

### **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.

### **IF YOU ARE A NON-CITIZEN OF PALAU**

If you are not a citizen or national of the Republic of Palau, you can receive benefits as long as you are living within the Republic of Palau. However, if you have relocated outside of Palau, you can only receive benefits up to six months. In order to continue to receive benefits, non-citizens of Palau must report to the Social Security Administration office every six months.

Citizens of the United States, Federated States of Micronesia and Republic of the Marshalls are treated as Palauan citizens.

### **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.

### **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.

### **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 notify us of any material changes to your status may affect your benefit payments and result in payments being suspended pending our review.

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

**Republic of Palau  
Social Security Administration**

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**Republic of Palau  
Social Security Administration**

**DISABILITY (DI)  
INSURANCE BENEFITS**

## WHO IS ELIGIBLE?

A person who is unable to engage in any substantial gainful employment for at least 12 months because of a mental or physical impairment can apply for a disability insurance benefit. To be eligible the wage earner must be disabled and at the time of onset of the disability must be **fully and currently insured or permanently insured.**

### What is meant by the term "Disability"?

The term disability is defined as:

- Inability to engage in any substantial gainful employment or activity by reason of any medical determinable physical or mental impairment which can be expected to result in death.

Substantial gainful employment or activity is defined as:

- Substantial employment is work that involves doing significant physical or mental activities, or a combination of both, which are productive in nature. This may be full time or part time work.
- Gainful employment is work performed for remuneration, pay, wages, compensation, or profit. Profit may or may not be realized.

### Who Decides What is Categorized as a Disability?

A disability or medically determinable impairment determination is made based on the medical evidence from acceptable medical sources that show that the claimant has a determinable impairment and the severity of the impairment.

Acceptable medical sources includes:

- Licensed physicians
- Licensed or certified psychologists
- Licensed optometrists
- Licensed podiatrists
- Qualified speech – language therapists
- Treating sources such as hospitals, health facilities
- Other sources such as schools, caregivers, social workers, naturopaths, chiropractors and audiologists

## *What does it mean?*

**FULLY INSURED:** A person must have paid not less than one quarter of coverage from the year wage earner turns 21 years of age and the date they became disabled e.g if a wage earner becomes disabled at 45 years of age, they must have contributed for at least 24 quarters (45 – 21 = 24);

**AND**

**CURRENTLY INSURED:** A person must have paid not less than 8 quarters of coverage in the previous 13 quarters before becoming entitled to receive benefits, or became disabled. This means that within the 3 year and 3 month period prior to applying or becoming entitled to receive the disability benefit, a person worked for minimum of two years and paid contributions each quarter; **OR**

**PERMANENTLY INSURED:** A person must have paid not less than 120 quarters. A person must have worked at least 30 years to be permanently insured.

### Can Social Security Administration Request a Medical Examination?

**Yes.** SSA may require any person claiming a DI benefit to undergo an examination by a physician/s designated by the SS Administrator. The cost of these examinations is to be paid by the claimant.

### Residency Eligibility

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.

### When to Apply for DI Benefit

There is a sixty (60) day waiting period. In order to gain eligibility for a DI benefit, the claimant must file an application no sooner than 60 days from the date such disability commenced.

The SSA may waive the waiting period for application upon written determination of special circumstances and urgency.

### Term of DI Benefit

The DI benefit shall be paid up to and including the month immediately preceding the month the person resumes employment or until it is determined that the person is capable and fit to resume substantial gainful employment regardless of whether such employment is actually available.

The DI benefit may also cease should there be a report of earning for the beneficiary.

### HOW ARE MONTHLY DISABILITY INSURANCE BENEFITS CALCULATED ?

First, the "Basic Benefit" applicable to the wage earner must be determined. The "Basic Benefit" is a monthly payment that is one-twelfth (1/12) of the retiree's total cumulative covered earnings. Below is a sample of how to calculate the basic benefit for an eligible retiree with cumulative covered earnings of \$ 550,000:

1. 27% of the first \$11,000 of cumulative covered earnings;
2. 2.9% of cumulative covered earnings in excess of \$11,000 but not in excess of the next \$33,000;
3. 1.5% of cumulative covered earnings in excess of \$44,000 but not in excess of \$500,000; and
4. .75% of anything in excess of \$500,000.

#### **BASIC MONTHLY BENEFIT:**

**\$11,142.00 /12 mos = \$928.50 + \$50.00 SB =  
Total: \$978.50**

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
<b>TOTAL:</b>	<b>\$ 11,142.00</b>