

AN ACT

To amend the Trust Territory Social Security Act, 73 TTC Section 105(1) and (2); as amended, to provide for increase in the amount of benefits, and for other purposes.

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

1           Section 1. 73 TTC 105(1) and (2) as amended, by the Republic of  
2 Palau Public Law No. 1-55 is hereby further amended to read as  
3 follows:

4           "Section 105. Retirement and disability insurance benefits  
5 amount.

6           (1) An insured, eligible individual shall be paid a monthly old  
7 age retirement pension for life, except for any month of disability  
8 tion as provided by this Title, in an amount calculated upon an annual  
9 basis of 14.4 percent of the first ten thousand dollars of cumulative  
10 covered earnings, plus 2.4 percent of cumulative covered earnings in  
11 excess of ten thousand dollars but not in excess of the next thirty  
12 thousand dollars, plus 1.2 percent of cumulative covered earnings in  
13 excess of forty thousand dollars. Earnings for employment after com-  
14 mencement of payments for old age or disability insurance benefits  
15 shall be included in benefit calculations upon subsequent application  
16 for benefits, but such earnings shall be applicable for benefits for  
17 months after the calendar year in which such earnings occurred.

18           (2) An insured, eligible individual shall be paid a minimum  
19 monthly pension of thirty-eight dollars and forty cents if the pension  
20 amount calculated in accordance with Subsection (1) of this Section is  
21 less than \$38.40 monthly."

22           Section 2. Subsection 6 of Section 3 of Title 73 of the Trust  
23 Territory Code, as amended, is hereby further amended to read:

24           "(6) 'Wages' means remuneration paid subject to the provisions  
25 of this title including the cash value of all remuneration paid  
26 in any medium other than cash and remuneration accruing to a



1 self-employed person. Remuneration accruing to a self-employed  
2 person shall be deemed to be twice the amount paid to the highest  
3 paid employee reported by the self-employed person in a quarter,  
4 subject to two thousand dollars maximum per quarter. Remunera-  
5 tion accruing to a self-employed person who has no covered  
6 employees shall be deemed to be twenty-five percent per quarter  
7 of ten percent of the gross revenue of his business for the  
8 previous calendar year, subject to two thousand dollars maximum.  
9 Remuneration paid for any service which is more or less than a  
10 whole dollar shall, as may be prescribed by regulations, be  
11 computed to the nearest dollar. Wages shall not include:

12 (a) That part of remuneration in excess of two thousand  
13 dollars paid in a quarterly reporting period by one employ-  
14 er.

15 (b) Any payment on account of sickness or accident,  
16 disability, or medical or hospitalization expenses made by  
17 an employer to or on behalf of an employee.

18 (c) Any payment made to or on behalf of an employee or to  
19 his beneficiary from a trust or annuity.

20 (d) Remuneration paid in any medium other than cash to an  
21 employee for service not in the course of the employer's  
22 trade or business or for domestic service in a private home  
23 of an employer.

24 (e) Remuneration paid for casual or intermittent labor not  
25 performed in the course of the employer's trade or business  
26 when such employment does not exceed employment in more than  
27 one week in each calendar month of each quarterly reporting  
28 period. "

29 Section 3. Subsection (10) of Section 3 of Title 73 of the Trust  
30 Territory Code, as amended, is hereby further amended to read as

1 follows:

1           “(10) ‘Earnings test’ shall mean that an individual who receives  
2           a retirement or survivor’s pension and who works in covered or  
3           noncovered employment shall have his quarterly benefit reduced by  
4           \$1 for each \$2 earned in a quarter, except there shall be no  
5           reduction for the first \$300 earned in a quarter. The reduction  
6           shall be applied in the subsequent two quarters immediately after  
7           the quarter in which the earnings were made.”

8           Section 4. Upon approval of the President of the Republic of  
9           Palau, or upon its becoming law without such approval, this act shall  
10          take effect except that Section 2 shall take effect on October 1,  
11          1984.

PASSED: May 25, 1984

Approved this 8<sup>th</sup> day of June 1984.

/s/ \_\_\_\_\_  
Haruo I. Remelick  
President  
Republic of Palau