

**WHO IS ELIGIBLE?**

A person may claim Retirement (RE) if they are fully insured and have attained the age of sixty (60) years.

Must be a Palauan citizen or of FSM nationality, USA nationality, and or a foreigner residing in Palau in accordance with labor and immigration laws.

**WHAT DOES IT MEAN TO BE “FULLY INSURED”?**

All employees working in the Republic of Palau are required to make contributions to Social Security Administration through their employer.

To be eligible a person must be:

“fully insured” i.e. have paid not less than one quarter of coverage from the year wage earner turns 21 years of age and ending with the year before the earlier of the year in which wage earner attains retirement age.

At current retirement of 60 years of age a person will need to have contributed a minimum of 38 quarters or 9.5 years of employment contributions to Social Security Fund.

Claimant should apply in the month they reach eligible retirement age or the month in which they retire if under the eligibility age.

Benefit payments are always made retroactively therefore provided all the correct documentation is received the first RE payment will be made to the claimant in the month following the application for benefit. E.g. Claimant applies in January, 1<sup>st</sup> benefit payment will be received in February.

Should the beneficiary not apply at age of eligibility i.e. then a retroactive benefit payment not exceeding 12 months can be made. Start of retroactive date is from the date the completed application is received.

As shown in the table below, exceptions are made to those born before June 1946.

DATE OF BIRTH	NUMBER OF QUARTERS NEEDED TO BE FULLY INSURED
July 1939 - June 1940	31
July 1940 - June 1941	32
July 1941 - June 1942	33
July 1942 - June 1943	34
July 1943 - June 1944	35
July 1944 - June 1945	36
July 1945 - June 1946	37
After June 1946	38

**HOW LONG CAN I RECEIVE RE BENEFITS:**

The benefit will be paid, beginning with the month the person became entitled and ending with the month preceding *the date of death*.

**WILL MY BENEFITS BE AFFECTED IF I RETURN TO WORK?**

Any beneficiary who is currently employed or returns to employment will remain eligible for RE however, this will be subject to an earnings test and dependent on the amount earned the benefit could be reduced.

- \* Applies to earnings in excess of \$3,000 per quarter.
- \* Benefit amount is reduced by \$1.00 for every \$3.00 wages earned over the \$3,000 per quarter.
- \* Ceases to apply when a person attains the age of 65.
- \* Ceases to apply when a person is terminated or resigns.

***Refer to Earning Test (ET) for more information.***

If a beneficiary returns to employment and makes SS contributions then the benefit will be recalculated every January of the new year to

reflect the increased contributions. The calculations will be based on additional wages earned from the 4<sup>th</sup> quarter of the previous year to the 3<sup>rd</sup> quarter of last year.

**IF I'M RECEIVING RE BENEFITS, CAN I ALSO RECEIVE SURVIVING SPOUSE BENEFITS?**

**YES.** RE beneficiary may be eligible to receive Surviving Spouse at 100% if he/she is unmarried or 60% if he/she is married.

**HOW ARE MONTHLY RETIREMENT INSURANCE BENEFITS CALCULATED?**

Below is a sample of how to calculate benefits for an eligible retiree with cumulative covered earnings of \$ 550,000:

The “ Basic Benefit” is a monthly payment that is one-twelfth (1/12) of the total of:

1. 27% of the first \$11,000 of cumulative covered earnings; and
2. 2.9% of cumulative covered earnings in excess of \$11,000 but not in excess of the next \$33,000; and
3. 1.5% of cumulative covered earnings in excess of \$44,000, but not in excess of \$500,000
4. \$50,000 x 0.75%

FORMULA	TOTAL
\$11,000 x 27%	\$ 2,970.00
\$33,000 x 2.9%	\$ 957.00
\$456,000 x 1.5%	\$ 6,840.00
\$50,000 x .75%	\$ 375.00
TOTAL	\$ 11,142.00
	\$11,142/12 Months
<b>Basic Monthly Benefit:</b>	<b>\$928.50 + \$50 SB</b>

## 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.

## IF YOU DISAGREE WITH A DECISION WE MAKE

If you disagree with a decision we make, you have the right to request that your claim be reconsidered by the Board of Trustees. You must submit your request in writing to the Social Security Administration within 30 days after the date you were notified of our decision.

If you are still not satisfied, there are further steps you can take after reconsideration. You have the right to be represented by an attorney or other qualified person of your choice in any business with us. We do not require you to have an attorney or other representative, but we will be glad to work with one if you wish.

## 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 August must be returned. The Social Security Administration must be notified of the death as soon as possible.

## PROTECTING YOUR PRIVACY

Protecting your privacy is important to us. Unless authorized, we will not disclose any of your personal information, including your Social Security number, to anyone else.

## IF YOU ARE A NON-CITIZEN OF PALAU (006)

Foreigners (those people with other than 006, US, FSM and RMI SS numbers) are required to report every 6 months to SSA in order to validate their continued social security benefit. A valid permit must be presented at this time.

- If you are citizen of Palau /RMI /FSM /USA the RE benefit can be paid overseas.
- If you are a foreigner then the RE benefit will be paid as long as you live within the Republic of Palau. If you have relocated or travelled overseas, you may receive RE benefit for a period of up to 6 months.
- Citizens of FSM and the RMI are covered by a Totalization Agreement. Citizens of United States are covered by Compact of Free Association. In both these cases benefit will continue to be paid.

*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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Social Security Administration**

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**Republic of Palau  
Social Security Administration**

**RETIREMENT  
INSURANCE BENEFITS**