

- Citizens of Federated States of Micronesia and the Republic of the Marshalls are covered by a Totalization Agreement. Citizens of United States of America are covered by Compact of Free Association. In both these cases benefit will continue to be paid.

What happens if there has been over payment or underpayment of benefit?

Any over or under payment will be deducted from or added to subsequent benefit payments.

HOW ARE MONTHLY SPOUSE 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 SP with cumulative covered earnings of \$550,000:

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. .75% of anything in excess of \$500,000.00

BASIC MONTHLY BENEFIT:
\$11,142.00 / 12 mos. = \$928.50 + \$50 SB

SP Age at 60= \$928.50 + \$50 SB
SP Age below 60= \$557.10 + \$50 SB

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

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 re-marry or care 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.

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.



Republic of Palau

Social Security Administration

For other information, please see the brochure entitled "Frequently Asked Questions and Important Reminders for all Beneficiaries" available at

**Republic of Palau
Social Security Administration**

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**SPOUSE
INSURANCE BENEFIT**

WHO IS ELIGIBLE?

Any widow or widower of a deceased beneficiary. The **Surviving Spouse (SP)** of a person who has died, **fully insured or currently insured**, is entitled to a monthly survivor's insurance benefit, beginning with the month in which the wage earner dies and ending with the month preceding the month in which the surviving spouse dies, subject to earnings test.

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.

ABOUT SP BENEFITS

When to apply for SP benefit

Claimant should apply promptly as there are circumstances that may prevent benefit payments such as: More than one claimant, outside of claim term of 5 years.

Term of SP Benefit

- The benefit will be paid, beginning with the month the person became entitled and ending with the month preceding the date of death, and or
- If a surviving spouse under the age of 60 remarries then SP benefit will cease.

Retroactive payments

The claimant has 5 years from date of wage earner's death to apply however; a retroactive benefit payment can only be made for a period not exceeding 12 months. Start of retroactive date is from the date the completed application is received.

Amount of benefit to be paid.

Minimum monthly benefit is \$148.00 however how much a surviving spouse is paid above this amount will depend on the age of the surviving spouse:

- Under 60 years and unmarried, maximum monthly benefit is 60% of the basic benefit

What does it mean?

FULLY INSURED: To be "fully insured", a deceased wage earner must have contributed to the Social Security program at least one quarter for each year between the time he/she turned 21 years of age and date of death. For example, if a wage earner dies at 45 years of age, he must have contributed to the Social Security program for at least 24 quarters ($45 - 21 = 24$) to qualify as "fully insured".

CURRENTLY INSURED: To qualify as "currently insured", a person must have contributed into the Social Security program at least 8 quarters of taxable wages in the previous 13 quarters before becoming entitled to receive benefits. This means that within the three years and three months prior to applying or becoming entitled to receive benefits, a person worked at least two years.

applicable to the deceased at time of their death.

- Only a surviving spouse who is at or over the ages of 60 as listed above and is unmarried can receive 100% of the basic monthly benefit.
- Any surviving spouse who is at or over the ages as listed above and remarries will have their benefit be recalculated to 60% of basic monthly benefit at the end of each year.
- Benefit may also be pro-rated if there are surviving children claiming DC benefits. (Refer Surviving Children Benefit.)

Refer to Benefits – General for benefit calculations

Can I apply for my Surviving Spouse benefit and suspend payment until a later date?

NO.

Payments will start once an application has been made and approved.

However, a surviving spouse may elect to delay applying for a benefit but needs to be aware of the effect of Retroactive payments.

Earnings test

Any surviving spouse who is in employment 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 for every \$3 wages earned over the \$3,000 per quarter

Refer to Earning Test (ET) for further information

What happens when the Surviving Spouse has reached the retirement age?

At the end of the calendar year the benefit will be recalculated to reflect the reaching of retirement age. The benefit will increase to 100% and will be back dated to reflect the month the SP reaches retirement age and unmarried.

If a surviving spouse is receiving SP benefit can they also receive the Retirement Insurance benefit?

YES

What if the Surviving spouse remarries

- If under the age of 60 years SP benefit ceases.
- If over 60 years can continue to collect SP benefit @ 60%.

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Can a surviving spouse collect more than one SP benefit?

NO

What if the beneficiary wants to travel or move overseas?

- If you are citizen of Palau the SP benefit can be paid overseas.
- If you are a foreigner then the SP benefit will be paid as long as you live within the Republic of Palau. If you have relocated or travelled overseas, you may receive SP benefit for a period of up to 6 months. In order to continue receiving the SP benefit as a foreigner you must report to the Social Security Administration office every 6 months.