Republic of Palau
Office of the President

Tommy E. Remengesau, Jr.
President

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March 29, 2018
Serial No. 18-561

The Honorable Hokkons Baules
President of the Senate
10th Olbiil Era Kelulau
Ngerulmud, Palau National Capitol
Republic of Palau 96939

Signing Statement: HB No. 10-73-5, HD1, SD5- Increasing Social Security benefits; appropriating funds for the maintenance of Peleliu's roads, anti-human trafficking efforts, and costs associated with the PPUC; and allowing self-employed persons to report actual wages.

Dear President Baules:

Thank you for your attention to House Bill No. 10-73-5, HD1, SD5, providing a fifty dollar increase in Social Security benefits to individuals receiving Social Security benefits pursuant to Title 41, Subchapter VI of the Palau National Code; appropriating funds for the maintenance of Peleliu's roads; appropriating funds to support anti-human trafficking efforts; allowing self-employed persons to report actual wages; appropriating funds to the PPUC to cover the cost of the PPUC's civil fines; and to appropriate funds to the PPUC as already authorized by the FY 2018 Unified Budget. These amendments are timely and necessary.

The amendment providing for a fifty dollar increase in Social Security benefits is necessary as a result of the rising cost of living. Inflation is an issue we cannot ignore, and I thank you for taking the proper steps to ensure that the spirit of Social Security is not lost.

Appropriating funds for the maintenance of Peleliu's roads is a timely move. By authorizing $70,000 to be appropriated to the Peleliu State Government, you are securing Peleliu's ability to pave and maintain its roads as it prepares for the events to commemorate the Third Anniversary of the visit by the Emperor and Empress of Japan.

Authorizing $100,000 to be appropriated to the Ministry of Justice in order to establish an Anti-Human Trafficking Office is necessary in light of Executive Order No. 412. As you are aware, Palau was ranked by the United States Department of State as a "Tier 2" nation with regard to our efforts to prevent human trafficking. Executive Order No. 412 ordered that an office be established in order to implement the national Anti-Human Trafficking Plan of Action. Funding the Ministry of Justice to establish the office is a necessary first step in moving our national ranking from "Tier 2" to "Tier 1" status.

Authorizing self-employed people to report their contributions by using actual income or salary as a basis for reporting contributions is another intuitive and necessary development. By

allowing for self-employed people to decide for themselves how to report their earnings, you are offering them the ability to be more proactive and knowledgeable about their taxes. It might also save them some money.

Finally, the FY 2018 Unified Budget authorized $1.6 million to be appropriated to the PPUC for water and wastewater improvement operations. Although these loans have not been appropriated, given that the ADB Loan repayment plan begins with repayments as early as April of this year, I thank you for recognizing this issue and making yet another timely adjustment. This bill will allow for funds already authorized to the PPUC to be appropriated ahead of time so that the PPUC can meet its financial obligations. On that note, it was also prudent of you to include an amendment that allows the PPUC to receive additional funds, already authorized but not yet appropriated, in order to cover the cost of its civil fines. Both of these amendments will allow the PPUC to remain financially viable.

Thank you for your thoughtful, forward-thinking insight into these matters. By thinking of the future, we are able to ensure Palau maintains its economic viability.

Sincerely,

Tommy E. Remengesau, Jr.
President of the Republic of Palau

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March 29, 2018
Serial No. 18-561

The Honorable Sabino Anastacio
Speaker of the House of Delegates
10th Olbiil Era Kelulau
Ngerulmud, Palau National Capitol
Republic of Palau 96939

Signing Statement: HB No. 10-73-5, HD1, SD5- Increasing Social Security benefits; appropriating funds for the maintenance of Peleliu's roads, anti-human trafficking efforts, and costs associated with the PPUC; and allowing self-employed persons to report actual wages.

Dear Speaker Anastacio:

Thank you for your attention to House Bill No. 10-73-5, HD1, SD5, providing a fifty dollar increase in Social Security benefits to individuals receiving Social Security benefits pursuant to Title 41, Subchapter VI of the Palau National Code; appropriating funds for the maintenance of Peleliu's roads; appropriating funds to support anti-human trafficking efforts; allowing self-employed persons to report actual wages; appropriating funds to the PPUC to cover the cost of the PPUC's civil fines; and to appropriate funds to the PPUC as already authorized by the FY 2018 Unified Budget. These amendments are timely and necessary.

The amendment providing for a fifty dollar increase in Social Security benefits is necessary as a result of the rising cost of living. Inflation is an issue we cannot ignore, and I thank you for taking the proper steps to ensure that the spirit of Social Security is not lost.

Appropriating funds for the maintenance of Peleliu's roads is a timely move. By authorizing $70,000 to be appropriated to the Peleliu State Government, you are securing Peleliu's ability to pave and maintain its roads as it prepares for the events to commemorate the Third Anniversary of the visit by the Emperor and Empress of Japan.

Authorizing $100,000 to be appropriated to the Ministry of Justice in order to establish an Anti-Human Trafficking Office is necessary in light of Executive Order No. 412. As you are aware, Palau was ranked by the United States Department of State as a "Tier 2" nation with regard to our efforts to prevent human trafficking. Executive Order No. 412 ordered that an office be established in order to implement the national Anti-Human Trafficking Plan of Action. Funding the Ministry of Justice to establish the office is a necessary first step in moving our national ranking from "Tier 2" to "Tier 1" status.

Authorizing self-employed people to report their contributions by using actual income or salary as a basis for reporting contributions is another intuitive and necessary development. By

allowing for self-employed people to decide for themselves how to report their earnings, you are offering them the ability to be more proactive and knowledgeable about their taxes. It might also save them some money.

Finally, the FY 2018 Unified Budget authorized $1.6 million to be appropriated to the PPUC for water and wastewater improvement operations. Although these loans have not been appropriated, given that the ADB Loan repayment plan begins with repayments as early as April of this year, I thank you for recognizing this issue and making yet another timely adjustment. This bill will allow for funds already authorized to the PPUC to be appropriated ahead of time so that the PPUC can meet its financial obligations. On that note, it was also prudent of you to include an amendment that allows the PPUC to receive additional funds, already authorized but not yet appropriated, in order to cover the cost of its civil fines. Both of these amendments will allow the PPUC to remain financially viable.

Thank you for your thoughtful, forward-thinking insight into these matters. By thinking of the future, we are able to ensure Palau maintains its economic viability.

Sincerely,

Tommy E. Remengesau, Jr.
President of the Republic of Palau

RPPL NO. 10-21

TENTH OLBIIL ERA KELULAU

SIXTH SPECIAL SESSION

MARCH 2018

HOUSE BILL NO. 10-73-5, HD1, SD5

AN ACT

SEE TITLE INSIDE

OFFERED BY DELEGATE(S) Jonathan "Cio" Isechal

ET AL,

DATE INTRODUCED January 16, 2018

HOUSE ACTION

FIRST READING:	January 16, 2018
REFERRED TO:	Ways and Means
STANDING COMMITTEE REPORT NO:	10-44
DATE ADOPTED:	January 31, 2018
SECOND READING:	January 31, 2018
LEGAL FORMAT:	Proper
REVIEW:	January 31, 2018
THIRD READING:	February 21, 2018
FINAL ACTION:	March 26, 2018

SENATE ACTION

FIRST READING:	February 21, 2018
REFERRED TO:	Ways and Means and Financial Matters
STANDING COMMITTEE REPORT NO:	10-107
DATE ADOPTED:	March 22, 2018
SECOND READING:	March 22, 2018
LEGAL FORMAT:	Proper
REVIEW:	March 23, 2018
THIRD READING:	March 23, 2018
FINAL ACTION:	

CONFERENCE COMMITTEE ACTION

DATE:	None
COMMITTEE REPORT:	None
DATE PASSED:	None

Marcello Mgirkelau
HOUSE CLERK

Ann L. Pedro
SENATE CLERK

TENTH OLBIIL ERA KELULAU

Fifth Regular Session, January 2018 **RPPL No. 10–21**
(House Bill No. 10-73-5, HD1, SD5)

AN ACT

To provide a fifty dollar ($50) increase in Social Security benefit payments to individuals receiving Social Security benefits pursuant to Title 41, Subchapter VI of the Palau National Code; to appropriate funds for the maintenance of Peleliu's roads; to appropriate funds to support anti-human trafficking efforts; to amend Title 41 to allow self-employed persons to report actual wages; to appropriate funds to the PPUC to cover the cost of PPUC civil fines; to appropriate funds authorized by the FY 2018 Unified Budget; and for other related purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIIL ERA KELULAU DO ENACT AS FOLLOWS:

Section 1. Legislative findings. The Olbiil Era Kelulau finds that in light of the rising costs of living for individuals and families within the Republic of Palau, it is necessary to provide a fifty dollar increase to the Social Security benefit payments for all individuals receiving benefits under Title 41, Chapter 7, Subchapter VI of the Palau National Code. Rising costs of living most affect those who are dependent on fixed monthly income, and the Olbiil Era Kelulau is responsive to this issue and believes that Palau's most vulnerable citizens must receive adequate income to live with dignity and independence.

The Olbiil Era Kelulau further finds that the FY 2018 Unified Budget authorized for appropriation $1,600,000 to PPUC for water and wastewater improvement operations. These amounts have not been appropriated, but the ADB Loan repayment plan begins with payments in April and October of 2018. Therefore, the Olbiil Era Kelulau finds that the authorization to PPUC should be appropriated at this time to meet the financial obligations of PPUC for expenses incurred to improve the Republic's infrastructure. Additionally, the FY 2018 Unified Budget authorized but did not appropriate $95,000 to cover the cost of PPUC civil fines. The Olbiil Era Kelulau finds that in light of the budget projections for the remainder of FY 2018, it is prudent to satisfy certain civil penalties for PPUC by appropriating the amount authorized.

Section 2. Supplemental SSA Benefit Payments. $2,000,000, or so much as may be needed to accomplish the purpose established in this section, is hereby authorized to be appropriated to be available for Fiscal Year 2019 to the Social Security Administration and shall be used for the purpose of supplementing Social Security

benefit payments as directed in this section. Effective October 1, 2018 and continuing until September 30, 2019, Social Security benefit payments shall increase by fifty dollars ($50) monthly for all individuals receiving Social Security benefits pursuant to Title 41, Chapter 7, Subchapter VI of the Palau National Code, subject to the availability of funds determined in the Unified Budget for FY2019. The continuation of this supplemental social security benefit payment beyond the conclusion of Fiscal Year 2019 is subject to appropriation of funds from the National Government. Any unexpended or unobligated balance of the appropriation of this section shall lapse at the end of Fiscal Year 2019.

Section 3. Amendment to RPPL 10-12. The title of RPPL No. 10-12 is hereby amended as follows:

"To enact a budget law for Fiscal Year 2018 through the authorization of the sum of $91,386,414 and appropriate $87,879,414 from the National Treasury for the annual general operations, special revenue, and debt service budget of the Republic of Palau."

Section 4. Amendment to RPPL 10-12. Amend RPPL No. 10-12 to add new Sections 38 and 39 and renumber the following Section accordingly:

"Section 38. Appropriation to Peleliu State. The amount of $70,000 is authorized to be appropriated and is hereby appropriated for Fiscal Year 2018 to the Peleliu State Government for the purpose of paving and maintaining the state road located in the central to southern part of the island in advance of the events to commemorate the Third Anniversary of the visit by the Emperor and Empress of Japan. The funds appropriated by this section shall be administered by the Governor of Peleliu State, and the Capital Improvement Project Office shall provide technical and infrastructure assistance as needed. The amount authorized and appropriated shall come from the Road Maintenance Fund established in 40 PNC § 1404 (b). Any unexpended or unobligated balance of the appropriation of this section shall not lapse at the end of the fiscal year.

Section 39. Appropriation to the Ministry of Justice. The amount of $100,000 is

authorized to be appropriated and is hereby appropriated for Fiscal Year 2018 to the Ministry of Justice for the purpose of establishing an Anti-Human Trafficking Office pursuant to Executive Order No. 412. The amount authorized and appropriated shall come from local revenues and any unexpended or unobligated balance of the appropriation of this section shall not lapse at the end of the fiscal year."

Section 5. Amendments to RPPL 10-12. RPPL 10-12 Sections 21 and 23 are hereby amended as follows:

"Section 21. PPUC Water & Wastewater Subsidy. The sum of $1,600,000 is hereby authorized to be appropriated and is hereby appropriated for expenditure or obligation for Fiscal Year 2018 to subsidize the water and sewer improvement operations of the Palau Public Utilities Corporation (PPUC). The entire amount authorized to be appropriated and appropriated in this section shall come from the 50 percent allocation of "Green Fee" collections for power, water and sewer. Any unexpended or unobligated balance of the appropriation of this section shall not lapse at the end of the fiscal year. PPUC shall not increase any tariffs on utilities until after June 30, 2018; PPUC shall provide a report to the President of the Republic and the Presiding Officers of the Olbiil Era Kelulau on the water and wastewater improvements as funded by the ADB Loan by January 31, 2018.

...

Section 23. PPUC Civil Fines. The sum of $95,000 is hereby authorized to be appropriated and is hereby appropriated for expenditure or obligation for Fiscal Year 2018 as payment to cover costs of civil fines incurred by PPUC. The entire amount authorized to be appropriated in this section shall come from local revenues."

Section 6. Amendment to Title 41. 41 PNC Section 741 is hereby amended as follows:

"§ 741. Self-employed persons.

(a)....

(b) A self-employed person who has, in a given quarter, at least one employee

who receives remuneration from him, may choose to report his or her contributions by using actual income or salary as a basis for reporting contributions, or may be presumed to receive in any quarter, as remuneration, twice the amount paid to his highest-paid employee in that quarter.

(c) A self-employed person who has, in a given quarter, no employee who receives remuneration from him, may choose to report his or her contributions by using actual income or salary as a basis for reporting contributions, or may be presumed to receive in any quarter, as remuneration, ten percent (10%) of the self-employed person's gross revenue in the current calendar year. However, if the self-employed person has reached retirement age under section 753, the self-employed person is exempt from contributions under this subsection.

..."

Section 7. Effective date. This Act shall take effect upon its approval by the President of the Republic of Palau, or upon becoming law without such approval.

PASSED: March 26, 2018

Approved this 29th **day of** MARCH **, 2018.**

H. E. Tommy E. Remengesau, Jr.
President of the Republic of Palau