

AN ACT

To amend Subsections 3(5), 3(7), and 5(3) of Title 73 of the Trust Territory Code, the Trust Territory Social Security Act, in order to provide for an increase in quarterly taxable wages, increase in the minimum quarters of coverage to be fully insured and currently insured, to increase the penalty for delinquent employers, and for other purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIIL ERA KELULAU DO ENACT AS FOLLOWS:

1 Section 1. Amendment of prior legislation. Subsections
2 5 of Section 3 of Title 73 of the Trust Territory Code, as
3 amended, is hereby further amended to read:

4 “(5) ‘Wages’ means remuneration paid subject to
5 the provisions of this title including the cash
6 value of all remuneration paid in any medium
7 other than cash and remuneration accruing to a
8 self-employed person. Remuneration accruing to
9 a self-employed person shall be deemed to be
10 twice the amount paid to the highest paid employee
11 reported by the self-employed person in a quarter,
12 subject to one thousand five hundred dollars
13 (\$1,500) maximum per quarter. Remuneration accruing
14 to a self-employed person who has no covered
15 employees shall be deemed to be 25 percent per
16 quarter of 10 percent of the gross revenue of his
17 business for the previous calendar year, subject to
18 one thousand five hundred dollars (\$1,500) maximum.
19 Remuneration paid for any service which is more or
20 less than a whole dollar shall, as may be pre-
21 scribed by regulations, be computed to the nearest
22 dollars. Wages shall not include:

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1 (a) That part of remuneration in
2 excess of one thousand five hundred
3 dollars (\$1,500) paid in a quarterly
4 reporting period by one employer.

5 (b) Any payment on account of sick-
6 ness or accident, disability, or
7 medical or hospitalization expenses
8 made by an employer to or on behalf
9 of an employee.

10 (c) Any payment made to or on
11 behalf of an employer or to his
12 beneficiary from a trust or annuity.

13 (d) Remuneration paid in any medium
14 other than cash to an employee for
15 service not in the course of the
16 employer's trade or business or for
17 domestic service in a private home of
18 an employer.

19 (e) Remuneration paid for casual or
20 intermittent labor not performed in
21 the course of the employer's trade or
22 business when such employment does not
23 exceed employment in more than one week
24 in each calendar month of each quar-
25 terly reporting period."

26 Section 2. Amendment of prior legislation. Subsection
27 7 of Section 3 of Title 73 of the Trust Territory Code, as
28 amended, is hereby further amended to read:

29 "(7) Insured status for the purposes of this Title:

30 (a) 'Fully insured individual' means
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1 any individual who has not less than
2 one quarter of coverage for each year
3 beginning after June 30, 1968, or for
4 each year after attaining the age of
5 twenty-one whichever is later and up
6 to but excluding the year in which he
7 attained retirement age, or became
8 disabled, or died, whichever first
9 occurred, except that in no case shall
10 an individual be a fully insured
11 individual unless he has at least 12
12 quarters of coverage.

13 (b) 'Currently insured individual'
14 means any individual who has not less
15 than eight quarters of coverage during
16 the 13 quarter period ending with:

17 (i) The quarter in which he
18 dies, or

19 (ii) The quarter in which he
20 became entitled to old age
21 insurance benefits, or

22 (iii) The quarter in which he
23 became disabled, whichever
24 first occurs."

25 Section 3. Amendment of prior legislation. Subsection
26 3 of Section 5 of Title 73 of the Trust Territory Code, as
27 amended, is hereby further amended to read:

28 "(3) Any covered employer who fails to submit the
29 quarterly report and pay the Social Security tax
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1 within ten (10) days after the end of the quar-
2 ter, shall be considered delinquent. The Board
3 or its authorized representatives shall be
4 vested with the authority to levy a penalty of
5 not more than two hundred fifty dollars (\$250)
6 on delinquent employers."

7 Section 4. Effective Date. This act shall become law
8 upon its approval by the President of the Republic or its
9 becoming law without such approval, and shall take effect upon
10 concurrent legislation enacted by the Governments of the
11 Federated States of Micronesia and the Marshall Islands and
12 the approval by the High Commissioner of this act and such
13 concurrent legislation.

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15 PASSED: April 21, 1983

/s/ _____
Carlos H. Salii, Speaker
House of Delegates

/s/ _____
Kaleb Udui, President
The Senate

Approved this 11th day of May, 1983.

/s/ _____
Haruo I. Remeliik
President
Republic of Palau