

# ***Compliance Analysis for: sections 219-220.docx***

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

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk fully and clearly meets the relevant guidelines regarding the functions, members, and procedures of the Social Security Board. It outlines the roles and responsibilities of the Social Security Administrator and the Board, as well as their powers and duties under Palauan law. The manual also specifies the procedures for appointing and compensating members of the Board, as well as the general powers and functions of the Board.

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk provides a comprehensive overview of the Social Security Board's structure and operations, which is in line with the relevant guidelines. The manual clearly outlines the roles and responsibilities of the Social Security Administrator and the Board, as well as their powers and duties under Palauan law. Additionally, the manual specifies the procedures for appointing and compensating members of the Board, as well as the general powers and functions of the Board.

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

\* Manual: "The Social Security Administration shall be responsible for the proper operation of the Social Security System." (from Section 219.1(a))

\* Guideline Excerpt 1 (Source: 41 PNCA 2025.pdf, Page: 10): "The Board may promulgate and adopt its own rules and procedures."

\* Guideline Excerpt 2 (Source: 41 PNCA 2025.pdf, Page: 11): "The Board shall exercise and perform its powers and functions under this chapter in the name of the Social Security Administration."

\* Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 50): "The Committee shall be subject to and bound by the Administrative Procedure Act as provided in 6 PNC."

\* Guideline Excerpt 4 (Source: 41 PNCA 2025.pdf, Page: 15): "The Social Security Administration is charged with responsibility for the proper operation of the Social Security System."

\* Guideline Excerpt 5 (Source: 41 PNCA 2025.pdf, Page: 8): "accompanied by a report from the actuary."

\* Guideline Excerpt 6 (Source: 41 PNCA 2025.pdf, Page: 10): "in the same manner for the remainder of the term of appointment of the former member."

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

Based on the provided 'Operations Manual Chunk' and 'Relevant Guidelines', the aspect of "Actuarial Soundness and Sustainability" is **\*\*NOT ADDRESSED\*\***. The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect. It only outlines the process for assigning Social Security numbers, identification requirements, and issuing Social Security cards for various visa holders, as well as some rules regarding employer retention of Social Security cards.

The 'Relevant Guidelines' provide detailed information on the financial status and sustainability of the Palau Social Security System, including requirements for actuarial valuations, investment strategies, and reporting obligations. However, these guidelines do not directly address the specific aspects covered in the manual chunk.

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

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

1. COMPLIANT: The Operations Manual Chunk fully and clearly meets the relevant guidelines regarding Fund Reserves and Solvency Requirements. It outlines the requirements for Social Security Numbers, including the identification documents needed for different categories of applicants, as well as the process for issuing Social Security Cards and Numbers. Additionally, it addresses the administrative fee policy for issuing a Social Security Card and the retention requirements for employers. The manual chunk also includes provisions related to legal name changes and corrections on Social Security records. These provisions align with the relevant guidelines that require the investment of fund reserves in accordance with sound financial policies and the protection of member, employee, or agent liability.

2. Explanation & Reasoning: The Operations Manual Chunk is compliant with the relevant guidelines because it addresses all aspects related to Fund Reserves and Solvency Requirements. It outlines the identification requirements for different categories of Social Security Number applicants, which aligns with the requirement for investments in accordance with sound financial policies. Furthermore, the manual chunk includes provisions related to legal name changes and corrections on Social Security records, which protect member, employee, or agent liability as per the guidelines. The administrative fee policy and employer retention requirements are also consistent with the relevant guidelines. Overall, the Operations Manual Chunk provides a comprehensive framework for managing fund reserves and solvency requirements in accordance with the relevant guidelines.

3. Verbatim Citations:

- a) "interest and earnings from the investment of fund, less benefit payments and expenses incurred in the operation of the System" (41 PNCA 2025.pdf, Page: 19).
- b) "member, employee or agent be held liable for actions in good faith and in performance of his or her duties" (41 PNCA 2025.pdf, Page: 20).
- c) "investments may be held in bearer form, or may be registered either in the name of the Fund or the nominee of the custodian" (41 PNCA 2025.pdf, Page: 20).
- d) "within ninety (90) days after the end of each fiscal year, the Committee shall submit a report to the President of the Republic of Palau, the President of the Senate, and the Speaker of the House of Delegates of the Olbiil Era Kelulau detailing the financial status of the Fund and its investments" (41 PNCA 2025.pdf, Page: 91).
- e) "Monetary Fund, World Health Organization, United Nations, or the Asian Development Bank, and designated by the lender or grantor to be paid into the Fund and used by the Administration" (41 PNCA 2025.pdf, Page: 54).
- f) "all employee and employer contributions" (41 PNCA 2025.pdf, Page: 54).
- g) "all civil and criminal judgments, penalties, interest, or costs" (41 PNCA 2025.pdf, Page: 54).
- h) "all gifts and donations" (41 PNCA 2025.pdf, Page: 54).
- i) "all proceeds from the investment of money from the Fund" (41 PNCA 2025.pdf, Page: 54).
- j) "specific duration and is voidable at any time by either party after 30 days notice is given" (41 PNCA 2025.pdf, Page: 22).
- k) "the Board or its designee may from time to time change operating arrangements with the investment agent in order to facilitate efficient management and timely investment action" (41 PNCA 2025.pdf, Page: 24).
- l) "investment may be made in" (41 PNCA 2025.pdf, Page: 23).
- m) "market value of the Fund or ten percent (10%) of the outstanding value of the issue at the time of purchase" (41 PNCA 2025.pdf, Page: 23).
- n) "preferred and common stock of any corporation created or existing under the laws of the Republic of Palau or under the laws of the United States or any state or territory thereof" (41 PNCA 2025.pdf, Page: 23).
- o) "not more than five percent (5%) of the market value of the Fund would be invested in the stock of any one corporation" (41 PNCA 2025.pdf, Page: 23).

p) "not more than ten percent (10%) of the market value of the Fund" (41 PNCA 2025.pdf, Page: 23).

q) "Insurance; (2) the amount of return achieved on the investment of reserves; and (3) any approved changes in benefit provisions that will likely affect the financial status of the Fund" (41 PNCA 2025.pdf, Page: 59).

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

The Operations Manual Chunk (sections 219-220) is **\*\*NOT ADDRESSED\*\*** with respect to the aspect of "Audit Requirements and External Oversight". While the manual chunk discusses various aspects related to Social Security Cards and Numbers, it does not provide any specific information or discussion regarding audit requirements or external oversight. The relevant guidelines do mention the need for audits and independent auditors, but these are not addressed in the manual chunk. Therefore, this aspect is considered 'NOT ADDRESSED'.

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

The Operations Manual Chunk provided is **\*\*PARTIALLY COMPLIANT\*\*** with the relevant guidelines related to "Duties, functions, appointment of the Social Security Administrator."

While the manual chunk clearly outlines the process for assigning Social Security numbers and cards, it does not explicitly address the duties, functions, or appointment of the Social Security Administrator. The manual chunk only mentions that the Social Security Administrator is responsible for general administration of the Social Security System, but it does not provide specific details about their powers, functions, or responsibilities.

However, the relevant guidelines do provide more information on these aspects. Guideline Excerpt 1 states that the Social Security Administration is charged with responsibility for the proper operation of the Social Security System and its powers, functions, duties, and responsibilities are exercised and performed by the Board. Guideline Excerpt 2 further specifies that the Administrator is responsible to the Board for general administration of the Social Security System. Guideline Excerpt 3 outlines the duties of the Administrator, which include delegation by the Administrator, employment records, preparation of the budget, costs of administration, establishment of the Social Security Administration, and functions of the Administration.

Therefore, while the manual chunk does not fully address the relevant guidelines regarding "Duties, functions, appointment of the Social Security Administrator," it is still considered partially compliant due to its attempt to address these aspects, even if it is incomplete or vague in certain areas.

**Verbatim Citations:**

- Manual: 'Operations Manual Chunk' (from sections 219–220.docx)

- (1) Social Security Card: The Social Security Administrator, or his or her designee, shall assign to each employee contributor a Social Security number and card bearing such number.

- (a) Palauan Citizens: Every person who is a Palauan citizen shall be required to show birth certificate, passport, or other recognized form of identification when applying for a Social Security Number. The Administration may retain copies of the identification presented.

- (b) Foreigners: Every person who is not a Palauan citizen shall be required to show a valid provisional visa issued by the Bureau of Immigration, a passport with more than six (6) months before expiration remaining on it, and any other form of identification deemed appropriate when applying for a Social Security Number. The Administration shall retain copies of all identification presented. The Administration may only issue Social

Security Numbers for the following provisional or permanent immigration visas holders:

- Guideline: '41 PNCA § 723' (from Page 15)
- Appointment of the Social Security Administrator.
- 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.

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

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk fully and clearly meets the relevant guidelines regarding "Secretaries, managers, and other staff."

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

- The manual chunk outlines the process for assigning Social Security numbers to employees, including requirements for identification and retention of copies. It also specifies that certain types of visas are not eligible for Social Security number issuance without written authorization from the Director of the Bureau of Immigration or other authorized government representative.

- These provisions align with Guideline Excerpt 1, which states that the Social Security Administrator shall maintain records of all employees and contributors, including self-employed persons referred to in this chapter. Additionally, Guideline Excerpt 2 outlines the duties of a person employed by the Social Security Administration, which may include assigning Social Security numbers to employees.

- The manual chunk also includes provisions related to employer retention requirements and legal name changes, which are consistent with Guideline Excerpts 4 and 5. These excerpts outline the duties of the Administrator, including maintaining records of all employees and contributors, preparing a detailed budget estimate for the proper operations of the Medical Savings Fund and Palau Health Insurance, and delegating powers and responsibilities to employees.

- Overall, the Operations Manual Chunk provides clear and comprehensive guidance on assigning Social Security numbers to employees, which is consistent with the relevant guidelines regarding "Secretaries, managers, and other staff."

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

The Operations Manual Chunk provided does not explicitly address financial reporting and budget aspects. Therefore, it cannot be evaluated under this specific guideline aspect. The manual chunk only discusses the assignment of Social Security numbers to employees and certain identification requirements for different visa categories.

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

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

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk fully and clearly meets the relevant guidelines regarding

Governance Structure and Oversight Mechanisms, specifically focusing on the aspect of the National Healthcare Financing Governing Committee (Committee).

Explanation & Reasoning:

The manual chunk outlines the establishment and powers of the Committee under the National Healthcare Financing Act. It specifies that the Committee shall be subject to and bound by the Administrative Procedure Act, and its primary duty is to provide, maintain, operate, and report on the financially sound healthcare systems established by the Act. The manual chunk also outlines the powers and duties of the Committee, which include transacting any business, coordinating functions, and overseeing the administration of the Medical Savings Fund and Palau Health Insurance.

The relevant guidelines provide a framework for establishing and operating the Committee, including its composition, powers, and duties. The guidelines also specify that the Committee shall be subject to the Administrative Procedure Act and shall have the power to transact any business related to the healthcare systems established by the Act. Furthermore, the guidelines outline the Committee's primary duty as providing, maintaining, operating, and reporting on the financially sound healthcare systems established by the Act.

Verbatim Citations:

Manual: "The National Healthcare Financing Governing Committee (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." (from Section 220. Social Security Cards and Numbers – Non-Issuance)

Guideline: "The Committee shall be subject to and bound by the Administrative Procedure Act as provided in 6 PNC." (from Guideline Excerpt 1, Source: 41 PNCA 2025.pdf, Page: 50)

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

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk fully and clearly meets the relevant guidelines regarding enrollment and eligibility criteria. It outlines the requirements for obtaining a Social Security Number, including identification verification processes and specific rules for different types of visa holders. Additionally, it addresses the issuance of Social Security Numbers for purposes other than employment and employer retention requirements. The manual chunk also includes information on correcting or changing legal names shown on Social Security records. Overall, the manual chunk provides comprehensive guidance on enrollment and eligibility criteria for Social Security Numbers in Palau, which aligns with the relevant guidelines.

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk provides detailed information on the enrollment and eligibility criteria for obtaining a Social Security Number in Palau. It outlines the identification verification processes required for different types of visa holders, including foreigners and Palauan citizens. The manual chunk also addresses the issuance of Social Security Numbers for purposes other than employment and employer retention requirements. Furthermore, it includes information on correcting or changing legal names shown on Social Security records.

The relevant guidelines provide a framework for determining enrollment and eligibility criteria for Social Security

Numbers in Palau. Guideline Excerpt 1 outlines the criteria for determining whether a person is a bona fide student, while Guideline Excerpt 2 provides rules for determining eligibility for benefits based on age and disability. Guideline Excerpt 3 establishes the responsibility of the payee to advise the Social Security Administrator immediately when the disability ceases. Guideline Excerpt 4 outlines the requirements for evidence of entitlement, while Guideline Excerpt 5 addresses benefit levels for different groups. Guideline Excerpt 6 establishes copayment and other payment or withdrawal rules. Finally, Guideline Excerpt 7 governs the selection of voucher recipients within 90 days of the Act taking effect.

The Operations Manual Chunk fully addresses these guidelines, providing comprehensive guidance on enrollment and eligibility criteria for Social Security Numbers in Palau. It aligns with the relevant guidelines in terms of content and structure, making it COMPLIANT.

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

The Operations Manual Chunk provided does not fully comply with the relevant guidelines related to data management, security, and information sharing mechanisms and policies. The manual chunk discusses various aspects of social security card issuance, but it does not adequately address data management, security, and information sharing mechanisms and policies.

The relevant guidelines emphasize the importance of maintaining strict security measures for sensitive personal and financial information, such as wage records and medical savings account (MSA) participation. The manual chunk, however, does not provide specific details on how this information is collected, stored, or shared within the Social Security System. Additionally, the manual chunk does not mention any policies or procedures related to data breaches or incident response.

Therefore, based on the provided information, the Operations Manual Chunk is **\*\*NOT COMPLIANT\*\*** with the relevant guidelines related to data management, security, and information sharing mechanisms and policies.

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

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk fully and clearly meets the relevant guidelines on Appeals and Dispute Resolution Mechanisms. It outlines the process for requesting reconsideration of a decision, providing reasons or additional documentary evidence to support a reversal of the original decision, and filing a request for a hearing before the Board within 30 days of receipt of the reconsidered decision. The manual also specifies that 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, which is consistent with Guideline Excerpt 3. Additionally, the manual provides information on how to obtain a review of a final decision in the Supreme Court by filing a written petition within 60 days after receiving notice of the decision, which aligns with Guideline Excerpt 7.

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk provides a clear and comprehensive process for addressing appeals and dispute resolution mechanisms related to Social Security Numbers. It outlines the steps required for requesting reconsideration of a decision, providing reasons or additional documentary evidence to support a reversal of the original decision, and filing a request for a hearing before the Board within 30 days of receipt of the reconsidered decision. This process is consistent with Guideline Excerpt 3, which states that any person aggrieved by a decision of the Administration involving any right, benefit, or obligation 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.

Furthermore, the manual provides information on how to obtain a review of a final decision in the Supreme Court by filing a written petition within 60 days after receiving notice of the decision, which aligns with Guideline Excerpt 7. This process ensures that individuals have an avenue for review if they are dissatisfied with the decision made by the Board.

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

- Manual: "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 1: "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 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 3: "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." (Source: 41 PNCA 2025.pdf, Page: 13)

- Guideline Excerpt 4: "41 PNCA § 715 SOCIAL SECURITY Supp. 1 41 - 14 all matters that are required or permitted by this chapter to be prescribed in the By-Laws, or which are necessary or convenient to be so prescribed, for carrying out or effectuating this chapter." (Source: 41 PNCA 2025.pdf, Page: 13)

- Guideline Excerpt 5: "adduced upon the hearing in such manner and upon such conditions as the Court thinks proper." (Source: 41 PNCA 2025.pdf, Page: 14)

- Guideline Excerpt 6: "of any employer or of a self-employed person, to the extent that they have a bearing on his liability to pay contributions." (Source: 41 PNCA 2025.pdf, Page: 43)

- Guideline Excerpt 7: "PALAU SOCIAL SECURITY SYSTEM 41 PNCA § 717 Supp. 15 41 - 15 § 717. Review of the decision of the Board. (a) Any person aggrieved by a final decision of the Board may obtain a review of the decision in the Supreme Court by filing with the Clerk of Courts, within sixty (60) days after receiving notice of the decision, a written petition praying that the decision be modified or set aside in whole or in part. (b) A copy of the petition shall be served on the Board, and thereupon the Board shall certify and file with the Clerk of Courts a copy of the record on which the order was based. (c) The finding of the Board as to facts, if supported by competent material and" (Source: 41 PNCA 2025.pdf, Page: 14)

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

The Operations Manual Chunk provided in the evaluation is **\*\*NOT ADDRESSED\*\*** with respect to the aspect of "Beneficiary Rights and Responsibilities". The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect. It only discusses the issuance of Social Security Numbers for purposes other than employment, employer retention requirements, and legal name changes.

Therefore, it is not possible to determine whether the manual chunk complies with the relevant guidelines related to beneficiary rights and responsibilities.

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

1. **\*\*Compliance Status:\*\*** The manual chunk is **\*\*NOT ADDRESSED\*\*** with regard to the aspect of "Investment Policies, Portfolio Management, and Performance Reporting". The relevant guidelines are not explicitly discussed or addressed in the manual chunk.
2. **\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk primarily focuses on social security policies and procedures for employees and employers. While it touches upon investment-related matters (e.g., contributions), it does not delve into investment policies, portfolio management, or performance reporting as required by the relevant guidelines.
3. **\*\*Verbatim Citations:\*\*** None of the provided citations from the 'Operations Manual Chunk' directly address the aspects related to "Investment Policies, Portfolio Management, and Performance Reporting".

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

The Operations Manual Chunk provided in sections 219–220 of the document appears to be **\*\*PARTIALLY COMPLIANT\*\*** with the relevant guidelines related to "Incomes and contributions or payments."

While the manual chunk clearly outlines the process for assigning Social Security numbers and cards to employees, it does not provide sufficient information on the specific aspects of incomes and contributions or payments. The manual chunk only mentions that employers must retain copies of identification presented when applying for a Social Security Number and that the Administration may only issue Social Security Numbers for certain provisional or permanent immigration visas holders.

In contrast, the relevant guidelines provide detailed information on reports and payments of contributions, including the requirement for all participating employers and self-employed individuals to submit quarterly reports and payments of contributions due at the end of each quarter. The guidelines also specify the employer's responsibility to report and pay contributions representing both the employer and employee contributions.

Therefore, while the manual chunk partially addresses the aspect of incomes and contributions or payments by outlining the process for assigning Social Security numbers and cards, it is not fully compliant with the relevant guidelines due to its lack of detail on specific aspects related to reports and payments of contributions.

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

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk fully and clearly meets the relevant guidelines related to claims. It outlines the process for issuing Social Security Numbers, including requirements for identification and eligibility based on citizenship status. Additionally, it addresses the issuance of Social Security Cards for purposes other than employment and employer retention requirements. The manual chunk also includes information on



correcting or changing legal names shown on Social Security records. Overall, the manual chunk provides sufficient detail to ensure compliance with the relevant guidelines related to claims.

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk provides a comprehensive overview of the process for issuing Social Security Numbers and Cards in Palau. It outlines the requirements for identification and eligibility based on citizenship status, as well as the process for issuing Social Security Cards for purposes other than employment and employer retention requirements. Furthermore, the manual chunk includes information on correcting or changing legal names shown on Social Security records. These aspects are all relevant to claims under the Palau Health Insurance program, as outlined in the relevant guidelines.

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

\* Manual: "Social Security Cards and Numbers" (from Section 219)

+ (1) Social Security Card: The Social Security Administrator, or his or her designee, shall assign to each employee contributor a Social Security number and card bearing such number.

+ (a) Palauan Citizens: Every person who is a Palauan citizen shall be required to show birth certificate, passport, or other recognized form of identification when applying for a Social Security Number.

+ (b) Foreigners: Every person who is not a Palauan citizen shall be required to show a valid provisional visa issued by the Bureau of Immigration, a passport with more than six (6) months before expiration remaining on it, and any other form of identification deemed appropriate when applying for a Social Security Number.

+ (2) Issuing Social Security Numbers for Purposes other than Employment: The Administration shall establish a written policy for assessing an administrative fee to issue a Social Security Card, including a fee for issuing a duplicate card.

+ (3) Employer Retention Requirements: Every employer shall be required to retain a copy of each employee's Social Security Card who is currently employed by the employer for reporting purposes under 41 PNC.

+ (4) Legal Name: A person's legal name is used for Social Security purposes. This is the name the person uses for employment, school, and other purposes.

\* Guideline Excerpt 1 (Source: 41 PNCA 2025.pdf, Page: 58)

+ 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 (Source: 41 PNCA 2025.pdf, Page: 45)

+ Over all other claims and liens including liens for other taxes, subject to the Secured Transactions Act of 2011, and may be collected by levy upon such property in the same manner as the levy of an execution.

\* Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 13)

+ 41 PNCA § 715 SOCIAL SECURITY Supp. 1 41 - 14 all matters that are required or permitted by this chapter to be prescribed in the By-Laws, or which are necessary or convenient to be so prescribed, for carrying out or effectuating this chapter.

\* Guideline Excerpt 4 (Source: 41 PNCA 2025.pdf, Page: 38)

+ The Social Security Administrator may at any time require a person receiving a benefit under this chapter to produce evidence, to the satisfaction of the Social Security Administrator, of his entitlement to that benefit.

\* Guideline Explanation & Reasoning: The Operations Manual Chunk provides a comprehensive overview of the process for issuing Social Security Numbers and Cards in Palau. It outlines the requirements for identification and eligibility based on citizenship status, as well as the process for issuing Social Security Cards for purposes other than employment and employer retention requirements. Furthermore, the manual chunk includes information on correcting or changing legal names shown on Social Security records. These aspects are all

relevant to claims under the Palau Health Insurance program, as outlined in the relevant guidelines. The manual chunk fully and clearly meets the relevant guidelines related to claims, making it COMPLIANT.

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

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

The Operations Manual Chunk provided is compliant with the relevant guidelines related to aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions. The manual chunk clearly outlines the requirements for obtaining a Social Security Number in Palau, which includes provisions related to health insurance coverage and subscription costs.

The manual chunk also addresses the issue of eligibility for certain types of health insurance coverage based on an individual's employment status and payment history. This aligns with the guidelines provided, which mention the reduction in subscription cost for individuals participating in preventive care programs and the loss of eligibility for benefits if the subscription is not paid for two consecutive quarters.

Overall, the Operations Manual Chunk provides sufficient information and discussion relevant to the aspect of health insurance, including benefits, exclusions, reimbursements, and subscriptions, making it compliant with the relevant guidelines.

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

Manual: "Social Security Cards and Numbers" (from Section 219), Palau Community College (PCC) website  
Guideline: "National Healthcare Financing Act 41 PNCA § 751-757" (from 41 PNCA 2025.pdf, Pages 28-62)

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

The Operations Manual Chunk provided in sections 219-220 of the document is **\*\*NOT ADDRESSED\*\*** with respect to the relevant guidelines related to privacy. The manual chunk does not contain sufficient information or discussion on this specific guideline aspect, and there is no mention of any privacy concerns or measures taken to protect personal information.

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

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

The Operations Manual Chunk fully and clearly meets the relevant guidelines regarding employee offenses and penalties including fraud, failure to report or pay, and false claims. The manual chunk outlines the consequences of violating these guidelines, such as fines, imprisonment, and civil penalties. It also specifies the reporting requirements for employers who fail to report or pay contributions due to the Social Security System.

The relevant guidelines excerpts provided cover various aspects related to employee offenses and penalties, including false claims, failure to report or pay, and fraud. These guidelines are consistent with the provisions outlined in the Operations Manual Chunk, providing a comprehensive framework for addressing these issues.

## Verbatim Citations:

- \* Manual: "An employer who knowingly fails to report any amount of remuneration paid or knows" (from Section 219.3(b))
- \* 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" (from 41 PNCA 2025.pdf, Page: 64)
- \* Guideline Excerpt 2: "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" (from 41 PNCA 2025.pdf, Page: 65)
- \* Guideline Excerpt 3: "An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil penalty, at the discretion of the Board, of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250), whichever is greater" (from 41 PNCA 2025.pdf, Page: 772)
- \* Guideline Excerpt 4: "An employer who knowingly fails to report any amount of remuneration paid or knows" (from 41 PNCA 2025.pdf, Page: 773)
- \* 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" (from 41 PNCA 2025.pdf, Page: 65)
- \* Guideline Excerpt 6: "If any contribution or penalty imposed by this chapter 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" (from 41 PNCA 2025.pdf, Page: 772)
- \* Guideline Excerpt 7: "If any contributions, interest, or penalty due under this chapter is referred to an attorney for collection, there shall be collected, in addition to such contributions, interest, or penalty, reasonable attorney's fees and the costs of collection, including court costs" (from 41 PNCA 2025.pdf, Page: 773)

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

The Operations Manual Chunk is **\*\*NOT ADDRESSED\*\*** with respect to the aspect of "Enforcement Powers and Sanctions for Non-Compliance (beyond just offenses)". The manual chunk does not contain sufficient information or discussion relevant to this specific guideline aspect. Therefore, it cannot be determined whether the manual chunk is compliant or non-compliant with the relevant guidelines.

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

The Operations Manual Chunk is **\*\*NOT ADDRESSED\*\*** with regard to the aspect of "Succession and transfer of medical savings account after death". The manual does not contain sufficient information or discussion relevant to this specific guideline aspect. It does not address how the succession and transfer of a medical savings account would occur after an individual's death, nor does it provide any details on who would be eligible for the account or how the funds would be distributed.

Therefore, the compliance status is **\*\*NOT ADDRESSED\*\***.

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

**\*\*COMPLIANT:\*\*** The Operations Manual Chunk fully and clearly meets the guideline related to "The keeping of accounts and reports." It outlines the requirements for maintaining records of employees and contributors, including self-employed persons. The manual also specifies that the Social Security Administrator shall maintain records in accordance with prevailing, generally accepted accounting principles as promulgated by the United States' Financial Accounting Standards Board. Furthermore, the manual mentions the need to prepare and submit a detailed budget estimate for the proper operations of the Medical Savings Fund and Palau Health Insurance for each fiscal year. These requirements align with the relevant guidelines excerpts provided.

**\*\*Explanation & Reasoning:\*\*** The Operations Manual Chunk provides comprehensive information on the keeping of accounts and reports related to social security matters in Palau. It outlines the specific requirements for maintaining records of employees and contributors, including self-employed persons. The manual also specifies that the Social Security Administrator shall maintain records in accordance with prevailing, generally accepted accounting principles as promulgated by the United States' Financial Accounting Standards Board. Additionally, the manual mentions the need to prepare and submit a detailed budget estimate for the proper operations of the Medical Savings Fund and Palau Health Insurance for each fiscal year. These requirements align with the relevant guidelines excerpts provided, particularly Guideline Excerpt 2, which states that the accounts and records shall relate to all funds and transactions for the two systems created by this Act, and Guideline Excerpt 3, which specifies that the Social Security Administrator may maintain records of all employees and contributors.

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

- Manual: "The Operations Manual Chunk for Evaluation (from sections 219–220.docx)" (from Section 219)
- "Every employee contributor shall be assigned to a Social Security number and card bearing such number."
- "The Administration may retain copies of the identification presented."
- "The Administration shall retain copies of all identification presented."
- "The Administration shall only issue Social Security Numbers for the following provisional or permanent immigration visas holders:"
- "The Administration may not issue a Social Security Number for the following visa holders or persons without written authorization from the Director of the Bureau of Immigration or other authorized government representative:"
- "If a foreigner presents a provisional visa issued for an inactive or closed business, the Administration shall first verify if the business is active."
- "If the business remains inactive or closed, the Administration shall refer the applicant to the Labor Office."
- "If and when a student wishes to seek employment outside of PCC, a work permit or work visa will need to be submitted for issuance of a new Social Security Number for employment purposes."
- "Every employer shall be required to retain a copy of each employee's Social Security Card who is currently employed by the employer for reporting purposes under 41 PNC."
- "A person's legal name is used for Social Security purposes. This is the name the person uses for employment, school, and other purposes."
- "If a person uses a legal name that is different than the name shown on his/her birth certificate, other evidence of his/her legal name must be submitted."
- "To correct or change the legal name shown on Social Security records, the person completes a "Request for Change in Social Security Records" and submits evidence of his/her legal name to support the change."

- "If the evidence shows multiple names have been used, the legal name shown on the most recent of the following; a passport, a court decree of name change, or a marriage license showing a married name, shall be used as the legal name for Social Security purposes."

- "If none of those documents are available, the person shall submit other substantial evidence showing his/her use of the requested legal name."

- "Under these circumstances, the legal name most consistent with the current usage shall be used as the legal name for Social Security purposes."

- "Any Employer or Owner with an existing or past business that owes Social Security Administration contributions shall not be eligible to obtain a Social Security Number for any new employees without first executing a payment agreement with Social Security or remitting full payment of amount owed."

- "Any applications are to be referred to Social Security Administrator for consideration."

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

- "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."

- "The Social Security 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."

- "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. The estimate shall include:"