

worker who died with less than the minimum required quarters of coverage for monthly benefits. The next of kin of a deceased worker who died with no eligible survivors to receive monthly benefits can also apply to receive a lump sum insurance benefit.

The Lump-Sum Insurance Benefit is paid in the following order:

1. Surviving Spouse
2. Children in equal shares
3. Parents in equal shares
4. Duly appointed legal representative of the deceased
5. If none of the above, the person or persons entitled under laws and local customs of the last domicile of the deceased

### **HOW CAN I APPLY?**

To apply, please fill out an Application for Lump Sum Insurance Benefit and submit it with the required documents as listed in the application.

### **HOW MUCH CAN I RECEIVE IF I'M ELIGIBLE FOR LUMP-SUM BENEFITS?**

Once eligible, you are entitled to 6% of the basic benefit applicable to the deceased wage earner.

For example, if the cumulative covered earnings of a deceased wage earner was \$80,000.00, the following calculation is made:  
 $\$80,000 \times 6\% = \$4,800.00$

**ONE TIME PAYMENT : \$4,800.00**

### **YOUR RESPONSIBILITIES**

It is important to immediately notify us in

person whenever you change your name, address, direct deposit account, representative payee, or whether you are married or divorced, caring for a child who receives benefits, or if you adopt a child. You must also notify the Social Security Administration if you are residing overseas, whether or not you may be working.

Information you give to another government agency may be provided to the Social Security Administration by the other agency, but you also must report the changes to us.

Failure to report a change may result in an overpayment. If you are overpaid, we will recover any payments not due you. Also, if you fail to report changes timely or you make a false statement, you can be penalized by a deduction from payments, a fine, imprisonment or all three.

### **THE DEATH OF A BENEFICIARY**

When a beneficiary dies, his/her benefit is not payable for the month of death. For example, if a beneficiary died any time in July, the money received in July must be returned. The Social Security Administration must be notified of the death as soon as possible.

*For other information, please see the brochure entitled "Frequently Asked Questions and Important Reminders for all Beneficiaries" available at the Social Security Administration office .*

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**Republic of Palau  
Social Security Administration**

**CHILD INSURANCE BENEFIT  
and  
LUMP-SUM  
INSURANCE BENEFITS**

## CHILD INSURANCE BENEFIT

### WHO IS ELIGIBLE?

Dependent children of deceased wage earners are eligible to receive survivor insurance benefits if the wage earner was fully insured or currently insured. They must also meet the following requirements:

- Must be the child or adopted child (legally or under Palauan custom) of the deceased wage earner.
- If not the natural or adopted child, there should be proof that the child was dependent upon the wage earner at the time of death or have been living with the wage earner
- Unmarried
- Under age 18; or between the age 18 and 22 presently attending school; or disabled since before age of 22.

### IF A CHILD IS ELIGIBLE FOR SURVIVOR BENEFITS, HOW MUCH CAN HE RECEIVE?

If there is no other beneficiary under the same deceased wage earner, the minimum monthly benefit that a child can receive is \$98.00.

If there are other beneficiaries, each child is entitled to receive 15% of the basic benefit applicable to the deceased wage earner.

However, if the child is employed and is earning more than a specific amount, your benefits could be reduced. For more information, a separate brochure entitled "Earnings Test" has

### What does it mean?

**FULLY INSURED:** To be "fully insured", a deceased wage earner must have contributed to the Social Security program at least one quarter for each year between the time he/she turned 21 years of age and date of death. For example, if a wage earner dies at 45 years of age, he must have contributed to the Social Security program for at least 24 quarters ( $45 - 21 = 24$ ) to qualify as "fully insured".

**CURRENTLY INSURED:** To qualify as "currently insured", a person must have contributed into the Social Security program at least 8 quarters of taxable wages in the previous 13 quarters before becoming entitled to receive benefits. This means that within the three years and three months prior to applying or becoming entitled to receive benefits, a person worked at least two years.

been prepared and is available at the Social Security Administration office.

### HOW CAN I APPLY?

To apply, please fill out an Application for Survivor Insurance Benefits or Application for Survivor Disabled Child Insurance Benefits and submit it along with the required documents as listed in the application.

### HOW ARE MONTHLY CHILD INSURANCE BENEFITS CALCULATED?

First, the "Basic Benefit" applicable to the deceased wage earner must be determined. The "Basic Benefit" is a monthly payment that is one-twelfth (1/12) of the total of:

1. 21.5% of the first \$11,000.00 of cumulative covered earnings; and
2. 2.9% of cumulative covered earnings in excess of \$11,000.00 but not in excess of the next \$33,000.00; and
3. 1.5% of cumulative covered earnings in excess of \$44,000.00.

Below is a sample of how to calculate the basic benefit for a deceased wage earner with cumulative covered earnings of \$ 80,000.00:

FORMULA:	TOTAL:
$\$11,000 \times 21.5\%$	\$ 2,365.00
$\$33,000 \times 2.9\%$	\$ 957.00
$\$36,000 \times 1.5\%$	\$ 540.00
TOTAL:	\$ 3,862.00

Basic monthly benefit applicable to the deceased wage earner:

$\$3,862.00 / 12 \text{ mos.}$

$= \$321.83$

CHILD INSURANCE BENEFIT:

$\$321.83 \times 15\% = \$48.28 \text{ per month}$

## LUMP-SUM INSURANCE BENEFIT

### WHO IS ELIGIBLE?

Lump Sum Insurance Benefit is a one-time benefit payment to survivors of the deceased