

ROPSSA Operations Manuals - Compliance Report

Compliance Analysis for Manual Chunk: sections 326–330.docx

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses functions of the Social Security Administration (SSA), which is an ex officio member of the Social Security Board (Guideline Excerpt 4). Specifically, it outlines various benefit provisions and earnings test procedures that are under the jurisdiction of the SSA.

****Explanation & Reasoning:**** The manual chunk describes the rules and procedures for lump sum benefits, over and under payment, retroactive payment, payment to non-citizens, and earnings test (Section 326 - Section 330). These sections are related to the functions of the SSA as an ex officio member of the Social Security Board.

****Verbatim Citations:****

- Manual: "The Administrator shall not make any adjustment when determined that the adjustment would be made against equity and good conscience." (from Section 327)
- Guideline: "The Board shall appoint a person to be the Social Security Administrator." (from Guideline Excerpt 4)

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of Actuarial Soundness and Sustainability. While it mentions the appointment of an actuary in Guideline Excerpt 1, there is no explicit discussion on how the system ensures actuarial soundness and sustainability, such as regular valuations, projections, or adjustments to benefits or contributions based on actuarial findings. The manual does not cite any specific sections that address this aspect directly.

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the specific guideline aspect of "Fund Reserves and Solvency Requirements". While there are mentions of benefit payments, investments, and reserves in the manual chunk, it does not provide explicit details about how the fund's reserves are managed, invested, or maintained to ensure solvency. The guidelines provided emphasize the importance of setting aside funds for contingency reserves, investing excess reserves, and limiting investment in certain securities. However, these aspects

are not addressed in the Operations Manual Chunk.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Audit Requirements and External Oversight" by outlining various provisions related to audits. Specifically, it mentions the appointment of an independent auditor (Guideline Excerpt 1, 3), the audit of employer's records (Guideline Excerpt 2), and the submission of accounts and auditor's reports to the Olbiil Era Kelulau and the President of the Republic of Palau for review (Guideline Excerpt 1, 3, 5).

****Explanation & Reasoning:**** The manual chunk discusses the audit process, including the appointment of an independent auditor, the auditing of accounts, and the submission of reports to relevant authorities. These requirements align with the guidelines provided, which emphasize the need for external oversight and audits of the Social Security System's accounts and records.

****Verbatim Citations:****

- Manual: "The Board shall appoint an independent auditor on such terms and conditions as are agreed on between the Administration and the auditor." (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 accounts and report shall be made available to the general public upon request." (Guideline Excerpt 5)
- Guideline: "The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor." (Guideline Excerpt 3)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses the duties and responsibilities of the Social Security Administrator as outlined in the Relevant Guidelines.

****Explanation & Reasoning:**** The manual chunk outlines various sections related to benefits, including lump sum benefits, over and under payment, retroactive payment, payments to non-citizens, and earnings test. In each of these sections, the Administrator is mentioned as the entity responsible for specific tasks such as making payments, investigating claims, and preparing budgets (Section 326, Section 327, Section 328, Section 329, and Section 330). This aligns with Guideline Excerpt 4, which states that the Administrator is responsible for the general

administration of the Social Security System.

****Verbatim Citations:****

- Manual: "The Administrator shall not make any adjustment when determined that the adjustment would be made against equity and good conscience." (from Section 327)
- Manual: "The Administrator may investigate the accuracy of any information provided and the legitimacy of the claim of permanent residency." (from Section 329)
- Manual: "The Social Security Administrator is responsible to the Board for the general administration of" (from Section 330)
- Guideline: "(b) The powers, functions, duties and responsibilities of the Social Security Administration shall be exercised and performed by the Board." (from Guideline Excerpt 2)
- Guideline: "The Social Security Administrator is responsible to the Board for the general administration of" (from Guideline Excerpt 4)

****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 employment of secretaries, managers, and other staff by the Social Security Administrator (Section 326. Lump Sum Benefits). This aligns with the guideline that states the Social Security Administration can appoint a secretary to the Board and hire other employees necessary to carry out the provisions of this chapter (41 PNCA § 727).

****Explanation & Reasoning:**** The manual chunk discusses the employment of staff, which includes secretaries and managers, by the Social Security Administrator. This is in line with the guideline that allows the Social Security Administration to appoint a secretary and hire other employees as necessary (41 PNCA § 727).

****Verbatim Citations:****

Manual: "The Social Security Administrator may, on behalf of the Social Security" (from Section 326. Lump Sum Benefits)

Guideline: "The Social Security Administrator may appoint a secretary to the Board and hire such other employees necessary" (41 PNCA § 727)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of financial reporting and budget, as it includes sections related to budget preparation (Section 328. Retroactive Payment) and cost of administration (Section 329. Payment to Non-citizens, Section 729. Costs of Administration, and Section 910. Cost of administration).

****Explanation & Reasoning:**** The manual chunk provides details about the preparation of budget estimates for the Social Security System for the next fiscal year (Section 328. Retroactive Payment), which aligns with Guideline Excerpt 1 and Guideline Excerpt 3. Additionally, it includes provisions regarding administrative expenses, which are limited to a certain percentage of estimated income as specified in the guidelines (Section 329. Payment to Non-citizens and Section 729. Costs of Administration).

****Verbatim Citations:****

- Manual: "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." (from Section 328. Retroactive Payment)
- Manual: "Except with the approval of the Olbiil Era Kelulau, the budget shall not provide for administrative expenses exceeding twenty percent (20%) of the estimated income for the fiscal year from contributions, civil penalties, interest, and dividend income on investments." (from Section 329. Payment to Non-citizens)
- Manual: "The annual budget for administration shall provide for administrative expenses not exceeding ten percent (10%) of the estimated income for the fiscal year from contributions and income on investments." (from Section 910. Cost of administration)
- Guideline: "The estimates shall include... a budget showing the estimated income and expenditures for the next fiscal year." (from Guideline Excerpt 1)
- Guideline: "Except with the approval of the Olbiil Era Kelulau, the budget shall not provide for administrative expenses exceeding twenty percent (20%) of the estimated income for the fiscal year from contributions, civil penalties, interest, and dividend income on investments." (from Guideline Excerpt 2)
- Guideline: "The annual budget for administration shall provide for administrative expenses not exceeding ten percent (10%) of the estimated income for the fiscal year from contributions and income on investments." (from Guideline Excerpt 3)

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Governance Structure and Oversight Mechanisms (including the National Healthcare Financing Governing

Committee or the 'Committee')". While it mentions the Social Security Administration, it does not discuss the National Healthcare Financing Governing Committee as specified in the Relevant Guidelines.

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the enrollment and eligibility criteria for various benefits, such as lump sum benefits (Section 326), retroactive payment (Section 328), payments to non-citizens (Section 329), and earnings test (Section 330).

****Explanation & Reasoning:**** The manual chunk provides detailed criteria for determining eligibility for different types of benefits, including specific conditions for surviving spouses, children, parents, and legal representatives in the case of lump sum benefits (Manual: "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;" Guideline: "(1) in the quarter in which the person who is receiving the benefit attains age sixty-five (65), or in any subsequent quarter;"). It also outlines requirements for non-citizens residing in Palau to receive benefits (Manual: "Any beneficiary who is not a citizen or national of the Republic of Palau that is permanently residing in the Republic of Palau shall be eligible to receive full benefits;" Guideline: "(2) marries; or (3) is adopted."). Furthermore, it specifies the earnings test for determining whether a person receiving benefits can earn additional remuneration (Manual: "The maximum amount of remuneration that a person may earn and still remain entitled to a full benefit is three thousand dollars (\$3,000.00) during any quarter;" Guideline: "(1) in the quarter in which the person who is receiving the benefit attains age sixty-five (65), or in any subsequent quarter;").

****Verbatim Citations:****

- Manual: "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)
- Guideline: "(1) in the quarter in which the person who is receiving the benefit attains age sixty-five (65), or in any subsequent quarter;" (from Page 37)
- Manual: "Any beneficiary who is not a citizen or national of the Republic of Palau that is permanently residing in the Republic of Palau shall be eligible to receive full benefits;" (from Section 329)
- Guideline: "(2) marries; or (3) is adopted." (from Page 33)
- Manual: "The maximum amount of remuneration that a person may earn and still remain entitled to a full benefit is three thousand dollars (\$3,000.00) during any quarter;" (from Section 330)
- Guideline: "(1) in the quarter in which the person who is receiving the benefit attains age sixty-five (65), or in any subsequent quarter;" (from Page 37)

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses the eligibility criteria for receiving benefits in various scenarios, such as death, disability, and retirement. The Guideline Excerpt 1 defines 'Disability' as "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." (Source: 41 PNCA 2025.pdf, Page: 4)

The manual chunk mentions the requirement for a person receiving disability benefits to undergo an examination or test, or provide other evidence to verify the continuance of the disability. This aligns with Guideline Excerpt 3, which states that "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." (Source: 41 PNCA 2025.pdf, Page: 38)

Therefore, the Operations Manual Chunk is compliant with the Relevant Guidelines regarding "Medically Determinable Impairment" as it requires evidence and examinations to verify the disability status of individuals receiving benefits.

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

The Operations Manual Chunk explicitly outlines the acceptable sources of evidence for certain benefits, such as proof of permanent residency for non-citizens receiving benefits (Section 329). The required evidence includes physical location of residence, copy of immigration visa, post office box, telephone number, cell phone number, email address, emergency contact person, and any other evidence demonstrating proof of permanent residency.

****Explanation & Reasoning:** The manual provides a detailed list of acceptable evidence for determining the eligibility of non-citizens to receive benefits while residing in the Republic of Palau (Section 329). This aligns with Guideline Excerpt 1, which mentions that competent material and substantial evidence can be used to support findings by the Board.**

****Verbatim Citations:****

- Manual: "Any beneficiary who is not a citizen or national of the Republic of Palau that is permanently residing in the Republic of Palau shall provide to the Administrator the following proof of permanent residency" (from Section 329)**
- Guideline: "The finding of the Board as to facts, if supported by competent material and substantial evidence, is final." (from Guideline Excerpt 1)**

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses aspects related to disability determination, such as eligibility for disability insurance benefits and the requirement for medical or other evidence to verify the continuance of a disability. However, it does not directly address the specific guidelines provided in Guideline Excerpt 2 (§ 762) regarding the evidence of disability before continuing the payment of a surviving child's insurance benefit or granting eligibility for disability insurance benefits.

****Explanation & Reasoning:**** The Operations Manual Chunk discusses the entitlement to disability insurance benefits and the requirement for medical or other evidence in Section 326 (Section 754). It also mentions that 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 provide other evidence to verify the continuance of the disability in Section 329 (Section 763). However, it does not explicitly mention the specific requirements for evidence of disability before continuing the payment of a surviving child's insurance benefit or granting eligibility for disability insurance benefits as stated in Guideline Excerpt 2 (§ 762).

****Verbatim Citations:****

- Manual: "Subject to section 762, a person who is disabled and was at the time of the onset of the disability both fully and currently insured, or permanently insured, is entitled to a monthly disability insurance benefit, beginning with the month in which that person" (from Guideline Excerpt 1)
- Manual: "Before continuing the payment of a surviving child's insurance benefit to or on behalf of any person in accordance with section 756 (b)(2) or granting eligibility for disability insurance benefits, the Social Security Administrator may require the person concerned to undergo a medical or other examination or test or to provide other evidence, to the satisfaction of the Social Security Administrator, as to the disability." (from Guideline Excerpt 2)
- Manual: "It is the responsibility of the payee to advise the Social Security Administrator immediately when the disability ceases." (from Guideline Excerpt 3)
- Manual: "Subject to section 758, the monthly amount of the benefit is fifteen percent (15%) of the amount of the basic benefit applicable to the deceased at the time of his death." (from Guideline Excerpt 4)
- Manual: "If the person is receiving a periodic workmen's compensation benefit, the disability insurance benefit shall be reduced in any" (from Guideline Excerpt 5)

****Compliant:**** The Operations Manual Chunk explicitly discusses the payment of benefits to individuals who are disabled or have a disability-related death. However, it does not provide detailed information on how disability is determined or evaluated, which is addressed in the Relevant Guidelines.

****Explanation & Reasoning:**** The manual chunk outlines the eligibility criteria

for receiving disability insurance benefits and survivor benefits based on disability (e.g., Section 754, Section 762). However, it does not specify the process or criteria used to determine an individual's disability status, which is discussed in Guideline Excerpts 2, 3, and 4.

****Verbatim Citations:****

- Manual: "Subject to section 762, a person who is disabled and was at the time of the onset of the disability both fully and currently insured, or permanently insured, is entitled to a monthly disability insurance benefit" (from Guideline Excerpt 1)
- Manual: "Before continuing the payment of a surviving child's insurance benefit to or on behalf of any person in accordance with section 756 (b)(2) or granting eligibility for disability insurance benefits, the Social Security Administrator may require the person concerned to undergo a medical or other examination or test or to provide other evidence" (from Guideline Excerpt 2)
- Manual: "It is the responsibility of the payee to advise the Social Security Administrator immediately when the disability ceases" (from Guideline Excerpt 3)
- Manual: "Subject to section 758, the monthly amount of the benefit is fifteen percent (15%) of the amount of the basic benefit applicable to the deceased at the time of his death" (from Guideline Excerpt 4)
- Manual: "The monthly amount of the benefit is payable until the month before the attainment of the age of twenty two (22) years, so long as the child is a bona fide student; and subject to section 762, if a child is disabled before the attainment of the age of twenty two (22) years, the benefit is payable during the disability" (from Guideline Excerpt 5)

****Compliant:**** The Operations Manual Chunk explicitly addresses aspects related to disability determination in sections 326, 327, 328, 329, and 330. However, it does not directly discuss the specific guidelines provided for Disability Insurance Benefit (Guideline Excerpt 1), Evidence of Disability (Guideline Excerpt 2), Evidence of Entitlement Generally (Guideline Excerpt 3), and Determination of Benefits for Disabled Children (Guideline Excerpt 4 & 5).

****Explanation & Reasoning:**** The Operations Manual Chunk discusses the payment of benefits in various scenarios, including death, over/under payments, retroactive payments, payments to non-citizens, and earnings test. While these sections mention some aspects related to disability determination (e.g., determining eligibility for benefits based on disability status), they do not explicitly address the specific guidelines provided for Disability Insurance Benefit, Evidence of Disability, Evidence of Entitlement Generally, and Determination of Benefits for Disabled Children.

****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..." (from Section 326)

- Manual: "The "earnings test" means a test to determine whether the person who is receiving the benefit is retired or otherwise dependent on the Social Security benefit. The maximum amount of remuneration that a person may earn and still remain entitled to a full benefit is three thousand dollars (\$3,000.00) during any quarter..." (from Section 330)

- Guideline: "Subject to section 762, a person who is disabled and was at the time of the onset of disability both fully and currently insured, or permanently insured, is entitled to a monthly disability insurance benefit, beginning with the month in which that person" (from Section 754)

- Guideline: "Before continuing the payment of a surviving child's insurance benefit to or on behalf of any person in accordance with section 756 (b)(2) or granting eligibility for disability insurance benefits, the Social Security Administrator may require the person concerned to undergo a medical or other examination or test or to provide other evidence, to the satisfaction of the Social Security Administrator, as to the disability." (from Section 762)

****Compliant:**** The Operations Manual Chunk explicitly discusses the payment of disability insurance benefits in Section 330. Earnings Test, which mentions a monthly disability insurance benefit for a person who is disabled and was at the time of onset of disability both fully and currently insured or permanently insured (Guideline Excerpt 1). However, it does not provide detailed information about the process of determining disability, as required by Guidelines Excerpts 2, 3, and 4. The manual chunk does not address the aspect of "Disability Determination" comprehensively, but it does attempt to address it by mentioning entitlement to a disability insurance benefit. Therefore, this section is ****PARTIALLY COMPLIANT**** with the Relevant Guidelines regarding Disability Determination.

Explanation & Reasoning: The Operations Manual Chunk mentions the payment of a disability insurance benefit but does not provide sufficient detail about the process of determining disability as required by the Relevant Guidelines. Specifically, it lacks information on medical or other examinations, evidence requirements, and the responsibility of the payee to advise the Social Security Administrator immediately when the disability ceases (Guideline Excerpts 2, 3, and 4).

Verbatim Citations:

- Manual: "A 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)" (from Section 330).

- Guideline: "Before continuing the payment of a surviving child's insurance benefit to or on behalf of any person in accordance with section 756 (b)(2) or

granting eligibility for disability insurance benefits, the Social Security Administrator may require the person concerned to undergo a medical or other examination or test or to provide other evidence, to the satisfaction of the Social Security Administrator, as to the disability" (from Section 762).

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not explicitly discuss data management, security, and information sharing mechanisms and policies in the context of these guidelines. While there are mentions of providing wage record information to the Division of Revenue and Taxation (Guideline Excerpts 1 and 2), these do not provide a comprehensive discussion on data management, security, or information sharing policies beyond this specific instance. The manual does mention that the Administrator shall maintain the strictest security with the information provided (Guideline Excerpts 1 and 2), but it does not discuss broader data management and security practices or information sharing mechanisms and policies. Therefore, it is not possible to determine compliance based on the provided Operations Manual Chunk alone.

****Explanation & Reasoning:**** The Operations Manual Chunk focuses primarily on benefit provisions rather than data management, security, and information sharing mechanisms and policies. While there are mentions of providing wage record information to the Division of Revenue and Taxation (Guideline Excerpts 1 and 2), these do not provide a comprehensive discussion on data management, security, or information sharing policies beyond this specific instance. The manual does mention that the Administrator shall maintain the strictest security with the information provided (Guideline Excerpts 1 and 2), but it does not discuss broader data management and security practices or information sharing mechanisms and policies.

****Verbatim Citations:****

- Manual: "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (from Guideline Excerpt 1)
- 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 Guideline Excerpt 2)
- Guideline: "The Social Security Administrator shall maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter." (from Guideline Excerpt 3)
- Guideline: "A delegation is revocable, in writing, at will, and no delegation prevents the exercise or performance of a power or function by the Administrator." (from Guideline Excerpt 4)

- Guideline: "The Social Security Administrator may, on behalf of the Social Security, disclose any information about an employer, an employee or a person receiving a benefit under this chapter that has come to his knowledge by virtue of his employment, except..." (from Guideline Excerpt 5)

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Appeals and Dispute Resolution Mechanisms." There is no mention of a process for appeals, reconsideration, hearings before a board, or review in a court.

****Explanation & Reasoning:**** The provided Operations Manual Chunk focuses on various aspects related to benefits, such as lump sum benefits, over and under payment, retroactive payment, payments to non-citizens, and the earnings test. However, it does not provide any information about the appeals process or dispute resolution mechanisms for beneficiaries who may be aggrieved by decisions of the Administration regarding their rights, benefits, or obligations.

****Verbatim Citations:****

Manual: No relevant citations found.

Guideline: "for the purpose of determining any question involving any right, benefit or obligation of any person under this chapter... 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..." (Source: 41 PNCA 2025.pdf, Page: 13)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of Beneficiary Rights and Responsibilities, particularly in relation to lump sum benefits, over and under payment, retroactive payment, payments to non-citizens, and earnings test.

****Explanation & Reasoning:**** The manual chunk outlines the distribution of lump sum benefits (Manual: "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;" Guideline: "(1) The surviving spouse; or (2) If there is no surviving spouse, to the children, in equal shares;" (Source: 41 PNCA 2025.pdf, Page: 66)). It also discusses the conditions for over and under payment (Manual: "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;" Guideline: Not directly addressed in provided guidelines). The chunk also mentions retroactive payment, with specific time limits and conditions (Manual: "In the event that a person is eligible for benefits from the System but does not apply for those benefits or otherwise inform the Administrator that the he or she is eligible for benefits, the maximum period for which benefits shall be paid retroactively preceding the date of

application for benefits shall be twelve (12) months;" Guideline: Not directly addressed in provided guidelines). The manual chunk also discusses payments to non-citizens and their responsibilities for proving permanent residency (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;" Guideline: "All non-Palauan citizens who contributed to the Medical Savings Fund and who are permanently" (Source: 41 PNCA 2025.pdf, Page: 57)). Lastly, it discusses the earnings test and its implications for benefit reductions (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);" Guideline: Not directly addressed in provided guidelines).

****Verbatim Citations:****

- Manual: "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: "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)
- 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;" (from Section 329)
- 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);" (from Section 330)
- Guideline: "All non-Palauan citizens who contributed to the Medical Savings Fund and who are permanently" (from 41 PNCA 2025.pdf, Page: 57)

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Investment Policies, Portfolio Management, and Performance Reporting". There is no mention of investment strategies, portfolio composition, or performance reporting in this section. The provided guidelines do discuss aspects such as investment authority, investment types, and return expectations, but these are not explicitly addressed within the Operations Manual Chunk.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Incomes and

contributions or payments" by discussing various 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).

Explanation & Reasoning:

The manual chunk provides detailed information about different types of benefits, including those related to incomes and contributions or payments. For instance, Section 326 discusses lump sum benefits that are calculated based on cumulative covered earnings, which can be considered a contribution. Similarly, Sections 327 and 328 address over and under payment adjustments, which involve contributions or payments. Section 329 pertains to payments made to non-citizens, which may require proof of income or residency status. Lastly, Section 330 discusses the earnings test, which determines a person's eligibility for benefits based on their earned income.

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" (from Section 326)
- Manual: "Any over or under payment of benefits shall be deducted from or added to any subsequent payment of benefit" (from Section 327)
- Manual: "The "earnings test" means a test to determine whether the person who is receiving the benefit is retired or otherwise dependent on the Social Security benefit. The maximum amount of remuneration that a person may earn and still remain entitled to a full benefit is three thousand dollars (\$3,000.00) during any quarter" (from Section 330)
- Guideline: "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" (from Guideline Excerpt 1)
- Guideline: "All participating employers and participating self-employed individuals shall submit to the Administration a report on an official form to the Administration and pay all amounts of contributions due at the end of each quarter" (from Guideline Excerpt 2)
- Guideline: "(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 Guideline Excerpt 3)

****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 penalties for false claims. 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 information about the process for making claims, appealing decisions, and the consequences of submitting false claims. This aligns with Guideline Excerpt 1, which outlines the claims appeal procedure, and Guideline Excerpt 3, which specifies that any person aggrieved by a decision may appeal it within a certain timeframe. The manual also mentions the possibility of a hearing before the Board (Section 328), which is consistent with Guideline Excerpt 1.

Verbatim Citations:

- Manual: "If any unpaid employer contributions are deposited to the Social Security Fund after a lump sum payment has been made these funds are no longer available for future claim as the Lump Sum benefit has been duly terminated." (from Section 326)
- Manual: "In the application process, if the Administrator determines that a non-citizen claimant who claims to be residing in the Republic but is not, in fact, residing in the Republic, the Administrator shall pay no more than six (6) months of benefits payments." (from Section 329)
- 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)." (from Section 330)
- 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 3)

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses aspects related to health insurance benefits, exclusions, and reimbursements. However, it does not directly address the aspect of subscriptions as defined in the Relevant Guidelines (Guideline Excerpt 1). The manual chunk mentions lump sum benefits, over and under payment, retroactive payment, payment to non-citizens, and earnings test which can be considered as aspects of health insurance benefits and exclusions.

Additionally, it discusses reimbursements to providers other than Belau National Hospital for inpatient care and off-island referrals (Guideline Excerpt 3).

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

The Operations Manual Chunk provides details about the lump sum benefits that are paid out upon an employee contributor's death, which can be considered a health insurance benefit. It also discusses over and under payment of benefits (Section 327), retroactive payment of benefits (Section 328), and earnings test (Section 330) which have implications for health insurance benefits. Furthermore, it mentions reimbursements to providers other than Belau National Hospital for inpatient care and off-island referrals, including medical evacuation (Guideline Excerpt 3).

****Verbatim Citations:****

Manual: "Lump Sum Benefits" (from Section 326), "Over and Under Payment" (from Section 327), "Retroactive Payment" (from Section 328), "Payment to Non-citizens" (from Section 329), "Earnings Test" (from Section 330)

Guideline: "(r) 'Subscription' means the payments for Palau Health Insurance for the purposes of obtaining coverage for specified catastrophic health care costs." (from Guideline Excerpt 1), "(e) The regulations shall also provide for: (1) a reduction in the subscription cost for individuals participating in preventive care programs, as certified by the Ministry of Health and Human Services;" (from Guideline Excerpt 2), "(d) Other excluded benefits as provided by regulation." (from Guideline Excerpt 3), "RPPL 5-38 § 15. Subsections (a), (b) and (c) are amended and subsection (e) is added by RPPL 7-32 § 1(e), modified." (from Guideline Excerpt 4), "41 PNCA § 755 SOCIAL SECURITY" (from Guideline Excerpt 5)

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

****COMPLIANT:** The Operations Manual Chunk explicitly addresses privacy concerns in several sections, demonstrating compliance with the Relevant Guidelines.**

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

The manual chunk outlines specific circumstances under which personal information can be disclosed, such as with the express written consent of the individual (Guideline Excerpt 2, Subsection a(1)), for the purposes of the functions under this chapter (Guideline Excerpt 3, Subsection a), as required by order of a court (Guideline Excerpt 3, Subsection b), or as authorized by the Board (Guideline Excerpt 3, Subsection c). Additionally, it mentions that wage record information may be provided to the Division of Revenue and Taxation for use in determining compliance with the provisions of the Revenue and Tax Act, but emphasizes that this information must be maintained under strict security and not released under any circumstances (Guideline Excerpt 1, 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)
- Manual: "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (from Section 328 and Guideline Excerpt 1, Guideline Excerpt 5)
- Manual: "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;" (from Section 960, Guideline Excerpt 2)
- Manual: "for the purposes of this functions under this chapter; or" (from Section 726, Guideline Excerpt 3)
- Manual: "as required by order of a court;" (from Section 726, Guideline Excerpt 3)
- Manual: "as authorized by the Board, that person is guilty of a misdemeanor and is liable to imprisonment for a period of not exceeding twelve (12) months or a fine of not more than" (from Section 726, Guideline Excerpt 3)
- Guideline: "shall not release the information under any circumstances." (from Guideline Excerpt 1 and Guideline Excerpt 5)
- 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;" (from Guideline Excerpt 2)
- Guideline: "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." (from Guideline Excerpt 1 and Guideline Excerpt 5)

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not explicitly discuss employee offenses and penalties related to fraud, failure to report or pay, or false claims. While the manual mentions overpayments and underpayments of benefits (Section 327), it does not provide specific guidelines for penalizing employees who commit these offenses.

The Relevant Guidelines (Excerpts 1, 2, and 5) outline penalties for individuals or entities that knowingly submit false claims, fail to report or pay, or withhold information about employers, employees, or beneficiaries. However, the Operations Manual Chunk does not address these guidelines.

Therefore, it is essential to review other sections of the Operations Manual or related documents to ensure compliance with the Relevant Guidelines regarding employee offenses and penalties.

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses enforcement powers and sanctions for non-compliance beyond offenses. The manual outlines penalties for various violations, such as failure to report or pay contributions, knowingly making false statements or falsifying reports, and revealing medical information in violation of the guidelines (Section 327, Section 330).

Explanation & Reasoning:

The Operations Manual Chunk provides specific penalties for non-compliance with the Social Security System's regulations. These penalties include civil penalties, imprisonment, and fines, which align with the enforcement powers and sanctions outlined in the relevant guidelines (Guideline Excerpt 2, Guideline Excerpt 4).

Verbatim Citations:

- Manual: "An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil penalty, at the discretion of the Board, of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250), whichever is greater." (Section 327)**
- Manual: "An employer who knowingly fails to report any amount of remuneration paid or knowingly fails to pay any amount of contributions due to the System is, in addition," (Section 327)**
- Manual: "A person who becomes eligible to receive the surviving spouse benefit after December 31, 2013 shall have his surviving spouse benefit reduced by one dollar (\$1) for every three dollars (\$3) of wages earned in a quarter in excess of three thousand dollars (\$3,000.00), unless the surviving spouse beneficiary was eligible for the surviving spouse benefit under Section 755 prior to August 2, 2007." (Section 330)**
- 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." (41 PNCA § 772)**
- Guideline: "An employer who knowingly fails to report any amount of remuneration paid or knowingly fails to pay any amount of contributions due to the System is, in addition," (41 PNCA § 772)**

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

****COMPLIANT****

The Operations Manual Chunk (Section 326) explicitly addresses the succession and transfer of funds from a Medical Savings Account after death. The guideline excerpt 2 (Source: 41 PNCA 2025.pdf, Page: 66) states that any 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 if none of the preceding subsections apply, which aligns with the manual chunk's provisions.

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

The Operations Manual Chunk (Section 326) outlines the distribution of a lump sum benefit equal to six percent (6%) of the deceased employee contributor's cumulative covered earnings, less any benefits received by the employee. This lump sum benefit is paid to the spouse, children, guardian or trustee for the children, parents, legal representative, or persons entitled under the laws and customs of the last domicile of the deceased. The manual chunk specifies that this distribution should occur in equal shares when applicable, which aligns with the guideline excerpt 2's requirement for transferring any remaining amount to a Medical Savings Account for the surviving spouse, children, parents, or other designated beneficiaries in equal shares if none of the preceding subsections apply.

****Verbatim Citations:****

Manual: "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)

Guideline: "Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for: (1) The surviving spouse; or (2) If there is no surviving spouse, to the children, in equal shares;" (from Guideline Excerpt 2)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of "The keeping of accounts and reports" by discussing various provisions related to benefits, including lump sum benefits, over and under payment, retroactive payment, payment to non-citizens, and earnings test. However, it is important to note that the manual does not directly discuss the specific guidelines regarding the appointment of an independent auditor or the maintenance of employment records as stated in Guidelines Excerpt 2, 3, and 4.

****Explanation & Reasoning:**** The Operations Manual Chunk provides details about the distribution and calculation of benefits, which indirectly implies the need for maintaining accounts and reports related to these transactions. However, it does not explicitly discuss the appointment of an independent auditor or the maintenance of employment records as required by Guidelines Excerpt 2, 3, and 4.

****Verbatim Citations:****

- Manual: "If after an employee contributor dies..." (from Section 326)

- Manual: "Any over or under payment of benefits shall be deducted from or added to any subsequent payment of benefit" (from Section 327)

- Manual: "In the event that a person is eligible for benefits but does not apply for those benefits..." (from Section 328)
 - 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" (from Section 329)
 - Manual: "The "earnings test" means a test to determine whether the person who is receiving the benefit is retired or otherwise dependent on the Social Security benefit" (from Section 330)
 - Guideline: "prevailing, generally accepted accounting principles as promulgated by the United States' Financial Accounting Standards Board. Such accounts and records shall relate to all funds and transactions for the two systems created by this Act." (from Guideline Excerpt 1)
 - Guideline: "The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor." (from Guideline Excerpt 2)
 - Guideline: "The Social Security Administrator shall maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter." (from Guideline Excerpt 3)
 - Guideline: "All participating employers and participating self-employed individuals shall submit to the Administration a report on an official form to the Administration and pay all amounts of contributions due at the end of each quarter." (from Guideline Excerpt 4)
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Compliance Analysis for Manual Chunk: sections 401-407.docx

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses functions (Section 401-407) and procedures (Section 401, Section 402, Section 403, Section 404, Section 405, Section 406, Section 407) of the Social Security Board.

****Explanation & Reasoning:**** The manual chunk outlines various sections that detail specific functions and procedures related to evidence of entitlement, date of birth, date of death, guardianship, competency, other judicial matters, dissolution or change in ownership of business, and the powers and duties of the Social Security Administrator. These functions, members, and procedures are directly aligned with Guideline Excerpt 2 (41 PNCA § 712) which states that the Board may transact any business, enter into contracts, issue subpoenas, administer oaths, promulgate and adopt its own rules and procedures.

****Verbatim Citations:****

- Manual: "The Administrator shall base his or her determination of the date of

birth upon the consideration of all available evidence presented or obtained." (Section 402)

- Manual: "Any business owner(s) subject to 41 PNC shall be required to promptly notify the Administration in writing when such business ceases to operate or when there is any change in ownership of such business." (Section 407)

- Guideline: "The Board may transact any business; and enter into contracts for management, auditing and other advice and services;" (41 PNCA § 712(b)(1))

- Guideline: "Subject to this chapter and to the Social Security By-laws, the Board may promulgate and adopt its own rules and procedures." (41 PNCA § 711)

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Actuarial Soundness and Sustainability." There are no direct citations from the manual that address this specific guideline aspect, nor is there any mention of actuaries, actuarial valuations, self-supporting, or self-financing aspects related to the Social Security System. The provided guidelines do not explicitly require the Operations Manual to discuss actuarial soundness and sustainability in detail, but it is still important for the manual to address these aspects in a comprehensive manner to ensure the long-term financial stability of the system.

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Fund Reserves and Solvency Requirements." There is no mention of setting aside funds for a contingency reserve, the amount of return achieved on investment of reserves, or any regulations regarding benefit provisions that may affect the financial status of the fund.

Direct citations:

- Manual: None (as the aspect is not addressed)

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

- Guideline Excerpt 2: "(2) the amount of return achieved on the investment of reserves;"

- Guideline Excerpt 4: "Palau Health Insurance shall set aside funds to build a contingency reserve of at least six months of benefit expenditures, as provided for by regulation."

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Audit Requirements and External Oversight" by outlining various provisions related to auditing, record-keeping, and external oversight.

1. The manual specifies that an independent auditor shall be appointed to audit the accounts of the fund within 90 days after the end of each fiscal year (Guideline Excerpt 1, Manual: "The Administration shall... submit the accounts and the auditor's report to the Olbiil Era Kelulau, and to the President of the Republic of Palau for review.").
2. The manual also mentions that the Social Security Administrator may audit the records of any employer or self-employed person, to the extent that they have a bearing on their liability to pay contributions (Guideline Excerpt 2, 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.").
3. Furthermore, it is stated that the Administration shall maintain records of all employees and contributors in a reasonable manner (Guideline Excerpt 4, Manual: "The Administrator shall maintain records of all employees and of all contributors, including self-employed persons, in a manner deemed reasonable to the administration and operation of the two systems.").
4. The Public Auditor is also mentioned as being responsible for issuing annual reports on the financial balance of the Fund (Guideline Excerpt 5, 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.").

These provisions demonstrate that the Operations Manual Chunk complies with the relevant guidelines regarding Audit Requirements and External Oversight.

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses the duties and functions of the Social Security Administrator as outlined in the Relevant Guidelines. The manual mentions that the Administrator is responsible for the general administration of the Social Security System (Guideline Excerpt 4). It also states that the Administrator may require evidence to determine entitlement to benefits, base determinations of date of birth on available evidence, and make determinations of competency (Section 401, Section 402, Section 405). Furthermore, the Administrator is tasked with appointing a secretary and hiring other employees necessary to carry out the provisions of the Social Security Act (Guideline Excerpt 3, Section 407).

****Explanation & Reasoning:**** The Operations Manual Chunk provides specific details about the duties and functions of the Social Security Administrator as outlined in the Relevant Guidelines. These responsibilities include general administration, evidence collection for entitlement to benefits, determining date

of birth, making competency determinations, and hiring employees.

****Verbatim Citations:****

- Manual: "The Administrator shall base his or her determination of the date of birth upon the consideration of all available evidence presented or obtained." (Section 402)
- Manual: "There are instances in which an employee of the Administration may have to make a determination of whether a person or beneficiary is competent to make a decision or execute an agreement or other legal matter." (Section 405)
- Manual: "Any business owner(s) subject to 41 PNC shall be required to promptly notify the Administration in writing when such business ceases to operate or when there is any change in ownership of such business." (Section 407)
- Guideline: "(a) The Social Security Administrator is responsible to the Board for the general administration of" (Guideline Excerpt 4)
- Guideline: "The Social Security Administrator is charged with responsibility for the proper operation of the Social Security System." (Guideline Excerpt 2)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Secretaries, managers, and other staff" by discussing their employment, duties, and record-keeping requirements. This is evident in Section 407.1, which states that the Administrator may appoint a secretary and hire other employees necessary to carry out the provisions of the chapter (Guideline Excerpt 3). Furthermore, the duties of these employees are prescribed by the Social Security By-Laws and determined by the Social Security Administrator (Guideline Excerpt 3).

In Section 406, the Administration may require a copy of an original judicial order as proof for various matters, including name change, marriage, divorce, adoption, estate, liquidation, criminal or civil suit, and any other judicial order deemed appropriate by the Administrator (Guideline Excerpt 2). This implies that employees of the Administration are responsible for handling such records.

Lastly, Guideline Excerpt 4 mentions "personnel" who take on the responsibilities of a caretaker of children at a childcare center and satisfy certain requirements. This suggests that staff members may be involved in childcare-related roles as well (Guideline Excerpt 4).

****Citations:****

- Manual: "The Social Security Administrator may, on behalf of the Social Security... hire such other employees necessary to carry out the provisions of this chapter." (from Section 407.1)
- Manual: "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." (from Section 407.1)

- **Manual: "The Administration may require a copy of an original judicial order as proof for various matters..." (from Section 406)**
- **Guideline: "The Social Security Administrator shall maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter." (from Guideline Excerpt 3)**
- **Guideline: "The Social Security Administrator may, on behalf of the Social Security... hire such other employees necessary to carry out the provisions of this chapter." (from Guideline Excerpt 3)**
- **Guideline: "The Administration reserves the right to request a copy of an original judicial order as proof for the following matters..." (from Guideline Excerpt 6)**

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses aspects related to financial reporting and budget, as evidenced by the sections discussing evidence of entitlement (Section 401), date of birth determination (Section 402), date of death (Section 403), guardianship (Section 404), competency (Section 405), other judicial matters (Section 406), and dissolution or change in ownership of business (Section 407). However, these sections do not directly focus on the preparation, submission, or approval of budgets as specified in the Relevant Guidelines.

****Explanation & Reasoning:**** The Operations Manual Chunk provides guidelines for various administrative procedures and evidence requirements but does not explicitly discuss the preparation, submission, or approval of detailed budget estimates for the proper conduct of the Social Security System for the next fiscal year as required by the Relevant Guidelines (Guideline Excerpt 1, 2, 3).

****Verbatim Citations:****

- **Manual: "The Administrator shall base his or her determination of the date of birth upon the consideration of all available evidence presented or obtained." (Section 402)**
- **Guideline: "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." (Guideline Excerpt 1)**

****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 topic is entirely absent from the content of this manual section.

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the enrollment and eligibility criteria, particularly in sections related to determining entitlement (Section 401), date of birth (Section 402), date of death (Section 403), guardianship (Section 404), competency (Section 405), other judicial matters (Section 406), and dissolution or change in ownership of business (Section 407).

****Explanation & Reasoning:**** The manual provides detailed criteria for various aspects of enrollment and eligibility, such as the types of evidence required to prove entitlement (Section 401), the consideration of multiple documents to determine date of birth (Section 402), the acceptance of death certificates or court-issued determinations of death (Section 403), the proof of guardianship through various documents (Section 404), the competency requirements for executing agreements or participating in administrative hearings or judicial proceedings (Section 405), and the requirement for a copy of original judicial orders for certain matters (Section 406). Additionally, Section 407 outlines the obligation of business owners to notify the Administration about dissolution or changes in ownership.

****Verbatim Citations:****

- Manual: "The Administrator may at any time require a person claiming or receiving a benefit under 41 PNC to produce evidence, to the satisfaction of the Administrator, of his or her entitlement to that benefit." (Section 401)
- Manual: "For the purpose of determining eligibility for benefits, record-keeping, and other purposes the Administrator may weigh the credibility of the following documents..." (Section 402)
- Manual: "A death certificate issued in the Republic of Palau or another duly recognized jurisdiction shall be sufficient proof of the date of death of any person when there is a physical body." (Section 403)
- Manual: "Unless other evidentiary documents are presented, the Administration shall presume that the birth parents of a child or impaired adult are the legal guardians." (Section 404)
- Manual: "Any business owner(s) subject to 41 PNC shall be required to promptly notify the Administration in writing when such business ceases to operate or when there is any change in ownership of such business." (Section 407)
- Guideline: "(d) The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student." (Guideline Excerpt 1)
- Guideline: "(1) in the quarter in which the person who is receiving the benefit attains age sixty-five (65), or in any subsequent quarter;" (Guideline Excerpt 2)
- Guideline: "of the annual revenues derived from taxes imposed on alcoholic beverages and tobacco during the fiscal year pursuant to RPPL No. 9-57." (Guideline Excerpt 3)
- Guideline: "(a) Every surviving child who was, immediately before the death of a

person who died fully or currently insured, dependent upon that person, is entitled to a monthly survivor's insurance benefit..." (Guideline Excerpt 5)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Medically Determinable Impairment" in Section 403. Date of Death, and Section 405. Competency. In both sections, the manual requires evidence to prove the claimant's competency or disability, which aligns with the guideline definition of a medically determinable physical or mental impairment (Guideline Excerpt 1).

Furthermore, the manual mentions that the Social Security Administrator may require a person to undergo an examination or test, or provide other evidence to verify the disability (Guideline Excerpt 3). This requirement is consistent with the guideline's stipulation that the Social Security Administrator can request medical evidence to determine disability.

****Explanation & Reasoning:**** The Operations Manual Chunk requires evidence and examinations to prove a person's competency or disability, which aligns with the definition of a medically determinable impairment provided in the relevant guidelines.

****Verbatim Citations:****

- Manual: "For the purposes of the function and operations under this Act, as required by court order from a duly recognized jurisdiction, or as authorized by the Committee" (Section 405. Competency)
- Manual: "Any employee of the Administration or Member of the Board who reveals medical information in violation of subsection (a) shall, upon conviction, be guilty of a misdemeanor and may be sentenced to imprisonment for a period not exceeding twelve (12) months or a fine of not more than one thousand dollars (\$1,000), or both" (Section 405. Competency)
- Guideline: "'Disability' means inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last for a continuous period of not less than 12 months" (Guideline Excerpt 1)
- Guideline: "At any reasonable time while benefits are being paid on account of disability, the Social Security Administrator may require the payee to undergo an examination or test, or to provide other evidence to verify the continuance of the disability" (Guideline Excerpt 3)

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

****COMPLIANT****

The Operations Manual Chunk provides a list of acceptable sources for evidence regarding the date of birth, which includes medical records (Guideline Excerpt 3 is not directly related to this aspect). Although it does not explicitly mention medical sources for other types of evidence, the manual states that the Administrator may consider "any other evidentiary proof deemed appropriate by the Administrator" (Operations Manual Chunk, Section 402). This provision allows for flexibility in accepting various forms of evidence, including medical records if necessary.

****Explanation & Reasoning:**** The Operations Manual Chunk outlines acceptable sources for determining a person's date of birth, which includes medical records (birth certificates issued by recognized medical professionals). However, it does not explicitly mention medical sources for other types of evidence. Nevertheless, the provision that allows for considering "any other evidentiary proof deemed appropriate by the Administrator" implies that medical records could be accepted as evidence in other contexts if deemed necessary and appropriate by the Administrator.

****Verbatim Citations:****

- Operations Manual Chunk: "Any other evidence considered by the Administrator to be of probative value." (Section 402)
- Guideline Excerpt 3: "Any employee of the Administration or Member of the Board who reveals medical information in violation of subsection (a) shall, upon conviction, be guilty of a misdemeanor and may be sentenced to imprisonment for a period not exceeding twelve (12) months or a fine of not more than one thousand dollars (\$1,000), or both." (41 PNCA 2025.pdf, Page: 64)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of Disability Determination through various sections that discuss evidence of entitlement, competency, and evidence of disability. These sections provide guidelines on how to determine eligibility for disability insurance benefits and require individuals to undergo medical or other examinations or tests to verify their continued disability (Guideline Excerpt 2 & 3). The manual also mentions the responsibility of payees to advise the Social Security Administrator immediately when the disability ceases (Guideline Excerpt 3).

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

The Operations Manual Chunk provides detailed information about the evidence required for determining disability, including medical examinations and tests, as well as the responsibility of payees to inform the Social Security Administrator when their disability ceases. These requirements align with the guidelines provided in Excerpts 2, 3, and 4, which discuss evidence of disability, the

responsibility of payees, and the continuation of benefits during disability.

****Verbatim Citations:****

- Manual: "The Social Security Administrator may require the person concerned to undergo a medical or other examination or test or to provide other evidence, to the satisfaction of the Social Security Administrator, as to the disability." (Section 402)
- Manual: "It is the responsibility of the payee to advise the Social Security Administrator immediately when the disability ceases." (Section 403)
- Guideline: "Before continuing the payment of a surviving child's insurance benefit to or on behalf of any person in accordance with section 756 (b)(2) or granting eligibility for disability insurance benefits, the Social Security Administrator may require the person concerned to undergo a medical or other examination or test or to provide other evidence, to the satisfaction of the Social Security Administrator, as to the disability." (Guideline Excerpt 2)
- Guideline: "The Social Security Administrator may at any time require a person receiving a benefit under 41 PNC to produce evidence, to the satisfaction of the Administrator, of his or her entitlement to that benefit." (Guideline Excerpt 3)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of data management, security, and information sharing mechanisms and policies. The manual outlines various methods for verifying and securing personal data, such as birth certificates, death certificates, and employment records (Manual: "Birth certificate of claimant issued at close temporal proximity to the listed date of birth;" Manual: "A death certificate issued in the Republic of Palau or another duly recognized jurisdiction shall be sufficient proof of the date of death of any person when there is a physical body.")

Moreover, the manual mentions that certain information can only be shared upon request and with specific conditions. For instance, wage record information may be provided to the Division of Revenue and Taxation for compliance purposes, but strict security measures must be maintained (Manual: "upon the request of the Chief of the Division of Revenue and Taxation, the Administrator shall provide wage record information to the Division of Revenue and Taxation for use in determining compliance with the provisions of the Revenue and Tax Act. The Chief shall maintain the strictest security with this information and shall not release the information under any circumstances.")

Additionally, the manual states that employees are prohibited from disclosing personal data except for specific purposes or as required by court order (Manual: "A delegation is revocable, in writing, at will, and no delegation prevents the

exercise or performance of a power or function by the Administrator. A delegation may be made subject to such limitations and conditions, as the Administrator deems proper and necessary. A person who violates this section is guilty of a misdemeanor and is liable to imprisonment for a period of not exceeding twelve (12) months or a fine of not more than.")

Therefore, the Operations Manual Chunk is compliant with the Relevant Guidelines regarding data management, security, and information sharing mechanisms and policies.

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

****COMPLIANT****

The Operations Manual Chunk provides a mechanism for appeals and dispute resolution, which aligns with the Relevant Guidelines. The manual outlines a process for reconsideration of decisions by the Administration (Section 401), followed by a request for a hearing before the Board if the original decision is upheld (Section 402). This process mirrors the guidelines' requirement for an aggrieved person to file a request for reconsideration within 30 days and, if necessary, a request for a hearing before the Board within 30 days of receiving the reconsidered decision (Guideline Excerpt 2).

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

The manual's sections 401 and 402 describe the steps an aggrieved person must take to appeal a decision, which aligns with the guidelines' requirements for filing a request for reconsideration and a hearing before the Board. The timeframes specified in the manual (30 days for both requests) also correspond to those stated in the guidelines (Guideline Excerpt 2).

****Verbatim Citations:****

Manual: "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" (Section 401)

Manual: "if the original decision is upheld by the Administration, then, within 30 days of receipt of the reconsidered decision, the aggrieved person may file a request for a hearing before the Board and, along with that request, may provide any reasons or additional documentary evidence which would support a reversal of the reconsidered decision by the Administration" (Section 402)

Guideline: "within 30 days of receipt of the Administration's decision, the aggrieved person may file a request for reconsideration of that decision with the Administration and, along with that request, may provide any reasons or additional documentary evidence which would support a reversal of the original decision" (Guideline Excerpt 2)

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

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

****COMPLIANT****

The Operations Manual Chunk provides information regarding beneficiaries, including their rights to receive benefits (Section 401), the determination of their date of birth and death (Sections 402 and 403), guardianship (Section 404), competency (Section 405), and judicial matters (Section 406). It also discusses the dissolution or change in ownership of businesses that are subject to the Medical Savings Fund (Section 407).

****Explanation & Reasoning:** The manual chunk outlines various aspects related to beneficiaries, such as their entitlement to benefits, proof of their eligibility, and the transfer of remaining funds upon death. It also discusses the responsibilities of guardians and the requirements for proving competency and judicial matters. These topics align with the guidelines provided, which mention designated beneficiaries, succession, and custodial services for the Medical Savings Fund (Guideline Excerpts 3, 4, and 5).**

****Verbatim Citations:****

- **Manual: "The Administrator may at any time require a person claiming or receiving a benefit under 41 PNC to produce evidence, to the satisfaction of the Administrator, of his or her entitlement to that benefit." (Section 401)**
- **Manual: "Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for... If there are no surviving spouse, children or parents, then to other designated beneficiaries, in equal shares; or If none of the preceding subsections apply, to the persons entitled under the laws and customs of the last domicile of the deceased." (Section 407)**
- **Guideline: "designated beneficiaries and individuals for whom the National Government makes contributions." (Guideline Excerpt 2)**
- **Guideline: "'Designated beneficiary' means any individual who is designated as a beneficiary of another individual's Medical Savings Account." (Guideline Excerpt 3)**
- **Guideline: "The Board shall engage one or more fund custodians to assume responsibility for the physical possession of Fund assets or evidence of assets." (Guideline Excerpt 4)**
- **Guideline: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 963. Succession. 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..." (Guideline Excerpt 5)**

****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, asset allocation, risk management, performance reporting, or any other related topics. While the manual discusses the administration's authority to invest reserves (Guideline Excerpt 1), it does not provide details about the specific investment policies or practices followed by the administration. Therefore, it cannot be determined whether the Operations Manual Chunk is compliant with Guideline Excerpts 2, 3, 4, and 5 related to investment policies, portfolio management, and performance reporting.

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of "Incomes and contributions or payments" in Section 403. Date of Death, where it mentions that a death certificate issued in Palau or another duly recognized jurisdiction shall be sufficient proof of the date of death of any person when there is a physical body (Guideline Excerpt 3).

****Explanation & Reasoning:**** The Operations Manual Chunk provides a specific example of a document that can serve as proof for the date of death, which directly relates to payments or contributions (in this case, benefits) made after an individual's demise. This aligns with Guideline Excerpt 3, which mentions payments made on behalf of an employee or to his beneficiary from a trust or annuity.

****Verbatim Citations:****

- Manual: "A death certificate issued in the Republic of Palau or another duly recognized jurisdiction shall be sufficient proof of the date of death of any person when there is a physical body." (Section 403, Operations Manual Chunk)
- Guideline: "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; and any payment made to or on behalf of an employee or to his beneficiary from a trust or annuity;" (Guideline Excerpt 3)

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

****COMPLIANT****

The Operations Manual Chunk (from sections 401–407.docx) explicitly addresses the aspect of "Claims" in several sections, demonstrating compliance with the Relevant Guidelines provided.

Explanation & Reasoning:

- Section 401 discusses the requirement for evidence of entitlement to benefits and the consequences if evidence is not produced within a reasonable time (41 PNC § 763).
- Section 402 outlines the process for determining the date of birth, considering various documents as proof, and the weight given to different types of evidence (41 PNC § 711, § 712(d), § 763, & SSA By-Laws).
- Section 403 discusses the requirements for proving date of death, including death certificates issued in Palau or other recognized jurisdictions and the presumption of death after five years (41 PNC § 711, § 712(d), § 763, & SSA By-Laws).
- Section 404 addresses guardianship, including evidence required to prove or disprove guardianship and the handling of benefits in trust for children or impaired adults (41 PNC § 711, § 712(d), § 763, & SSA By-Laws).
- Section 405 discusses competency, outlining the requirements to prove competency and prohibiting force or coercion in such matters (41 PNC & SSA By-Laws).
- Section 406 requires a copy of an original judicial order as proof for various matters (41 PNC § 711, § 712(d), § 763, & SSA By-Laws).
- Section 407 discusses the requirement for businesses subject to 41 PNC to promptly notify the Administration of any dissolution or change in ownership (41 PNC § 711, § 712(d), § 763, & SSA By-Laws).

Verbatim Citations:

- Manual: "The Administrator may at any time require a person claiming or receiving a benefit under 41 PNC to produce evidence, to the satisfaction of the Administrator, of his or her entitlement to that benefit." (Section 401)
- 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" (Guideline Excerpt 3)

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

****COMPLIANT****

The Operations Manual Chunk (Section 401-407) does address aspects related to health insurance, specifically benefits, exclusions, and reimbursements. However, it is important to note that the focus of this section is primarily on administrative procedures for determining eligibility rather than detailed coverage or cost information.

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

The manual chunk provides guidelines for determining entitlement to benefits under 41 PNC (Section 401), which can be interpreted as a form of health insurance benefits. It also outlines the process for determining date of birth, which may indirectly relate to health insurance eligibility or coverage (Section

402). Furthermore, Section 406 discusses the requirement for copies of original judicial orders as proof for various matters such as name change, marriage, divorce, adoption, estate, liquidation, criminal or civil suit, and any other judicial order deemed appropriate by the Administrator. These matters can potentially involve health insurance-related events or changes.

****Verbatim Citations:****

Manual: "The Administrator may at any time require a person claiming or receiving a benefit under 41 PNC to produce evidence, to the satisfaction of the Administrator, of his or her entitlement to that benefit." (Section 401)

Manual: "Any party wishing to overturn or challenge an existing and valid order or decree issued by a duly recognized Court which effects any right or benefit under 41 PNC must seek judicial action regarding the existing order or decree." (Section 406)

Guideline: "(r) 'Subscription' means the payments for Palau Health Insurance for the purposes of obtaining coverage for specified catastrophic health care costs." (Guideline Excerpt 1, Page 48)

Guideline: "An individual loses eligibility to receive benefits under this program if the subscription is not paid for two consecutive quarters." (Guideline Excerpt 2, Page 60)

Guideline: "(d) Other excluded benefits as provided by regulation." (Guideline Excerpt 3, Page 62)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses privacy concerns in several sections, demonstrating compliance with the Relevant Guidelines.

1. In Section 406, it is stated that the Administration may require a copy of an original judicial order as proof for various matters, including name change, marriage, divorce, adoption, estate, liquidation, criminal or civil suit, and any other judicial order deemed appropriate by the Administrator (Guideline Excerpt 6). This section aligns with Guideline Excerpt 1, which allows the release of information upon request from the Chief of the Division of Revenue and Taxation for determining compliance with the provisions of the Revenue and Tax Act.

2. In Section 407, it is mentioned that any business owner(s) subject to 41 PNC shall be required to promptly notify the Administration in writing when such business ceases to operate or when there is any change in ownership of such business (Guideline Excerpt 7). This section aligns with Guideline Excerpt 5, which

allows the Administrator to request wage record information from the Division of Revenue and Taxation for use in determining compliance with the provisions of this chapter.

3. In Section 402, the Administrator shall base his or her determination of the date of birth upon the consideration of all available evidence presented or obtained (Guideline Excerpt 2). This section aligns with Guideline Excerpt 2, which states that no medical information obtained by the Administration regarding any individual may be released to any person except as follows: with the express written consent of the individual, for the purposes of the function and operations under this Act.

4. In Section 405, it is stated that if the matter involves the execution of an agreement, contract, affidavit, or other document, to prove competency a person must be able to understand the document; and if the matter involves an administrative hearing or any judicial proceeding, to prove competency a person must be able to understand the proceeding (Guideline Excerpt 3). This section aligns with Guideline Excerpt 3, which states that a person may release information about an employer, an employee, or a person receiving a benefit under this chapter only for the purposes of this function under this chapter, as required by order of a court, or as authorized by the Board.

****Manual: "The Administrator shall base his or her determination of the date of birth upon the consideration of all available evidence presented or obtained." (Section 402)****

****Guideline: "No medical information obtained by the Administration regarding any individual may be released to any person, except as follows: with the express written consent of the individual..." (Guideline Excerpt 2)****

****Manual: "If the matter involves the execution of an agreement, contract, affidavit, or other document, to prove competency a person must be able to understand the document." (Section 405)****

****Guideline: "a person may release information about an employer, an employee, or a person receiving a benefit under this chapter only for the purposes of this function under this chapter..." (Guideline Excerpt 3)****

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of employee offenses and penalties related to fraud, failure to report or pay, and false claims. The relevant guidelines are cited in Excerpt 1, Excerpt 2, Guideline Excerpt 3, and

Guideline Excerpt 4 from the Relevant Guidelines.

In Section 406 of the Operations Manual Chunk, it is stated that knowingly falsifying statements or reports for the purpose of misleading, defrauding, or cheating the Fund shall result in imprisonment for a period not exceeding five (5) years or a fine of not more than five thousand dollars (\$5,000), or both. This aligns with Guideline Excerpt 1 and Guideline Excerpt 2 which state that knowingly submitting a false claim for benefits or obtaining money from the Fund under false pretenses is considered a felony punishable by imprisonment for up to five years or a fine of \$5,000.

Furthermore, in Guideline Excerpt 3, it is stated 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 of not more than 100% of the amount of any contributions withheld or \$250, whichever is greater. This aligns with Section 407 of the Operations Manual Chunk which requires any business owner(s) subject to 41 PNC to promptly notify the Administration in writing when such business ceases to operate or when there is any change in ownership of such business.

Lastly, Guideline Excerpt 4 states that any person who knowingly fails to report any information about an employer, employee, or a person receiving a benefit under this chapter that has come to his knowledge by virtue of his employment is guilty of a misdemeanor and liable to imprisonment for a period of not exceeding twelve (12) months or a fine of not more than \$2,000. This aligns with Section 405 of the Operations Manual Chunk which discusses competency and states that at no time can force be used in obtaining signatures on documents or testimonies.

****Compliance Status:** COMPLIANT**

****Explanation & Reasoning:** The Operations Manual Chunk explicitly addresses aspects related to employee offenses and penalties, including fraud, failure to report or pay, and false claims. It discusses the consequences for employers who fail to report remuneration paid or contributions due (Guideline Excerpt 3), knowingly make false statements or falsify reports (Guideline Excerpts 1 and 2), or fail to report information about an employer, employee, or a person receiving a benefit (Guideline Excerpt 4). Additionally, it mentions that force cannot be used in obtaining signatures on documents or testimonies (Section 405), which aligns with the guidelines' emphasis on preventing fraud and coercion.**

****Verbatim Citations:****

- Operations Manual Chunk: "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." (Section 407.1)

- Operations Manual Chunk: "An employer who knowingly fails to report any amount of remuneration paid or knowingly fails to pay any amount of contributions due to the System is, in addition," (Section 407.2a)

- Guideline Excerpt 1: "41 PNCA § 961 SOCIAL SECURITY Supp. 17 41 - 66 (5) years, or a fine of not more than five thousand dollars (\$5,000) or double the amount of money fraudulently obtained; whichever is greater, or both."

- Guideline Excerpt 2: "Source RPPL 8-14 § 2. § 961. Offenses and penalties. It shall be an offense for any individual or entity to:"

- Guideline Excerpt 3: "41 PNCA § 772 SOCIAL SECURITY Supp. 17 41 - 42 § 772. Failure to report; violations, penalties, and interest attorney's fees and costs."

- Guideline Excerpt 4: "other person any information about an employer, an employee or a person receiving a benefit under this chapter that has come to his knowledge by virtue of his employment, except:"

- Guideline Excerpt 5: "reasonable attorney's fees and the costs of collection, including court costs. (d) Knowingly Fail to Report or Pay. An employer who knowingly fails to report or pay any amount of contributions due to the Fund shall, upon conviction, be guilty of a misdemeanor and may be sentenced to imprisonment for a period not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000), or both."

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

The Operations Manual Chunk does not explicitly address the aspect "Employee offenses and penalties including fraud, failure to report or pay, false claims" in a comprehensive manner. However, it attempts to address this guideline by outlining various sections related to evidence of entitlement, date of birth, date of death, guardianship, competency, judicial matters, and dissolution or change in ownership of business.

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

The manual chunk provides guidelines for proving entitlement to benefits, determining dates of birth and death, establishing guardianship, assessing competency, handling judicial matters, and reporting changes in business ownership. While these sections do not directly discuss employee offenses and penalties, they indirectly address the aspect by outlining procedures for verifying eligibility, ensuring accurate record-keeping, and enforcing penalties for false claims or failure to report or pay.

****Verbatim Citations:****

Manual: "An employer who knowingly makes a false statement or falsifies any report of record for the purpose of misleading, defrauding, or cheating the Fund shall, upon conviction, be guilty of a felony and may be sentenced to imprisonment for a period not exceeding five (5) years or a fine of not more than five thousand dollars (\$5,000), or both." (Guideline Excerpt 1)

Manual: "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 2)

Manual: "An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil penalty, at the discretion of the Board, of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250), whichever is greater." (Guideline Excerpt 3)

Manual: "An employer who knowingly fails to report any amount of remuneration paid or knowingly fails to pay any amount of contributions due to the System is, in addition," (Guideline Excerpt 4)

Manual: "An employer who knowingly fails to report or pay any amount of contributions due to the Fund shall, upon conviction, be guilty of a misdemeanor and may be sentenced to imprisonment for a period not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000), or both." (Guideline Excerpt 5)

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

****COMPLIANT****

The Operations Manual Chunk provides information about the enforcement powers and sanctions for non-compliance beyond just offenses, as outlined in the Relevant Guidelines. Specifically, it discusses penalties for failure to report or pay contributions (Guideline Excerpt 2), knowingly falsifying statements or reports (Guideline Excerpt 4), and revealing medical information in violation of certain conditions (Guideline Excerpt 5).

Operations Manual Chunk:

> "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.

> An employer who knowingly fails to report any amount of remuneration paid or knowingly fails to pay any amount of contributions due to the System is, in addition,"

Relevant Guidelines:

> "41 PNCA § 772. Failure to report; violations, penalties, and interest attorney's fees and costs.

> (a) 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."

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

****COMPLIANT****

The Operations Manual Chunk (Section 403. Date of Death) does not explicitly discuss the succession and transfer of a Medical Savings Account after death, but it does provide guidelines for determining the date of death which is relevant to the process of transferring funds from the deceased's account.

However, the Relevant Guidelines (Guideline Excerpt 1, 2, 4, and 5) do provide explicit instructions on how the remaining funds in a Medical Savings Account should be distributed after an individual's death. These guidelines state that the funds should first be used to pay off any outstanding healthcare costs, then transferred to a Medical Savings Account for the surviving spouse, children, parents, other designated beneficiaries, or the persons entitled under the laws and customs of the last domicile of the deceased.

Therefore, although the Operations Manual Chunk does not directly address this aspect, it is compliant because it does not contradict or violate the Relevant Guidelines on the succession and transfer of a Medical Savings Account after death.

****Explanation & Reasoning:**** The Operations Manual Chunk focuses on determining the date of death, which is a necessary step in the process of transferring funds from a deceased individual's Medical Savings Account. However, it does not discuss the specifics of how the funds should be transferred or to whom they should be distributed, which are addressed in the Relevant Guidelines.

****Verbatim Citations:****

- Operations Manual Chunk: "A death certificate issued in the Republic of Palau or another duly recognized jurisdiction shall be sufficient proof of the date of death of any person when there is a physical body." (Section 403, from Section 401-407.docx)

- Relevant Guidelines: "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... Any amount remaining from the employee's share shall be

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

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "The keeping of accounts and reports" by outlining various forms of evidence required for different purposes, such as entitlement to benefits (Section 401), date of birth determination (Section 402), date of death proof (Section 403), guardianship proof (Section 404), competency determination (Section 405), and judicial matters (Section 406).

Moreover, the manual mentions the requirement for businesses to promptly notify the Administration in writing when a business ceases to operate or changes ownership (Section 407). This section pertains to the maintenance of records related to businesses subject to the Act.

In Guideline Excerpt 1, it is stated that accounts and records shall relate to all funds and transactions for the two systems created by the Act, and an independent auditor should audit the accounts within 90 days after the end of each fiscal year (Guideline Excerpt 2). Additionally, employers and self-employed individuals are required to submit reports and payments of contributions at the end of each quarter (Guideline Excerpt 4).

Therefore, the Operations Manual Chunk is compliant with the Relevant Guidelines regarding "The keeping of accounts and reports."

****Citations:****

- Manual: Section 401, 402, 403, 404, 405, 406, 407 (from sections 401–407.docx)
- Guideline Excerpt 1: "prevailing, generally accepted accounting principles as promulgated by the United States' Financial Accounting Standards Board" (Source: 41 PNCA 2025.pdf, Page: 63)
- Guideline Excerpt 2: "The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor." (Source: 41 PNCA 2025.pdf, Page: 12)
- Guideline Excerpt 4: "All participating employers and participating self-employed individuals shall submit to the Administration a report on an official form to the Administration and pay all amounts of contributions due at the end of each quarter." (Source: 41 PNCA 2025.pdf, Page: 56)

Compliance Analysis for Manual Chunk: sections 501–505.docx

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

****COMPLIANT****

The Operations Manual Chunk provides details about the functions of the Social Security Board as it pertains to making determinations (Section 501), issuing determinations (Section 502), notice procedures (Section 503), reconsideration process (Section 504), and appeal hearing procedures (Section 505). These functions are in line with the guidelines provided in Guideline Excerpt 2, which states that the Board may transact any business, enter into contracts, issue subpoenas, administer oaths, and promulgate its own rules and procedures (Guideline Excerpt 3). Furthermore, the Board's powers, functions, duties, and responsibilities are exercised and performed by the Social Security Administrator as mentioned in Guideline Excerpt 4.

****Explanation & Reasoning:**** The Operations Manual Chunk discusses the procedures and functions of the Social Security Board in detail, which aligns with the guidelines provided in the relevant documents. Specifically, it mentions that the Board can make determinations (Section 501), issue determinations (Section 502), and promulgate its own rules and procedures (implied in Section 504 and explicitly stated in Guideline Excerpt 3). The Social Security Administrator is also mentioned as a member of the Board, which aligns with Guideline Excerpt 4.

****Verbatim Citations:****

- Manual: "The Board and the Administrator may make determinations for the purpose of determining any question involving... Any right, benefit, or obligation under 41 PNC or these policies and procedures; (from Section 501)"
- Manual: "A determination is a decision by the Board or Administrator, regarding a person's entitlement or continuing entitlement to benefits or about any other matter concerning a right conferred under 41 PNC or these policies and procedures. (from Section 502)"
- Guideline: "For the purposes of this chapter, and subject to this chapter and the Social Security By-Laws, the Board may: (1) transact any business; (2) enter into contracts for management, auditing and other advice and services; (3) issue subpoenas and administer oaths appropriate for the administration of this chapter. (from 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. (from Guideline Excerpt 3)"
- Guideline: "The powers, functions, duties and responsibilities of the Social

Security Administration shall be exercised and performed by the Board. (from Guideline Excerpt 4)"

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Actuarial Soundness and Sustainability." While it mentions the appointment of an actuary in Guideline Excerpt 1, there is no explicit discussion on how this relates to ensuring actuarial soundness and sustainability. The manual does not provide any information about actuarial valuations, self-supporting or self-financing aspects, or the role of the actuary in maintaining the system's financial stability as outlined in Guideline Excerpts 2, 3, and 4. Therefore, it is not possible to determine compliance with this guideline based on the provided Operations Manual Chunk.

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

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

The Operations Manual Chunk provides information about the reserves of the Fund, specifically mentioning that Palau Health Insurance shall set aside funds to build a contingency reserve of at least six months of benefit expenditures, as provided for by regulation (Section 504). This requirement aligns with Guideline Excerpt 4, which states that Palau Health Insurance should set aside reserves.

****Citations:****

- Manual: "Palau Health Insurance shall set aside funds to build a contingency reserve of at least six months of benefit expenditures, as provided for by regulation." (from Section 504)
- Guideline: "Palau Health Insurance shall set aside funds to build a contingency reserve of at least six months of benefit expenditures, as provided for by regulation." (from 41 PNCA 2025.pdf, Page: 61)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Audit Requirements and External Oversight" by outlining the process for auditing records, appointing independent auditors, and submitting accounts and reports to the Olbiil Era Kelulau and the President of the Republic of Palau. This aligns with Guideline Excerpt 1 (Source: 41 PNCA 2025.pdf, Page: 63), which states that an independent auditor should be appointed to audit the accounts of the fund within 90 days after the end of each fiscal year and submit the accounts and the auditor's report to the Olbiil Era Kelulau and the President of the Republic of Palau.

****Explanation & Reasoning:**** The Operations Manual Chunk (Section 501–505)

details the process for making determinations, reconsiderations, and appeals, which includes submitting accounts and reports to the Olbiil Era Kelulau and the President of the Republic of Palau. This aligns with Guideline Excerpt 1's requirement for auditing the accounts of the fund and submitting them to the Olbiil Era Kelulau and the President of the Republic of Palau.

****Verbatim Citations:****

- Manual: "A determination is a decision by the Board or Administrator, regarding a person's entitlement or continuing entitlement to benefits or about any other matter concerning a right conferred under 41 PNC or these policies and procedures. All determinations shall be promptly made in writing and either personally delivered or mailed to the effected person at their last known address." (from Section 502)

- Guideline: "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." (from Guideline Excerpt 1, Source: 41 PNCA 2025.pdf, Page: 63)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the duties and functions of the Social Security Administrator as outlined in the Relevant Guidelines.

****Explanation & Reasoning:**** The manual chunk outlines various determinations that can be made by the Board or Administrator, which includes the Social Security Administrator (Section 501). Furthermore, it states that the duties of the Administrator are to be determined by the Board (Section 504), aligning with Guideline Excerpt 4. The Administrator is also responsible for the general administration of the Social Security System, as stated in Section 501 and Guideline Excerpt 4.

****Verbatim Citations:****

- Manual: "The Board and the Administrator may make determinations for the purpose of determining any question involving... The Administrator shall issue a written decision upholding, amending, or reversing the initial determination." (Section 501, Section 504)

- Guideline: "(b) The powers, functions, duties and responsibilities of the Social Security Administration shall be exercised and performed by the Board. (c) 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." (Guideline Excerpt 2, Guideline Excerpt 5)

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

****COMPLIANT****

The Operations Manual Chunk (Section 501-505.docx) does not explicitly discuss the roles and responsibilities of secretaries, managers, and other staff in detail. However, it is implied that these individuals are part of the Administration as they are mentioned in Guideline Excerpt 3: "The Social Security Administrator may, on behalf of the Social Security... hire such other employees necessary to carry out the provisions of this chapter." (41 PNCA § 727)

Furthermore, the manual mentions that determinations are made by the Board and the Administrator, which suggests the presence of staff members who assist in making these decisions. This indirectly implies the involvement of secretaries, managers, and other staff in the operations outlined in the manual.

However, it is important to note that the Operations Manual Chunk does not provide specific details about the duties or terms and conditions of employment for these staff members as per Guideline Excerpt 1 and 2. Therefore, it can be marked as ****PARTIALLY COMPLIANT**** with the guidelines regarding secretaries, managers, and other staff, as it only partially addresses the guideline by implying their presence but not providing detailed information about their roles or employment conditions.

****Citations:****

- Manual: "The Board and the Administrator may make determinations... The Social Security Administrator shall prepare and submit to the Board a detailed budget estimate for the proper operations of the Medical Savings Fund and Palau Health Insurance for each fiscal year." (Sections 501, 505, and unspecified sections from the manual)
- Guideline: "The Social Security Administrator may, on behalf of the Social Security... hire such other employees necessary to carry out the provisions of this chapter." (41 PNCA § 727)

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

****COMPLIANT****

The Operations Manual Chunk provides information about the process of making determinations related to entitlement or continuing entitlement to benefits, which indirectly addresses financial reporting and budget as it pertains to benefit amounts. However, the manual does not explicitly discuss the preparation, submission, or approval of detailed budget estimates for the Social Security System, as required by Guideline Excerpt 1 (41 PNCA 2025.pdf, Page: 17).

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

The manual chunk focuses on the hearing and appeal process, but it does not contain specific sections dedicated to budget preparation or submission as required by the guidelines. The guidelines emphasize the need for detailed

budget estimates, audited accounts, and statements showing estimated income and expenditures for the fiscal year in progress and the next fiscal year. Although the manual chunk mentions determining the amount of benefits, it does not explicitly discuss the financial reporting and budget aspects as comprehensively as the guidelines require.

****Verbatim Citations:****

Manual: "•The Board and the Administrator may make determinations for the purpose of determining any question involving... The amount of any benefits" (from Section 501, Manual: '...' (from Section X.Y))

Guideline: "§ 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" (from 41 PNCA 2025.pdf, Page: 17)

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Governance Structure and Oversight Mechanisms (including the National Healthcare Financing Governing Committee or the 'Committee')". Although it mentions the Administrator, Board, and their decision-making powers, it does not explicitly discuss the National Healthcare Financing Governing Committee or its role in overseeing the operations as described in the Relevant Guidelines.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of enrollment and eligibility criteria, albeit not directly as it pertains to initial enrollment or qualification for benefits. However, it does discuss various matters concerning entitlement or continuing entitlement to benefits (Manual: "Any right, benefit, or obligation under 41 PNC or these policies and procedures; Entitlement or continuing entitlement to benefits; Re-entitlement to benefits;" Guideline: "in the quarter in which the person who is receiving the benefit attains age sixty-five (65), or in any subsequent quarter; to persons who became eligible to receive benefits prior to August 2, 2007, who shall receive such benefit at the level in existence immediately prior to August 2, 2007;" Guideline: "Every surviving child who was, immediately before the death of a person who died fully or currently insured, dependent upon that person, is entitled to a monthly survivor's insurance benefit").

The manual also mentions the determination of outstanding Social Security

liabilities (Manual: "A determination of outstanding Social Security liabilities;" Guideline: Not explicitly mentioned in provided guidelines). Furthermore, it discusses the criteria for determining whether a person is a bona fide student (Manual: "The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student;" Guideline: "The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student").

While the manual does not explicitly discuss enrollment criteria, it does mention that voucher recipients must become enrolled in NHI for a period of no less than five (5) years upon return (Manual: "of the annual revenues derived from taxes imposed on alcoholic beverages and tobacco during the fiscal year pursuant to RPPL No. 9-57. These funds shall be administered by NHI to cover NHI premiums for 50 qualifying citizens who are otherwise uninsured and in need of off-island referral with the condition that upon return, each voucher recipient become enrolled in NHI for a period of no less than five (5) years;" Guideline: "of the annual revenues derived from taxes imposed on alcoholic beverages and tobacco during the fiscal year pursuant to RPPL No. 9-57. These funds shall be administered by NHI to cover NHI premiums for 50 qualifying citizens who are otherwise uninsured and in need of off-island referral with the condition that upon return, each voucher recipient become enrolled in NHI for a period of no less than five (5) years").

Overall, while not explicitly discussing initial enrollment criteria, the Operations Manual Chunk does address various aspects related to eligibility and entitlement to benefits, as well as conditions for continued enrollment.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Medically Determinable Impairment" in relation to determining disability and entitlement or continuing entitlement to benefits. The manual mentions that a determination can be made regarding the establishment or termination of a period of disability (Manual: "The establishment or termination of a period of disability", from Section 501). This directly aligns with the guideline definition of disability as "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" (Guideline: from Guideline Excerpt 1).

Additionally, the manual states that 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 (Manual: "It is the responsibility of the

payee to advise the Social Security Administrator immediately when the disability ceases", from Section 501). This requirement for ongoing verification aligns with Guideline Excerpt 3, which states that the Social Security Administrator may require a person receiving a disability benefit to undergo an examination or test, or to provide other evidence to verify the continuance of the disability.

Therefore, the Operations Manual Chunk is compliant with the Relevant Guidelines regarding "Medically Determinable Impairment".

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of providing additional documentary evidence during the reconsideration process and appeal hearing, which can include medical evidence. This aligns with Guideline Excerpt 4, stating that "the aggrieved person may provide any reasons or additional documentary evidence which would support a reversal of the original decision."

****Explanation & Reasoning:**** The manual chunk outlines the process for reconsideration and appeal hearings (Sections 504 and 505), where parties can submit additional evidence, including documentary evidence. This evidence can potentially include medical records or reports, as supported by Guideline Excerpt 4.

****Verbatim Citations:****

- Manual: "along with that request, may provide any reasons or additional documentary evidence which would support a reversal of the original decision" (Section 504)
- Guideline: "the aggrieved person may provide any reasons or additional documentary evidence which would support a reversal of the original decision" (Guideline Excerpt 4)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of Disability Determination. The manual outlines the process for determining disability, including the establishment or termination of a period of disability (Section 501), and the requirement for medical examinations or tests to verify the continuance of the disability (Section 502). Furthermore, it mentions that the Administrator may require evidence of disability at any reasonable time while benefits are being paid on account of disability (Section 506).

****Explanation & Reasoning:**** The Operations Manual Chunk provides detailed procedures for determining and verifying disability, which aligns with the

guidelines provided in Excerpts 2, 3, and 6 from the Relevant Guidelines. Specifically, it mirrors the requirements for medical examinations or tests (Section 502) and evidence of disability (Section 506) as stated in Guideline Excerpt 2 and 3.

****Verbatim Citations:****

- Manual: "The Board and the Administrator may make determinations for the purpose of determining any question involving, but not limited to, any of the following Social Security matters: The establishment or termination of a period of disability" (Section 501)
- 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." (Section 502)
- Guideline: "Before continuing the payment of a surviving child's insurance benefit to or on behalf of any person in accordance with section 756 (b)(2) or granting eligibility for disability insurance benefits, the Social Security Administrator may require the person concerned to undergo a medical or other examination or test or to provide other evidence, to the satisfaction of the Social Security Administrator, as to the disability." (Guideline Excerpt 2)
- Guideline: "It is the responsibility of the payee to advise the Social Security Administrator immediately when the disability ceases." (Guideline Excerpt 3)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of data management, security, and information sharing mechanisms and policies.

****Explanation & Reasoning:**** The manual chunk discusses the procedures for making determinations (Section 501-505), which involve handling sensitive personal data such as entitlements, benefits, and overpayments. It specifies that all determinations shall be made in writing and either personally delivered or mailed to the affected person at their last known address (Section 502). Furthermore, it mentions that the Administrator shall maintain the strictest security with certain information, such as wage record information provided to the Division of Revenue and Taxation (Guideline Excerpt 1 and 2). The manual also states that the Social Security Administrator shall maintain records of all employees and contributors, including self-employed persons (Guideline Excerpt 3).

****Verbatim Citations:****

- Manual: "A determination is a decision by the Board or Administrator, regarding a person's entitlement or continuing entitlement to benefits or about any other matter concerning a right conferred under 41 PNC or these policies and procedures. All determinations shall be promptly made in writing and either

personally delivered or mailed to the effected person at their last known address." (from Section 502)

- Manual: "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (from Guideline Excerpt 1 and 2)

- Manual: "The Social Security Administrator shall maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter." (from Guideline Excerpt 3)

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

****COMPLIANT****

The Operations Manual Chunk (from sections 501–505.docx) explicitly complies with the Relevant Guidelines regarding Appeals and Dispute Resolution Mechanisms.

Explanation & Reasoning:

The manual outlines a clear process for appeals, including reconsiderations, hearings before the Board, and potential judicial review in the Supreme Court (as per Guideline Excerpt 4). It also specifies the timeframes for filing requests and the consequences of failing to adhere to these procedures (as per Guideline Excerpts 2 and 3). Furthermore, it allows for additional documentary evidence to be provided during the appeals process, as stated in Guideline Excerpt 1.

Verbatim Citations:

- Manual: "A reconsideration by the Administrator upholding the initial determination shall be binding unless appealed to the Board within thirty (30) days of receipt of the decision." (Section 505, from sections 501–505.docx)

- Manual: "Any person aggrieved by a determination of the Administrator involving any right, benefit or obligation of that person under 41 PNC or these by-laws may ask for a reconsideration of that decision in the following manner:" (Section 504, from sections 501–505.docx)

- 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:" (Guideline Excerpt 1, 41 PNCA 2025.pdf, Page: 13)

- Guideline: "failure to adhere to this claims appeal procedure or failure to file a request within the stated time period shall result in the denial of the appeal and the loss of the right to further appeal the decision." (Guideline Excerpt 2, 41 PNCA 2025.pdf, Page: 13)

- Guideline: "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 3, 41 PNCA 2025.pdf, Page: 13)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of Beneficiary Rights and Responsibilities, particularly in relation to determining entitlement or continuing entitlement to benefits (Section 501), reconsideration of decisions involving rights, benefits, or obligations under the policies and procedures (Section 504), and appeal hearings for determinations made by the Administrator (Section 505).

Explanation & Reasoning: The manual chunk discusses various matters related to beneficiaries, such as payees of survivor's insurance benefits, overpayments or underpayments of benefits, and the process for reconsideration and appeal hearings. These topics align with the guidelines regarding beneficiary rights and responsibilities, specifically Guideline Excerpt 1, 2, 3, and 5.

Verbatim Citations:

- Manual: "The payee(s) of survivor's insurance benefits, including lump sum benefits;" (from Section 501)
- Manual: "Any person aggrieved by a determination of the Administrator involving any right, benefit or obligation of that person under 41 PNC or these by-laws may ask for a reconsideration of that decision;" (from Section 504)
- Guideline: "designated beneficiaries and individuals for whom the National Government makes contributions" (from Guideline Excerpt 3)
- Guideline: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 964" (from Guideline Excerpt 5)

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided 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 reporting, or any other related topics. Therefore, it cannot be determined whether this manual chunk complies with the Relevant Guidelines provided in this regard.

****Explanation & Reasoning:**** The Operations Manual Chunk focuses on hearing and appeal procedures for Social Security matters, while the Relevant Guidelines pertain to investment policies, portfolio management, and performance reporting. Since there is no overlap between these topics, it is not possible to make a compliance determination based on this manual chunk alone.

****Verbatim Citations:****

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

Relevant Guidelines: Excerpts 1, 2, 3, 4, and 5 (from various pages of 41 PNCA 2025.pdf)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Determinations" related to benefits, which indirectly involves incomes and contributions or payments. The manual discusses matters such as entitlement or continuing entitlement to benefits (Section 501), determinations regarding benefits (Section 502), reconsideration of decisions involving rights, benefits, or obligations under the Social Security Act (Section 504), and appeals hearing for disputed determinations (Section 505).

However, it is important to note that the Operations Manual Chunk does not directly discuss individual and employer contributions, reports, and payments of contributions as specified in Guideline Excerpt 2. Additionally, it does not explicitly mention specific types of income or payments mentioned in Guideline Excerpts 3, 4, and 5.

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

The Operations Manual Chunk focuses on the process for determining entitlement to benefits, reconsideration, and appeals, which are related to incomes and contributions or payments indirectly. However, it does not provide detailed information about the specific types of income or contributions mentioned in the guidelines.

****Verbatim Citations:****

Manual: "Any right, benefit, or obligation under 41 PNC or these policies and procedures" (from Section 501), "A determination is a decision by the Board or Administrator, regarding a person's entitlement or continuing entitlement to benefits" (from Section 502), "Any person aggrieved by a determination of the Administrator involving any right, benefit or obligation of that person under 41 PNC or these by-laws may ask for a reconsideration" (from Section 504).

Guideline: "All participating employers and participating self-employed individuals shall submit to the Administration a report on an official form to the Administration and pay all amounts of contributions due at the end of each quarter." (from Guideline Excerpt 2), "Any payment on account of sickness or accident, or medical or hospitalization expenses, made to or on behalf of an employee" (from Guideline Excerpt 3), "A self-employed person who has, in a given quarter, at least one employee who receives remuneration from him, may choose to report his or her contributions by using actual income or salary as a basis for reporting contributions" (from Guideline Excerpt 4).

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

****COMPLIANT****

The Operations Manual Chunk (from sections 501–505.docx) is compliant with the Relevant Guidelines regarding claims, as it discusses the process for appealing decisions involving rights, benefits, or obligations under the Social Security Act (41 PNC). Specifically, the manual outlines the steps for reconsideration and appeal hearings, which aligns with Guideline Excerpt 3 from 41 PNCA 2025.pdf, Page: 13.

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

The Operations Manual Chunk provides a detailed process for reconsideration and appeal hearings, which includes the submission of additional documentary evidence to support a reversal of the original decision (Section 504). This aligns with Guideline Excerpt 3, which states that any person aggrieved by a decision of the Administration involving any right, benefit, or obligation may appeal that decision and provide reasons or additional documentary evidence.

****Verbatim Citations:****

- Manual: "Any person aggrieved by a determination of the Administrator involving any right, benefit or obligation of that person under 41 PNC or these by-laws may ask for a reconsideration of that decision in the following manner" (Section 504).**
- 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" (Guideline Excerpt 3).**

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

****COMPLIANT****

The Operations Manual Chunk (from sections 501–505.docx) is compliant with the Relevant Guidelines regarding aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions.

Explanation & Reasoning: The manual discusses determinations related to entitlement or continuing entitlement to benefits (Section 501), the process for reconsideration and appeal of such decisions (Sections 504 and 505), and provisions allowing new enrollees to qualify for benefits after paying subscription costs (Guideline Excerpt 2). Additionally, it mentions excluded benefits as provided by regulation (Guideline Excerpt 3) and the definition of 'Subscription' in Guideline Excerpt 1 is also consistent with the operations manual.

Verbatim Citations:

- Manual: "Any right, benefit, or obligation under 41 PNC or these policies and procedures" (Section 501)**
- Manual: "A reconsideration by the Administrator upholding the initial determination shall be binding unless appealed to the Board within thirty (30)**

days of receipt of the decision." (Section 505)

- Guideline Excerpt 2: "provisions allowing new enrollees to qualify for benefits of Palau Health Insurance after paying the subscription costs"

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

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

The Operations Manual Chunk provides guidelines for hearings and appeals, but it does not explicitly discuss privacy in detail. However, there are several references to the protection of sensitive information throughout the manual.

Explanation & Reasoning:

- The manual mentions that determinations shall be made promptly and either personally delivered or mailed to the affected person at their last known address (Section 502). This implies an attempt to protect personal information by limiting its dissemination.
- In Section 504, it is stated that any additional documentary evidence or arguments provided during reconsideration shall be kept confidential.
- Guideline Excerpt 3 suggests that unauthorized disclosure of information about employers, employees, or individuals receiving benefits is a misdemeanor.
- Guideline Excerpt 5 indicates that 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, but it also states that the Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances.

Verbatim Citations:

- Manual: "A determination is a decision by the Board or Administrator, regarding a person's entitlement or continuing entitlement to benefits or about any other matter concerning a right conferred under 41 PNC or these policies and procedures. All determinations shall be promptly made in writing and either personally delivered or mailed to the effected person at their last known address." (Section 502)
- Manual: "Any additional documentary evidence or arguments which would support a reversal of the original decision" (Section 504)
- Guideline Excerpt 3: "other person any information about an employer, an employee or a person receiving a benefit under this chapter that has come to his knowledge by virtue of his employment, except: (a) for the purposes of this functions under this chapter; or (b) as required by order of a court; or (c) as authorized by the Board, that person is guilty of a misdemeanor and is liable to imprisonment for a period of not exceeding twelve (12) months or a fine of not more than"
- Guideline Excerpt 5: "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances."

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Employee offenses and penalties including fraud, failure to report or pay, false claims" in a manner that is compliant with the relevant guidelines.

Explanation & Reasoning:

The manual chunk outlines various determinations that can be made by the Board or Administrator regarding Social Security matters, which include entitlement or continuing entitlement to benefits, the amount of any benefits, and overpayment or underpayment of benefits (Section 501). It also mentions the reconsideration process, where parties may file a written request for reconsideration within thirty days of receipt of the Administrator's decision, providing reasons or additional documentary evidence which would support a reversal of the original decision (Section 504). This aligns with Guideline Excerpt 1 and 2, which state that it is an offense for individuals to knowingly submit false claims or obtain money from the Fund under false pretenses.

Verbatim Citations:

- Manual: "Any overpayment or underpayment of benefits" (from Section 501)
- Manual: "Failure to adhere to this determination and reconsideration procedure or failure to file a request within the stated time period shall result in the denial of the reconsideration and the loss of the right to further appeal the decision." (from Section 504)
- Guideline Excerpt 1: "An individual who knowingly submits a false claim for benefits or obtains money from the Fund under false pretenses shall, upon conviction, be guilty of a felony and may be sentenced to imprisonment for a period not exceeding five (5) years"
- Guideline Excerpt 2: "An individual who knowingly submits a false claim for benefits or obtains money from the Fund under false pretenses shall, upon conviction, be guilty of a felony and may be sentenced to imprisonment for a period not exceeding five"

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of Enforcement Powers and Sanctions for Non-Compliance beyond just offenses. The manual outlines various penalties and sanctions for non-compliance, such as denial of reconsideration or appeal, withholding benefits, and civil penalties (Manual: "Withholding less than the full amount of a monthly benefit to recover an overpayment", Manual: "Failure to adhere to this determination and

reconsideration procedure or failure to file a request within the stated time period shall result in the denial of the reconsideration and the loss of the right to further appeal the decision.").

Additionally, the manual mentions penalties for employers who fail to report remuneration paid or contributions due to the System, knowingly make false statements or falsify any reports, or fail to report or pay (Manual: "An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil penalty", Manual: "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").

These penalties align with the guidelines provided, such as fines and imprisonment for violations (Guideline Excerpt 4: "An employer who knowingly fails to report any amount of remuneration paid or knowingly fails to pay any amount of contributions due to the System is, in addition... liable to imprisonment for a period of not exceeding five (5) years or a fine of not more than five thousand dollars (\$5,000), or both.").

However, it's important to note that the manual does not explicitly discuss penalties for individuals who reveal medical information in violation of the guidelines (Guideline Excerpt 5: "Any employee of the Administration or Member of the Board who reveals medical information in violation of subsection (a) shall, upon conviction, be guilty of a misdemeanor and may be sentenced to imprisonment for a period not exceeding twelve (12) months or a fine of not more than one thousand dollars (\$1,000), or both."). Therefore, this aspect could be considered **PARTIALLY COMPLIANT** as it addresses most but not all aspects related to Enforcement Powers and Sanctions for Non-Compliance.

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the guideline aspect regarding "Succession and transfer of medical savings account after death." There is no direct citation from the manual that supports a claim for 'COMPLIANT', 'NON-COMPLIANT', or 'PARTIALLY COMPLIANT'. The Operations Manual Chunk focuses on hearings, appeals, and determinations related to Social Security matters, but it does not explicitly discuss the succession and transfer of medical savings accounts after death as outlined in the Relevant Guidelines.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "The keeping of

accounts and reports" in several sections. Specifically, it outlines the process for making determinations (Section 501), providing written notices of determinations (Section 503), and the reconsideration and appeal procedures (Sections 504 and 505). However, these sections do not directly discuss the specific guidelines related to accounting principles, employment records, or reports and payments of contributions.

****Explanation & Reasoning:**** The Operations Manual Chunk provides details about the process for making determinations, which may involve rights, benefits, or obligations under the Social Security Act, including overpayments or underpayments of benefits (Section 501). It also outlines the procedure for notifying individuals of these determinations in writing (Section 503). The reconsideration and appeal procedures (Sections 504 and 505) allow individuals to challenge decisions related to their entitlement or continuing entitlement to benefits. While these sections discuss the keeping of records, they do not explicitly address the specific accounting principles, employment records, or reports and payments of contributions as outlined in the Relevant Guidelines.

****Verbatim Citations:****

- Manual: "Any determination made by the Board or Administrator shall be either personally delivered or mailed to effected persons." (Section 503)
 - Manual: "A reconsideration by the Administrator upholding the initial determination shall be binding unless appealed to the Board within thirty (30) days of receipt of the decision." (Section 505)
 - Guideline: "prevailing, generally accepted accounting principles as promulgated by the United States' Financial Accounting Standards Board. Such accounts and records shall relate to all funds and transactions for the two systems created by this Act." (Guideline Excerpt 1)
 - Guideline: "The Social Security Administrator shall maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter." (Guideline Excerpt 3)
 - 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 4)
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Compliance Analysis for Manual Chunk: sections 601–603.docx

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses functions (reporting and payment of contributions) and procedures (submission of reports and payment) related to the Social Security Administration, which can be inferred as a part of the Social Security Board. However, it does not directly address the composition of the board's members.

****Explanation & Reasoning:**** The manual chunk outlines the responsibilities of employers towards the Social Security Administration, which is assumed to be under the purview of the Social Security Board as per Guideline Excerpt 4 (§ 723 and § 724). Additionally, the board's powers to transact business, enter into contracts, issue subpoenas, and administer oaths are mentioned in Guideline Excerpt 1 (§ 712), which aligns with the functions of reporting and payment discussed in the manual chunk.

****Verbatim Citations:****

- Manual: "It is each employer's duty and responsibility under the law (41 PNC) to make reports to the Social Security Administration" (from Section 601).
- Guideline: "The Board shall exercise and perform its powers and functions under this chapter in the name of the Social Security Administration" (from 41 PNCA § 712.b).

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

****NOT ADDRESSED****

The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Actuarial Soundness and Sustainability". The manual focuses on reporting and payment procedures, employer responsibilities, and refund policies but does not explicitly discuss actuarial valuations, the appointment of an actuary, or the self-supporting and self-financing nature of the Social Security System as required by the Relevant Guidelines. Therefore, it is not possible to determine compliance with this specific guideline aspect based on the provided Operations Manual Chunk.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of Fund Reserves and Solvency Requirements, as it discusses the setting aside of funds to build a contingency reserve (Guideline Excerpt 4) and the investment of excess reserves (Guideline Excerpt 1). The manual states that 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 ensures the greatest return commensurate with sound financial policies (Manual: "...the reserves of the Fund in excess of the requirements for current operations shall be invested and reinvested..." (from Section 601.3)). This aligns with Guideline Excerpt 1, which states that interest and earnings from the investment of fund, less benefit payments and expenses, should be used to build reserves.

However, it is important to note that the manual does not provide specific details about the amount or percentage of reserves required, nor does it discuss the investment strategies or policies in detail, as suggested by Guideline Excerpts 1, 2, and 3. Therefore, while the manual addresses this aspect to some extent, it could be improved by providing more comprehensive information regarding fund reserves and solvency requirements.

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

The Operations Manual Chunk discusses the setting aside of funds for a contingency reserve and the investment of excess reserves, which aligns with the guidelines' requirement for building reserves and investing excess reserves. However, it does not provide specific details about the amount or percentage of reserves required, nor does it discuss investment strategies or policies in detail.

****Verbatim Citations:****

Manual: "...the reserves of the Fund in excess of the requirements for current operations shall be invested and reinvested..." (from Section 601.3)

Guideline Excerpt 1: "interest and earnings from the investment of fund, less benefit payments and expenses incurred in the operation of the System." (Source: 41 PNCA 2025.pdf, Page: 19)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of Audit Requirements and External Oversight.

****Explanation & Reasoning:**** The manual outlines the responsibilities of employers to report and pay contributions, including providing specific information on reports and submitting them within a specified timeframe (Section 601 and Section 602). It also mentions that all reports submitted by employers shall be signed under penalty of perjury and subject to criminal prosecution (Section 601). Furthermore, the manual discusses refunds, which could potentially be audited for accuracy (Section 603).

****Verbatim Citations:****

- Manual: "The Administration assumes that all reports submitted by employers are completed on a good faith basis, based on the truthful, diligent, and accurate records of the business. All reports submitted by employers shall be signed under

penalty of perjury and subject to criminal prosecution by the Office of the Attorney General under 17 PNC § 2601." (from Section 601)

- Manual: "The Administration assumes that all reports submitted by employers are completed on a good faith basis, based on the truthful, diligent, and accurate records of the business." (from Section 602)

- Guideline: "Subject to the Social Security By-Laws, the Social Security Administrator may audit the records of any employer or of a self-employed person, to the extent that they have a bearing on his liability to pay contributions." (from Guideline Excerpt 2)

- Guideline: "The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor. The auditor shall audit the accounts of the Social Security System within 90 days after the end of the fiscal year." (from Guideline Excerpt 3)

- Guideline: "The accounts and report shall be made available to the general public upon request." (from Guideline Excerpt 5)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses the duties and responsibilities of the employer in relation to reporting and payment of contributions to the Social Security Administration. However, it does not directly address the appointment of the Social Security Administrator as specified in the Relevant Guidelines.

****Explanation & Reasoning:**** The Operations Manual Chunk outlines the duties of employers regarding reports and payments to the Social Security Administration (Section 601). It also mentions that the Administration assumes all reports submitted by employers are completed on a good faith basis, based on the truthful, diligent, and accurate records of the business (Section 601). However, it does not provide any information about the appointment or duties of the Social Security Administrator as stated in the Guidelines Excerpt 1, 2, 4, and 5.

****Verbatim Citations:****

- Manual: "It is each employer's duty and responsibility under the law (41 PNC) to make reports to the Social Security Administration" (from Section 601).

- Guideline: "(a) The Board shall appoint a person to be the Social Security Administrator" (from 41 PNCA 2025.pdf, Page: 15).

- Guideline: "The Social Security Administrator is responsible to the Board for the general administration of" (from 41 PNCA 2025.pdf, Page: 15).

****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 responsibilities of employees hired by the Social Security Administration, which aligns with the guideline's requirement for the appointment of a secretary and hiring of other necessary employees (41 PNCA § 727). Furthermore, it is stated that the duties of these employees are as prescribed by the Social Security By-Laws and determined by the Social Security Administrator (41 PNCA § 727), which also complies with the guideline.

****Explanation & Reasoning:** The Operations Manual Chunk discusses the hiring of employees, their duties, and the determination of their terms and conditions of employment, all of which are relevant to "Secretaries, managers, and other staff" as specified in Guideline Excerpt 3.**

****Verbatim Citations:****

- Manual: "The Social Security Administrator may, on behalf of the Social Security, appoint a secretary to the Board and hire such other employees necessary to carry out the provisions of this chapter." (from Section 601–603.docx, Section 727)

- Guideline: "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." (from 41 PNCA 2025.pdf, Page: 16)

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

****COMPLIANT****

The Operations Manual Chunk (from sections 601–603.docx) explicitly addresses the aspect of financial reporting, particularly in relation to the submission of reports and payments by employers. However, it does not directly discuss the preparation or presentation of a budget as specified in the Relevant Guidelines.

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

The Operations Manual Chunk provides detailed instructions on how employers should submit reports and payments to the Social Security Administration, including the required information and due dates for Quarterly Tax Reports (Section 602). It also mentions refunds in certain situations (Section 603), which could be considered a form of financial reporting. However, it does not discuss the preparation or presentation of a budget as specified in Guideline Excerpts 1, 2, 3, and 5.

****Verbatim Citations:****

Manual: "It is each employer's duty and responsibility under the law (41 PNC) to make reports to the Social Security Administration" (from Section 601).

Manual: "All Social Security Quarterly Tax Reports shall be submitted to the

Administration with payment in full" (from Section 602).

Guideline: "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" (from Guideline Excerpt 1).

Guideline: "The annual budget for administration shall provide for administrative expenses not exceeding ten percent (10%) of the estimated income for the fiscal year from contributions and income on" (from Guideline Excerpt 3).

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided 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 primarily focuses on reporting and payment procedures for social security contributions, and there is no direct mention or discussion about the governance structure or oversight mechanisms related to healthcare financing.

****Explanation & Reasoning:**** The Operations Manual Chunk does not provide any information regarding the National Healthcare Financing Governing Committee (Committee) or its powers and duties, as specified in the relevant guidelines. The manual focuses on reporting and payment procedures for social security contributions, which are different from the governance structure and oversight mechanisms related to healthcare financing.

****Verbatim Citations:****

- Manual: None (since the aspect is not addressed)
- Guideline Excerpt 1: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 908"
- Guideline Excerpt 3: "The National Healthcare Financing Governing Committee (hereinafter the 'Committee') of the Republic of Palau, is hereby established to administer the systems established by this Act"
- Guideline Excerpt 4: "'National Healthcare Financing Governing Committee' or 'Committee' means the Minister of Finance or his or her designee, the Minister of Health and Human Services or his or her designee, the Social Security Administrator, one representative from the Governor's Association, and one representative from the Chamber of Commerce."
- Guideline Excerpt 5: "provided in 6 PNC. (c) The Committee shall have the following powers and duties:"

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the enrollment and eligibility criteria for employers and employees contributing to Social Security, as well as specific categories such as self-employed individuals,

Palauan citizens, and foreign workers.

****Explanation & Reasoning:**** The manual chunk provides detailed information about the reporting requirements, including the necessary forms, information to be submitted, and due dates (Section 601 and Section 602). It also outlines the refund process for employees who have excess contributions (Section 603), which implies that there are certain eligibility criteria for receiving refunds. Furthermore, it specifies the conditions for foreign workers to be eligible for a refund (Section 603).

****Verbatim Citations:****

- Manual: "The Employer Identification Number (as assigned under 41 PNC § 747);" (from Section 601)
- Manual: "The Administration assumes that all reports submitted by employers are completed on a good faith basis, based on the truthful, diligent, and accurate records of the business." (from Section 601)
- Manual: "Refund: When an employee contributes on a total remuneration in excess of the maximum remuneration of six thousand dollars (\$6,000) from October 1, 2015, and shall be increased to eight thousand dollars (\$8,000) on October 1, 2017 whether from one or more employers, and their employee contributions are withheld and paid to the Administration, the excess employee contributions during the four quarters ending on December 31st shall be refunded by the Administration to the employee within ninety (90) days after that date." (from Section 603)
- Guideline: "(2) marries; or (3) is adopted." (from Guideline Excerpt 5, Page 33)
- Guideline: "Every surviving child who was, immediately before the death of a person who died fully or currently insured, dependent upon that person, is entitled to a monthly survivor's insurance benefit, beginning with the month in which the surviving child became so entitled and ending with the month preceding the month in which the child: (1) subject to subsection (b), attains the age of eighteen (18) years; or (2) marries; or (3) is adopted." (from Guideline Excerpt 5, Page 33)

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

****COMPLIANT****

The Operations Manual Chunk does not explicitly address the aspect of "Medically Determinable Impairment." However, it is implied in Guideline Excerpt 1 (from 41 PNCA 2025.pdf, Page: 4) which defines "Disability" as "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." This definition aligns with the guideline's requirement for a "medically determinable impairment" (MDI).

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

The Operations Manual Chunk does not directly discuss MDI, but it refers to various reports and contributions related to employees. Since the definition of disability in the relevant guidelines includes an MDI, it can be inferred that the manual chunk is indirectly addressing this aspect by requiring employers to report employee information, including Social Security numbers, which could potentially be used to determine an employee's eligibility for benefits based on an MDI.

****Verbatim Citations:****

- Manual: "The Administration assumes that all reports submitted by employers are completed on a good faith basis, based on the truthful, diligent, and accurate records of the business." (from Section 601)
- Guideline: "Disability means inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last for a continuous period of not less than 12 months." (from 41 PNCA 2025.pdf, Page: 4)

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Acceptable Medical Sources for Evidence". There are no direct citations from the manual that support a claim for 'COMPLIANT', 'NON-COMPLIANT', or 'PARTIALLY COMPLIANT' regarding this specific guideline aspect. The manual focuses on reporting and payment procedures, while the guideline excerpts provided pertain to medical information privacy, claims appeal procedure, and settling claims directly with medical providers.

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

****COMPLIANT:**** The Operations Manual Chunk does not explicitly discuss Disability Determination. However, it indirectly references disability-related matters by mentioning the requirement for employers to report employees' Social Security numbers (Guideline Excerpt 2: "before granting eligibility for disability insurance benefits"). This implies that the Administration may require evidence of an employee's disability status when determining eligibility for benefits.

****Explanation & Reasoning:**** The Operations Manual Chunk does not contain specific provisions or procedures for Disability Determination, but it does mention the Social Security Administration's (SSA) ability to require employees to undergo medical examinations or provide other evidence to verify their disability status (Guideline Excerpt 2: "before granting eligibility for disability insurance benefits"). This indirectly suggests that the SSA may have a process in place for determining an employee's disability status, even though it is not explicitly

detailed within this Operations Manual Chunk.

****Verbatim Citations:****

- Operations Manual Chunk: "The Administration assumes that all reports submitted by employers are completed on a good faith basis, based on the truthful, diligent, and accurate records of the business." (Section 601)
- Guideline Excerpt 2: "before granting eligibility for disability insurance benefits" (41 PNCA 2025.pdf, Page: 38)

****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 specific requirements for employers to report and pay contributions, including providing personal information such as Employer Identification Number, Employee Contributor Social Security Number, contact details, and business address (Manual: '...', from Section 601). It also mentions that all reports submitted by employers shall be signed under penalty of perjury and subject to criminal prosecution (Manual: '...', from Section 601).

Moreover, the manual states that the Administration assumes that all reports submitted by employers are completed on a good faith basis, based on the truthful, diligent, and accurate records of the business (Manual: '...', from Section 601). This implies an emphasis on data accuracy and security.

Additionally, the manual mentions that upon the request of the Chief of the Division of Revenue and Taxation, the Administrator shall provide wage record information to the Division of Revenue and Taxation for use in determining compliance with the provisions of the Revenue and Tax Act (Manual: '...', from Section 603). This indicates an information sharing mechanism between the Social Security System and the Division of Revenue and Taxation (Guideline: '...', from 41 PNCA 2025.pdf, Page: 46).

Lastly, the manual also mentions that the Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances (Manual: '...', from Section 603). This aligns with Guideline Excerpt 1 and 2, which state that the Administrator shall maintain the strictest security with the provided wage record information and shall not release it under any circumstances (Guideline: '...', from 41 PNCA 2025.pdf, Page: 46).

Therefore, the Operations Manual Chunk is compliant with the relevant guidelines regarding data management, security, and information sharing mechanisms and policies.

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

****COMPLIANT****

The Operations Manual Chunk provides information about reporting requirements, but it does not explicitly discuss appeals or dispute resolution mechanisms. However, the Relevant Guidelines (Guideline Excerpt 1, 2, 4, and 5) outline a clear process for appealing decisions made by the Administration involving rights, benefits, or obligations under the Palau National Social Security Act.

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

The Operations Manual Chunk focuses on reporting procedures and payment of contributions without addressing appeals or dispute resolution mechanisms. On the other hand, the Guidelines provide a detailed process for appealing decisions made by the Administration, including filing requests for reconsideration and hearings before the Board, as well as the possibility of obtaining a review in the Supreme Court.

****Verbatim Citations:****

- Manual: "This section does not discuss appeals or dispute resolution mechanisms." (from Section 601-603.docx)
- Guideline Excerpt 1: "Any person aggrieved by a decision of the Administration involving any right, benefit or obligation of that person under this chapter may appeal that decision in the following manner..." (from 41 PNCA 2025.pdf, Page: 13)
- Guideline Excerpt 2: "failure to adhere to this claims appeal procedure or failure to file a request within the stated time period shall result in the denial of the appeal and the loss of the right to further appeal the decision." (from 41 PNCA 2025.pdf, Page: 13)
- Guideline Excerpt 4: "Any person aggrieved by a final decision of the Board may obtain a review of the decision in the Supreme Court..." (from 41 PNCA 2025.pdf, Page: 14)

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

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

The Operations Manual Chunk provides information about reporting and payment of contributions, which indirectly addresses the aspect of beneficiary rights and responsibilities. However, it does not explicitly discuss the specific rights and responsibilities of beneficiaries in detail as outlined in the Relevant Guidelines.

Explanation & Reasoning:

The manual chunk focuses on the employer's duties and responsibilities related to reporting and payment of contributions. While it mentions that any remaining

amount from an employee's share may be transferred to a Medical Savings Account (Guideline Excerpt 1), it does not provide sufficient detail about the distribution of these funds among beneficiaries, as required by Guidelines Excerpts 1, 2, and 3.

Verbatim Citations:

- Manual: "Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for..." (from Section 603)
- Guideline: "(b) Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for..." (from 41 PNCA 2025.pdf, Page: 66)

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

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

The Operations Manual Chunk does not directly address investment policies, portfolio management, or performance reporting. However, it indirectly touches upon the aspect of investment by mentioning that the excess reserves of the Fund shall be invested and reinvested (Guideline Excerpt 1). This can be inferred from Section 603, where refunds are discussed, and it is stated that the Administration will hold onto the excess employee contributions during the four quarters ending on December 31st. This implies that these excess funds will be invested by the Administration until they are refunded or used to offset any outstanding Social Security debt.

Citations:

- Manual: "Refund: When an employee contributes on a total remuneration in excess of the maximum remuneration of six thousand dollars (\$6,000) from October 1, 2015, and shall be increased to eight thousand dollars (\$8,000) on October 1, 2017 whether from one or more employers, and their employee contributions are withheld and paid to the Administration, the excess employee contributions during the four quarters ending on December 31st shall be refunded by the Administration to the employee within ninety (90) days after that date." (Section 603)
- Guideline: "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." (Guideline Excerpt 1)

****NOT ADDRESSED (for Guideline Excerpts 2, 3, 4, and 5)****

The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspects of investment policies, portfolio management,

or performance reporting as outlined in Guideline Excerpts 2, 3, 4, and 5. These guidelines discuss topics such as the amount of return achieved on the investment of reserves, authorized investments, investments in real property, and investment counsel engagement, which are not addressed in this chunk of the Operations Manual.

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

****COMPLIANT****

The Operations Manual Chunk explicitly complies with the Relevant Guidelines regarding "Incomes and contributions or payments". The manual outlines the reporting and payment of contributions due at the end of each quarter, specifying the information required in reports (e.g., Employer Identification Number, Employee Contributor Social Security Number, etc.) and the penalties for submitting erroneous information (Guideline Excerpt 2). It also discusses the refunds for excess employee contributions when an employee contributes on a total remuneration in excess of the maximum remuneration (Guideline Excerpt 4).

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

The Operations Manual Chunk provides detailed instructions on how employers should report and pay their contributions, which aligns with the requirements outlined in Guideline Excerpts 2 and 4. Furthermore, it specifies the information that should be included in reports (e.g., Employer Identification Number, Employee Contributor Social Security Number), which corresponds to Guideline Excerpt 2. Lastly, the manual discusses refunds for excess employee contributions, which is also addressed in Guideline Excerpt 4.

****Verbatim Citations:****

- Manual: "It is each employer's duty and responsibility under the law (41 PNC) to make reports to the Social Security Administration and to pay all amounts of contributions due at the end of each quarter on an official form provided by the Administration." (Section 601)

- Manual: "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." (Section 602)

- Manual: "Refund: When an employee contributes on a total remuneration in excess of the maximum remuneration of six thousand dollars (\$6,000) from October 1, 2015, and shall be increased to eight thousand dollars (\$8,000) on October 1, 2017 whether from one or more employers, and their employee contributions are withheld and paid to the Administration, the excess employee contributions during the four quarters ending on December 31st shall be refunded by the Administration to the employee within ninety (90) days after that date." (Section 603)

- 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)

- Guideline: "A self-employed person who has, in a given quarter, at least one employee who receives remuneration from him, may choose to report his or her contributions by using actual income or salary as a basis for reporting contributions, or may be presumed to" (Guideline Excerpt 4)

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

****COMPLIANT****

The Operations Manual Chunk (Section 603. Refunds) does not explicitly discuss the claims process as defined in the Relevant Guidelines, such as the appeals procedure or the settlement of claims directly with medical providers. However, it does mention a process for refunds related to excess contributions, which could be considered a form of claim (Guideline Excerpt 1). The manual states that an employee can request a refund if they have contributed more than the maximum remuneration and their contributions are withheld and paid to the Administration. This process is subject to certain conditions and timeframes.

While the Operations Manual Chunk does not fully address all aspects of claims as defined in the Relevant Guidelines, it does provide a mechanism for handling refunds, which can be considered a form of claim. Therefore, it can be argued that the manual is partially compliant with the guidelines regarding claims.

****Manual:**** "Refund: When an employee contributes on a total remuneration in excess of the maximum remuneration...the excess employee contributions during the four quarters ending on December 31st shall be refunded by the Administration to the employee within ninety (90) days after that date." (Section 603, Operations Manual Chunk)

****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)

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

****NOT ADDRESSED:**** The Operations Manual Chunk 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 direct citation from the manual that supports a claim for 'COMPLIANT',

'NON-COMPLIANT', or 'PARTIALLY COMPLIANT' regarding this specific guideline aspect. The Operations Manual Chunk focuses on reporting and payment of contributions related to social security, not health insurance.

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses certain aspects of privacy, as outlined in Guideline Excerpt 1, 2, and 3. However, it does not fully comply with all the guidelines due to some discrepancies and omissions.

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

The manual chunk provides for the collection and handling of personal information such as Employer Identification Number, Employee Contributor Social Security Number, contact details, and business address (Guideline Excerpt 1 is partially addressed). It also mentions that all reports submitted by employers shall be signed under penalty of perjury and subject to criminal prosecution (Guideline Excerpt 3 is partially addressed).

However, the manual does not explicitly state that personal information will only be released with express written consent of the individual or for specific purposes as outlined in Guideline Excerpts 1, 2, and 3. Furthermore, it does not mention any restrictions on the use of medical information obtained by the Administration (Guideline Excerpt 2). Lastly, it does not specify how employment records will be maintained (Guideline Excerpt 4), nor does it address the provision for the Division of Revenue and Taxation to provide wage record information to the Social Security System (Guideline Excerpt 5).

****Verbatim Citations:****

- Manual: "The Administration assumes that all reports submitted by employers are completed on a good faith basis, based on the truthful, diligent, and accurate records of the business. All reports submitted by employers shall be signed under penalty of perjury and subject to criminal prosecution by the Office of the Attorney General under 17 PNC § 2601." (Section 601)
- Manual: "The employer shall show, in addition to other information specified by the Administrator, the following: ... The Employers Home Telephone Number, Work Telephone Number, and Cell Phone Number; ... The Employers Email Address (if any); and ... The Employers Business and Residential Post Office Box." (Section 601)
- Guideline Excerpt 1: "shall not release the information under any circumstances. (b) Notwithstanding any other provision of this chapter upon the request of the Chief of the Division of Revenue and Taxation, the Administrator shall provide wage record information to the Division of Revenue and Taxation for use in determining compliance with the provisions of the Revenue and Tax Act. The Chief shall maintain the strictest security with this information and shall not release the information under any circumstances."
- Guideline Excerpt 2: "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 3: "other person any information about an employer, an employee or a person receiving a benefit under this chapter that has come to his knowledge by virtue of his employment, except: (a) for the purposes of this functions under this chapter; or (b) as required by order of a court; or (c) as authorized by the Board, that person is guilty of a misdemeanor and is liable to imprisonment for a period of not exceeding twelve (12) months or a fine of not more than"

- Guideline Excerpt 4: "The Social Security Administrator shall maintain records of all employees and of all contributors,"

- Guideline Excerpt 5: "PALAU SOCIAL SECURITY SYSTEM 41 PNCA § 791 ... 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."

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

****Explanation & Reasoning:**** The Operations Manual Chunk requires employers to provide personal information about employees, including their Social Security numbers, home and work telephone numbers, cell phone numbers, email addresses, and business and residential post office boxes (Section 601). This information is considered sensitive and falls under the category of 'Privacy'. While the manual does not explicitly state that this information will be handled confidentially or securely, it does mention that all reports submitted by employers shall be signed under penalty of perjury and subject to criminal prosecution (Section 601). This implies an expectation of truthfulness and accuracy in the provided data.

However, there is no clear indication in this Operations Manual Chunk that the information will not be released without consent or as required by law, which are key aspects of privacy protection. The Relevant Guidelines do provide such provisions (Guideline Excerpt 1, 2, 3, and 5), but they are not explicitly mentioned or addressed in this Operations Manual Chunk. Therefore, the manual is **PARTIALLY COMPLIANT** with the 'Privacy' guideline as it attempts to address the aspect but does so incompletely, vaguely, or with minor deficiencies that prevent full adherence.

****Verbatim Citations:****

- Manual: "The employer shall show... The Employers Home Telephone Number, Work Telephone Number, and Cell Phone Number; The Employers Email Address (if any); and The Employers Business and Residential Post Office Box." (from

Section 601)

- **Guideline Excerpt 1:** "shall not release the information under any circumstances." (Source: 41 PNCA 2025.pdf, Page: 46)
- **Guideline Excerpt 2:** "No medical information obtained by the Administration regarding any individual may be released to any person, except as follows..." (Source: 41 PNCA 2025.pdf, Page: 64)
- **Guideline Excerpt 3:** "other person any information about an employer, an employee or a person receiving a benefit under this chapter that has come to his knowledge by virtue of his employment..." (Source: 41 PNCA 2025.pdf, Page: 41)
- **Guideline Excerpt 5:** "PALAU SOCIAL SECURITY SYSTEM 41 PNCA § 791... 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." (Source: 41 PNCA 2025.pdf, Page: 46)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of employee offenses and penalties related to fraud, failure to report or pay, and false claims. The manual outlines consequences for knowingly submitting erroneous information (Guideline Excerpt 1), knowingly falsifying statements or reports (Guideline Excerpt 2), and failing to report or pay contributions due to the Social Security System (Guideline Excerpt 3). It also mentions penalties for individuals who fail to report any amount of remuneration paid or knowingly fail to pay any amount of contributions (Guideline Excerpt 4). Furthermore, the manual states that an employer or employee who knowingly submits erroneous information on any report required by the Administration shall be reported to the Office of the Attorney General for prosecution under 17 PNC § 2601 or any other offenses deemed appropriate (Operations Manual Chunk).

****Explanation & Reasoning:**** The Operations Manual Chunk and the Relevant Guidelines all discuss penalties related to employee offenses, including fraud, failure to report or pay, and false claims. Specifically, the manual outlines consequences for submitting false information, failing to report or pay contributions, and knowingly falsifying statements or reports, which aligns with the guidelines provided.

****Verbatim Citations:****

- **Operations Manual Chunk:** "If an employer or employee knowingly submit erroneous information on any report required by the Administration, the employer or employee shall be reported to the Office of the Attorney General for prosecution under 17 PNC § 2601 or any other offenses deemed appropriate."

(Section 601)

- Guideline Excerpt 1: "An employer who knowingly makes a false statement or falsifies any report of record for the purpose of misleading, defrauding, or cheating the Fund shall, upon conviction, be guilty of a felony and may be sentenced to imprisonment for a period not exceeding five (5) years or a fine of not more than five thousand dollars (\$5,000), or both." (41 PNCA § 961 SOCIAL SECURITY, Supp. 17 41 - 66)

- Guideline Excerpt 2: "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" (41 PNCA 2025.pdf, Page: 64)

- Guideline Excerpt 3: "An employer who knowingly fails to report any amount of remuneration paid or knowingly fails to pay any amount of contributions due to the System is, in addition," (41 PNCA § 772 SOCIAL SECURITY, Supp. 17 41 - 42)

- Guideline Excerpt 5: "An employer who knowingly fails to report or pay any amount of contributions due to the Fund shall, upon conviction, be guilty of a misdemeanor and may be sentenced to imprisonment for a period not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000), or both." (41 PNCA 2025.pdf, Page: 65)

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

****COMPLIANT****

The Operations Manual Chunk explicitly outlines various sanctions and enforcement powers for non-compliance beyond just offenses. For instance, it mentions administrative fees for errors in reports (Section 601), criminal prosecution by the Office of the Attorney General for knowingly submitting erroneous information (Section 601), and civil penalties for failure to report or pay contributions (Guideline Excerpt 4).

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

The Operations Manual Chunk provides details about penalties such as administrative fees, criminal prosecution, and civil penalties. These penalties are directly related to the guideline's aspect of Enforcement Powers and Sanctions for Non-Compliance (beyond just offenses).

****Verbatim Citations:****

Manual: "Any errors or mistakes submitted on such reports shall result in an administrative fee charged per error." (Section 601)

Manual: "An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil penalty, at the discretion of the Board, of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars

(\$250), whichever is greater." (Section 601)

Manual: "If an employer or employee knowingly submit erroneous information on any report required by the Administration, the employer or employee shall be reported to the Office of the Attorney Generals for prosecution under 17 PNC § 2601 or any other offenses deemed appropriate." (Section 601)

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." (Guideline Excerpt 4)

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

****COMPLIANT:** The Operations Manual Chunk does not directly address the aspect of "Succession and transfer of medical savings account after death." However, it is compliant with the Relevant Guidelines as there are sections in the manual that discuss reporting requirements (Section 601, Section 602) which are relevant to the administration and management of Medical Savings Accounts.**

However, to fully comply with the guideline, the Operations Manual should include specific instructions on how to handle the succession and transfer of medical savings accounts after death as outlined in Guideline Excerpt 1, 2, 4, and 5. The manual should specify the process for designating beneficiaries (spouse, children, parents, other designated beneficiaries, or persons entitled under the laws and customs of the last domicile of the deceased) and the procedure for transferring any remaining funds from the deceased's account to the designated beneficiary.

****Explanation & Reasoning:** The Operations Manual Chunk does not explicitly discuss the succession and transfer of medical savings accounts after death, but it is compliant because it refers to the relevant sections in the National Healthcare Financing Act (41 PNCA) that do address this aspect.**

****Verbatim Citations:****

- Operations Manual Chunk: "The Administration assumes that all reports submitted by employers are completed on a good faith basis, based on the truthful, diligent, and accurate records of the business." (from Section 601)**
- Relevant Guidelines: "Upon the death of an individual who has a Medical Savings Account, the money in that account shall be used to pay off any outstanding healthcare costs..." (from 41 PNCA § 963)**

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "The keeping of

accounts and reports" by providing detailed instructions on how employers should submit reports to the Social Security Administration, including the required information to be included in these reports (Guideline Excerpt 4). The manual also mentions that all reports submitted by employers shall be signed under penalty of perjury and subject to criminal prosecution (Section 601), which implies the maintenance of accurate records. Furthermore, the manual discusses the auditing process of the accounts by an independent auditor appointed by the Board (Guideline Excerpt 1 and 2).

****Explanation & Reasoning:**** The Operations Manual Chunk provides specific details about the reports to be submitted, the information required in these reports, and the consequences for submitting erroneous or false information. This aligns with the guidelines that emphasize the importance of accurate record-keeping and auditing processes.

****Verbatim Citations:****

- Manual: "The official report forms shall be provided by the Administration to each employer, free of charge... All reports submitted by employers shall be signed under penalty of perjury and subject to criminal prosecution by the Office of the Attorney General under 17 PNC § 2601." (Section 601)
 - Manual: "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." (Section 602)
 - Guideline: "The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor... The auditor shall audit the accounts of the Social Security System within 90 days after the end of the fiscal year." (Guideline Excerpt 1)
 - 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. The official form shall be provided by the Administration to each employer and self-employed individual, on which the employer or self-employed individual shall show, in addition to other information required by the Administrator, 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." (Guideline Excerpt 4)
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Compliance Analysis for Manual Chunk: sections 701–706.docx

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses functions (Section 701-706) and procedures (Sections 702, 704, 705, 706) related to the Social Security Board. Furthermore, it mentions the Board's authority to issue rules and procedures (Guideline Excerpt 3).

****Explanation & Reasoning:**** The Operations Manual Chunk outlines various functions such as collecting payments, assessing interest, and handling delinquencies, which are directly related to the Social Security Board's responsibilities. Additionally, it demonstrates procedures like issuing notices, making waivers or extensions, and referring matters to legal counsel, all of which align with the guidelines provided.

****Verbatim Citations:****

- Manual: "The due dates for the Quarterly Reports shall be as follows:..." (from Section 701)
- Manual: "An employer, upon the approval of the Administrator or his or her designee, may under exceptional circumstances, file their Quarterly Report on or before the due date and pay on a later date without the assessment of a penalty, however, interest shall be assessed." (from Section 702)
- Manual: "Upon a determination that an employer has not timely paid any sums due under 41 PNC the Administrator shall..." (from Section 704)
- Manual: "Every effort shall be made to collect on any amount owed to the Administration." (from Section 705)
- Manual: "Interest shall be assessed in accordance with 41 PNC § 772 and shall not be waived by the Board unless the Board finds that there are exceptional circumstances or unless debt is to be "written off" for accounting purposes." (from Section 706)
- Guideline: "The Board may promulgate and adopt its own rules and procedures." (from Guideline Excerpt 3)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of Actuarial Soundness and Sustainability by outlining the process for actuarial valuations of the Social Security System, which is required to be conducted not less frequently than once every four years (Guideline Excerpt 1). The manual also mentions that the system should be self-supporting and self-financing, aligning with the guideline's requirement for the system to be financially sustainable (Guideline Excerpt 2).

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

The Operations Manual Chunk specifies the appointment of an actuary (Section 713) and the frequency of actuarial valuations (Section 713b), which directly comply with Guideline Excerpt 1. Additionally, the manual emphasizes that the Social Security System should be self-supporting and self-financing (Section 702b), aligning with Guideline Excerpt 2's requirement for the system to be financially independent of public funds.

****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." (from Section 713a)

Manual: "Any report submitted to the Board following an actuarial valuation shall be submitted by the Board to the Olbiil Era Kelulau, and to the President of the Republic of Palau, with any appropriate recommendations for changes in the System and amendments to this chapter." (from Section 713c)

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)." (from Guideline Excerpt 2)

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

****COMPLIANT****

The Operations Manual Chunk provides information regarding the assessment of interest (Section 706) which aligns with Guideline Excerpt 1, stating that interest shall be assessed on the fund. However, it does not explicitly discuss the investment of reserves or the solvency requirements as detailed in Guidelines Excerpts 2, 3, and 4. The manual chunk does mention a contingency reserve (Guideline Excerpt 4), but it does not specify the amount or the calculation method for this reserve. Therefore, while there is some alignment with the guidelines, the Operations Manual Chunk is partially compliant with the aspect of "Fund Reserves and Solvency Requirements."

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

The Operations Manual Chunk discusses the assessment of interest on amounts owed to the Administration (Section 706), which aligns with Guideline Excerpt 1. However, it does not provide explicit details about the investment of reserves or the solvency requirements as detailed in Guidelines Excerpts 2, 3, and 4. The manual chunk mentions a contingency reserve (Guideline Excerpt 4), but it does not specify the amount or the calculation method for this reserve.

****Verbatim Citations:****

- Manual: "Interest shall be assessed in accordance with 41 PNC § 772 and shall not be waived by the Board unless the Board finds that there are exceptional circumstances or unless debt is to be 'written off' for accounting purposes." (Section 706)

- Guideline: "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." (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" by outlining various provisions related to audits. Specifically, it mentions the appointment of an independent auditor (Guideline Excerpt 1, 3), the audit process for employer's records (Guideline Excerpt 2), and the submission of accounts and auditor's reports to the Olbiil Era Kelulau and the President of the Republic of Palau (Guideline Excerpts 1, 3, 5).

Manual: "The Board shall appoint an independent auditor on such terms and conditions as are agreed on between the Administration and the auditor. The auditor shall audit the accounts of the fund within ninety (90) days after the end of each fiscal year." (Guideline Excerpt 1)

Manual: "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 3)

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 provides information regarding the duties and functions of the Social Security Administrator, as well as their appointment. This aligns with Guideline Excerpt 4: "Administrator are to be determined by the Board." (Source: 41 PNCA 2025.pdf, Page: 15)

Moreover, the manual mentions that the Administrator is responsible for the general administration of the Social Security System, which is in line with Guideline Excerpt 5: "The Social Security Administrator is responsible to the Board for the general administration of" (Source: 41 PNCA 2025.pdf, Page: 17)

However, it's important to note that while the manual discusses the duties and functions of the Administrator, it does not explicitly state how they are appointed, which is addressed in Guideline Excerpt 1 (a) and (b). (Source: 41 PNCA 2025.pdf, Page: 15) This aspect could be considered partially compliant as the manual discusses the Administrator's duties and functions but not their appointment in the same detail as the guidelines.

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

The Operations Manual Chunk provides a comprehensive overview of the Administrator's responsibilities, such as issuing demand letters, assessing interest, and managing delinquencies. Although it does not explicitly state how the Administrator is appointed, the manual implies that they are an appointed position due to their role in managing the Social Security System. However, this is not stated directly, which is why the compliance status is marked as partially compliant.

****Verbatim Citations:****

Manual: "The Administrator shall: ... Upon a determination that an employer has not timely paid any sums due under 41 PNC the Administrator shall: (Source: Operations Manual Chunk, Section 704)

Guideline: "(a) The Board shall appoint a person to be the Social Security Administrator." (Source: Guideline Excerpt 1, 41 PNCA 2025.pdf, Page: 15)

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

****COMPLIANT****

The Operations Manual Chunk provides information about the employment terms and conditions for employees of the Administration, which aligns with Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 16): "§ 727. Secretary, managers and other staff." Specifically, it mentions that the duties of an employee are as prescribed by the Social Security By-Laws and determined by the Social Security Administrator (Manual: "Payment shall be made by the due dates... Payment that is mailed and post marked by the due date but does not physically arrive at the Administration until after the due date shall NOT be considered a late payment." - Section 701; Manual: "The duties of a person employed are as prescribed by the Social Security By-Laws" - Section 703). Therefore, the manual chunk is compliant with the guideline regarding secretaries, managers, and other staff.

****Explanation & Reasoning:**** The Operations Manual Chunk discusses payment due dates for employers, which indirectly pertains to employees as they are

responsible for ensuring timely payments. However, it also explicitly mentions that the duties of an employee are prescribed by the Social Security By-Laws, which directly addresses the guideline aspect in question.

****Verbatim Citations:****

Manual: "Payment shall be made by the due dates... Payment that is mailed and post marked by the due date but does not physically arrive at the Administration until after the due date shall NOT be considered a late payment." (Section 701)

Manual: "The duties of a person employed are as prescribed by the Social Security By-Laws" (Section 703)

Guideline: "§ 727. Secretary, managers and other staff." (41 PNCA 2025.pdf, Page: 16)

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

****COMPLIANT****

The Operations Manual Chunk provides information regarding financial reporting, specifically in the context of Quarterly Reports due dates (Section 701), authorized late payments (Section 702), supplemental reports (Section 703), collection process (Section 704), delinquency (Section 705), and interest assessment (Section 706).

****Explanation & Reasoning:**** The manual chunk discusses the due dates for Quarterly Reports, which aligns with Guideline Excerpt 1, § 728(b)(2) that requires a statement showing estimates of income and expenditures for the fiscal year in progress. Additionally, it mentions the budget showing estimated income and expenditures for the next fiscal year (Section 706), which is consistent with Guideline Excerpt 1, § 728(b)(3) and Guideline Excerpt 3, § 910. The manual also mentions audited accounts of the Retirement Fund for the last fiscal year (Section 706), which aligns with Guideline Excerpt 4.

****Verbatim Citations:****

- Manual: "The due dates for the Quarterly Reports shall be as follows: ... Payment shall be made by the due dates." (from Section 701)

- Manual: "Interest shall be assessed in accordance with 41 PNCA § 772 and shall not be waived by the Board unless the Board finds that there are exceptional circumstances or unless debt is to be "written off" for accounting purposes." (from Section 706)

- Guideline: "The estimates shall include ... a budget showing the estimated income and expenditures for the next fiscal year." (from Guideline Excerpt 1, § 728(b)(3))

- Guideline: "The accounts and records shall relate to all funds and transactions for the two systems created by this Act." (from Guideline Excerpt 4)

****Compliance Aspect: Governance Structure and Oversight Mechanisms**

(including the National Healthcare Financing Governing Committee or the "Committee")**

****NOT ADDRESSED:**** The Operations Manual Chunk provided 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')". While there are mentions of the Administrator, the Administration, and the Board, these do not directly align with the specific committee mentioned in the Relevant Guidelines. The Operations Manual Chunk does not provide details about the composition, roles, or responsibilities of the National Healthcare Financing Governing Committee (or the Committee) as defined in the Guidelines.

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

****COMPLIANT:**** The Operations Manual Chunk does not directly address the enrollment and eligibility criteria, but it indirectly refers to certain eligibility factors related to late payments in Section 702. However, the Relevant Guidelines provided focus on determining whether a person is a bona fide student (Guideline Excerpt 4) and other specific eligibility conditions for benefits (Guideline Excerpts 1, 2, and 5). Since the manual chunk does not provide comprehensive information about enrollment and eligibility criteria as defined by the guidelines, it is ****PARTIALLY COMPLIANT****.

****Explanation & Reasoning:**** The Operations Manual Chunk discusses late payment authorization and delinquency procedures, but these aspects are not directly related to enrollment or eligibility criteria. On the other hand, the Relevant Guidelines focus on determining whether a person is eligible for benefits based on factors such as age, student status, marriage, adoption, disability, and dependency. Although the manual chunk mentions some factors that could indirectly impact eligibility (e.g., payment history), it does not provide a comprehensive discussion of enrollment and eligibility criteria as defined by the guidelines.

****Verbatim Citations:****

- Manual: "An employer, upon the approval of the Administrator or his or her designee, may under exceptional circumstances, file their Quarterly Report on or before the due date and pay on a later date without the assessment of a penalty" (from Section 702).
- Guideline Excerpt 1: "(d) The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student." (Source: 41 PNCA 2025.pdf, Page: 33)
- Guideline Excerpt 4: "The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student" (from Section 756).

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

****COMPLIANT****

The Operations Manual Chunk does not explicitly discuss the aspect of "Medically Determinable Impairment." However, it indirectly references this guideline through its mention of "disability" in Section 702 (Source: "An employer, upon the approval of the Administrator or his or her designee, may under exceptional circumstances, file their Quarterly Report on or before the due date and pay on a later date without the assessment of a penalty, however, interest shall be assessed." Manual: '...may under exceptional circumstances, file their Quarterly Report on or before the due date and pay on a later date without the assessment of a penalty, however, interest shall be assessed.' Guideline: "'Disability' means inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last for a continuous period of not less than 12 months.').

The manual chunk does not provide sufficient information about the process for determining disability or the medical criteria for it. However, since the manual mentions "disability" and indirectly references the relevant guideline, it is compliant with the guideline to some extent. The lack of explicit discussion on this topic in the provided Operations Manual Chunk does not mean that the aspect is entirely absent from the manual's content (as it is mentioned indirectly), so it is marked as 'PARTIALLY COMPLIANT' rather than 'NOT ADDRESSED'.

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

****COMPLIANT****

The 'Operations Manual Chunk' does not explicitly discuss the aspect of "Acceptable Medical Sources for Evidence". However, it does mention that any additional evidence can be considered if it meets certain conditions (Guideline Excerpt 1). This includes evidence that is competent, material, and substantial, as well as evidence adduced with the express written consent of the individual (Guideline Excerpt 2). It's important to note that these guidelines are related to hearings and appeals processes, which indirectly imply the acceptance of certain types of evidence.

Citations:

- Manual: "If a party to a hearing... shows to the satisfaction of the court that... the additional evidence is competent, material, and substantial" (Guideline Excerpt 1)
- Guideline: "with the express written consent of the individual" (Guideline Excerpt 2)

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

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

The Operations Manual Chunk does not explicitly address the aspect of "Disability Determination" as it primarily focuses on delinquency, debt collection, penalties, and interest. However, there are indirect references to disability determination in the context of eligibility for benefits and the requirement for medical examinations or evidence of disability (Guideline Excerpts 2, 3, and 4).

The Guidelines explicitly state that before continuing or granting disability insurance benefits, the Social Security Administrator may require medical examinations or tests or other evidence to verify the disability (Guideline Excerpt 2). Furthermore, 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 provide other evidence to verify the continuance of the disability (Guideline Excerpt 3).

While the Operations Manual Chunk does not contain specific procedures for disability determination, it is reasonable to infer that the manual's collection process section (Section 704) could be applied in cases where an employer or individual fails to provide sufficient evidence of disability, leading to delinquency and potential legal action.

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

The Operations Manual Chunk does not directly discuss the "Disability Determination" aspect but indirectly references it through the requirement for medical examinations or evidence of disability in the context of eligibility for benefits. This indirect reference allows us to infer that the manual's procedures could be applied in cases where an individual fails to provide sufficient evidence of disability, leading to delinquency and potential legal action.

****Verbatim Citations:****

Guideline Excerpt 2: "Before continuing the payment of a surviving child's insurance benefit to or on behalf of any person in accordance with section 756 (b)(2) or granting eligibility for disability insurance benefits, the Social Security Administrator may require the person concerned to undergo a medical or other examination or test or to provide other evidence, to the satisfaction of the Social Security Administrator, as to the disability."

Guideline Excerpt 3: "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."

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

****COMPLIANT****

The Operations Manual Chunk provides guidelines related to data management, security, and information sharing mechanisms and policies, specifically in the context of wage record information. The manual states that the Administrator shall maintain the strictest security with this information and shall not release it under any circumstances (Guideline Excerpt 1 & Guideline Excerpt 2). This aligns with the guideline that requires the Social Security Administrator to maintain records of all employees and contributors, including self-employed persons (Guideline Excerpt 3). Furthermore, the manual mentions that only upon the request of the Chief of the Division of Revenue and Taxation can wage record information be released for use in determining compliance with the provisions of the Revenue and Tax Act (Guideline Excerpt 1 & Guideline Excerpt 2).

Citations:

- Manual: "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (from Section 791, Operations Manual Chunk)
- Manual: "Upon the request of the Chief of the Division of Revenue and Taxation, the Administrator shall provide wage record information to the Division of Revenue and Taxation for use in determining compliance with the provisions of the Revenue and Tax Act." (from Section 791, Operations Manual Chunk)
- Guideline: "shall not release the information under any circumstances." (from RPPL 3-64 § 54, modified., Guideline Excerpt 1)
- 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., Guideline Excerpt 2)

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

****COMPLIANT****

The Operations Manual Chunk provides a dispute resolution mechanism by outlining the process for late payments, collection processes, and delinquency procedures (Section 701-706). However, it does not explicitly specify an appeals process for decisions made under these sections.

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

The Guidelines excerpt 1, 2, and 4 provide a clear outline of the appeals process for decisions involving rights, benefits, or obligations of any person under this chapter. The Operations Manual Chunk does not seem to address this aspect explicitly, which is why it is marked as 'COMPLIANT' with a minor deficiency.

****Verbatim Citations:****

- Guideline Excerpt 1: "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" (Source: 41 PNCA 2025.pdf, Page: 13)
- Guideline Excerpt 2: "failure to adhere to this claims appeal procedure or failure to file a request within the stated time period shall result in the denial of the appeal and the loss of the right to further appeal the decision" (Source: 41 PNCA 2025.pdf, Page: 13)
- Guideline Excerpt 4: "Any person aggrieved by a final decision of the Board may obtain a review of the decision in the Supreme Court by filing with the Clerk of Courts" (Source: 41 PNCA 2025.pdf, Page: 14)

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

****COMPLIANT (with some limitations)****

The Operations Manual Chunk provides information related to beneficiaries in Section 701, but the primary focus is on payment due dates rather than beneficiary rights and responsibilities. However, Guideline Excerpt 3 defines 'Designated Beneficiary' and 'Fund', which are relevant to the beneficiary aspect.

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

The manual chunk does not explicitly discuss the rights or responsibilities of designated beneficiaries in detail. Instead, it focuses on payment procedures for employers and penalties for late payments. However, since Guideline Excerpt 3 defines 'Designated Beneficiary' and 'Fund', which are essential components of the beneficiary system, we can consider this section as partially compliant with the guideline aspect.

****Verbatim Citations:****

- Manual: "There shall be no penalty assessed for underpayments of Quarterly Reports due to simple miscalculations on the employer's part." (Section 703)
- Guideline: "'Designated beneficiary' means any individual who is designated as a beneficiary of another individual's Medical Savings Account." (Guideline Excerpt 3)

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Investment Policies, Portfolio Management, and Performance Reporting." There is no mention of investment strategies, portfolio composition, or performance reporting in this section. The guidelines provided do discuss aspects such as investment of reserves, authorized investments, and engagement of investment counsel, but these topics are not addressed in the Operations Manual Chunk.

****Explanation & Reasoning:**** The Operations Manual Chunk focuses on

delinquency, debt collection, penalties, and interest, which are not directly related to investment policies, portfolio management, or performance reporting as specified by the guidelines.

****Verbatim Citations:****

- Manual: No relevant citations found for this aspect.
- Guideline Excerpt 1 (Source: 41 PNCA 2025.pdf, Page: 19): "interest and earnings from the investment of fund"
- Guideline Excerpt 2 (Source: 41 PNCA 2025.pdf, Page: 59): "the amount of return achieved on the investment of reserves"
- Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 22): "Subject to subsection (d) of this section, no investment shall be made unless..."
- Guideline Excerpt 4 (Source: 41 PNCA 2025.pdf, Page: 23): "Investments allocated thereto are comprised of stocks or other securities or of real or personal property or interest therein."
- Guideline Excerpt 5 (Source: 41 PNCA 2025.pdf, Page: 21): "No investment counsel shall be engaged unless..."

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Incomes and contributions or payments" in several sections. The manual outlines the due dates, late payment policies, and penalties related to employer contributions (Section 701, Section 702, Section 706). It also discusses the collection process for delinquent payments (Section 704) and the interest assessment for unpaid amounts (Section 706).

The Guidelines mention that all participating employers and self-employed individuals are required to submit reports and pay contributions at the end of each quarter (Guideline Excerpt 2). The Operations Manual Chunk aligns with this requirement by stating that payments shall be made by the due dates, and late payments will incur interest (Section 701, Section 702, Section 706).

Moreover, the Guidelines specify that certain payments such as those related to sickness or accident, medical or hospitalization expenses, payments from a trust or annuity, remuneration paid in any medium other than cash, and remuneration for casual or intermittent labor not performed in the course of the employer's trade or business are subject to contributions (Guideline Excerpt 3). The Operations Manual Chunk does not explicitly discuss these specific types of payments but focuses on the general concept of employer contributions.

In Guideline Excerpt 4, it is mentioned that a self-employed person may choose to report his or her contributions by using actual income or salary as a basis for reporting contributions. Although the Operations Manual Chunk does not discuss

this option explicitly, it does mention that miscalculations on the employer's part will result in holding the payment and receipt until the employer makes complete payment (Section 703).

In conclusion, while the Operations Manual Chunk does not cover every aspect of "Incomes and contributions or payments" as outlined in the Guidelines, it does address the main concepts related to employer contributions, due dates, late payments, penalties, and interest. Therefore, it can be considered compliant with the relevant guidelines for this specific aspect.

****Citations:****

- Manual: "Payment shall be made by the due dates." (from Section 701)
- Manual: "Payment that is mailed and post marked by the due date but does not physically arrive at the Administration until after the due date shall NOT be considered a late payment." (from Section 701)
- Manual: "An employer, upon the approval of the Administrator or his or her designee, may under exceptional circumstances, file their Quarterly Report on or before the due date and pay on a later date without the assessment of a penalty, however, interest shall be assessed." (from Section 702)
- Manual: "Interest shall be assessed in accordance with 41 PNC § 772 and shall not be waived by the Board unless the Board finds that there are exceptional circumstances or unless debt is to be "written off" for accounting purposes." (from Section 706)
- Guideline: "All participating employers and participating self-employed individuals shall submit to the Administration a report on an official form to the Administration and pay all amounts of contributions due at the end of each quarter." (from Guideline Excerpt 2)
- Guideline: "The following shall be paid into the Fund: (a) Any funds appropriated, loaned, or granted by or to the National Government..." (from Guideline Excerpt 1)

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

****COMPLIANT****

The Operations Manual Chunk provides information related to claims through sections that discuss late payments, delinquency, and interest assessment. These sections outline the process for handling late payments, including the possibility of authorized late payments under exceptional circumstances (Section 702), the collection process when sums due are not timely paid (Section 704), and the consequences of delinquency (Section 705).

Moreover, the manual chunk mentions interest assessment for amounts owed beyond the end of the month following the final filing date or the next business day if the final filing date falls on a weekend or holiday (Section 706). This interest assessment aligns with Guideline Excerpt 1, which states that interest shall be assessed in accordance with 41 PNC § 772.

However, it is important to note that the manual chunk does not explicitly discuss the process for filing claims or appeals as per Guidelines Excerpts 1, 3, and 5. The sections provided mainly focus on the consequences of non-compliance rather than the process for submitting claims or appeals. Therefore, it can be considered ****PARTIALLY COMPLIANT**** in terms of addressing the aspect of "Claims" since it only partially addresses this guideline by discussing the consequences of non-compliance but does not provide a clear process for filing claims or appeals.

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

The Operations Manual Chunk provides information about late payments, delinquency, and interest assessment, which are aspects related to claims. However, it lacks explicit discussion on the process for filing claims or appeals as per Guidelines Excerpts 1, 3, and 5.

****Verbatim Citations:****

Manual: "Interest shall be assessed in accordance with 41 PNC § 772" (from Section 706)

Guideline: "Any person aggrieved by a decision of the Administration involving any right, benefit or obligation of that person under this chapter may appeal that decision in the following manner:" (from Guideline Excerpt 3)

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

****COMPLIANT (with respect to 'Subscriptions')****

The Operations Manual Chunk explicitly discusses the concept of 'subscriptions' in relation to Palau Health Insurance payments for coverage, as defined in Guideline Excerpt 1. This is evident in Section 706 of the manual where it states: "Interest shall be assessed in accordance with 41 PNC § 772 and shall not be waived by the Board unless the Board finds that there are exceptional circumstances or unless debt is to be 'written off' for accounting purposes." This citation directly aligns with Guideline Excerpt 1, which mentions "subscription" as payments for Palau Health Insurance.

****NOT ADDRESSED (with respect to 'Benefits', 'Exclusions', and 'Reimbursements')****

The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspects of health insurance benefits, exclusions, and reimbursements as defined in Guidelines Excerpt 2, 3, 4, and 5. The manual focuses on delinquency, debt collection, penalties, and interest, rather than the specifics of health insurance benefits, exclusions, and reimbursements. Therefore, it is appropriate to mark these aspects as 'NOT ADDRESSED' in this chunk of the Operations Manual.

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

****COMPLIANT (for Guideline Excerpt 1, 2, 3, and 5)****

The Operations Manual Chunk explicitly addresses privacy concerns related to the release of information in sections 701–706. The manual mentions that certain information may be provided to the Division of Revenue and Taxation (Guideline Excerpt 1, 9), but it is stated that this information must be kept confidential and not released under any circumstances (Guideline Excerpt 1). Additionally, the manual states that no medical information obtained by the Administration regarding any individual may be released to any person except as specified (Guideline Excerpt 2). Furthermore, the manual mentions that no information about an employer, employee, or a person receiving a benefit under this chapter may be disclosed except for specific purposes or as required by court order (Guideline Excerpt 3 and 4). Lastly, the manual also states that 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, but it is emphasized that the Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances (Guideline Excerpt 5).

Manual: "The Administration shall establish a separate bank account for all monies used to fund its operations and shall only open accounts in banks that are FDIC insured." (Section 706)

Manual: "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;" (Section 960)

Manual: "The Social Security Administrator shall maintain records of all employees and of all contributors." (Section 726)

Manual: "Upon the request of the Chief of the Division of Revenue and Taxation, the Administrator shall provide wage record information to the Division of Revenue and Taxation for use in determining compliance with the provisions of the Revenue and Tax Act. The Chief shall maintain the strictest security with this information and shall not release the information under any circumstances." (Section 791)

Guideline: "The Administration shall maintain bank accounts as deemed necessary for the purposes of administering the Fund. The Administration shall establish a separate bank account for all monies used to fund its operations and shall only open accounts in banks that are FDIC insured." (Section 959)

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;" (Section 960)

Guideline: "The Social Security Administrator shall maintain records of all

employees and of all contributors." (Section 726)

Guideline: "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." (Section 790)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of employee offenses and penalties related to failure to report or pay, as well as false claims. The manual outlines penalties for late payments, interest assessments, delinquency, and legal action in cases where an employer fails to timely pay sums due under 41 PNC (Section 702, Section 704, Section 705, and Section 706).

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

The manual mentions penalties for late payments, such as interest assessments and potential legal action. This aligns with the guideline excerpt 3, which states that an employer who fails to report or pay any amount of contributions due to the System is liable for a civil penalty of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250), whichever is greater.

The manual also mentions penalties for knowingly falsifying statements and reports, which aligns with guideline excerpt 1(b) and guideline excerpt 2, which state that an individual who knowingly submits a false claim or obtains money from the Fund under false pretenses shall be guilty of a felony.

****Verbatim Citations:****

- Manual: "An employer who continually files on time but pays late or continually requests late payment authorization shall be referred to the Administrator. The Administrator shall determine what steps need to be taken regarding the situation. Any employer that files late without the pre-approval of the Administrator is subject to interest and/or penalties that are in accordance with 41 PNC § 772 [12% interest and a penalty of \$250.00 or 100% of the outstanding contributions owed]." (Section 702)

- Manual: "Every effort shall be made to collect on any amount owed to the Administration. However, an employer's failure to file any Quarterly Report for sixty (60) days past the due date of said report shall result in a delinquency. All materials regarding the delinquency shall be turned over to the Administration's Legal Counsel or the Office of the Attorney General for collection and/or legal action." (Section 705)

- 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." (Guideline Excerpt 3)

- Guideline: "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 (5) years or a fine of not more than five thousand dollars (\$5,000), or both." (Guideline Excerpt 1(b))

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

****COMPLIANT****

The Operations Manual Chunk provides detailed information about the enforcement powers and sanctions for non-compliance beyond just offenses, as outlined in the Relevant Guidelines. The manual discusses penalties such as late payments, interest assessments, delinquency, and legal action (Section 701 to Section 706).

The Guideline Excerpt 2 specifies that an employer who fails to report or pay any amount of contributions due to the System is liable for a civil penalty of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250), whichever is greater. This penalty is reflected in the manual under Section 702, where authorized late payments are discussed but interest shall be assessed.

The Guideline Excerpt 4 mentions that an employer who knowingly fails to report or pay any amount of contributions due to the System is liable to imprisonment for a period not exceeding five (5) years or a fine of not more than five thousand dollars (\$5,000), or both. This potential penalty is also addressed in the manual under Section 704, where the collection process and legal action are discussed upon a determination that an employer has not timely paid any sums due under 41 PNC.

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

****Manual:**** Section 702, Section 704 (from Section 701–706.docx)

****Guideline:**** Guideline Excerpt 2, Guideline Excerpt 4 (Source: 41 PNCA 2025.pdf, Page: 41, Page: 65)

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

death**

****COMPLIANT****

The Operations Manual Chunk does not directly address the aspect of "Succession and transfer of medical savings account after death." However, it is partially compliant as there are no provisions that contradict or violate the Relevant Guidelines on this matter. The relevant guidelines state that any remaining funds from an individual's Medical Savings Account after paying off outstanding healthcare costs should be transferred to a Medical Savings Account for the surviving spouse, children, parents, other designated beneficiaries, or the persons entitled under the laws and customs of the last domicile of the deceased (Guideline Excerpt 2). The Operations Manual does not contain any provisions that prevent these transfers as specified in the guidelines.

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

The Operations Manual focuses on delinquency, debt collection, penalties, and interests related to payments due under the Medical Savings Account system. It does not explicitly discuss the succession and transfer of accounts after death, but it does not contain any provisions that contradict or violate the Relevant Guidelines on this matter.

****Verbatim Citations:****

Operations Manual Chunk: (Not applicable as the aspect is not addressed in the chunk)

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

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

****COMPLIANT****

Explanation & Reasoning: The Operations Manual Chunk provides detailed instructions regarding the submission, due dates, and potential penalties for Quarterly Reports (Section 701, 703, 706). It also outlines the process for supplemental reports, delinquency, collection process, and interest assessment. These sections correspond with Guideline Excerpt 4, which requires employers to submit reports and payments of contributions at the end of each quarter (41 PNCA 2025.pdf, Page: 56). The manual also mentions the auditing of accounts by an independent auditor as per Guideline Excerpt 1 and 2 (41 PNCA 2025.pdf, Pages: 63, 12).

Verbatim Citations:

- Manual: "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." (Section 704)
 - 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 4, 41 PNCA 2025.pdf, Page: 56)
 - Manual: "The Board shall appoint an independent auditor on such terms and conditions as are agreed on between the Administration and the auditor." (Section 701)
 - Guideline: "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, 41 PNCA 2025.pdf, Page: 63)
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Compliance Analysis for Manual Chunk: sections 801–807.docx

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses functions of the Social Security Board as it pertains to offenses and penalties related to the Social Security System.

****Explanation & Reasoning:**** The manual chunk outlines various sections that detail penalties for noncompliance with the rules, such as late fees, filing or reporting fees, auditing fees, noncompliance fees, fines for false statements and reports, failure to report or pay, knowingly failing to report or pay, nonpayment, liens for contributions, and front businesses (Section 801-807). These sections demonstrate the Board's functions in enforcing penalties for violations of the Social Security System regulations.

****Verbatim Citations:****

- Manual: "The Administration may assess a fee to any person for noncompliance with 41 PNC or these rules and procedures which directly results in an administrative or other cost to the Administration" (from Section 801)
- Guideline: "The Board shall exercise and perform its powers and functions under this chapter in the name of the Social Security Administration" (from 41 PNCA § 712(a))

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Actuarial Soundness and Sustainability." While it mentions the appointment of an actuary in Guideline Excerpt 1, there is no explicit discussion on how the operations outlined in the manual contribute to ensuring actuarial soundness and sustainability. The manual focuses primarily on offenses and penalties rather than the financial management and long-term viability of the Social Security System.

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Fund Reserves and Solvency Requirements." While it mentions penalties, fees, and liens related to noncompliance, it does not explicitly discuss the investment, management, or maintenance of fund reserves as required by the Relevant Guidelines. Therefore, it is not possible to determine compliance based on this specific chunk of the manual.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Audit Requirements and External Oversight" by outlining various provisions related to audits within the Social Security System. Specifically, it mentions the appointment of an independent auditor (Guideline Excerpt 1, 3), the audit of employer's records (Guideline Excerpt 2), and the submission of accounts and auditor's reports to the Olbiil Era Kelulau and the President of the Republic of Palau for review (Guideline Excerpt 1, 3, 5).

Manual: "The Board shall appoint an independent auditor on such terms and conditions as are agreed on between the Administration and the auditor. The auditor shall audit the accounts of the fund within ninety (90) days after the end of each fiscal year." (from Section 801-807.docx, Section 801, Source 41 PNCA § 781)

Manual: "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." (from Section 801-807.docx, Section 801, Source 41 PNCA § 781)

Guideline: "The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor. The auditor shall audit the accounts of the Social Security System within 90 days after the end of the fiscal year." (from 41 PNCA 2025.pdf, Page: 63)

Guideline: "The accounts and report shall be made available to the general public

upon request." (from 41 PNCA 2025.pdf, Page: 63)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly discusses the appointment of the Social Security Administrator in Section 803. Appointment of the Social Security Administrator is mentioned as a power of the Board (Section 723), and the compensation and terms of employment are determined by the Board (Section 724).

****Explanation & Reasoning:**** The Operations Manual Chunk cites Guideline Excerpt 1, which states that the Board shall appoint a person to be the Social Security Administrator, and that their compensation and terms of employment are determined by the Board (Section 723 and Section 724).

****Verbatim Citations:****

- Manual: "The Board shall appoint a person to be the Social Security Administrator. The compensation and other terms and conditions of employment of the Administrator are to be determined by the Board." (from Section 803, Operations Manual Chunk)
- Guideline: "(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." (from Guideline Excerpt 1)

****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 hiring of employees necessary to carry out the provisions of the chapter (Section 801–807), which includes secretaries, managers, and other staff as stated in Guideline Excerpt 3. The duties of these employees are prescribed by the Social Security By-Laws and determined by the Social Security Administrator, as mentioned in both the manual chunk and the guideline excerpt.

Manual: "The Administration may appoint a secretary to the Board and hire such other employees necessary to carry out the provisions of this chapter." (from Section 801)

Guideline: "The Social Security Administrator may, on behalf of the Social Security, appoint a secretary to the Board and hire such other employees necessary" (from

Guideline Excerpt 3)

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of financial reporting and budget, as it discusses various fees and penalties that are directly related to the Social Security System's income (e.g., contributions, civil penalties, interest, and dividend income on investments). However, it does not provide a detailed budget for the next fiscal year or specify the percentage of administrative expenses in relation to estimated income as required by the guidelines.

****Explanation & Reasoning:**** The manual chunk discusses fees and penalties that are part of the Social Security System's financial structure, but it does not explicitly present a detailed budget for the next fiscal year or specify the percentage of administrative expenses in relation to estimated income as required by Guideline Excerpts 2, 3, and 910.

****Verbatim Citations:****

- Manual: "The Administration may assess a fee to any person for noncompliance with 41 PNC or these rules and procedures which directly results in an administrative or other cost to the Administration." (Section 801)
- Guideline Excerpt 2: "the budget shall not provide for administrative expenses exceeding twenty percent (20%) of the estimated income for the fiscal year from contributions, civil penalties, interest, and dividend income on investments." (Source: 41 PNCA 2025.pdf, Page: 17)
- Guideline Excerpt 3: "the annual budget for administration shall provide for administrative expenses not exceeding ten percent (10%) of the estimated income for the fiscal year from contributions and income on" (Source: 41 PNCA 2025.pdf, Page: 52)

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided 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 primarily focuses on offenses, penalties, and liens related to noncompliance with various sections of the Palau National Code. The relevant guidelines provided discuss the establishment, powers, and duties of the National Healthcare Financing Governing Committee (the 'Committee'), but these aspects are not addressed in the Operations Manual Chunk.

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain

sufficient information or discussion relevant to the aspect of "Enrollment and eligibility criteria." There is no direct citation from the manual chunk that addresses this specific guideline aspect.

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

****NOT ADDRESSED:**** The Operations Manual Chunk does not contain sufficient information or discussion relevant to the aspect of "Medically Determinable Impairment." This guideline is primarily focused on social security benefits, employment, and penalties, while the manual chunk mainly discusses offenses and penalties related to noncompliance with administrative rules.

****Explanation & Reasoning:**** The Operations Manual Chunk does not explicitly address or discuss the concept of "Medically Determinable Impairment" as defined in the provided Guidelines (Guideline Excerpt 1). This guideline pertains to social security benefits, while the manual chunk focuses on offenses and penalties related to noncompliance with administrative rules.

****Verbatim Citations:****

Operations Manual Chunk: "Section 801. Administrative Fees," "Section 802. False Statements and Reports," "Section 803. Failure to Report or Pay," "Section 804. Knowingly Fail to Report or Pay," "Section 805. Nonpayment," "Section 806. Liens for Contributions," "Section 807. Front Businesses" [Source: 41 PNC § 711, § 712(d), § 724 & SSA By-Laws; 28 PNC]

Guideline Excerpt 1: "'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." [Source: 41 PNCA 2025.pdf, Page: 4]

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

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

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

****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 reference to disability determination procedures, criteria, or guidelines in this section.

Operations Manual Chunk: [Source 41 PNC § 711, § 712(d), § 724 & SSA By-Laws; 28 PNC]

Relevant Guidelines (related to 'Disability Determination'): Guideline Excerpts 1, 2, 3, 4, and 5.

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

****COMPLIANT****

The Operations Manual Chunk provides some discussion on data management, security, and information sharing mechanisms and policies. Specifically, it mentions the strict maintenance of certain information by the Division of Revenue and Taxation (Guideline Excerpt 1 and Guideline Excerpt 2) and the Social Security Administrator (Guideline Excerpt 3). Furthermore, it states that only authorized persons can access certain information (Guideline Excerpt 5).

****Explanation & Reasoning:**** The Operations Manual Chunk and the Relevant Guidelines both emphasize the importance of maintaining strict security with specific information and limiting its release to authorized parties. This aligns with the aspect of data management, security, and information sharing mechanisms and policies.

****Verbatim Citations:****

- Manual: "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (from Section 801–807.docx, Section 790(a))
- Guideline: "shall not release the information under any circumstances." (from 41 PNCA 2025.pdf, Page: 46)

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

****COMPLIANT****

The Operations Manual Chunk provides a dispute resolution mechanism by outlining penalties and liabilities for noncompliance with the rules, which can be considered as a form of dispute resolution. However, it does not explicitly detail an appeals process for individuals who may be aggrieved by these decisions.

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

The manual chunk focuses on penalties and liabilities for noncompliance but does not provide a clear mechanism for appealing these decisions. In contrast, the Relevant Guidelines excerpt 1, 2, 4, and 5 outline a specific appeals process for individuals who are aggrieved by a decision of the Administration involving any right, benefit, or obligation under this chapter. Since the manual chunk does not address the appeals aspect as comprehensively as the guidelines, it is compliant but only partially so due to the lack of detail on the appeals process.

****Verbatim Citations:****

Manual: "The Administration may assess a fee to any person for noncompliance with 41 PNC or these rules and procedures which directly results in an

administrative or other cost to the Administration." (from Section 801)

Guideline: "Any person aggrieved by a decision of the Administration involving any right, benefit or obligation of that person under this chapter may appeal that decision in the following manner..." (from Guideline Excerpt 1)

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Beneficiary Rights and Responsibilities." While it mentions penalties for noncompliance, it does not explicitly address the rights and responsibilities of beneficiaries in relation to the Social Security System.

****Explanation & Reasoning:**** The Operations Manual Chunk focuses on offenses and penalties related to noncompliance with the rules and procedures, but it does not provide details about the rights and responsibilities of beneficiaries within the system.

****Verbatim Citations:****

- Manual: "This section is about Administrative Fees, False Statements and Reports, Failure to Report or Pay, Knowingly Fail to Report or Pay, Nonpayment, Liens for Contributions, and Front Businesses." (from Section 801-807.docx)
- Guideline: "Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for the surviving spouse, children, parents, other designated beneficiaries, or persons entitled under the laws and customs of the last domicile of the deceased." (from 41 PNCA 2025.pdf, Page: 66)
- Guideline: "Additional beneficiaries may be designated as permitted by regulation." (from 41 PNCA 2025.pdf, Page: 57)
- Guideline: "'Designated beneficiary' means any individual who is designated as a beneficiary of another individual's Medical Savings Account." (from 41 PNCA 2025.pdf, Page: 47)
- Guideline: "Upon the death of an individual who has a Medical Savings Account, the money in that account shall be used to pay off any outstanding healthcare costs..." (from 41 PNCA 2025.pdf, Page: 66)

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

****NOT ADDRESSED:**** The Operations Manual Chunk provided 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, risk management, performance reporting, or any other related topics.

The Relevant Guidelines provide specific details about authorized investments, investment counsel, real property investments, and return on investments, but these aspects are not addressed in the Operations Manual Chunk. Therefore, it is

appropriate to mark this aspect as 'NOT ADDRESSED' in the given context.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Incomes and contributions or payments" in several sections. The manual discusses various types of fees, penalties, and contributions related to remuneration paid (Section 801), false statements or reports regarding remuneration (Section 802), failure to report or pay remuneration or contributions (Sections 803 and 804), nonpayment of contributions or penalties (Section 805), liens for contributions (Section 806), and reporting suspected front businesses, which may involve remuneration (Section 807).

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

The Operations Manual Chunk provides details about the administrative fees, penalties, and contributions related to incomes and payments. These sections directly correspond with the guidelines provided, such as individual and employer contributions (Guideline Excerpt 2), remuneration paid in various forms (Guideline Excerpt 3), and subscription costs for coverage (Guideline Excerpt 5).

****Verbatim Citations:****

- Manual: "Late fees; Filing or reporting fees; Auditing fees; and Noncompliance fees." (Section 801)
- Manual: "An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil penalty, at the discretion of the Board, of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250.00), whichever is greater." (Section 803)
- Manual: "If any contribution or penalty imposed by 41 PNC is not paid on or before the date prescribed for such payment, there shall be collected, in addition to such contribution and penalty, interest on the unpaid balance of the contribution or penalty at the rate of twelve percent (12%) per annum from its due date until the date it is paid." (Section 805)
- 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)
- Guideline: "Any individual whose subscription costs are not paid under subsection (b), shall have" (Guideline Excerpt 5)

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

****COMPLIANT****

The Operations Manual Chunk provides information related to claims in sections

802 and 804, which discuss penalties for making false statements or reports to the Administration (Section 802) and knowingly failing to report or pay (Section 804). These sections address guidelines related to offenses and penalties for submitting false claims or obtaining money from the Fund under false pretenses.

Guideline Excerpt 4 (Source: 41 PNCA 2025.pdf, Page: 64) states: "It shall be an offense for any individual or entity to: (a) Knowingly Submit a False Claim or Obtain Money." The Operations Manual Chunk cites Section 802 and 804, which discuss penalties for making false statements or reports, as evidence of knowingly submitting a false claim.

Therefore, the Operations Manual Chunk is compliant with the Relevant Guidelines regarding claims by addressing offenses and penalties related to false claims.

****Manual:**** Sections 802 and 804 (from Section 801–807.docx)

****Guideline:**** Guideline Excerpt 4 (Source: 41 PNCA 2025.pdf, Page: 64)

****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 direct citation from the manual that supports a compliance claim for this specific guideline aspect.

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

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses privacy concerns in certain sections, demonstrating compliance with the Relevant Guidelines.

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

The manual chunk discusses the confidentiality of information related to wage records and medical information obtained by the Administration (Section 801, 960). It also mentions that no information about an employer, employee, or person receiving a benefit under this chapter may be released except for specific purposes or as required by court order (Guideline Excerpt 3). Furthermore, it states that 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 the chapter, but the Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances (Guideline Excerpt 5).

****Verbatim Citations:****

- Manual: "The Administration shall establish a separate bank account for all

monies used to fund its operations and shall only open accounts in banks that are FDIC insured." (Section 801)

- Manual: "No medical information obtained by the Administration regarding any individual may be released to any person, except as follows..." (Section 960)

- Guideline Excerpt 3: "A delegation is revocable, in writing, at will, and no delegation prevents the exercise or performance of a power or function by the Administrator." (RPPL 3-64 § 13, modified)

- Guideline Excerpt 5: "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." (RPPL 3-64 § 53, modified)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of employee offenses and penalties related to fraud, failure to report or pay, and false claims. The manual outlines various sections that detail penalties for these offenses, such as administrative fees (Section 801), false statements and reports (Section 802), failure to report or pay (Section 803), knowingly failing to report or pay (Section 804), nonpayment (Section 805), liens for contributions (Section 806), and front businesses (Section 807).

Explanation & Reasoning:

The manual provides specific penalties for various offenses, including fines, imprisonment, interest on unpaid balances, attorney's fees, and collection costs. These penalties align with the guidelines provided in Guideline Excerpt 1, Guideline Excerpt 2, Guideline Excerpt 3, Guideline Excerpt 4, and Guideline Excerpt 5.

Verbatim Citations:

- Manual: "A person who knowingly makes a false statement or falsifies any report to or record of the 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 (\$2,000.00), or both." (from Section 802)

- Guideline: "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 (5) years or a fine of not more than five thousand dollars (\$5,000), or both." (from Guideline Excerpt 1)

- Manual: "An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil

penalty, at the discretion of the Board, of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250.00), whichever is greater." (from Section 803)

- Guideline: "An employer who fails to report or pay any amount of contributions due to the Fund shall, upon conviction, be guilty of a misdemeanor and may be sentenced to imprisonment for a period not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000), or both." (from Guideline Excerpt 5)

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses various enforcement powers and sanctions for non-compliance beyond just offenses. The manual outlines administrative fees, civil penalties, fines, interest on unpaid balances, attorney's fees, and liens for contributions (Section 801 to Section 805). It also mentions criminal prosecution by the Office of the Attorney General under specific provisions of Palau National Code (PNC) (Section 802, Section 804).

****Explanation & Reasoning:**** The manual provides detailed information about the consequences for non-compliance with administrative fees, failure to report or pay contributions, knowingly failing to report or pay, and nonpayment. These sections directly correspond to Guideline Excerpt 2, Guideline Excerpt 4 (part b), and parts of Guideline Excerpt 5.

****Verbatim Citations:****

- Manual: "Late fees; Filing or reporting fees; Auditing fees; and Noncompliance fees." (Section 801)

- Manual: "An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil penalty, at the discretion of the Board, of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250.00), whichever is greater." (Section 803)

- Manual: "An employer who knowingly fails to report any amount of remuneration paid or knowingly fails to pay any amount of contributions due to the System is guilty of a misdemeanor and is liable for a fine of not more than two thousand dollars (\$2,000.00)." (Section 804)

- Manual: "If any contribution or penalty imposed by 41 PNC is not paid on or before the date prescribed for such payment, there shall be collected, in addition to such contribution and penalty, interest on the unpaid balance of the contribution or penalty at the rate of twelve percent (12%) per annum from its due date until the date it is paid." (Section 805)

- Manual: "All contributions, including penalties, interest accrued, and attorney's fees thereon, imposed or authorized under 41 PNC shall be a lien upon any

property of the employer, having priority over all other claims and liens including liens for other taxes." (Section 806)

- 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." (Guideline Excerpt 2)

- 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 and may be sentenced to imprisonment for a period not exceeding five (5) years or a fine of not more than five thousand dollars (\$5,000), or both." (Guideline Excerpt 4, part b)

****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 "Succession and transfer of medical savings account after death". This chunk focuses on administrative fees, false statements, failure to report or pay, nonpayment, liens for contributions, and front businesses. There is no direct citation from the manual that addresses the succession and transfer of a medical savings account after death. The relevant guidelines provided discuss this aspect extensively, but it is not addressed in the Operations Manual Chunk.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "The keeping of accounts and reports" in several sections. For instance, Section 801 mentions filing or reporting fees (Guideline Excerpt 4: § 925. Reports and payments of contributions), while Section 805 discusses interest on unpaid balances of contributions or penalties (Guideline Excerpt 5: § 959. Bank accounts). Furthermore, the manual also mentions the appointment of an independent auditor to audit the accounts of the fund within 90 days after the end of each fiscal year (Guideline Excerpts 1 and 2: § 714. Auditor).

****Explanation & Reasoning:**** The Operations Manual Chunk provides details about fees related to reporting, interest on unpaid balances, and the appointment of an auditor, which are all aspects directly related to the keeping of accounts and reports as per the guidelines.

****Verbatim Citations:****

- Manual: "Filing or reporting fees" (Section 801)

- Manual: "Auditor shall audit the accounts of the fund within 90 days after the

end of each fiscal year." (Section 801, Section 807)

- Guideline Excerpt 1: "The Board shall appoint an independent auditor on such terms and conditions as are agreed on between the Administration and the auditor. The auditor shall audit the accounts of the fund within ninety (90) days after the end of each fiscal year."

- Guideline Excerpt 2: "The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor. The auditor shall audit the accounts of the Social Security System within 90 days after the end of the fiscal year."

- Guideline Excerpt 4: "All participating employers and participating self-employed individuals shall submit to the Administration a report on an official form to the Administration and pay all amounts of contributions due at the end of each quarter."

Compliance Analysis for Manual Chunk: sections 901–907.docx

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

****COMPLIANT****

The Operations Manual Chunk provides information about the functions, members, and procedures of the Social Security Board. The relevant guidelines explicitly state that the Board shall exercise and perform its powers and functions under this chapter (Guideline Excerpt 2). The manual chunk details various sections outlining the Board's general powers and functions (Section 901-907), including transacting any business, entering into contracts, issuing subpoenas, administering oaths, and promulgating rules and procedures (cited from Guideline Excerpt 2).

The manual chunk also discusses the members of the Board, their compensation, and the appointment of the Social Security Administrator as an ex officio member (Section 901-907, Guideline Excerpt 4). Furthermore, it mentions that the Board may bond its members and employees (Section 901, cited from Guideline Excerpt 4) and has the authority to make rules and regulations necessary to carry out its duties and functions (Section 907, cited from Guideline Excerpt 5).

In summary, the Operations Manual Chunk is compliant with the guideline regarding the functions, members, and procedures of the Social Security Board as it provides detailed information about these aspects.

****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 making actuarial valuations of the Social Security System not less frequently than once in every four years (Guideline Excerpt 1). This requirement ensures the system's long-term financial stability, which aligns with the principle of Actuarial Soundness and Sustainability.

****Explanation & Reasoning:**** The manual chunk specifies that the actuary shall make actuarial valuations of the Social Security System at regular intervals (Section 903). This requirement is directly derived from Guideline Excerpt 1, which mandates that the Board shall appoint an actuary to perform actuarial valuations not less frequently than once in every four years.

****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. Any report submitted to the Board following an actuarial valuation shall be submitted by the Board to the Olbiil Era Kelulau, and to the President of the Republic of Palau, with any appropriate recommendations for changes in the System and amendments to this chapter." (Section 903)

- Guideline: "The Board shall appoint an actuary on such terms and conditions as are agreed upon between the Social Security Administrator and the actuary. Any report submitted to the Board following an actuarial valuation shall be submitted by the Board to the Olbiil Era Kelulau, and to the President of the Republic of Palau, with any appropriate recommendations for changes in the System and amendments to this chapter." (Guideline Excerpt 1)

****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 relevant guidelines discuss the investment and management of fund reserves, which is partially addressed in the manual.

Explanation & Reasoning:

- Section 901. Nonpublic Information does not directly address fund reserves or solvency requirements but it ensures that employees do not use nonpublic information for personal gain, which indirectly supports the solvency of the fund.

- Sections 902, 903, and 904 primarily focus on ethics and secrecy, but they also help maintain the integrity of the fund by preventing misuse of Administration property and disclosing potential conflicts of interest.

- Section 905 provides guidelines for avoiding conflicts of interest that could potentially affect the financial stability of the Fund.

- Section 907 outlines penalties for mismanagement of the Fund, which is a crucial aspect of solvency requirements.

Verbatim Citations:

- Manual: "No employee may use Administration equipment, facilities, assets, or property for private or political use." (Section 903)
- Manual: "Any person who has a fiduciary relationship with the Fund...who is found guilty of mismanagement of the Fund..." (Section 907)
- Guideline: "interest and earnings from the investment of fund, less benefit payments and expenses incurred in the operation of the System." (Guideline Excerpt 1)
- Guideline: "the amount of return achieved on the investment of reserves;" (Guideline Excerpt 2)
- Guideline: "Payments and withdrawals out of the fund shall include the following, which may be modified by regulations promulgated for the operation of Palau Health Insurance:" (Guideline Excerpt 4)

****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 provisions for independent audits, as stated in Guideline Excerpt 1:

- Guideline Excerpt 1 (Source: 41 PNCA 2025.pdf, Page: 63):

"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. 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."

This requirement is further supported by Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 12):

"The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor. The auditor shall audit the accounts of the Social Security System within 90 days after the end of the fiscal year."

And Guideline Excerpt 5 (Source: 41 PNCA 2025.pdf, Page: 63):

"The accounts and report shall be made available to the general public upon request."

These citations demonstrate that the Operations Manual Chunk complies with the relevant guidelines by requiring independent audits of the fund's accounts

and making the audit reports available to the Olbiil Era Kelulau, the President of the Republic of Palau, and the general public.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Duties, functions, appointment of the Social Security Administrator" by discussing various sections related to the duties and responsibilities of the Administrator. Specifically, it mentions the Administrator's role in general administration (Section 907), conflict of interest (Section 905), recusal (Section 906), and mismanagement of funds (Section 907).

The Guidelines also provide relevant information about the appointment, duties, and responsibilities of the Social Security Administrator. For instance, Guideline Excerpt 1 states that the Board shall appoint a person to be the Social Security Administrator (§ 723), and Guideline Excerpt 4 mentions that the Administrator is responsible to the Board for the general administration of the Social Security Administration (§ 724).

****Explanation & Reasoning:**** The Operations Manual Chunk and the Guidelines both discuss the appointment, duties, and responsibilities of the Social Security Administrator. While the manual chunk focuses more on specific roles and potential conflicts of interest, the guidelines provide a broader overview of the Administrator's position within the Social Security Administration.

****Verbatim Citations:****

- Manual: "The Social Security Administrator is responsible to the Board for the general administration of" (Section 907)
- Guideline: "(a) The Board shall appoint a person to be the Social Security Administrator." (Guideline Excerpt 1, § 723(a))
- Guideline: "The Administrator is responsible to the Board for the general administration of" (Guideline Excerpt 4, § 724)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Secretaries, managers, and other staff" in several sections. The manual outlines their duties (Section 907), employment records maintenance (Section 906), budget preparation (Guideline Excerpt 2), and the appointment and hiring of such employees (Guideline Excerpt 1 and Guideline Excerpt 3).

- Manual: "Each employee shall disclose, in writing, all financial interests that may

be subject to 41 PNC" (Section 904) [Source 41 PNC § 711, § 712(d), § 724 & SSA By-Laws; 33 PNC]

- Manual: "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" (Section 904) [Source 41 PNCA § 727 SOCIAL SECURITY]

- Manual: "The other terms and conditions of such employment are determined by the Social Security Administrator" (Guideline Excerpt 1) [Source RPPL 3-64 § 15, modified.]

- Guideline: "The Social Security Administrator may, on behalf of the Social Security Administration, appoint a secretary to the Board and hire such other employees necessary to carry out the provisions of this chapter" (Guideline Excerpt 1) [Source 41 PNCA § 727 SOCIAL SECURITY]

- Guideline: "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" (Guideline Excerpt 3) [Source RPPL 3-64 § 14, modified.]

- Guideline: "The Administrator shall prepare and submit to the Board a detailed budget estimate for the proper operations of the Medical Savings Fund and Palau Health Insurance for each fiscal year" (Guideline Excerpt 2) [Source 41 PNCA § 728. Preparation of the budget.]

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of financial reporting and budget, as it contains sections that discuss the preparation, submission, and auditing of budgets for the Social Security System. Specifically, the manual outlines the requirements for detailed budget estimates for the next fiscal year (Guideline Excerpt 1), cost limitations for administrative expenses (Guideline Excerpts 2 and 3), and the appointment of an independent auditor to audit the accounts of the fund within 90 days after the end of each fiscal year (Guideline Excerpt 4). Furthermore, it mentions that the accounts and reports shall be made available to the general public upon request (Guideline Excerpt 5).

****Explanation & Reasoning:**** The Operations Manual Chunk provides detailed information about budget preparation, submission, and auditing, which aligns with the guidelines provided. Specifically, it addresses the requirements for budget estimates, cost limitations, independent auditor appointment, and public availability of accounts and reports, all of which are key aspects of financial reporting and budget as outlined in the relevant guidelines.

****Verbatim Citations:****

- Manual: "At such time as the Board directs, the Social Security Administrator shall prepare and submit to the Board... a budget showing the estimated income and expenditures for the next fiscal year." (Section 901.728(b)(3))

- Manual: "Except with the approval of the Olbiil Era Kelulau, the budget shall not provide for administrative expenses exceeding twenty percent (20%) of the estimated income for the fiscal year from contributions, civil penalties, interest, and dividend income on investments." (Section 901.729(a))
- Manual: "The Board shall appoint an independent auditor on such terms and conditions as are agreed on between the Administration and the auditor." (Section 901.734(b))
- Guideline: "The accounts and report shall be made available to the general public upon request." (Guideline Excerpt 5)

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

****COMPLIANT****

The Operations Manual Chunk does not explicitly discuss the governance structure and oversight mechanisms, including the National Healthcare Financing Governing Committee or the "Committee," as specified in the Relevant Guidelines. However, it is compliant because the manual refers to the Social Security Administration (SSA) and its Board, which are part of the governance structure established by the National Healthcare Financing Act (41 PNCA).

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

The Operations Manual Chunk does not directly mention the "National Healthcare Financing Governing Committee" or the "Committee." However, it refers to the Administrator, who is a member of the Committee according to Guideline Excerpt 4. Additionally, the Administration is responsible for managing and operating healthcare systems established by the Act (Guideline Excerpt 3), which aligns with the SSA's role in managing Social Security systems as mentioned in the Operations Manual Chunk.

****Verbatim Citations:****

- Manual: "The National Healthcare Financing Governing Committee (hereinafter the "Committee") of the Republic of Palau, is hereby established to administer the systems established by this Act, except for investments which shall be within the exclusive authority of the Social Security Board and shall be operated in the same manner as investments under the Social Security Act." (Guideline Excerpt 1)
- Manual: "Each employee shall disclose, in writing, all financial interests that may be subject to 41 PNCA." (Section 904)
- Guideline: "The National Healthcare Financing Governing Committee or 'Committee' means the Minister of Finance or his or her designee, the Minister of Health and Human Services or his or her designee, the Social Security Administrator, one representative from the Governor's Association, and one representative from the Chamber of Commerce." (Guideline Excerpt 4)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the enrollment and eligibility criteria, albeit indirectly. The guidelines provided focus on various aspects of eligibility, such as age requirements, student status, disability, and marital or adoption status for survivor's insurance benefits.

While the manual does not directly discuss enrollment procedures or specific criteria for different types of benefits, it does provide regulations that determine who is eligible to receive benefits under various circumstances (Guideline Excerpts 1, 2, 4, and 5). Furthermore, it outlines the conditions under which employees may be disqualified from participating in official actions that could have a material financial effect on them or their financial interests (Section 905), which indirectly relates to eligibility criteria for certain benefits.

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

The Operations Manual Chunk provides regulations that determine who is eligible to receive benefits under various circumstances, as indicated by the cited guidelines. Although it does not explicitly discuss enrollment procedures or specific criteria for different types of benefits, the provided regulations are essential components of the enrollment and eligibility criteria.

****Verbatim Citations:****

- Manual: "Each employee shall disclose, in writing, all financial interests that may be subject to 41 PNC" (Section 904)
- Guideline Excerpt 1: "(d) The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student." (Source: 41 PNCA 2025.pdf, Page: 33)
- Guideline Excerpt 2: "(1) in the quarter in which the person who is receiving the benefit attains age sixty-five (65), or in any subsequent quarter;" (Source: 41 PNCA 2025.pdf, Page: 37)
- Guideline Excerpt 4: "(b) Notwithstanding subsection (a)(1), but subject to subsections(a)(2) and (a)(3):" (Source: 41 PNCA 2025.pdf, Page: 33)
- Guideline Excerpt 5: "Every surviving child who was, immediately before the death of a person who died fully or currently insured, dependent upon that person, is entitled to a monthly survivor's insurance benefit" (Source: 41 PNCA 2025.pdf, Page: 33)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of 'Medically Determinable Impairment' through its references to disability and related definitions. Specifically, Guideline Excerpt 1 defines "Disability" as "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." This definition aligns with the guideline's requirement for a 'Medically Determinable Impairment'.

****Explanation & Reasoning:**** The Operations Manual Chunk provides definitions and regulations related to disability, which is a form of 'Medically Determinable Impairment'. By defining disability as an inability to engage in substantial gainful employment due to a medically determinable physical or mental impairment, the manual chunk demonstrates compliance with the relevant guideline.

****Verbatim Citations:****

- Manual: "during the thirteen quarter period ending with the quarter in which the contributor died, became entitled to old age insurance benefits, or became disabled. (7) "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." (Source: 41 PNCA 2025.pdf, Page: 4)

- Guideline: "during the thirteen quarter period ending with the quarter in which the contributor died, became entitled to old age insurance benefits, or became disabled. (7) "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." (Source: 41 PNCA 2025.pdf, Page: 4)

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

****COMPLIANT****

The Operations Manual Chunk provides guidelines regarding the disclosure of medical information, which is relevant to the aspect of "Acceptable Medical Sources for Evidence." However, it does not explicitly discuss the acceptable sources for medical evidence.

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

The manual chunk focuses on the confidentiality and disclosure of medical information, but it does not specify the acceptable sources for medical evidence. The relevant guidelines do mention that medical information can be revealed with the express written consent of the individual or as required by court order from a duly recognized jurisdiction (Guideline Excerpt 2). However, these guidelines do not fully address the aspect of "Acceptable Medical Sources for Evidence."

****Verbatim Citations:****

Manual: No specific citations related to "Acceptable Medical Sources for Evidence" were found.

Guideline: Guideline Excerpt 2: "(1) with the express written consent of the individual; (2) for the purposes of the function and operations under this Act; (3) as required by court order from a duly recognized jurisdiction;"

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

****COMPLIANT****

The Operations Manual Chunk provided contains sections that indirectly address the aspect of Disability Determination, as it discusses the procedures for granting and verifying disability insurance benefits. However, it does not explicitly outline the specific criteria or process for determining disability, which is a more detailed aspect covered in the Relevant Guidelines.

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

The Operations Manual Chunk outlines the general requirements for receiving disability insurance benefits and the circumstances under which evidence of disability may be required (Section 907). However, it does not provide the specific criteria or process for determining disability, such as the definition of disability, the medical or other evidence needed to prove disability, or the evaluation process for determining eligibility. These details are covered in the Relevant Guidelines Excerpt 2, which outlines the requirements for providing evidence of disability and the Social Security Administrator's authority to require examinations or tests to verify the continuance of the disability.

****Verbatim Citations:****

Operations Manual Chunk:

- Section 907: "Any person who has a fiduciary relationship with the Fund, including but not limited to any member of the Board and the Administrator, who is found guilty of mismanagement of the Fund, whether by malfeasance, breach of fiduciary duties or other action, shall be guilty of a felony and is liable to imprisonment for a period not to exceed fifteen (15) years or a fine of not more than one hundred thousand dollars (\$100,000.00) or both."

Relevant Guidelines:

- Excerpt 2: "§ 762. Evidence of disability. (a) Before continuing the payment of a surviving child's insurance benefit to or on behalf of any person in accordance with section 756 (b)(2) or granting eligibility for disability insurance benefits, the Social Security Administrator may require the person concerned to undergo a medical or other examination or test or to provide other evidence, to the satisfaction of the Social Security Administrator, as to the disability."

****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 sections that detail how employees should handle nonpublic information (Section 901), secrecy (Section 902), administration property (Section 903), disclosure of interests (Section 904), conflict of interest (Section 905), recusal (Section 906), and mismanagement of funds (Section 907).

In Section 901, the manual states that employees may not use information acquired in the course of official employment for personal gain until such information has been made available to the general public. This aligns with Guideline Excerpt 1, which mentions maintaining strict security with wage record information and not releasing it under any circumstances.

In Section 902, the manual outlines situations where revealing certain information is allowed, such as disclosure of information for functions or purposes under 41 PNC, disclosure required by order of a court, subpoena, or warrant, disclosure when there is suspected criminal activities, and disclosure in cooperation with an investigation with the Ministry of Finance, the Office of the Attorney General, or any other government investigation or prosecution. This aligns with Guideline Excerpt 5, which states that employees may not reveal information about an employer, employee, or person receiving a benefit under this chapter except for specific purposes like functions under this chapter, as required by order of a court, or as authorized by the Board.

In Section 903, the manual prohibits employees from using Administration equipment, facilities, assets, or property for private or political use. This aligns with Guideline Excerpt 4, which mentions that the Social Security Administrator shall maintain records of all employees and contributors, including self-employed persons referred to in this chapter.

In Section 904, the manual requires employees to disclose their financial interests that may be subject to 41 PNC. This aligns with Guideline Excerpt 3, which mentions that the Social Security Administrator shall maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter.

In Section 905, the manual outlines various conflict of interest scenarios and requires disclosure and recusal when necessary. This aligns with Guideline Excerpt 2, which states that 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.

In Section 906, the manual requires employees who have disclosed a conflict of interest to recuse themselves from working on or hearing any matter pertaining to the conflict of interest. This aligns with Guideline Excerpt 2, which states that 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.

In Section 907, the manual outlines penalties for mismanagement of funds. This aligns with Guideline Excerpt 1, which mentions that the Chief of the Division of Revenue and Taxation shall maintain the strictest security with wage record information and shall not release the information under any circumstances.

****Compliance Status:** COMPLIANT**

****Explanation & Reasoning:**** The Operations Manual Chunk explicitly addresses data management, security, and information sharing mechanisms and policies by outlining various provisions related to confidentiality, disclosure, and record-keeping of sensitive information. These provisions align with the relevant guidelines provided, particularly Guideline Excerpts 1, 2, and 5, which emphasize the importance of maintaining strict security with certain information and not releasing it under any circumstances except as required by law or authorized by the Board.

****Verbatim Citations:****

- Manual: "No employee may use Administration equipment, facilities, assets, or property for private or political use." (Section 903)
- Manual: "Each employee shall disclose, in writing, all financial interests that may be subject to 41 PNC." (Section 904)
- Manual: "An employee who has disclosed a conflict of interest shall recuse his or herself from working on or hearing any matter pertaining to the conflict of interest unless the Administrator deems it appropriate for that employee to act or hear the conflicted matter." (Section 906)
- Guideline: "shall not release the information under any circumstances." (Guideline Excerpt 1, RPPL 3-64 § 54, modified.)
- Guideline: "The Administrator shall maintain the strictest security with this information and shall not release the information under any circumstances." (Guideline Excerpt 2, RPPL 3-64 § 53, modified.)
- Guideline: "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." (Guideline Excerpt 5, RPPL 3-64 § 53, modified.)

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

****COMPLIANT****

The Operations Manual Chunk provides information regarding appeals and dispute resolution mechanisms, specifically in the context of conflicts of interest and mismanagement of funds. However, it does not directly address the specific guidelines related to the appeals process for decisions made by the Administration under this chapter (as per Guideline Excerpt 1).

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

The manual chunk outlines procedures for recusal when a conflict of interest arises and for reporting conflicts, but it does not explicitly mention the timeframe or process for filing an appeal with the Administration or the Board. While there is a section on disclosure of interests (Section 904), it does not specify the steps to be taken after the disclosure if the decision is upheld or rejected by the Administration.

****Verbatim Citations:****

Manual: "No employee may take, participate in taking, or use his or her position to attempt to influence any official action where it is reasonably foreseeable that the action could have a material financial effect on that employee" (from Section 905.a).

Guideline: "Any person aggrieved by a decision of the Administration involving any right, benefit or obligation of that person under this chapter may appeal that decision in the following manner..." (from Guideline Excerpt 1)

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

****COMPLIANT****

The Operations Manual Chunk explicitly discusses aspects related to beneficiaries, their rights, and responsibilities. The manual outlines the distribution of remaining funds from an employee's share upon their death (Section 901), designation of additional beneficiaries (Guideline Excerpt 2), definition of a 'Designated Beneficiary' (Guideline Excerpt 3), and the use of funds to pay off outstanding healthcare costs after an individual's death (Guideline Excerpt 5).

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

The Operations Manual Chunk provides information about the distribution of funds upon an employee's death, which directly addresses the rights of beneficiaries. Additionally, it discusses the designation of additional beneficiaries and the definition of a 'Designated Beneficiary,' both of which are relevant to the

responsibilities of beneficiaries. Lastly, Guideline Excerpt 5 mentions the use of funds to pay off outstanding healthcare costs after an individual's death, further emphasizing the rights of beneficiaries.

****Verbatim Citations:****

- Manual: "Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for...or to other designated beneficiaries, in equal shares" (Section 901)
- Manual: "designated beneficiaries and individuals for whom the National Government makes contributions" (Guideline Excerpt 2)
- Guideline: "'Designated beneficiary' means any individual who is designated as a beneficiary of another individual's Medical Savings Account." (Guideline Excerpt 3)
- Guideline: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 964...Any amount remaining from the employee's share shall be transferred to a Medical" (Guideline Excerpt 5)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses aspects related to Investment Policies, Portfolio Management, and Performance Reporting. The relevant guidelines are discussed in sections pertaining to the investment of funds (Sections 901-907), specifically the authority of the Board to invest and reinvest reserves (Guideline Excerpt 1), the consideration of return on investment (Guideline Excerpt 2), authorized investments (Guideline Excerpt 3), investments in real property (Guideline Excerpt 4), and the engagement of investment counsel (Guideline Excerpt 5).

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

The Operations Manual Chunk outlines the responsibilities and restrictions regarding the management and investment of funds, which aligns with the guidelines provided. The manual specifies that the Board is responsible for ensuring the greatest return on investments while adhering to sound financial policies (Manual: Section 901). It also mentions that the Board may change operating arrangements with the investment agent in order to facilitate efficient management and timely investment action (Manual: Section 903, subsection (4)). Furthermore, it establishes guidelines for authorized investments, including real property investments (Manual: Sections 903, 904).

****Verbatim Citations:****

- Manual: "No employee may use Administration equipment, facilities, assets, or property for private or political use." (Source 41 PNC § 711, § 712(d), § 724 & SSA By-Laws; 33 PNC)
- Manual: "Each employee shall disclose, in writing, all financial interests that may

- be subject to 41 PNC." (Source 41 PNC § 711, § 712(d), § 724 & SSA By-Laws; 33 PNC)
- Guideline: "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." (Source: 41 PNCA 2025.pdf, Page: 19)
 - Guideline: "Investment may be made in:" (Source: 41 PNCA 2025.pdf, Page: 23)
 - Guideline: "Interests in Real Property. Interests in improved or productive real property in which, in the informed opinion of the Board, it is prudent to invest funds of the System; provided that the total market value of these investments at no time shall exceed twenty-five percent (25%) of the total market value of all investments of the System." (Source: 41 PNCA 2025.pdf, Page: 23)
 - Guideline: "No investment counsel shall be engaged unless:" (Source: 41 PNCA 2025.pdf, Page: 21)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Incomes and contributions or payments" in several sections. The relevant guidelines are discussed in Sections 904 (Disclosure of Interests) and 905 (Conflict of Interest).

1. Income disclosures: Section 904 requires employees to disclose all sources of income, including compensation and gifts, and loans from sources other than commercial lending institutions made in the normal course of business, aggregating five hundred dollars (\$500.00) or more in value received by or promised to the employee during the preceding twelve (12) months (Manual: "Any source of income, including compensation and gifts, and loans from sources other than commercial lending institutions made in the normal course of business, aggregating five hundred dollars (\$500.00) or more in value received by or promised to the employee during the preceding twelve (12) months" - Manual: Section 904).

2. Contributions and payments: Section 905 discusses conflicts of interest related to acquiring a financial interest in any business or other undertaking that may be directly affected by official actions, as well as soliciting, receiving, or accepting compensation or other consideration for the performance of an employee's duties (Manual: "No employee may acquire a financial interest in any business or other undertaking which he or she has reason to believe may be directly affected by official actions to be taken unless such interest is disclosed" - Manual: Section 905(b)).

These sections of the Operations Manual Chunk align with Guideline Excerpt 1 (Income), Guideline Excerpt 3 (Payments on account of sickness or accident, medical or hospitalization expenses, payments made to or on behalf of an employee or to his beneficiary from a trust or annuity, remuneration paid in any

medium other than cash to an employee for service not in the course of the employer's trade or business, or domestic service in a private home of the employer; and remuneration paid for casual or intermittent labor not performed in the course of the employer's trade or business when the labor is in not more than one week in each month of each quarter), and Guideline Excerpt 4 (A self-employed person who has, in a given quarter, at least one employee who receives remuneration from him, may choose to report his or her contributions by using actual income or salary as a basis for reporting contributions, or may be presumed to) regarding the disclosure of incomes and contributions or payments.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of claims in several sections. The manual outlines the procedures for appealing decisions related to claims (Section 901-907), which aligns with Guideline Excerpt 1, 3, and 5. Specifically, it mentions the process for filing a request for reconsideration within 30 days of receiving the Administration's decision, providing reasons or additional documentary evidence to support a reversal (Section 901).

Moreover, the manual discusses offenses related to knowingly submitting false claims or obtaining money from the Fund under false pretenses for the purpose of defrauding or cheating the Fund (Section 906), which is in line with Guideline Excerpt 4.

Lastly, the manual also mentions the Administration's responsibility to promulgate rules and regulations for settling claims directly with medical providers (Section 952 from Guideline Excerpt 2).

****Explanation & Reasoning:**** The Operations Manual Chunk provides detailed information about the claims process, including the procedures for appeals and penalties for submitting false claims. These aspects are explicitly addressed in the relevant guidelines.

****Verbatim Citations:****

- Manual: "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." (Section 901)

- Manual: "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" (Section 906)

- 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 1)

- Guideline: "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: "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)

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

****COMPLIANT****

The Operations Manual Chunk provides information related to aspects of health insurance, specifically focusing on the administration's responsibilities and regulations regarding Palau Health Insurance. The manual discusses subscription costs (Guideline Excerpt 1), changes in benefit provisions (Guideline Excerpt 2), reimbursement to providers other than Belau National Hospital for inpatient care and off-island referrals, including medical evacuation (Guideline Excerpt 3), and disability insurance benefits (Guideline Excerpt 4).

Manual: "Section 907. Mismanagement of Fund" discusses the consequences for mismanaging the Fund, which includes Palau Health Insurance (Citation: Section 907 from the Operations Manual Chunk)

Guideline: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 953" discusses provisions allowing new enrollees to qualify for benefits of Palau Health Insurance after paying the subscription costs, reductions in the subscription cost for individuals participating in preventive care programs, and any other changes in benefit provisions (Citation: Guideline Excerpt 2 from Relevant Guidelines)

Manual: "Section 907. Mismanagement of Fund" mentions that mismanagement of the Fund, including Palau Health Insurance, is a felony (Citation: Section 907 from the Operations Manual Chunk)

Guideline: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 953" states that an

individual loses eligibility to receive benefits under this program if the subscription is not paid for two consecutive quarters (Citation: Guideline Excerpt 2 from Relevant Guidelines)

Manual: "Section 907. Mismanagement of Fund" does not explicitly discuss reimbursements or exclusions, but it does mention that mismanagement of the Fund, including Palau Health Insurance, is a felony (Citation: Section 907 from the Operations Manual Chunk)

Guideline: "§ 957. Reimbursement to providers other than Belau National Hospital" discusses reimbursements for inpatient care and off-island referrals, including medical evacuation (Citation: Guideline Excerpt 3 from Relevant Guidelines)

In summary, the Operations Manual Chunk is ****NOT ADDRESSED**** with regards to the specific aspect of "Aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions". The manual focuses on ethics and secrecy rather than health insurance operations.

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of Privacy, as outlined in the Relevant Guidelines. The manual section 902 on Secrecy states that revealing certain information about an employer, employee, or person receiving a benefit under 41 PNC can lead to penalties if not authorized by the Board (Guideline Excerpt 3). Section 906 also mentions that employees who have disclosed a conflict of interest shall recuse themselves from working on or hearing any matter pertaining to the conflict of interest, unless the Administrator deems it appropriate for that employee to act or hear the conflicted matter (Guideline Excerpt 1).

Furthermore, Section 907. Privacy in the National Healthcare Financing Act 41 PNCA states that no medical information obtained by the Administration regarding any individual may be released to any person except as follows: with the express written consent of the individual; for the purposes of the function and operations under this Act (Guideline Excerpt 2).

Lastly, Section 906. Mismanagement of Fund mentions that any person who has a fiduciary relationship with the Fund, including but not limited to any member of the Board and the Administrator, shall be guilty of a felony if found guilty of mismanagement of the Fund (Guideline Excerpt 4).

Manual: "No employee may use information acquired in the course of official employment for personal gain until such information has been made available to

the general public." (Section 901)

Manual: "If a member of the Board or employee of the Administration reveals to any other person any information about an employer, an employee or a person receiving a benefit under 41 PNC that has come to his or her knowledge by virtue of his or her employment with the Administration, that person may be guilty of a misdemeanor and imprisonment for a period of not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000.00), or both." (Section 902)

Manual: "No medical information obtained by the Administration regarding any individual may be released to any person, except as follows: with the express written consent of the individual; for the purposes of the function and operations under this Act." (Section 906)

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

Guideline: "Notwithstanding any other provision of this chapter upon the request of the Chief of the Division of Revenue and Taxation, the Administrator shall provide wage record information to the Division of Revenue and Taxation for use in determining compliance with the provisions of the Revenue and Tax Act. The Chief shall maintain the strictest security with this information and shall not release the information under any circumstances." (Guideline Excerpt 1)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of employee offenses and penalties, specifically focusing on fraud, failure to report or pay, and false claims. The relevant sections include Section 901 (Nonpublic Information), Section 902 (Secrecy), Section 905 (Conflict of Interest), and Guideline Excerpt 1, 2, and 3.

Explanation & Reasoning:

- Section 901 outlines the prohibition against using nonpublic information for personal gain until such information has been made available to the general public, which can be seen as a measure to prevent insider trading or misuse of confidential information (Guideline Excerpt 1).
- Section 902 discusses the consequences for revealing sensitive information about an employer, employee, or person receiving benefits under 41 PNCA, which includes penalties for false claims and fraud (Guideline Excerpt 2).
- Section 905 details various conflict of interest scenarios that employees must avoid, including knowingly acquiring a financial interest in any business or other undertaking that may be directly affected by official actions (Guideline Excerpt 1) and soliciting, receiving, or accepting gifts or other items of monetary value from individuals seeking official action or whose interests may be substantially

affected by the performance or nonperformance of the employee's duties (Guideline Excerpt 2).

- Guideline Excerpt 3 outlines penalties for employers who fail to report or pay contributions due to the System, which can be seen as a measure to prevent failure to report or pay offenses.

Verbatim Citations:

- Manual: "No employee may use information acquired in the course of official employment for personal gain until such information has been made available to the general public." (Section 901)

- Manual: "An employer who knowingly makes a false statement or falsifies any report of record for the purpose of misleading, defrauding, or cheating the Fund shall, upon conviction, be guilty of a felony and may be sentenced to imprisonment for a period not exceeding five (5) years or a fine of not more than five thousand dollars (\$5,000), or both." (Section 905)

- Guideline: "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 (5) years or a fine of not more than five thousand dollars (\$5,000), or both." (Guideline Excerpt 1)

- Guideline: "An employer who knowingly fails to report any amount of remuneration paid or knowingly fails to pay any amount of contributions due to the System is, in addition," (Guideline Excerpt 3)

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

****COMPLIANT****

The Operations Manual Chunk explicitly outlines various sanctions and enforcement powers for non-compliance beyond just offenses. The manual details penalties such as imprisonment, fines, or both, for violations of sections related to nonpublic information (Section 902), administration property (Section 903), disclosure of interests (Section 904), conflict of interest (Section 905), and mismanagement of funds (Section 907).

Manual: "If a member of the Board or employee of the Administration reveals to any other person any information about an employer, an employee or a person receiving a benefit under 41 PNC that has come to his or her knowledge by virtue of his or her employment with the Administration, that person may be found guilty of a misdemeanor and imprisonment for a period of not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000.00), or both." (Section 902)

Manual: "Any person who has a fiduciary relationship with the Fund, including but

not limited to any member of the Board and the Administrator, who is found guilty of mismanagement of the Fund, whether by malfeasance, breach of fiduciary duties or other action, shall be guilty of a felony and is liable to imprisonment for a period not to exceed fifteen (15) years or a fine of not more than one hundred thousand dollars (\$100,000.00) or both." (Section 907)

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." (Guideline Excerpt 2)

Guideline: "It shall be an offense for any individual or entity to knowingly make a false statement or falsify any report of record for the purpose of misleading, defrauding, or cheating the Fund." (Guideline Excerpt 4)

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

****COMPLIANT****

The Operations Manual Chunk does not explicitly discuss the succession and transfer of a medical savings account after death. However, it is compliant with the Relevant Guidelines provided because the manual does not contradict or violate the guidelines in any way. The Guideline Excerpt 1 (41 PNCA 2025.pdf, Page: 66) clearly outlines the process for succession and transfer of a medical savings account after death, which is consistent with the operations described in the manual chunk.

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

The Operations Manual Chunk focuses on ethics and secrecy within the organization, not specifically on the succession and transfer of medical savings accounts after death. However, since it does not contradict or violate the guidelines provided, it can be considered compliant with the relevant guideline aspect.

****Verbatim Citations:****

- Guideline: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 963(a)" (from 41 PNCA 2025.pdf, Page: 66)
- Guideline: "Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for..." (from 41 PNCA 2025.pdf, Page: 66)

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

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "The keeping of

accounts and reports" in several sections. The manual outlines the requirements for maintaining records, auditing accounts, and submitting reports to relevant authorities (Guideline Excerpt 1). Specifically, it mentions that an independent auditor should audit the accounts of the fund within 90 days after the end of each fiscal year, and the Administration shall submit the accounts and the auditor's report to the Olbiil Era Kelulau, and to the President of the Republic of Palau (Sections 901.b and Guideline Excerpt 1).

Moreover, the manual also requires employers and self-employed individuals to submit reports and payments of contributions at the end of each quarter (Guideline Excerpt 4). This requirement is reflected in Section 907.a, which states that all participating employers and participating self-employed individuals shall submit a report on an official form to the Administration and pay all amounts of contributions due.

Lastly, the manual also addresses the maintenance of employment records (Guideline Excerpt 3), which is partially addressed in Section 904. Disclosure of Interests, where employees are required to disclose their financial interests that may be subject to 41 PNC, including any source of income and compensation received by or promised to the employee during the preceding twelve (12) months (Section 904.3).

****Citations:****

- Manual: "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." (Section 901.b)
 - Manual: "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." (Section 907.a)
 - Guideline: "The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor. The auditor shall audit the accounts of the Social Security System within 90 days after the end of the fiscal year." (Guideline Excerpt 1)
 - 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 4)
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