



Republic of Palau

SOCIAL SECURITY ADMINISTRATION

P. O. Box 679 Koror, Republic of Palau, PW 96940

Phone: (680) 488-2457 or Fax: (680) 488-1470

E-mail: administration@ropssa.org Website: www.ropssa.org

BY-LAWS

for the

SOCIAL SECURITY BOARD

of the

SOCIAL SECURITY ADMINISTRATION

of the

REPUBLIC OF PALAU

Effective Date:

_____, 2007

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PART I. GENERAL PROVISIONS

Section 101. By-Law Authority

The following by-laws are promulgated pursuant to and in accordance with RPPL No. 2-29, as amended by RPPL No. 3-64, as codified in Title 41 of the Palau National Code (hereinafter “PNC”) pursuant to § 711. These by-laws have been promulgated by the Republic of Palau Social Security Board (hereinafter “Board”) and shall have the force and effect of law.

Section 102. Rules, Policies, and Procedures Authority

Pursuant to 41 PNC § 711 and § 712 (d), the Board shall have the authority and power to promulgate rules, regulation, policies, and procedures regarding the Social Security Administration which shall have the force and effect of law including, but not limited to, the following:

- Appendix A: Personnel Policies and Procedures
- Appendix B: Travel Policies and Procedures
- Appendix C: Procurement Policies and Procedures
- Appendix D: Internal Auditing & Accounting Guidelines
- Appendix E: Operations Rules and Procedures

Section 103. Purpose

The purpose of these by-laws is to assure the orderly and efficient administration of the Board in relation to the Social Security System of the Republic of Palau which provides for a self-supporting and self-financing compulsory insurance system in accordance with the law.

Section 104. To Whom Applicable

Unless contrary to the administration of the Social Security System, all official action of the Board shall be subject to these by-laws.

Section 105. Definitions

Unless otherwise provided, the definitions as set forth in 41 PNC § 702 are hereby incorporated in and made a part hereof by reference for all purposes.

Section 106. Amendment

Any provision of these by-laws may be amended by majority vote of the Board membership. However, the Board shall not take official actions that are contrary to these by-laws and then amend these by-laws to retroactively make such official action in accordance with these by-laws.

Section 107. Sovereign Immunity

The Social Security Administration is a governmental administrative agency, that when acting on behalf of the National Government in its official capacity, is protected by the doctrine of sovereign immunity. However, actions of the Board may result in the waiver of this protection.

Section 108. Uniformity

All provisions of these by-laws shall be interpreted and applied in a uniform, nondiscriminatory manner.

Section 109. Severability

If any provision of these by-laws or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of these by-laws which can be given effect without the invalid provision or application, and to this end the provisions of these by-laws are severable.

Section 110. Effective Date

These by-laws shall take effect upon their approval by a majority vote of the membership of the Board of the Republic of Palau Social Security Administration. All actions prior to the effective date of these by-laws are not subject to these newly promulgated by-laws.

PART II. ORGANIZATION

Section 201. Governing Law

The Board is the governing body of the Social Security Administration which is a governmental administrative agency as established by the National Government of the Republic of Palau. The Board in its administration shall be both trustee and fiduciary. The provisions of RPPL No. 2-29, as amended by RPPL No. 3-64, 41 PNC, and these by-laws shall govern the administration of the Board.

Section 202. Incorporation of Board

In accordance with 41 PNC § 709, the Board is a corporation with perpetual succession. The Board as a corporation may:

- Have a seal;
- Enter into contracts;
- Acquire, hold, charge, and dispose of property;
- Sue and be sued in its corporate name;
- Have all the powers, functions, duties, and responsibilities of a corporation.

The provisions of 12 PNC [Business Associations] do not apply to the Board as a corporation.

Section 203. Board Membership

The Board shall consist of five (5) members, who shall be residents of the Republic of Palau, and shall be appointed by the President with the advice and consent of the Senate. The Board members shall have the duties of trustees and fiduciaries as to the Retirement Fund. Members of the Board shall be appointed for terms of four (4) years. Any member may be reappointed for additional terms. Any vacancy in the membership of the Board shall be filled in the same manner for the remainder of the term of appointment of the former member.

Section 204. Qualification of Board Members

Members of the Board shall be of good moral character and have the following minimum qualifications:

- At least twenty-five (25) years of age;
- Obtained a professional degree at an accredited four (4) year academic institution, college, or university in the area of finance, administration, business, management, accounting, law, or other related field;
- At least two (2) years experience in the professional areas of finance, administration, business, management, accounting, law, or other related field;
- Never been convicted of any felony or similar crime in the Republic of Palau or in any other recognized jurisdiction; and
- Not an elected official of a state or the national government.

If it is determined that there are no candidates that meet the minimum qualifications, then such qualifications may be waived.

Section 205. Fiduciary Duties

Members of the Board shall be considered both trustees and fiduciaries in relation to the Retirement Fund (“Fund”). The members shall be expected to conduct themselves with the highest standard of care and loyalty. The Board members shall not put their personal interests before any duties owed to the Fund. The breach of any fiduciary duty shall result in the direct liability of the Board members, as to the Administration and beneficiaries, in their individual capacity.

Section 206. Officers of the Board

Board members shall select one member to be Chairman. The Officers of the Board shall consist of the Chairman, the Vice Chairman, Secretary, and Treasurer. The Officers shall be elected by the Board within six (6) months of the installation of the first new Board Member appointed and confirmed following the adoption of these by-laws and thereafter not later than six (6) months following the appointment and confirmation of two (2) or more Board members.

Section 207. Chairman of the Board

The Chairman shall preside over all meetings of the Board and shall sign all contracts, deeds, and other instruments made by the Board unless otherwise authorized by resolution of the Board or so designated by the Chairman. At each meeting, the Chairman shall submit information and recommendations as he or she may consider proper concerning the duties, functions, and policies of the Board.

Section 208. Vice Chairman of the Board

The Vice Chairman shall perform the duties of the Chairman in the absence of the Chairman. In the case of dismissal, resignation, or death of the Chairman, the Vice Chairman shall serve as Chairman until a new Chairman is elected by a majority of the Board membership.

Section 209. Removal: Board Members and Officers

Members of the Board shall serve at the will of the President of the Republic of Palau and may be removed from office for cause shown. Examples of “for cause” removal are as follows:

- Breach of fiduciary duties
- Non-disclosure of financial interests
- Breach of any ethical or moral obligation
- Any felony committed under 17 PNC
- Imprisonment
- Abuse of position

The Officers of the Board may be removed from their respective positions with or without cause by resolution adopted by a majority of the Board membership. After removal they may continue as members.

Section 210. Meetings, Official Action of the Board

The President of the Republic of Palau shall call the first meeting of the Board. Subsequently, the Board shall meet at the call of the Chairman or a majority of the members of the Board. The time and place of such meeting shall be designated by the Chairman.

Three (3) members of the Board shall constitute a quorum for the purposes of conducting business of the Board and exercising its powers and for other purposes. Three (3) affirmative votes shall be required for any binding decision by the Board.

Minutes of all meetings shall be recorded. The minutes of each meeting shall be recorded by the Secretary or a person designated by the Chairman. The minutes shall be prepared for distribution at least two (2) days prior to the next Board meeting. Such minutes and recordings shall be kept by the Board for a minimum of ten (10) years for record keeping purposes.

At any Board meeting, unless otherwise agreed by the Board, the order of business shall be as follows:

- (1) Roll Call
- (2) Approval of the Minutes of the previous meeting
- (3) Communications
- (4) Report of the Social Security Administration
- (5) Miscellaneous Business
- (6) Unfinished Business
- (7) New Business
- (8) Adjournment

PART III. ADMINISTRATION

Section 301. General Powers of the Board

The Board shall exercise and perform its powers and functions in the name of the Social Security Administration of the Republic of Palau. The Board's powers shall include, but are not limited to, the following:

- Transacting any business;
- Entering into contracts for management, auditing, legal services, or other advice and services;
- Issuing subpoenas for people or documents for any purpose including obtaining documents, ensuring attendance, benefits determinations, audits, record keeping, or any other necessary purpose;
- Administering oaths appropriate for the administration of the Social Security System;
- Bonding Board members and/or employees of the Administration when appropriate;
- Making any rules and regulations necessary to carry out duties and functions;
- Conducting adjudicative proceedings in the form of hearings;
- Borrowing money, subject to the approval of the loan by the President and Olbil Era Kelulau by joint resolution; and
- Maintaining a bank overdraft for the normal operation of the Social Security System.

Section 302. Administrator

The Board shall appoint a person to serve as Social Security Administrator (“Administrator”) who shall serve as an authorized representative of the Board. The compensation and other necessary and proper terms and conditions of employment of the Administrator are to be determined by the Board based on the experience and qualifications of the candidate. The Administrator shall serve as an ex officio member of the Board.

Section 303. Delegation by the Board to Administrator

The Board may delegate, by written instrument, to the Administrator any power vested in it which is necessary and proper to carry out the effective and proper operation of the Social Security System.

Section 304. Administrator Qualifications

The Administrator shall be of good moral character and have the following minimum qualifications:

- At least thirty (30) years of age;
- Obtained a professional degree at an accredited four (4) year academic institution, college, or university in the area of finance, administration, business, management, accounting, law, or other related field;
- At least five (5) years experience in the professional areas of finance, administration, business, management, accounting, law, or other related field;
- Never been convicted of any felony or similar crime in the Republic of Palau or in any other recognized jurisdiction; and
- Not an elected official of a state or the national government.

The Board shall conduct a thorough background check on all final candidates considered for the position of Administrator.

If it is determined that there are no candidates that meet the minimum qualifications, then such qualifications may be waived.

Section 305. Duties of Administrator

The Administrator shall be responsible to the Board for the general administration of the Social Security System and shall be delegated to duties and responsibilities that the Board hereby deem feasible and desirable which shall include, but are not limited to, the following:

- (1) To oversee the general administration of the System and to carry into operation the goals objectives, and policies established by the Board;

- (2) To oversee and direct the day-to-day activities and operation of the System including the direction and supervision of all of the administrative and technical activities of the System;
- (3) To select and hire employees (including secretaries, managers, and other staff) of the System at his or her discretion, but subject to the guidance of the Board;
- (4) To terminate or discipline employees of the System in accordance with such personnel guidelines and procedures as may be promulgated by the Board, or, in the absence of such guidelines and procedures, in accordance with 33 PNC [Public Employment] or the National Civil Service Board Regulations, to the extent that it may be adopted to the System;
- (5) To contract for professional (including legal, auditing, and accounting), technical, and advisory services, and to plan, organize, coordinate, and control the services of such employees and independent contractors in the exercise of the powers of the Board under the general direction of the Board;
- (6) To attend, unless excused by the Board, all meetings of the Board and submit reports on the affairs of the System as required by the Board;
- (7) To keep the Board advised on the needs of the System;
- (8) To ensure that all rules, procedures, policies, and by-laws of the Board are enforced;
- (9) To submit to the appropriate authorities, on forms and in the manner and at such times as the Board or 41 PNC may prescribe, or in such form as the Administrator deems proper in the absence of direction by the Board, detailed estimates of the amount of money required to be appropriated for the next ensuing fiscal period, from October 1st through September 30th of the following year, for the proper conduct of the System and the number of employees for which provision is made;
- (10) To receive and maintain all files and records including those of all employers and all employees subject to 41 PNC, these by-laws, and all other applicable regulations and laws;
- (11) To audit employer records, issue subpoenas and administer oaths appropriate to the administration of the System;
- (12) To arrange investments consistent with the laws as contained in 41 PNC and any investment guidelines formulated by the Board;
- (13) To furnish an annual report and audited statement of accounts to the President and the Olbiil Era Kelulau within ninety (90) days of books closing;

- (14) To levy penalties and interest prescribed by 41 PNC, these by-laws, and all other applicable regulations and laws, on persons who willfully fail to report wages paid or pay contributions as required or on any covered employer who fails to submit quarterly reports and pay Social Security taxes due as required;
- (15) To institute whatever legal proceedings he or she shall deem necessary and proper to collect delinquent contributions, penalties, and interest due and owing to the System from any employer or to collect any other sums owed to the System;
- (16) To hold hearings and make decisions in accordance with 41 PNC and these by-laws for the purpose of determining any question involving any right, benefit, or obligation of any person subject to 41 PNC.
- (17) To make proper adjustments whenever an error has been made with respect to benefit payments to any individual by increasing or decreasing subsequent payments to which such individual is entitled or if such individual dies before such adjustment has been completed, to make adjustments by increasing or decreasing subsequently paid survivors' benefit payments; provided, however, that no adjustment shall be made when adjustment or recovery would be contrary to law;
- (18) To make recommendations to the Board for legislation to improve the System and to directly lobby the Olbiil Era Kelulau to enact such legislation;
- (19) To annually formulate a list of specific goals and objectives for the System for review by the Board;
- (20) To perform such other and additional duties as may be required or delegated by the Board.

Section 306. Delegation by the Administrator

The Administrator may, by written instrument, delegate to any employee of the Administration any of his or her powers and functions under 41 PNC and these by-laws. A delegation may apply to the whole of the Republic of Palau or in part. A delegation may be made subject to such limitations and conditions as deemed proper and necessary by the Administrator. No delegation made by the Administrator shall prevent the Administrator from exercising or performing such delegated powers and functions. All revocations of delegations shall be made in writing by the Administrator and are revocable at will.

Section 307. Budget

At the direction of the Board, the Administrator shall prepare and submit to the Board detailed budget estimates for the proper operation of the System for the next fiscal year. The estimates shall include:

- The audited accounts of the Retirement Fund for the last fiscal year;

- A statement showing the estimates of income and expenditures for the fiscal year in progress together with any summaries, schedules, and supporting data that the Administrator thinks necessary; and
- A budget showing the estimated income and expenditures for the next fiscal year.

Section 308. Record Keeping

The Administrator shall maintain records of all employees and of all contributors, including self-employed persons, for a minimum of ten (10) years. The Administrator may maintain any record for more than ten (10) years when the Administrator finds that it is in the best interest of the System to maintain such records for any purpose including, but not limited to, on-going or future legal actions, debt collection, settlement agreements, estate proceedings, or other necessary purposes.

Section 309. Audits

The Administrator may audit the records of any employer or any self-employed person, to the extent that the records have a bearing on liability to pay contributions as required under 41 PNC.

Section 310. Actuary

The Board shall appoint an Actuary on terms and conditions as agreed upon in writing between the Administrator and the Actuary. The Actuary shall have at least ten (10) years of experience and be in good public and professional standing. The Actuary shall make actuarial valuations of the System at least once every four (4) years. Any report submitted to the Board following an actuarial valuation shall be submitted by the Board to the Olbiil Era Kelulau and to the President of the Republic of Palau, with any appropriate recommendations for changes or amendments.

Section 311. Auditor

The Board shall appoint an independent auditor on terms and conditions as agreed upon in writing between the Administrator and the Auditor. The Auditor shall have at least ten (10) years of experience and be in good public and professional standing. The Auditor shall audit the accounts of the System within ninety (90) days after the end of each fiscal year. The Board shall, as soon as practicable, submit the accounts and the Auditor's report to the Olbiil Era Kelulau and the President of the Republic of Palau. The accounts and report shall also be made available to the general public upon request.

Section 312. Attorney General

The Board is encouraged to employ a full or part-time attorney to advise and handle the legal affairs of the Administration. However, if for any reason the Administration is unable to employ a private, in-house attorney, the Attorney Generals Office shall provide legal services for the Administration upon request.

Section 313. Professional Services

The Board and the Administrator may contract for professional (including legal, auditing, and accounting), technical, and advisory services on behalf of the Administration. All contracts for professional services shall be in writing and clearly indicate: (1) the work the professional is contracted for; (2) the course of action the Board has agreed to take; (3) a statement that the professional has no conflicts of interest in pursuing any matter under the contract; and (4) the compensation the professional is to receive. The Board shall require such contract professionals to submit written summaries of the status of the work at regular intervals. At the completion of such professional services, the Board shall obtain all files, documents, work product, or other instruments that are the Administration's rightful property.

Section 314. Subpoenas

- (1) Issuance: The Chairman of the Board, with the approval of the majority of the membership of the Board, may issue subpoenas requiring the attendance of persons and subpoenas duces tecum requiring the production of books, documents, or other evidence, in any matter pending before the Board.
 - Any subpoena issued under the authority of the Board shall run in the name of the Republic of Palau Social Security Administration and shall be addressed to any or all of the following officers: a duly authorized representative of the Social Security Administration, the Director of the Bureau of Public Safety of the national government or his or her public safety officers.
 - The subpoena shall be signed by the officer authorized to issue it, shall set forth his or her official title, shall contain a reference to the rule by which the taking of testimony or other evidence, was authorized, and shall set forth in general terms the matter or question with reference to which the testimony or other evidence is to be taken.
 - Any officer to whom such process is directed shall forthwith serve or execute the same upon delivery to him or her, without charge or compensation.

- (2) Service: Service of a subpoena requiring the attendance of a person shall be made at least seven (7) days prior to the date of the required attendance, provided that a shorter period of time may be authorized by majority vote of the membership of the Board when, in their opinion, the giving of seven (7) days notice is not practicable. If a shorter period of time is authorized, the person subpoenaed shall be given reasonable notice, consistent with the particular circumstances involved. Any person who is served with a subpoena shall also be served with a general statement informing him or her of the subject matter of

the inquiry, and a notice that he or she may be accompanied at the hearing by counsel of his or her own choosing.

- (3) **Testimony:** Any testimony or evidence given or adduced by a person shall be under oath or affirmation. The Chairman of the Board shall administer the oath or affirmation. The members of the Board may direct a witness to answer any relevant question or furnish any relevant book, paper, or other document, the production of which has been required by a subpoena duces tecum.

PART IV. RETIREMENT FUND

Section 401. Retirement Fund

Within the Social Security System there is established a Social Security Retirement Fund (hereinafter "Fund") that is administered by the Administration exclusively for the purposes provided under 41 PNC. The money in the Fund shall be held solely for the Social Security System and shall be kept in a separate account apart from any other fund or account established.

Section 402. Payments into the Fund

The following shall be paid, at all times, into the Fund:

- All employer and employee contributions;
- All civil penalties and interest;
- All gifts, donations, and other charitable contributions;
- All proceeds from the investment of money from the Fund;
- All proceeds from the sale of assets of the System; and
- All rental proceeds received by the Administration as lessor;

Section 403. Payments out of the Fund

All benefits under 41 PNC and all expenses incurred in the operation of the Social Security System shall be paid from the Fund.

Section 404. Investments

All investments of money from the Fund shall be made in strict accordance with 41 PNC § 734, without exception.

PART V. HEARINGS AND APPEALS

Section 501. Matters for Determination

The Board or Administrator may make determinations for the purpose of determining any question involving, but not limited to, any of the following Social Security matters:

- Any right, benefit, or obligation under 41 PNC;
- Entitlement or continuing entitlement to benefits;
- Re-entitlement to benefits;
- The amount of any benefits;
- The application of the earnings test to benefits;
- The establishment or termination of a period of disability;
- The payee(s) of survivor's insurance benefits, including lump sum benefits;
- Any overpayment or underpayment of benefits;
- Suspension of benefits pending an investigation and determination of any factual issue relating to the entitlement of the person concerned to receive such benefits, including investigations into the cessation of a disability;
- Withholding less than the full amount of a monthly benefit to recover an overpayment;
- A determination of outstanding Social Security liabilities; and
- Date of birth, date of death, or guardianship determination.

Section 502. Determinations

A determination is a decision by the Board or Administrator, regarding a person's entitlement or continuing entitlement to benefits or about any other matter concerning a right conferred under 41 PNC. All determinations shall be made in writing and either personally delivered or mailed to the effected person at their last known address. A determination is binding unless the person concerned requests a reconsideration of the determination within thirty (30) days of receipt of the decision

Section 503. Notice

Any determination made by the Board or Administrator shall be either personally delivered or mailed to effected persons. A hand delivered determination shall be deemed received upon delivery. A mailed determination mailed to an address in the Republic of Palau shall be deemed received by the addressee three (3) days from the postmark date. A determination mailed to an address outside the Republic of Palau shall be deemed received by the addressee ten (10) days from the postmark date.

Section 504. Reconsideration

Any person aggrieved by a determination of the Administrator involving any right, benefit or obligation of that person under 41 PNC or these by-laws may ask for a reconsideration of that decision in the following manner:

- (1) Within thirty (30) days of receipt of the Administrator's decision, the aggrieved person or any person who makes a showing that his or her rights may be adversely affected by the determination, may file a written request for reconsideration of that decision with the Administration and, along with that request, may provide any reasons or additional documentary evidence which would support a reversal of the original decision;
- (2) The reconsideration process shall consist of a case review by the Administrator, where all parties to the reconsideration shall be given the opportunity to submit additional evidence by such deadline as the Administrator shall set in each case. The Administrator shall issue a written decision upholding, amending, or reversing the initial determination;
- (3) Failure to adhere to this determination and reconsideration procedure or failure to file a request within the stated time period shall result in the denial of the reconsideration and the loss of the right to further appeal the decision.

Section 505. Appeal Hearing

A reconsideration by the Administrator upholding the initial determination shall be binding unless appealed to the Board within thirty (30) days of receipt of the decision.

- (1) An appeal hereunder shall be made in writing and shall include any additional documentary evidence or arguments that the appealing party wishes the Board to consider. The Board shall review and consider the entire record of the matter and render its written decision on the appeal within forty-five (45) days of the date of the filing of the appeal. A party to an appeal is entitled to be represented by an attorney or any other person so designated by the party.
- (2) When a party appeals or requests reconsideration of a determination made by the Administrator, the party shall be afforded an opportunity for hearing after reasonable notice. The notice shall include:
 - A statement of the time, place, and nature of the hearing;
 - A statement of the legal authority (41 PNC) and jurisdiction (ROP Constitution, 41 PNC, 6 PNC) under which the hearing is to be held;
 - A reference to the particular sections of the statutes, by-laws, and rules involved;
 - A short and plain statement of the matters asserted; and
 - The names and addresses of all parties and other persons to whom notice is being given.

- (3) Reasonable opportunity shall be afforded all parties in an appeal to the Board to respond and present evidence and argument on all issues involved. Unless otherwise prohibited, informal disposition may be made of any contested determination. Failure to adhere to this claims appeal procedure or failure to file a request within the stated time period shall result in the denial of the appeal and the loss of the right to further appeal the decision.

Section 506. Records and Findings of Fact

The record in an appeal may include the following, if submitted:

- All pleadings, motions, and interim rulings;
- Evidence received or considered;
- A statement of matters officially noticed;
- Questions and offers of proof, objections, and rulings thereon;
- Proposed findings and exceptions;
- Any decision, opinion, or report by the officer presiding at the hearings;
- All staff memoranda or data submitted to the officer presiding at the hearing or to members of the agency in connection with their consideration of the case.

Oral proceedings in appeals to the Board shall be recorded, and any part thereof shall be transcribed on request of any party at the party's expense. Findings of fact in appeals to the Board shall be based exclusively on the evidence and on matters officially noted.

Section 507. Rules of Evidence

The following procedures concerning evidence shall be observed in appeals to the Board:

- (a) Irrelevant, immaterial, or unduly repetitious evidence shall be excluded. The Courts of Republic of Palau Rules of Evidence shall be followed. When necessary to ascertain facts not reasonably susceptible of proof under those rules, evidence not admissible there under may be admitted (except where precluded by statute) if it is of a type commonly relied upon by reasonably prudent people in the conduct of their affairs. The Board shall give effect to the rules of privilege recognized by law. Objections to evidentiary offers may be made and shall be noted in the record. Subject to these requirements, when a hearing will be expedited and the interests of the evidence may be received in written form. All testimony of parties and witnesses must be made under oath or affirmation;
- (b) Documentary evidence may be received in the form of copies of excerpts, if the original is not readily available. Upon request, parties shall be given an opportunity to compare the copy with the original;

- (c) A party may conduct cross-examinations required for a full and true disclosure of the facts; and
- (d) Notice may be taken of judicially recognized technical or scientific facts within the Administration's or Board's specialized knowledge. Parties shall be notified either before or during the hearing, or by reference in preliminary reports or otherwise, of the material noticed, including any staff memoranda or data, and they shall be afforded an opportunity to contest the material so noticed. The Administration's or Board's experience, technical competence, and specialized knowledge may be utilized in the evaluation of the evidence.

Section 508. Final Decisions and Orders

A final decision, or order adverse to a party in an appeal to the Board, shall be in writing or stated in the Board's record. A final decision shall include findings of fact and conclusions of law, separately stated. Findings of fact, if set forth in statutory language, shall be accompanied by a concise and explicit statement of the underlying facts supporting the findings. If a party submitted proposed findings of fact, the decision shall include a ruling upon each proposed finding. A copy of the decision or order shall be delivered or mailed forthwith to each party and to his or her attorney of record.

Section 509. Ex Parte Consultations.

Unless required for the deposition of ex parte matters authorized by law, Board members or employees of the Administration assigned to render a decision or to make findings of fact and conclusions of law in an appeal to the Board shall not communicate, directly or indirectly, in connection with any issue of law, with any party or his or her representatives; except upon notice and opportunity for all parties to participate. Board members may: (1) communicate with other members of the Board; and (2) have the aid and advice of one or more personal assistants.

Section 510. Review of Board Final Decision or Order

Any person, aggrieved by a final decision, order, or determination rendered after hearing may obtain a review of the decision in the Supreme Court of the Republic of Palau by filing with the Clerk of Courts, within sixty (60) days after receiving notice of the decision, a written petition praying that the decision be modified or set aside in whole or in part. A copy of the petition shall be served on the Board. The Board shall certify and file with the Clerk of Courts a copy of the record on which the order was based. The findings of the Board as to material facts, if supported by credible information and substantial evidence, shall be final.

PART VI. ETHICAL RESPONSIBILITIES OF THE BOARD

Section 601. Nonpublic Information

No member of the Board may use information acquired in the course of the member's official duties for personal gain until such information has been made available to the general public.

Section 602. Administration Property

No Board member may use Administration equipment, facilities, assets or property for private, or political use.

Section 603. Disclosure of Interests

Before being sworn in to serve as a member of the Board, each Board member shall disclose, in writing, all financial interests that may be subject to 41 PNC. For purposes of this section "financial interest" means:

- (1) Any business entity in which a Board member has a direct or indirect ownership interest;
- (2) Any real or personal property in which a Board member has a direct or indirect ownership interest, including a leasehold interest, having a fair market value of one thousand dollars (\$1,000.00) or more;
- (3) Any source of income, including compensation and gifts, and loans from sources other than commercial lending institutions made in the normal course of business, aggregating five hundred dollars (\$500.00) or more in value received by or promised to the employee during the preceding twelve (12) months;
- (4) A directorship or officership in a business;
- (5) Any source of contributions aggregating one thousand dollars (\$1,000.00) or more in value received by or promised to the employee during the preceding four (4) years.

As used in this section, "indirect ownership interest" means any interest owned by the spouse or dependent children of a Board member or by an agent on behalf of a Board member, or the pro rata share of an interest owned by a business entity in which a Board member or a Board member's spouse or dependent children cumulatively own a ten percent (10%) or greater interest.

Section 604. Conflict of Interest

- (a) No Board member may take, participate in taking, or use his or her position to attempt to influence any official action where it is reasonably foreseeable that the action could have a material financial effect on that member, or on any financial interest of that member, that is different from the effect on the public generally. Any member who is unable to disqualify his or herself on any matter because he or she is the only person authorized by law to perform the official action must disclose such interest.
- (b) No Board member may acquire a financial interest in any business or other undertaking which he or she has reason to believe may be directly affected by official actions to be taken unless such interest is disclosed.
- (c) No Board member may assist any person for compensation or act in a representative capacity before any national or state government agency in any matter that relates in any way to the Social Security duties or responsibilities of the Board member.
- (d) No Board member may use or attempt to use their official position to secure or grant privileges, exemptions, advantages, contracts, or treatment, for his or herself or others, including but not limited to the following:
 - (1) Seeking other employment or contracts for services for the Board member by the use or attempted use of the Board member's office or position; and
 - (2) Soliciting, receiving or accepting compensation or other consideration for the performance of the Board member's official duties or responsibilities except as provided by law;
 - (3) Soliciting, receiving or accepting any gift or other item of monetary value from any person seeking official action from, doing business with, or conducting activities regulated by the Social Security Administration, or from any person whose interests may be substantially affected by the performance or nonperformance of the Board member's duties; provided that this subsection shall not apply to wedding gifts, customary gifts and gifts exchanged between individuals on birthdays, holidays and other similar occasions, provided that the gifts exchanged are not substantially disproportionate in value.
- (e) No Board member may engage in any outside employment or other outside activity that is incompatible with the full and proper discharge of the Board member's office or position.

Section 605. Recusal

A Board member who has disclosed a conflict of interest shall recuse his or herself from voting on or hearing any matter pertaining to the conflict of interest, unless the non-conflicted members of the Board, by a simple majority, allow such conflicted Board

member to vote. If the non-conflicted Board members do not allow such conflicted Board member to vote, the conflicted Board member must recuse his or herself from all discussion and official action pertaining to the conflict of interest.

APPROVED ON THIS DAY __, IN THIS MONTH _____, 2007.

MARINO BELLS,
CHAIRMAN

FLORENCIA RIROU,
VICE CHAIRMAN

FRANCIS MEYAR,
SECRETARY/TREASURER

SEKANG SHMULL,
MEMBER