

## Palau

Exchange rate: Currency is the U.S. dollar (U.S.\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1967.

**Current law:** 1987, implemented in 1991.

**Type of program:** Social insurance system.

#### Coverage

Gainfully occupied persons, including some categories of self-employed persons; coverage is optional for self-employed persons with no employees and gross earnings under U.S.\$10,000 a year but more than U.S.\$300 per quarter.

Exclusions: Casual labor and self-employed persons with no employees and annual gross income of less than U.S.\$300 per quarter.

#### Source of Funds

**Insured person:** 6% of earnings; self-employed person, 12% of twice the salary of their highest paid employee (if no employees, 12% of 1/4 of gross revenue).

**Employer:** 6% of payroll.

**Government:** None, except for the contribution as an employer.

The maximum earnings for contribution and benefit purposes are U.S.\$3,000 per quarter.

#### Qualifying Conditions

**Old-age pension:** Age 60 and 1 quarter of coverage for each year after June 1968 (or since age 21, if later) up to age 60.

**Disability pension:** Incapacity for substantial gainful activity due to a disability that is likely to last 1 year or result in death. One quarter of coverage for each year after June 1968 (or since age 21, if later) with at least 12 quarters of coverage or at least 8 quarters of coverage during the last 13 quarters.

**Survivor pension:** The deceased had 1 quarter of coverage for each year after June 1968 (or since age 21, if later) or had at least 8 quarters of coverage in the 13 quarters preceding death. The survivor pension is payable abroad if reciprocity exists.

#### Old-Age Benefits

**Old-age pension:** 16.5% of the first U.S.\$11,000 of cumulative covered earnings, plus 2.7% of earnings between U.S.\$11,000 and U.S.\$44,000, plus 1.35% of earnings over U.S.\$44,000.

The minimum pension is U.S.\$47.50 a month.

#### Permanent Disability Benefits

**Disability pension:** 16.5% of the first U.S.\$11,000 of cumulative covered earnings, plus 2.7% of earnings between U.S.\$11,000 and U.S.\$44,000, plus 1.35% of earnings over U.S.\$44,000.

The minimum pension is U.S.\$47.50 a month.

#### Survivor Benefits

##### Survivor pension

**Widow(er) pension:** 60% of the insured's pension, payable at any age.

**Orphan's pension:** 15% of the insured's pension for each orphan under age 18 (22 if a student; no age limit if disabled before age 22).

**Earnings test:** The survivor pension is reduced by U.S.\$1 for each U.S.\$3 of earnings above U.S.\$500 a quarter if aged 50 or under.

The minimum survivor pension is U.S.\$47.50 a month.

The maximum survivor pension is 100% of the insured's pension.

#### Administrative Organization

Social Security Administration administers the program.