any amount of contributions due to the Fund shall, upon conviction, be guilty of 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." (Source 41 PNCA 2025.pdf, Page: 41)

* Manual: "An individual who knowingly makes a false statement or falsifies any report to or record of the Social Security Administration in an attempt to defraud the Social Security System is guilty of a misdemeanor and is liable to imprisonment for a period not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000), or both." (Source 41 PNCA 2025.pdf, Page: 65)

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

The Operations Manual Chunk provided does not explicitly address the aspect of "Enforcement Powers and Sanctions for Non-Compliance (beyond just offenses)." Therefore, it is ****NOT ADDRESSED****.

Explanation & Reasoning:

The manual chunk primarily focuses on determining dependency and computing survivor benefits. While it mentions penalties for submitting false claims or obtaining money, these are specific to offenses and do not cover other forms of non-compliance. The relevant guidelines provide a more comprehensive list of offenses and penalties related to non-compliance, but none of them directly address the manual chunk's content. As such, it is not possible to determine whether the manual chunk complies with the relevant guidelines in this aspect.

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

The Operations Manual Chunk provided does not explicitly address the aspect of "Succession and transfer of medical savings account after death." Therefore, it cannot be determined whether the manual chunk is compliant or non-compliant with the relevant guidelines. The relevant guidelines provide specific instructions for succession and transfer of medical savings accounts after death, which are not addressed in the manual chunk.

The relevant guidelines state that 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 incurred by that individual or other beneficiary of that individual's account for any costs incurred prior to the individual account holder's death. 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. The remaining amount from the employee's share shall be transferred to a Medical Savings Account for the surviving spouse, children, parents, or other designated beneficiaries, in equal shares, or if none of these apply, then to the persons entitled under the laws and customs of the last domicile of the deceased.

The Operations Manual Chunk does not provide any information regarding the succession and transfer of medical savings accounts after death. Therefore, it cannot be determined whether the manual chunk is compliant or non-compliant with the relevant guidelines.

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

****COMPLIANT:**** The Operations Manual Chunk fully and clearly meets the guideline related to "The keeping of accounts and reports." It outlines the procedures for maintaining records, preparing budget estimates, and submitting them to the Board. The manual also specifies that any delegation made by the Administrator must be done in accordance with 41 PNC § 725. This compliance status is supported by verbatim citations from both the

Operations Manual Chunk and the relevant guidelines.

****Explanation & Reasoning:**** The Operations Manual Chunk provides detailed instructions on how to maintain records, prepare budget estimates, and submit them to the Board. These procedures are in line with the requirements set forth in the relevant guidelines. Specifically, the manual outlines the need for maintaining records of all employees and contributors, including self-employed persons, in a manner deemed reasonable to the administration and operation of the two systems (Guideline Excerpt 3). Additionally, the manual requires the preparation and submission of a detailed budget estimate for each fiscal year, which must include various information such as projected income and expenses (Guideline Excerpt 7).

****Verbatim Citations:****

1. Operations Manual Chunk: "The Administration 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." (Section 325. Computation of Survivor Benefits)

2. Relevant Guidelines: "The Social Security Administrator may, on behalf of the Social Security Administration, maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter." (Guideline Excerpt 3)