



Republic of Palau
SOCIAL SECURITY ADMINISTRATION

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Press Release

RPPL 10-8 and RPPL 10-12

By: SS Administrator
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The Social Security Administration "SS" announced today that implementation of RPPL 10-8 and RPPL 10-12 took effect on October 1, 2017. Social Security officials are expected to have a talk show next week to discuss the changes to contributions, the new filing procedure for self-employed and the update information of supplemental benefits.

The new law increases the contributions and put SS on the positive road to self-supporting and self-financing. Putting more money into the Social Security Administration will strengthen your future benefit at retirement, at disability or at the loss of a spouse. In exchange for a slight increase of contributions, the \$50 monthly supplemental benefit is now permanent and part of SS benefits hereon. This means that it is embedded in the law and will be added benefit to you in the future.

SS rate for contributions at 6% has not change for the past 17 years. This fiscal year 2018 will mark the new rate at 7% from 6% in 2001. The elimination of maximum remuneration effective this October 1, 2017 is considered an early adjustment to what has already been in the law to eliminate the maximum remuneration after October 1, 2020. A merely three (3) years ahead of adjustment given that retirement age is back at 60 years of age instead of 63.

Here are the changes that went into effect this October 1, 2017:

SS Contributions

- ✚ Employer SS rate is 7% of gross wages paid after October 1, 2017;
- ✚ Employee SS rate is 7% of gross wages paid after October 1, 2017;
- ✚ EIN with no employee shall be assessed 10% of gross income at 7% due quarterly starting January 1, 2018; annual reporting allowed in the past is no longer available.

SS Benefit

- ❖ No change to current benefit calculation;
- ❖ Normal Retirement Age is 60 years of age;
- ❖ \$50 supplemental benefit will continue for all recipients of SS benefits

Please stay tuned to the talk show being scheduled as early as next week or visit us for any other questions.