



Front Row L-R: Emlin Andrike, Sheryl Profeta, Jill Derickson, Alexander Narruhn, Saane Aho, Greg Ngirmang, Ave Gimao Jr., Silberio Mathias, Back Row L-R: Norma Wally, Bryan Edejer, Leon Pauelo, Jr., Michele Murray, Bernadette Lojkar, Luz Merencillo, Michael Thomas, Joe Wottokna, Janice Mathew, Hardon Lelet, Dernista Capelle

### 4<sup>TH</sup> ANNUAL SOCIAL SECURITY ADMINISTRATORS CONFERENCE

The SSA Conference evolved as a result of an informal meeting that was held in 2003 in Marjuro between the three Social Security Administrators. They met to discuss details of a grant proposal the three FAS Systems were drafting. During the course of that meeting the Administrators shared their experiences regarding the different functions their agency performed. Since the meeting was very successful, it was decided by the officers that it would



Republic of Marshall Island



L-R: Greg, Saane, Alex FAS Social Security Administrators

be a worthy effort to meet once a year to discuss and share experiences. From sharing we learn from each other as well as offer solutions to address common problems that affect the respective agencies. The conference was formalized in Palau in 2004 and it has been held since then except 2005. It was also during the

4<sup>th</sup> Annual...(Page 5)

### “STATUS OF THE SOCIAL SECURITY TRUST FUND IN PERSPECTIVE”

#### Overview of Financial Statements:

The Fund’s net assets for the year ended September 30, 2007 was \$ 74,052,069 as compared to \$62,957,280 for fiscal year 2006. This was mainly due to investment income which was 143% higher than the previous year at \$9,153,759 for FY 2007, as compared with \$3,768,710 for FY 2006.

The Fund’s net assets for the year ended September 30, 2006 was \$63,359,804 as compared to \$57,415,287 for fiscal year 2005.

#### Statements of Net Assets:

	FY '07	FY '06
Total Assets:	\$ 74,052,069	\$ 63,359,804
Total Liabilities:	369,234	402,524
Net Assets held in Trust for Benefits & other purposes:	<b>\$ 73,998,943</b>	<b>\$ 62,957,280</b>

#### Statements of Changes in Net Assets:

	FY '07	FY '06
Total additions:	\$ 18,448,031	\$ 12,486,384
Total deductions	7,353,242	6,573,730

#### Changes in Net Assets:

Net assets at beginning of year:	\$ 62,957,280	\$ 57,044,626
<b>Net assets at End of Year:</b>	<b>\$74,052,069</b>	<b>\$ 62,957,280</b>

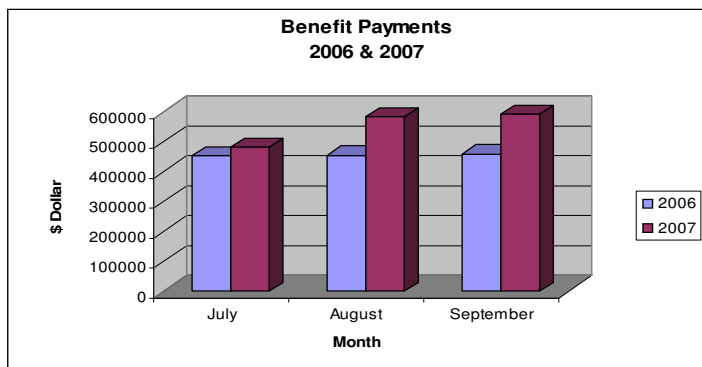
“Status...(Page 6)

**TO ALL CONTRIBUTING MEMBERS AND THEIR FAMILIES**

**WE WISH YOU ALL A HAPPY AND PROSPEROUS NEW YEAR.**

**FROM ALL OF US AT THE SOCIAL SECURITY ADMINISTRATION**

## BENEFITS STATS...



Graph 1: Comparison between 3rd Quarter Benefit Payments 2006 & 2007

Benefit payments for the 3rd quarter of 2007 (July to September) totaled to \$1,657,960.32, surpassing last year's 3rd quarter which was \$1,368,164.76. Benefit payments have increased by 17.4% in 2007 compared to the same period in 2006. During this same period of July to September, active beneficiaries averaged at 2,338 whereas last year averaged at 2,268 active participants.

## ACH ALLOTMENT

We began submitting allotments to FDIC banks through Automated Clearing House (ACH) with the benefit month of October 2007. Thus, we are reminding beneficiaries who patronized those banks to submit the appropriate bank documents that show a beneficiary's name, account number and account type (e.g. bank statement, bankbook, void check, etc.) to support their Social Security allotment form. We thank you for your cooperation in providing the necessary information for us to do our jobs efficiently.

## DUAL BENEFITS

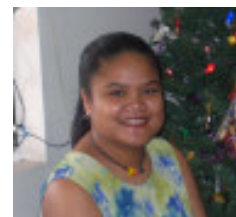
What are dual benefits? According to Social Security Act, dual benefits may either be a combination of retirement and surviving spouse benefits or disability and surviving spouse benefits. Those receiving such benefits are called dual beneficiaries.

Based on the statistics for August 2007, there were 249 out of 2,325 total beneficiaries who were considered dual beneficiaries. As the law was enacted to discontinue dual benefits, these 249 dual beneficiaries continue to be paid two types of benefits; however, a recipient of two benefits may choose to receive just one of the benefits if it is to his/her advantage. The increase will begin from that period forward when he/she makes the selection.

If you think you are a dual beneficiary and need more information, you may contact Eva Kyota or Florah Tewid, at our office during business hours, 8:00 a.m. to 5:00 p.m., Monday to Friday.

## DELMA PROMOTION

Member Services Section would like to announce that we have a new addition to our section. On October 15, 2007, Delma Mad was promoted to her new position as Benefits & Claims Assistant as she previously held the position of Customer Service Clerk. She will be responsible for data entries for claims and benefits as well as print and prepare benefit checks for mailing.



Delma Mad  
Benefits & Claims Assistant

Congratulations to Delma. The Member Services Section is looking forward to working with you.

## NON-CITIZEN BENEFICIARY

Accordingly, a non-Palauan citizen beneficiary is required by law to reside in the Republic of Palau and continue to receive monthly benefit. A citizen of the United States, the Federated States of Micronesia and the Republic of the Marshalls are excluded from this provision. We are reminding non-Palauan citizen beneficiaries to report every six months in person to the Social Security Administration.

## OUTREACH PROGRAM

A Social Security outreach program a chulmulch era state visit er ngii era October 2007.

Ma kakid a beluu el kim bla borngii:

Date	State	Number of Participants
10/23/2007	Ngarrard	34
12/13/2007	Melekeok	18
12/14/2007	Ngarchelong	24
01/15/2008	Ngiwal	16



Ngerchelong Visit (12/14/2007)



Ngiwal Visit (1/15/2008)

Mai kel beluu el dirkmedechel a kibo moltobed a belsechel ma temel ra Ngerelbelau, Diaz, ma KRFM. Ma kiolengit ma omrengesii a sbadam era kal radio station em kasbesubed e mei ertial kmal klou a ultutelel meeting er kid.

## “ACTUARIALLY SPEAKING, HOW IS THE FUND DOING?”

### Actuarial Valuation:

The Fund ordered an actuarial valuation as of October 1, 2006, with the result as follows:

Accrued Liability For:	Past Service Liability and Market Value of Assets as of October 1	
	2003	2006
Workers Earnings Benefits	\$ 58,063,000	\$ 74,200,000
Retirees, Spouses, Children, and Disabled Workers Receiving Benefits	32,646,000	42,072,000
Fully Insured Inactive Workers Entitled to a Future Benefit	7,016,000	11,296,000
Total Accrued Liability	\$ 97,725,000	\$ 127,568,000
Market Value of Assets	<u>(41,866,000)</u>	<u>(62,957,000)</u>
Unfunded Past Service Liability	\$ 55,859,000	\$ 64,611,000
Funded Ratio	43%	49

The unfunded past service liability is the excess of the past service liability over the market value of assets. The funded ratio indicates what percent of the past service liability is covered by the market value of assets.

### Effect of Amendment to the Social Security Act, the **RPPL 7-32**

The proposal that had been in front of the Seventh Olbiil Era Kelulau was finally enacted into law as RPPL 7-32 which took effect on August 2, 2007.

### In summary, **RPPL 7-32** amended the Social Security Act as follows:

1. Added the definition of Permanently Insured that allows disabled workers with at least 120 quarters of coverage to qualify for a disability benefit.
2. Increased the quarterly amount of maximum remuneration to \$4,000 on October 1, 2007 and then to \$5,000 on October 2, 2008.
3. Revised the basic benefit formula thusly:
  - I. 21.50% of the first \$11,000 of cumulative covered earnings, plus

- II. 2.90% the next \$33,000 of cumulative covered earnings, plus
  - III. 1.5% of cumulative covered earnings in excess of \$44,000.
4. Increased the minimum basic benefit to \$98 effective April 1, 2007. This increase applies to future benefits as well as benefits already in pay status. This minimum is also applied to old age benefits, disability benefits and to the total benefits paid to all beneficiaries of a deceased worker.
  5. Provides that no person may receive two types of benefits at the same time. Those receiving more than one type of benefit on the effective date of this Act may continue to receive each benefit but these benefits are not subject to the minimum benefit increase otherwise provided by this Amendment.
  6. Makes old age and disability benefits subject to the earnings test.
  7. Provides that the maximum limit of the monthly basic benefit is 100% of the highest monthly average wage over any 12 quarters during the last 40 quarters preceding retirement. However this maximum will not be implemented until three years after the effective date of the Amendment.
  8. Allows that a widow or widower who is at least 60 years old may remarry and continue to receive any spouse benefit that he or she was previously receiving.
  9. Increases the monthly amount of the surviving spouse benefit from 60% to 100% of the deceased worker's benefit if the surviving spouse is at least age 60 and unmarried. This increase applies to future benefits as well as benefits already in pay status.
  10. Reduces benefits paid to a surviving spouse under the age of 60 by \$1 for every \$3 earned in excess of \$1,500 each quarter.
  11. Increases the lump sum benefit paid on behalf of a deceased worker and all rights to survivor's benefits with respect to him or her have been terminated from 4% to 6% of his or her cumulative covered earnings less the amount of any benefits actually paid on behalf of the deceased worker.
  12. Reinstate the earnings test (other than benefits paid to a surviving spouse under the age of 60). Under the

**“ACTUARIALLY ...**

earnings test benefits are reduced by \$1 for every \$3 earned in excess of \$1,800 each quarter. The earnings test shall not apply starting in the quarter in which the person who is receiving the benefit attains age 65 or any subsequent quarter.

The table below shows the estimated past service liability, required combined employee and employer tax rate for new employees, excess employee contributions, the deficiency, and the funded ratio as computed with the original October 1, 2006 actuarial valuation and also including the provisions of RPPL 7-32. All values were determined as of the most recent actuarial valuation date which was October 1, 2006.

	Original Valuation as of October 1, 2006 Prior to 7-32	Including RPPL No. 7-32
Past Service Liability	\$ 127,568,000	\$ 136,682,000
Required Combined Tax Rate for New Employees	6.5%	6.7%
Excess Employee Contributions	\$ 43,192,000	\$ 41,745,000
Deficiency	\$ 21,419,000	\$ 31,980,000
Funded Ratio	49%	46%

The new maximum benefit limit, the earnings test and eliminating future payment of more than one type of benefit to any one recipient have worked together to offset the effects of other increases in benefits on the past service liability. Accordingly the past service liability increased by approximately \$9.1 million which was a 7% increase. The increase in the maximum remuneration helped to limit the increase in the deficiency. Overall the funded ratio was reduced by three percentage points.

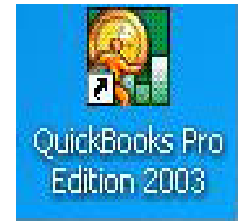
**SOCIAL SECURITY ANNUAL SURVEY FORM**

Tia subed el loltobed erngii a Social Security Administration el mor tirkel mesuk a udoud era Social Security el kmo alsekum eng dirkak mrelii a survey er kau e mchilii a babier ra survey el kim mla odureklii ra post.

Tial obis a kmal lolengit me moutekangel el rulii tial survey er kau e mnguu el mei ra obis ra Social Security er sel kot el merechedel el temem. Al ngarngii a kerim e mou dengua el mora 488-2457 emo ngedecheduch ra Florah Tewid malechub eng Jeany Spis.

**FAREWELL QUICKBOOKS, HELLO SAGE MIP**

Social Security Administration has used the QuickBooks Pro accounting program to maintain its finance and accounting for years. The program is simple and easy to use but, it is not a fund accounting and cannot be used to maintain accounting for multiple funds. When Social Security took over the administrative responsibility of Prior Services Benefits Trust Fund in April 2006, a need to use a fund accounting program arose. Thus, the use of QuickBooks Pro ceased on September 30, 2007.



Social Security Administration researched and found that Sage MIP Accounting Software meets the ROP Social Security Accounting needs. This new accounting program enables the Social Security Administration to maintain finance and accounting for multiple funds like Prior Service, as well as USDA grants or other grants including any additional fund awarded or assigned to Social Security Administration in the future.

September 10, 2007, Social Security bought the Sage MIP Fund Accounting Software from Elizabeth Holland, Holland Consulting International. Ms. Holland with the help of Michele Murray installed the new software. She also gave a week and a half training to the staffs who are involved in accounting and financial matters.



Elizabeth Holland

Social Security Administration started using the accounting system in October 2007.

February 4, 2008

Please complete this Annual Survey Form and return to Social Security within 45 days from the date above. Failure to do so will result in withholding all future payments.

Thank you.

**YOUR INFORMATION**

PLEASE PRINT

SSA No. **999 - 99 - 9999**

First Name: **John**

Middle Name: **Michele**

Last Name: **Das**

Other Name Used:

Mailing Address: **P.O. Box 889**

**Kasser, Palau**

**96948**

Current Residence: **Honolulu**

Home Phone: **809-555-XXXX**

Cell Phone: **809-555-XXXX**

Telephone: **(800) 485-2008**

Date of Birth: **01/01/1968**

Place of Birth: **Kasser, Palau**

Citizenship: **Palauan**

Male  Female

Unmarried  Married

If married, Spouse Name: **Jane Doe**

Date of Marriage: **12/05/1990**

Place of Marriage: **Kasser, Palau**

Your earnings are performed by:  Employer  Self-employed

Title: **Palau Customs**

RETIREMENT

DISABLED

SERVING AS SPONSOR/GUARDIAN

Are you working on self-employed basis?

Yes  No

If yes, since when?

Company's Name:

Location:

Successful Form Disability? (Skip if not disabled)

Partially  Completely

Do you have any children receiving SS benefits?

Yes  No

Child's Name

If yes, enter in a.d.

a. Married?  Yes  No

b. Working?  Yes  No

c. Support?  Yes  No

d. Death?  Yes  No

Wage Earner's Name

Under the penalty of perjury, I hereby certify that the information provided is true and correct.

**John Doe**

Signature

Date:

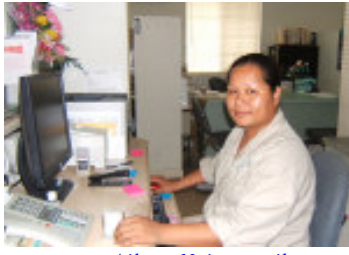
Individual Representative

Relationship to Beneficiary:

Name/Title:

## WELCOME AILEEN NGIRANGESIL

Welcome, Ms. Aileen Ngirangesil! Aileen is our new Customer Service Representative. She came on board on November 23 to replace Delma Mad who got promoted to another position. Aileen will be providing assistance to customers who are applying for Social Security Numbers or Employer Identification Number as well as direct any inquires to the appropriate staff.



*Aileen Ngirangesil  
Customer Services Clerk*

## 4<sup>TH</sup> ANNUAL ...

2004 Conference that the Totalization Agreement was signed by the Executive Officers.

“The Advancement of Social Security through Collective Thinking and Integrated Technology” was this year’s theme at the 4<sup>th</sup> Freely Associated States Social Security Administrators’ Conference. The conference was held in the Republic of the Marshall Islands in November. Jill Derickson, software developer and Jerry Facey, Prior Service Administrator were the guests of honor this year. The conference began with power point presentations from the Benefits Sections of the three entities, followed by Finance & Accounting. The last groups to present were the Employers and Information & Technology departments.



*L-R: Jill Derickson,  
Norma Wally and  
Michele Murray*



*Jerold Facey,  
PSTF Administrator*

The conference was concluded with an agreement that the Republic of Palau Social Security Administration will be drafting and submitting a grant proposal on behalf of the three entities. The proposal if awarded will cover the cost of the FOX PRO V. 9 enhancements. These enhancements are necessary, as they will allow the three systems to improve their operations. Overall, the conference was very productive for three FAS Social Security.



*Janice Mathew presenting  
benefits section report.*

The Administration wishes to thank the Republic of Marshall Islands Social Security Administration for the hard work and effort they put in organizing the 4<sup>th</sup> SSA Annual Conference.

## NAME CHANGE

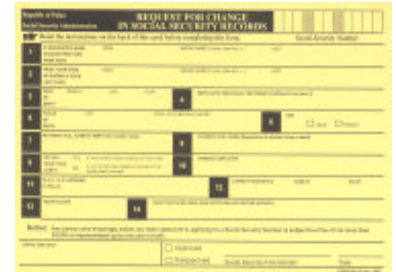
So you want to change your name? In the olden days a person would just assume the name they want and continue on their merry way. He/She may or may not come to our office to officially change their name. Today, changing your name is a serious matter. You have to prove that you are who you say you are. Granted this is Palau and almost everybody knows everybody. But that in itself does not count as being official.

So you ask yourself, “What do I need to do?”.

The first thing you have to do is get a copy of the appropriate document. Second, come to our office and fill a Name Change Form in order for the change to

become effective. Your personal situation will determine the type of document needed. For instance, if you are married and you are changing your last name to that of your husband then you need to bring a copy of your marriage certificate to our office and then fill out the application. On the other hand, if you are divorced and want to assume your maiden name then a divorce decree must be provided. However, if the divorce decree does not specify that you will revert to your surname, then the document is invalid for a name change. It is then up to you to petition the court to have your name changed. Once, the court has issued its order, you can then bring that document to our office and fill the Name Change Form. If for other reasons you want to change your name you must provide an Affidavit.

It is not enough to just get the documents from the Clerk of Courts. In order for the change to be reflected in public records you have to come in and fill the Name Change Form. After your application is approved we will then reprint your Social Security Card to reflect your new name. If you do not come in to our office to update your record then your name as shown on your original application will be your official name.



*Request for Change in Social Security  
Records*



*Social Security Card Form*

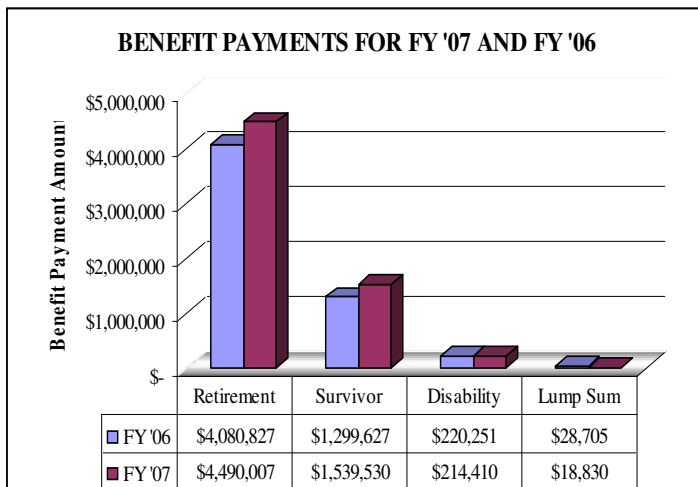
“STATUS ...

**Benefit Payments:**

Total benefit payments continue to increase from \$5,629,410 to \$6,262,841 a 11.3% increase in 2007 and from \$5,302,150 to \$5,629,410, a 6% increase in 2006.

Break down of benefit payments for FY '07 and FY '06:

<u>Benefit Type</u>	<u>FY '07</u>	<u>FY '06</u>
Retirement:	4,490,007	\$ 4,080,827
Survivor:	\$1,539,530	\$ 1,299,627
Disability:	\$214,410	\$ 220,251
Lump Sum:	\$18,830	\$ 28,705



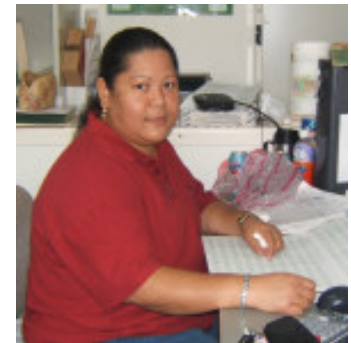
Graph 2: Benefit Payments for FY '07 and FY 06.

**Background:**

The Republic of Palau Social Security Administration is descended from the Trust Territory Social Security System, which was established on July 1, 1968. The Trust Territory Social Security System (TTSSS) ended when the Trust Territory of the Pacific Islands Government devolved into four separate entities. Palau enacted RPPL (Republic of Palau Public Law) 2-29 known as the “Social Security Act of 1987”, which established the Palau Social Security Trust Fund that took over the Palau share of assets and liabilities of the Trust Territory Social Security System. At that time, the assets of the Trust Fund was \$ 4,418,671 with 13,000 members. In Fiscal Year 1993, the Palau Social Security Administration had its first actuarial valuation done, which determined that the Trust Fund had \$ 8.7 Million in assets and \$29 Million in unfunded liability, and 22,265 registered members. Over the years the system has registered over 56,356 members cumulatively, with total assets for fiscal year ended in September 30, 2007 of \$ 74,052,069.

**DATA PROCESSING SECTION**

The data processing section of the Social Security Administration, is the section responsible for recording and entering wages of employees into the Social Security System. These records will be used to calculate the amount of benefits for employees when they retire. Sometimes employers make errors in their quarterly reports to the Social Security Administration so we recommend employees to verify that their names, social security numbers and wages being reported to Social Security Administration are correct. Everyone should be assured that their wages are safe in the Social Security System and will be available for them when they reach retirement age, or anytime a wage earner wishes to verify his/her wages.



Sharon Golbuu  
Data Processing Officer

**REMINDER!!**

The Republic of Palau Social Security Administration wishes to inform all employers and self-employed persons that the Social Security quarterly taxes are **NOW DUE** for quarter ending December 2007. All Employers have until January 31, 2008 to make necessary payments.

**ROPSSA Quarterly Newsletter**

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