PART VI: REPORTING & PAYMENT

Section 601. Reports and Payment of Contributions

• 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. The Administration has no obligation to remind employers of this responsibility. Under the law, the Administration assumes that an employer or business owner is aware of the legal responsibilities of operating a business within the Republic of Palau. A claim of ignorance by any employer or business owner failing to report shall not be a valid legal defense for not reporting or non-payment of contributions.

• The official report forms shall be provided by the Administration to each employer, free of charge. The employer shall show, in addition to other information specified by the Administrator, the following:

• The Employer Identification Number (as assigned under 41 PNC § 747);

• The Employee Contributor Social Security Number (as assigned under 41 PNC § 747);

• 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.

• 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.

• Any errors or mistakes submitted on such reports shall result in an administrative fee charged per error.

• 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.

• [41 PNC § 745]

Section 602. Quarterly Tax Reports

• All Social Security Quarterly Tax Reports shall be submitted to the Administration with payment in full. Quarterly Tax Report forms are available at the Administration free of charge. All quarterly reports shall be submitted with payment within a month following the end of each quarter. When payment is made, reports should indicate the payment date, receipt number, and the amount actually paid.

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• Upon payment, the first copy of the report shall be submitted to the Administration. The employer shall retain the second copy. The report shall show the following:

• Complete name of business or owner (in case of domestic helper);

• Employer number followed by the Subsidiary Code, if applicable;

• Complete address of business or owner;

• Payroll ending date;

• Due date;

• Complete name, Social Security number, total gross wages, taxable wages, twelve percent (12%) tax for each employee;

• The totaled wages and tax at the bottom of the page; and

• Signature of business or owner with the date of such signature.

The due dates for the Quarterly Tax Reports shall be as follows:

• March 31st Report due on April 30th

• June 30th Report due on July 31st

• September 30th Report due on October 31st

• December 31st Report due on January 31st

• [41 PNC § 745]

Section 603. Refunds

• 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. However, no refund shall be made for an amount of less than five dollars ($5.00). No refund shall be made to any employer on any amount of excess employer contributions paid by them, other than to correct an error. No refund shall be issued to any employee who owes outstanding employer or employee Social Security debt; instead, the refund shall be used to off-set any outstanding Social Security debt. (Board Resolution 2007)

• Note: On October 1, 2020, there will no longer be a maximum amount of remuneration.

• (a) Self Employed: Each employer that is required to report his or herself at twice the wages of their highest paid employee, subject to the quarterly maximum; if the employer is reported as an employee of one or more businesses for the same quarter, the employer shall receive a six percent (6%) refund for those earnings in excess of the maximum taxable wage.

• (b) Palauan Citizen: A Palauan citizen who is an employee who contributes on total remuneration in excess of the maximum remuneration of six thousand dollars ($6,000) on October 1, 2015, and shall be increased to eight thousand dollars ($8,000) on October 1, 2017. regardless of whether the remuneration is from one or more employers, and the employee contributions are withheld and paid to the Administration; the excess employee contributions during the four (4) quarters ending on December 31st shall be refunded by the Administration to the Palauan employee within ninety (90) days after that date.

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• (c) Foreign Worker Employee: an employee, who is a foreign worker under 30 PNC [Labor], is eligible to receive a refund if they contribute on a total remuneration in excess of the maximum remuneration of six thousand dollars ($6,000) on October 1, 2015, and shall be increased to eight thousand dollars ($8,000) on October 1, 2017.. However, the foreign worker, as required under 30 PNC § 169, shall only work for the one (1) employer that is listed on their foreign worker permit and the employee’s contributions must have been withheld and paid to the Administration. The excess employee contributions during the four (4) quarters ending on December 31st shall be refunded by the Administration to the foreign employee within ninety (90) days after that date.

• A foreign employee shall be deemed “working for the employer listed on the work permit” when the foreign employee is working for the employer listed on the foreign worker permit or a subsidiary, branch, division, or other business which is legally situated under or a part of the employer listed on the foreign employee worker permit.

• A foreign employee who is working for two (2) separate and distinct employers, and has contributed on total remuneration in excess of the maximum remuneration of six thousand dollars ($6,000) on October 1, 2015, and shall be increased to eight thousand dollars ($8,000) on October 1, 2017. is NOT entitled to a refund. Such foreign employee is working for two (2) different employers in violation of 30 PNC § 169 and shall be reported by the Administration to the Division of Labor, Immigration, and the Office of the Attorney General.

[41 PNC § 746]