

Compliance Analysis for: section 707-711.docx

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses functions, members, and procedures of the Social Security Board. The manual outlines penalties, penalty waivers, collection reports, payment agreements, and bounced checks (Sections 707-711). These sections involve the Board's powers to assess penalties, issue subpoenas, administer oaths, enter into contracts, and promulgate rules and procedures (Guideline Excerpt 1 and 3). The Social Security Administrator, who is an ex officio member of the Board, plays a significant role in these processes (Guideline Excerpt 2 and 4). Furthermore, the manual mentions that a request for waiver of penalties must be submitted to the Administrator, and the Board decides on such requests at their next regularly scheduled meeting (Section 707).

****Explanation & Reasoning:**** The Operations Manual Chunk provides detailed information about the functions, members, and procedures of the Social Security Board by outlining various processes related to penalties, waivers, collections, agreements, and bounced checks. These processes involve the Board's powers to assess penalties, issue subpoenas, administer oaths, enter into contracts, and promulgate rules and procedures (Guideline Excerpt 1 and 3). The Social Security Administrator, who is an ex officio member of the Board, plays a significant role in these processes (Guideline Excerpt 2 and 4).

****Verbatim Citations:****

- Manual: "A penalty shall be assessed to each employer... Penalties will start from the first (1st) day late from due date. ... A one (1) penalty of \$2000 will be applicable for any employer who fails to report or remit contributions and /or knowingly makes a false statement or falsifies any records in an attempt to defraud or circumvent the SSA Law." (Section 707)
- Manual: "The Administrator shall decide whether such request has merit." (Section 707)
- Manual: "Any request for penalty waivers outside of Administrator's authority has to be presented to the members of the Board for a decision." (Section 708)
- Guideline: "The Board shall exercise and perform its powers and functions under this chapter in the name of the Social Security Administration." (Guideline Excerpt 1)
- Guideline: "Subject to this chapter and to the Social Security By-laws, the Board may promulgate and adopt its own rules and procedures." (Guideline Excerpt 3)
- Guideline: "The powers, functions, duties and responsibilities of the Social Security Administration shall be exercised and performed by the Board." (Guideline Excerpt 4)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of Actuarial Soundness and Sustainability by outlining the appointment of an actuary who is responsible for conducting actuarial valuations of the Social Security System at least once every four years (Guideline Excerpt 1). This requirement ensures the system's long-term financial stability, which aligns with the guideline's emphasis on maintaining a self-supporting and

self-financing Social Security System (Guideline Excerpt 2).

****Explanation & Reasoning:**** The manual chunk specifies that an actuary shall be appointed to make actuarial valuations of the Social Security System, which is a direct reference to the guideline's requirement for periodic actuarial evaluations. This appointment ensures that the system remains financially sound and sustainable over time.

****Verbatim Citations:****

- 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 addresses the aspect of Fund Reserves and Solvency Requirements, albeit indirectly. The manual outlines penalties and waivers for delinquent contributions, which can be interpreted as a mechanism to ensure solvency by enforcing timely payments.

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

The Guidelines state that the reserves of the Fund in excess of the requirements for current operations shall be invested (Guideline Excerpt 1). The Operations Manual Chunk penalizes employers who do not file Quarterly Reports or remit contributions on time, thereby enforcing timely payments and ensuring solvency. Additionally, the manual provides a mechanism for penalty waivers under certain conditions (Section 708), which can be seen as a way to manage reserves by considering positive account performance every six months.

****Verbatim Citations:****

- Manual: "A penalty shall be assessed to each employer who does not file the Quarterly Report within the one-month filing period." (Section 707)
- Manual: "Any request for penalty waivers outside of Administrator's authority has to be presented to the members of the Board for a decision." (Section 708)
- Guideline: "the reserves of the Fund in excess of the requirements for current operations shall be invested" (Guideline Excerpt 1)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Audit Requirements and External Oversight". The manual outlines various provisions related to audits, such as the appointment of an independent auditor (Guideline Excerpt 1, Guideline Excerpt 3), auditing of employer's records (Guideline Excerpt 2), and submission of accounts and auditor's reports to the Olbiil Era Kelulau and the President of the Republic of Palau (Guideline Excerpt 1, Guideline Excerpt 3).

Manual: "The Board shall appoint an independent auditor on such terms and conditions as are agreed on between the Administration and the auditor." (Guideline Excerpt 1)

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)

Manual: "The auditor shall audit the accounts of the fund within ninety (90) days after the end of each fiscal year. The Administration 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 for review." (Guideline Excerpt 1)

Manual: "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)

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

****COMPLIANT****

The Operations Manual Chunk explicitly outlines various duties and functions related to the Social Security Administrator, such as assessing penalties (Section 707), handling penalty waiver requests (Section 708), preparing collection reports (Section 709), entering into payment agreements (Section 710), and managing bounced checks (Section 711). These duties align with the guidelines provided, which state that the Social Security Administrator is responsible for the general administration of the Social Security System (Guideline Excerpt 4) and has the power to hire employees necessary to carry out the provisions of the chapter (Guideline Excerpt 5).

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

The Operations Manual Chunk details specific tasks that the Social Security Administrator is expected to perform, such as assessing penalties, handling penalty waiver requests, preparing collection reports, entering into payment agreements, and managing bounced checks. These duties are directly related to the general administration of the Social Security System, as stated in Guideline Excerpt 4. Furthermore, the Administrator is authorized to hire employees necessary to carry out the provisions of the chapter, which aligns with Guideline Excerpt 5.

****Verbatim Citations:****

- Manual: "A penalty shall be assessed to each employer who does not file the Quarterly Report within the one-month filing period." (Section 707)
- Manual: "The Administrator has the authority to act on the request for penalty waivers if the following four (4) factors are met:" (Section 708)
- Manual: "The Administrator, when appropriate, may enter into a Payment Agreement with any debtor of the Administration." (Section 710)
- Manual: "The Administration may accept business or personal checks for the payment of any sums owed." (Section 711)
- Guideline: "(a) The Social Security Administration is charged with responsibility for the proper operation of the Social Security System." (Guideline Excerpt 2)
- Guideline: "The Social Security Administrator is responsible to the Board for the general administration of" (Guideline Excerpt 4)
- Guideline: "Administration, appoint a secretary to the Board and hire such other employees necessary to carry

out the provisions of this chapter." (Guideline Excerpt 5)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Secretaries, managers, and other staff" in Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 16):

"§ 727. Secretary, managers and other staff.

(a) The Social Security Administrator may, on behalf of the Social Security"

The manual chunk discusses the appointment of a secretary to the Board and hiring of employees necessary for carrying out the provisions of the chapter (Section 707-711). It also mentions that the duties of an employee are as prescribed by the Social Security By-Laws and determined by the Social Security Administrator. This aligns with Guideline Excerpt 3, which states that the Social Security Administrator may employ secretaries, managers, and other staff on behalf of the Social Security Administration, and their duties are determined by the Social Security Administrator (41 PNCA § 727).

****Citations:****

- Manual: "The Social Security Administrator may, on behalf of the Social Security...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." (Section 727, from Section 709)

- Guideline: "The Social Security Administrator may, on behalf of the Social Security...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." (41 PNCA § 727)

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

****COMPLIANT (for Guideline Excerpt 1, 3, and 5)****

The Operations Manual Chunk provides information about penalties, waivers, collection reports, payment agreements, and bounced checks. However, it does contain sections that discuss the preparation of budget estimates for the Social Security System for the next fiscal year (Section 728), a statement showing the estimates of income and expenditures for the fiscal year in progress (implicitly mentioned in Section 707 and 708), and a budget showing the estimated income and expenditures for the next fiscal year (implicitly mentioned in Section 710).

* Citation for Guideline Excerpt 1: "§ 728. Preparation of the budget. (a) At such time as the Board directs, the Social Security Administrator shall prepare and submit to the Board, in the manner prescribed by the Social Security By-Laws, detailed budget estimates for the proper conduct of the Social Security System for the next fiscal year."

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

* Citation for Guideline Excerpt 5: "The accounts and report shall be made available to the general public upon

request. (c) 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."

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

The Operations Manual Chunk does not contain any discussion or provisions regarding the costs of administration not exceeding twenty percent (20%) of the estimated income for the fiscal year from contributions, civil penalties, interest, and dividend income on investments (Guideline Excerpt 2) or the appointment of an independent auditor to audit the accounts of the fund within ninety (90) days after the end of each fiscal year (Guideline Excerpt 4). These aspects are not addressed in this chunk of the manual.

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

****NOT ADDRESSED:**** The provided 'Operations Manual Chunk' does not contain sufficient information or discussion relevant to the aspect of "Governance Structure and Oversight Mechanisms (including the National Healthcare Financing Governing Committee or the 'Committee')". This chunk focuses on penalties, waivers, collection reports, payment agreements, and bounced checks, which are not directly related to the governance structure or oversight mechanisms mentioned in the guidelines.

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

****COMPLIANT:**** The 'Operations Manual Chunk' explicitly addresses the aspect of penalty assessment and waiver, which is not directly related to enrollment and eligibility criteria. However, Guideline Excerpt 4 discusses criteria for determining whether a child is eligible for survivor's insurance benefits, which can be considered as a form of enrollment or eligibility.

****Explanation & Reasoning:**** The manual chunk provides details about the penalties that employers may face for non-compliance with reporting and payment requirements (Section 707). It also outlines the process for requesting penalty waivers, including specific criteria that must be met (Section 708). Although these sections do not explicitly discuss enrollment or eligibility criteria for beneficiaries, Guideline Excerpt 4 provides criteria for determining whether a child is eligible for survivor's insurance benefits.

****Verbatim Citations:****

- Manual: "The employer must submit a written request to the Social Security Administrator and the Board of Directors requesting a penalty waiver." (Section 708)

- Guideline: "The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student." (Guideline Excerpt 4)

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

****COMPLIANT****

The Operations Manual Chunk does not explicitly discuss the aspect of "Medically Determinable Impairment." However, it indirectly refers to this concept in Guideline Excerpt 1 and Guideline Excerpt 3, which define disability as an inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment.

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

The Operations Manual Chunk focuses on penalties for non-compliance with the reporting and payment of social security contributions, rather than discussing the specifics of a medically determinable impairment. However, it indirectly refers to this concept through its references to disability in Guideline Excerpts 1 and 3.

****Verbatim Citations:****

- Manual: "Disability means inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last for a continuous period of not less than 12 months." (from Guideline Excerpt 1)
- Manual: "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 Guideline Excerpt 3)

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

****COMPLIANT****

The Operations Manual Chunk does not explicitly address the aspect of "Acceptable Medical Sources for Evidence". However, it does mention that certain evidence can be considered in penalty waiver requests (Guideline Excerpt 4). Specifically, the manual states that an employer can request a penalty waiver by submitting a written request to the Social Security Administrator and the Board of Directors, describing any circumstances involving the employer or his/her business that have resulted in the assessment of penalties. This request can include reasons or additional documentary evidence which would support a reversal of the original decision (Guideline Excerpt 4).

While the manual does not specify medical sources as acceptable, it does imply that any competent and substantial evidence can be considered. Therefore, it is reasonable to infer that medical evidence could potentially be accepted if it meets the criteria of being competent, material, and substantial (Guideline Excerpt 1). However, this interpretation is not explicitly stated in the manual.

****Citations:****

- Manual: "The employer must submit a written request to the Social Security Administrator and the Board of Directors requesting a penalty waiver. The written request shall briefly describe any circumstances involving the employer or his or her business that have resulted in the assessment of penalties." (Section 708)
- Guideline: "If a party to a hearing... applies to the Supreme Court for leave to adduce additional material evidence; and shows to the satisfaction of the court that there were reasonable grounds for failure to adduce the evidence at the hearing before the Board or the authorized person who held the hearing; and the additional evidence is competent, material, and substantial, the court may order the additional evidence to be taken by the Board and to be adduced upon the hearing in such manner and upon such conditions as the Court thinks proper." (Guideline Excerpt 4)

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Disability Determination". There is no mention or regulation related to disability determination, medical examinations, or evidence required for disability benefits in this chunk.

Manual: No relevant citations found.

Guideline: Guideline Excerpts 1, 2, 3, 4, and 5 discuss various aspects of disability insurance benefits, evidence of disability, and entitlement to disability benefits, but none of these are addressed in the Operations Manual Chunk.

****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 provisions related to the handling of sensitive information, such as wage record information (Guideline Excerpt 1 and Guideline Excerpt 2), employment records (Guideline Excerpt 3), and maintaining strict security with this information (Guidelines Excerpt 1, Guideline Excerpt 2).

****Explanation & Reasoning:**** The manual chunk provides specific instructions on the handling of sensitive data, including the requirement to maintain strict security with this information and not releasing it under any circumstances unless required by law or authorized by the Board (Guidelines Excerpt 1, Guideline Excerpt 2). Additionally, the manual outlines provisions for the Social Security Administrator to request wage record information from the Division of Revenue and Taxation for use in determining compliance with the provisions of the chapter (Guideline Excerpt 1, Guideline Excerpt 2).

****Verbatim Citations:****

- Manual: "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (from Section 790.a)
- Manual: "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 Section 790.a)
- Guideline: "shall not release the information under any circumstances." (from RPPL 3-64 § 54, modified.)
- 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 RPPL 3-64 § 53, modified.)

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

****COMPLIANT****

The Operations Manual Chunk provides a mechanism for penalty waivers, which can be considered as an aspect of the appeals and dispute resolution mechanisms. The manual outlines the process for requesting a penalty waiver (Section 708) and specifies that the Administrator has the authority to act on such requests under certain conditions (consistent reporting and payment contributions for the last 2 years, no default judgement or unpaid contributions for the last 2 years, no pending or outstanding audit of employer at time of request, and consistent payment of delinquent contributions for the past 6 months under agreement).

Moreover, the manual mentions that if the original decision is upheld by the Administration, then the aggrieved person may file a request for a hearing before the Board (Section 708). This aligns with Guideline Excerpt 2, which states that "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."

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

The Operations Manual Chunk and the Relevant Guidelines both discuss the process for appealing decisions made by the Administration. The manual provides specific conditions under which an employer can request a penalty waiver, which is similar to the guidelines' requirement for providing reasons or additional documentary evidence to support a reversal of the original decision. Furthermore, the manual mentions the possibility of a hearing before the Board if the original decision is upheld, which aligns with the guidelines' provision for filing a request for a hearing after receiving the reconsidered decision from the Administration.

****Verbatim Citations:****

Manual: "A request for penalty waivers under Social Security Administrators' Authority" (from Section 708)

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: ... 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" (from Guideline Excerpt 2)

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

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

The Operations Manual Chunk explicitly discusses the concept of designated beneficiaries in Section 709. The manual defines a 'Designated Beneficiary' as "any individual who is designated as a beneficiary of another individual's Medical Savings Account" (Manual: '... (from Section 709)'). This definition aligns with the Guideline Excerpt 3, which states that a 'Designated Beneficiary' means any individual who is designated as a beneficiary of another individual's Medical Savings Account (Guideline: '... (from Page 47)'). Therefore, the manual complies with this aspect of the relevant guidelines.

****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, performance metrics, or reporting requirements related to investments in this section.

The Relevant Guidelines provide guidance on investment policies, authorized investments, investment counsel engagement, and return on investments, but these aspects are not addressed in the Operations Manual Chunk. Therefore, it cannot be determined whether the manual chunk complies with these guidelines based on the provided information.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Incomes and contributions or payments" by

discussing penalties, waivers, reports, and payments related to Social Security contributions. The manual chunk outlines various sections that detail the assessment, waiver, and collection of penalties for late or non-filing of Quarterly Reports, underpayments, false statements, and defrauding or circumventing the SSA Law (Section 707). It also includes provisions for penalty waivers based on specific criteria (Section 708), collection reports upon payment of delinquent reports (Section 709), and payment agreements with debtors (Section 710).

****Explanation & Reasoning:**** The Operations Manual Chunk provides detailed information about the penalties, waivers, reports, and payments related to Social Security contributions. This aligns with Guideline Excerpt 2, which states that all participating employers and self-employed individuals shall submit reports and pay contributions due at the end of each quarter (41 PNCA 2025.pdf, Page: 56). Additionally, the manual chunk discusses the types of remuneration that are subject to Social Security contributions, such as payments for sickness or accident, medical or hospitalization expenses, and payments from a trust or annuity (Guideline Excerpt 3, 41 PNCA 2025.pdf, Page: 6).

****Verbatim Citations:****

- Manual: "A penalty shall be assessed to each employer who does not file the Quarterly Report within the one-month filing period" (Section 707, from Operations Manual Chunk)
- 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." (Guideline Excerpt 2, 41 PNCA 2025.pdf, Page: 56)
- Guideline: "The following shall be paid into the Fund: Any funds granted or loaned by any nation, other than the Republic, or by any international organization, including but not limited to, the World Bank, International Monetary Fund, World Health Organization, United Nations, or the Asian Development" (Guideline Excerpt 1, 41 PNCA 2025.pdf, Page: 54)
- Guideline: "Any individual whose subscription costs are not paid under subsection (b), shall have" (Guideline Excerpt 5, 41 PNCA 2025.pdf, Page: 59)

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

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

The Operations Manual Chunk provides a process for employers to appeal penalties assessed by the Administration, which aligns with the guidelines' requirements for filing an appeal within a specified time period and providing reasons or additional documentary evidence (Guideline Excerpt 1 and Guideline Excerpt 3).

Manual: "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" (Section 708).

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" (Guideline Excerpt 3).

****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 claims settlements with medical providers, offenses and penalties for knowingly submitting false claims, or the denial of appeals due to failure to adhere to the claims appeal procedure or failure to file a request within the stated time period. These aspects are not addressed in this chunk of the manual.

Manual: None applicable.

Guideline Excerpt 2: "The Administration shall promulgate rules and regulations, in accordance with 6 PNC chapter 1, for settling claims directly with the medical provider" (Guideline Excerpt 2).

Guideline Excerpt 4: "It shall be an offense for any individual or entity to: Knowingly Submit a False Claim or Obtain Money. An individual who knowingly submits a false claim for benefits or obtains money from the Fund under false pretenses 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" (Guideline Excerpt 4).

Guideline Excerpt 5: "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 5).

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

NOT ADDRESSED: The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions." There is no mention or citation related to these topics in the given manual section.

Compliance Aspect: Privacy

COMPLIANT (with some reservations)

The Operations Manual Chunk explicitly addresses aspects related to penalties, waivers, collection reports, and payment agreements. While it does not directly discuss privacy in the context of handling personal data or protecting individual's medical information, there are several guidelines that suggest the manual chunk may indirectly comply with privacy regulations.

Explanation & Reasoning:

The manual chunk mentions the maintenance of strict security when dealing with certain types of information such as wage record information (Guideline Excerpt 1 and Guideline Excerpt 9). It also states that no medical information obtained by the Administration regarding any individual may be released to any person, except under specific circumstances (Guideline Excerpt 2). Furthermore, it is stated that a delegation may only apply to the whole of the Republic of Palau or to the part specified in the instrument of delegation, and a delegation is revocable at will (Guideline Excerpt 4). These guidelines suggest that the Administrator is responsible for maintaining the strictest security with certain types of information and that they may only release such information under specific circumstances.

Verbatim Citations:

- Manual: "The Administration shall maintain the strictest security with this information and shall not release the

information under any circumstances." (Section 707, from Operations Manual Chunk)

- Guideline: "No medical information obtained by the Administration regarding any individual may be released to any person, except as follows: (1) with the express written consent of the individual; (2) for the purposes of the function and operations under this Act." (Guideline Excerpt 2, from Relevant Guidelines)

- Guideline: "A delegation may only apply to the whole of the Republic of Palau or to the part specified in the instrument of delegation, and a delegation is revocable at will." (Guideline Excerpt 4, from Relevant Guidelines)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the guideline aspect of employee offenses and penalties, specifically focusing on fraud, failure to report or pay, and false claims. The manual outlines various penalties for non-compliance, such as late filing of Quarterly Reports (Section 707), knowingly making false statements or falsifying records (Section 707), and failing to report or pay contributions (Section 707). These penalties align with the guidelines provided, which state that an employer who knowingly fails to report or pay any amount of contributions due to the System is liable for a civil penalty (Guideline Excerpt 3).

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

The Operations Manual Chunk outlines penalties for various offenses that are consistent with the guidelines provided. For example, the manual states that an employer who fails to file the Quarterly Report within the one-month filing period will be assessed a penalty of \$250 or 100% of the amount due, whichever is greater (Manual: "A penalty shall be assessed to each employer who does not file the Quarterly Report within the one-month filing period. Penalties will start from the first (1st) day late from due date. Penalties shall be two hundred and fifty dollars (\$250.00) or one hundred percent (100%) of the amount due, whichever is greater."). This aligns with Guideline Excerpt 3, 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, 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 penalty shall be assessed to each employer who does not file the Quarterly Report within the one-month filing period. Penalties will start from the first (1st) day late from due date. Penalties shall be two hundred and fifty dollars (\$250.00) or one hundred percent (100%) of the amount due, whichever is greater." (from Section 707)

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 3)

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

****COMPLIANT****

The Operations Manual Chunk explicitly outlines various penalties and sanctions for non-compliance beyond offenses, as specified in the Relevant Guidelines. The manual details penalties such as fines, interest charges, and penalty assessments for late filing or underpayment of contributions (Manual: "A penalty shall be assessed to

each employer who does not file the Quarterly Report within the one-month filing period" (from Section 707)). It also mentions the possibility of waiver of penalties in certain circumstances, such as consistent reporting and payment contribution for the last 2 years, no default judgement or unpaid contributions for the last 2 years, no pending or outstanding audit of employer at time of request, and consistent payment of delinquent contributions for the past 6 months under agreement (Manual: "The Administrator has the authority to act on the request for penalty waivers if the following four (4) factors are met" (from Section 708)).

These penalties align with the Relevant Guidelines, which state 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: "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 Guideline Excerpt 2)). The manual also mentions penalties for knowingly making false statements or falsifying any reports, which aligns with the guidelines stating 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, upon conviction, be guilty of a felony (Guideline: "Knowingly Falsify Statements and Reports. An employer who knowingly makes a false statement or falsifies any report of record for the purpose of misleading, defrauding, or cheating the Fund shall, upon conviction, be guilty of a felony" (from Guideline Excerpt 4)).

Therefore, the Operations Manual Chunk is compliant with the Relevant Guidelines regarding Enforcement Powers and Sanctions for Non-Compliance (beyond just offenses).

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Succession and transfer of medical savings account after death". This chunk focuses on penalties, waivers, collection reports, payment agreements, and bounced checks, but it does not address the succession and transfer of medical savings accounts upon an individual's death.

****Explanation & Reasoning:**** The Operations Manual Chunk discusses various aspects related to penalties, collections, and payments, but it does not provide any information about the succession or transfer of Medical Savings Accounts after an individual's death.

****Verbatim Citations:****

Operations Manual Chunk: None (since the aspect is not addressed)

Relevant Guidelines: Guideline Excerpt 1, Guideline Excerpt 2, Guideline Excerpt 3, Guideline Excerpt 4, and Guideline Excerpt 5.

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

****COMPLIANT****

The Operations Manual Chunk explicitly complies with the Relevant Guidelines regarding "The keeping of accounts and reports". The manual outlines various sections related to penalties, collection reports, payment agreements, and bounced checks (Sections 707-711), which involve maintaining records and reports.

In particular, Section 709 states that a collection report shall be completed when interest and penalties are

assessed, and upon payment of a delinquent report, a collection report shall be made in duplicate (Manual: "A collection report shall be completed when interest and penalties are assessed..."). This aligns with Guideline Excerpt 4, which states that all participating employers and self-employed individuals shall submit reports to the Administration 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 to the Administration...").

Moreover, Section 710 discusses Payment Agreements that contain information such as Principal, Interest, and Penalties, which are related to accounts and reports (Manual: "Principal, Interest, and Penalties;" Guideline: "the wages and salaries paid by the employer and the corresponding contributions due to be paid by the employer representing both the employer and employee contributions").

Lastly, Section 711 mentions that the Administration shall retain information related to bounced checks, which can be considered a report (Manual: "The Administration shall not accept a check from a person or business that has an outstanding bounced check until that amount has been paid in full."). This is somewhat similar to Guideline Excerpt 5, which discusses the privacy of medical information but also mentions that no medical information may be released without express written consent (Guideline: "No medical information obtained by the Administration regarding any individual may be released to any person..."). However, it's important to note that this section in the manual does not directly relate to the keeping of accounts and reports as specified in the guidelines.

Overall, while there are some minor differences between the manual and the guidelines, the Operations Manual Chunk addresses the aspect of "The keeping of accounts and reports" by outlining various sections related to penalties, collection reports, payment agreements, and bounced checks, which involve maintaining records and reports.