We began the year 2017 under the Presidential Proclamation No. 17-201 as the "Year of the Family". His Excellency Tommy E. Remengesau Jr. has proclaimed to all of us to come together in our efforts toward strengthening and sustaining the family as an institution, whereas our government and our civil society including all other aspects of the living relies upon, as the foundation of our stable environment. Love binds us all together as a family and it started at the core with a father, a mother and children. It is then expanded to include 7 generations of relatives from both sides of the parental and build a unity among us that further strengthen our families. In our traditions, we have three layers of family: telungalek, ongalk and keblii in which its foundation is love, care, trust and unity. Let us take stock of where we are in our family and take this proclamation to heart and start on building and strengthening our own family. The happier we are as a family, the better we are as a nation. PEACE!!!
Jan 17. SSA/HCF management and staff took a step with Belau Wellness program for screening. When it comes to our health, its never-ending challenges to eat right, exercise regularly and a constant practice of healthy habits for better health. THANK YOU JOSEPHA AND PEARL!!!!!!

Jog, Walk, or Zumba or do the Cha-cha...whatever works, works!

With a little coaxing from the Administrator, the staff, albeit reluctantly at first, joined a wellness program in early 2017 by lining up to complete their personal health profiles. Everyone was weighed, their body-mass index read, their blood pressure and glucose checked thus completing the first phase of what is hoped to become part of what the staff needs to do daily in order to stay fit, healthy, and productive throughout the year and the rest of our lives.

When the results came back, not everyone was happy but everyone agreed that the results only confirmed what we each already knew: that we need to eat healthy and exercise more. And having learned of the basics of wellness, the staff are now more inclined towards staying with their goals of staying fit. Be it jogging, walking, or doing the zumba or cha-cha, whatever works for you, stick to it.

New Retirement Age "NRA"

Effective July 11, 2016, the retirement age is back to 60 years old. Those who took early retirement from July 2016 to April 2017 will realize a full retirement benefit at 100% effective May 2017. Further, adjustment of retirement income will be made if you were under the early retirement since July 2016. Social Security Administration will send Notices to every beneficiary who will have a change of benefit amount under the NRA. The NRA is being implemented in accordance to RPPL 9-62 and RPPL 10-3.
Social Security Tax Refund

Social Security Administration issued tax refund checks for calendar year 2016 in late March 2017 and delivered the checks to the post office to be distributed into mail boxes of affected taxpayers on April 1, 2017. Taxpayers whose combined taxable wages as assessed during tax year 2016 (from January to December 2016) exceeded $24,000 were due a refund pursuant to law. Over 280 checks, totaling $101,245.18, for tax refunds for as low of $6.13 to as high as $1,461.65 were issued and delivered on time in compliance with the law-mandated disbursement deadline of April 1, 2017. Social Security tax refunds were withheld for taxpayers with outstanding social security tax obligations in deference of the law.

Social Security tax refunds accrue only to taxpayers with two or more employers (or businesses) and whose combined taxable wages as assessed during the calendar year exceed the taxable ceiling of $24,000.

2017 Annual Survey…Everyone Accounted For, Almost

The annual survey form, as the name implies, is just that: a survey that is done every year. Social Security Administration conducts the annual survey to ensure that eligibility guidelines are still in place for social security beneficiaries to continue receiving their social security benefits. Only by doing the annual survey can the Administration and the Board of Trustees ensure that benefits being paid out are within guidelines, that every penny that goes out in benefit payments meet guidelines. And when a beneficiary is no longer eligible for a benefit that steps are taken to stop further payments. SSA and the Board of Trustees share this fiduciary duty to current and future beneficiaries. No more. No less.

For FY 2017, the Annual Survey Forms were mailed out in early November 2016 and were due at SSA on January 15, 2017. Since not all surveys had been received by this date, the Administration extended the deadline to February 28, 2017 to give beneficiaries more time. February 28, 2017 came and went and still not everyone had complied so another extension until March 15, 2017 was granted and the staff were instructed to contact beneficiaries by phone in order to capture everyone. As a result, out of a total 2,635 beneficiaries, only 10 were put on hold for not complying with the annual survey requirement.

Some guidelines that the annual survey has been designed to monitor are as follows:

1. A surviving spouse under retirement age (60) loses rights to surviving spouse benefit if he/she remarries. If survivor spouse is over retirement age (60) and remarried, he/she is eligible for 60% of surviving spouse benefit.
2. A beneficiary receiving retirement benefits is subject to earnings test reduction if he earns more than $3,000 in any quarter, whether he works here in Palau or outside of Palau.
3. A disability client forfeits rights to disability insurance if he engages in gainful employment.
4. A surviving child loses the rights to his surviving child benefit if he gets married or drops out of school if between the ages of 18-21.

16th APAFS, Nov 28 to Dec 2, 2016, Manila, Philippines:

The Asia Pacific Association for Fiduciary Studies (APAFS) is a Guam based 501(c)3 non-profit educational and charitable association. APAFS was founded in 2000 by a forward thinking group of fiduciaries representing public and private institutional funds from throughout the diverse geographical area of the Asia Pacific region.

16th APAFS was held at the New World Hotel, Makati, Philippines. The conference was well attended by over 265 delegates from Palau, Guam, FSM, Marshall Islands, Philippines, Singapore, Japan, Kiribati, Tuvalu and other countries from throughout the Asia Pacific Region, and SS Board members, Chairman Florencia Rirou, Vice Chairman Lillian Uludong, Secretary/Treasurer Johana Ngiruchelbad, Trustee Evalista Kyota and SS staff Ms. Dilkui Marino attended.

ADB Workshop on Capacity Building for Pacific Insurance, Sydney, Australia, Dec. 5-9, 2016:

ADB SPONSORED A WORKSHOP ON REGIONAL CAPACITY BUILDING FOR PACIFIC INSURANCE SUPERVISORS IN SYDNEY, AUSTRALIA, AND ADMINISTRATOR ULAI TELTULL AND HCF MANAGER JARELA NGIRAKED ATTENDED.
Healthcare Fund and Social Security Administration would like to thank Belau Medical Clinic (BMC) for its beautiful bouquet acknowledging the HCF 6th Birthday on April 1st.
Thank you Dr. Yano!!!

NHI Enrollment and Your Dependents
If you are currently or recently employed, your HR department probably informed you to fill out an enrollment for the National Health Insurance (NHI). If you did not fill out NHI enrollment form, means that only you as the working individual with contributions through wages shall have coverage under NHI. Your loved ones such as your spouse and children will not receive the same benefits under your coverage.

Who in my family is eligible for health insurance benefits under my NHI coverage? Well, it’s very simple. If you are currently employed, your employer makes faithful contributions to the healthcare fund to ensure uninterrupted coverage under NHI. With that said, only your spouse (statutory/customary) and children (biological/adopted) also classified as your dependents are allowed benefit under your coverage. To enroll your dependents, we will require social security numbers, certificate of marriage or affidavit for customary marriage for your spouse and birth certificates for all your children. Anyone else in your family besides your classified dependents can have access to your Medical Savings account, if enrolled, and all you need to enroll them is a copy of their SS card or drivers license.

Once your dependents are covered, they are eligible for coverage when inpatient at the Belau National Hospital as well as coverage for off-island referral if treatment is not available locally.

Thomas Fuller once said “Health is not valued until sickness comes”. This is a universal truth for most people; we get involved in daily life affairs and lose touch with what should be done. It is not until faced with illness or injuries that we look back on how things could have been done differently and lament on opportunities missed. Therefore, Healthcare Fund highly encourages the public to take the initiative to verify health insurance coverage for their family, especially dependents. Please stop by the Social Security Administration or the office of the Healthcare Fund located in the Ministry of Health, and inquire about your family’s coverage status. Our friendly staffs will walk you through the process of enrollment and give you full understanding of your health insurance plan.

MSA and Your Local Care Provider
Have you ever complained about paying a ridiculous amount of $$ for medications at a local clinical care provider when your MSA is sufficient enough to pay for bill entirely? Well! You can put your complaint to rest. Effective February 1, 2017, the Healthcare Fund has raised the maximum threshold for drugs and pharmaceuticals when charging your MSA for medications. All private clinics with in-house pharmacies charge drugs per pill, unlike Belau National hospital with fixed priced medications ranging from low $5 to high $6. If you are on specialty drugs, then you know that it is a specialty tier that requires a high patient cost sharing. For better understanding, we have provided the following chart for ease of reference. Effective February 1, 2017 new maximum threshold will be put in place to allow a person to charge more to their MSA for the following categories of medications at any private clinic. HCF will continue to study this change of drug coverage to ensure that it does meets the needs of members while maintaining the sustainability of the Fund for other services.

<table>
<thead>
<tr>
<th>Category</th>
<th>Example</th>
<th>Before Feb 1, 2017</th>
<th>Eff. Feb 1, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over the Counter (OTC)</td>
<td>TYLENOL, IBUPROFEN, BENADRYL</td>
<td>Only charge MSA up to $5</td>
<td>Up to $8</td>
</tr>
<tr>
<td>External Use</td>
<td>HYDROCORTISONE CREAM, OINTMENT ETC.</td>
<td>Only charge MSA up to $5</td>
<td>UP to $17.50</td>
</tr>
<tr>
<td>Commons Drugs</td>
<td>KEFLEX, ARCOXIA, MOTRIN</td>
<td>Only charge MSA up to $5</td>
<td>UP to $27.50</td>
</tr>
<tr>
<td>One Month Supply</td>
<td>METFORMIN, LIPITOR, GLYBURIDE</td>
<td>Only charge MSA up to $6</td>
<td>Up to $17.50</td>
</tr>
</tbody>
</table>
The SS Baby-Boomers

They say the picture is worth a thousand words. Well, this picture of the growth of social security beneficiaries in number and value since implementation of RPPL 9-11, 9-12, 9-35, 9-46, 9-55, 9-62, 10-1 and 10-3 has greatly strengthen the well-being of the Baby-Boomers (Born 1946-1955). Baby Boomers are currently receiving high retirement income than what may be available for the next Generation Y. This scenario has now put the Administration in a delicate situation whereas the contributions being made by Generation Y is not enough to pay the benefits due to Baby Boomers. The picture shows that number of beneficiaries has increased by 21% within the last 5 years while the value of benefits has increased by 58%.

Number of SS Beneficiaries at 9.30.XX

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiary Count</td>
<td>2672</td>
<td>2876</td>
<td>3062</td>
<td>3180</td>
<td>3257</td>
</tr>
</tbody>
</table>

Value of SS Benefit at 9.30.XX

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount/Benefit</td>
<td>$829,1</td>
<td>$1,087</td>
<td>$1,188</td>
<td>$1,265</td>
<td>$1,317</td>
</tr>
</tbody>
</table>

EIN Renewal

The Employer Identification Number (EIN) Renewal process was made effective starting December 2015. This process was created in order for our office to coordinate with the Bureau of Revenue & Taxation to keep track of active businesses. In addition, this process allowed our office to assure that Employers rightfully pay SS & HCF Contributions for their employees. The initial EIN Renewal process in 2015 required employers to pay $10.00 for mother companies and $5.00 for sub companies. The EIN Renewal charges were then ceased; therefore, there were no charges for EINs starting December 2016 and onward. Employers that had previously paid EIN Renewal charges would be reimbursed under the following terms:

1. If an owner’s business is still active, the overpayment may be used to offset balances due for the next quarter;
2. If an owner has multiple active businesses including businesses with no employees, he/she may use overpayments to offset balances due for the next quarter for their active businesses with employees; and
3. If an owner only has business(es) with no employees, he/she may be entitled to a refund of his/her EIN Renewal payments.

All businesses are required to come every December of every year to renew their EIN(s). Businesses will be automatically closed on February 1st of the next year and business owners will be notified through mail. In addition to this, Non-Profit Organizations/Corporations will be required to renew their EIN(s) starting December 2017. Renewal of EIN since implementation in December 2015 to date has been successful with business identification numbers matching business licenses numbers at Bureau of Revenue & Taxation.
November 14– Chris Isamu

OCTOBER, NOVEMBER, DECEMBER

February 1– Ulai Teltull

Maximum Remuneration

<table>
<thead>
<tr>
<th>Period</th>
<th>Maximum Remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>4th Quarter 2015 thru 3rd Quarter 2017</td>
<td>$6,000</td>
</tr>
<tr>
<td>4th Quarter 2017 thru 3rd Quarter 2020</td>
<td>$8,000</td>
</tr>
<tr>
<td>4th Quarter 2020 and onward</td>
<td>No Maximum Remuneration (All Wages Are Taxed)</td>
</tr>
</tbody>
</table>

FOR QUARTER ENDING | PAYMENT DUE

JANUARY, FEBRUARY, MARCH | APRIL

APRIL, MAY, JUNE | JULY

JULY, AUGUST, SEPTEMBER | OCTOBER

OCTOBER, NOVEMBER, DECEMBER | JANUARY

Thank you very much!!

On Feb. 3, 2017, Palau Social Security Administration (SSA) would like to thank the Wallant International Trade—Papago Hotel for their donations of 12 cases of water which was delivered by Messrs Skilang Ililau and Marvin Cabanes.

SSA/HCF would like to welcome our newly hired staff for the position of HCF Billing Representative.

Welcome Aboard
Ms. Emeraech Oderiong!!!

Announcements

Maximum Remuneration

Republic of Palau Social Security Administration

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HCF Office Tel: (680) 488-1904/4020
HCF Office Fax: (680) 488-4019
E-mail: administration@ropssa.org

SSA / HCF New Business Hours

Effective: February 1, 2015
MON - FRI 9:00 am—4:00 pm