

AN ACT

To prescribe the salaries of the Presiding Justice of the Trial Division and the Associate Justices of the Appellate Division as required by Article X, Section 11 of the Constitution of the Republic of Palau, to implement the separation of the Trial and Appellate Divisions of the Judiciary as required by the Fourteenth Constitutional Amendment; to amend Title 41 of the Palau National Code to remove inconsistencies resulting from the changes made to the Social Security eligibility age in RPPL 9-62; and for other purposes.

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

1 Section 1. Legislative Findings.

2 The purpose of this Act is to provide for the salaries of the Presiding Justice of
3 the Trial Division and Justices of the Appellate Division. The 14th Constitutional
4 Amendment mandated the separation of the Justices of the Appellate Division and
5 the Trial Division. This separation required the creation and funding of a Presiding
6 Justice to assume the leadership and administrative duties of the Trial Division from
7 the Chief Justice who will move to the Appellate Division. It also required the
8 appointment of two Associate Justices for the Appellate Division. These three
9 positions have been appointed by the President of the Republic and filled; the Rules
10 for implementation of the separation of the Judiciary into the Trial Division and
11 Appellate Division became effective January 2017. The Act would set the salary of
12 the Presiding Justice of the Trial Division and the Associate Justices of the Appellate
13 Division at \$85,000.00 per year at the request of Chief Justice Arthur Ngiraklsong in
14 Miscellaneous Communication 10-2.

15 The Olbil Era Kelulau finds that RPPL 9-62 amended key provisions for
16 beneficiaries of Social Security, resulting in a two year reduction to the age at which
17 an eligible person may retire and receive full Social Security benefits. However, it is
18 prudent to amend several sections of the Social Security statutes in order to remove
19 inconsistencies resulting from the changes made in RPPL 9-62. Therefore, the Olbil
20 Era Kelulau finds that Title 41 of the Palau National Code should be amended to
21 harmonize the Social Security statutes.

22 Section 2. Amendment. Section 702 of Title 33 of the Palau National Code is
23 amended as follows:

1 **§ 702. Base Salary Requirements.**

2 “...

3 (c) Unless otherwise approved by a joint resolution of the Olbiil Era Kelulau,
4 the following eligibility restrictions regarding maximum pay or grade allowable
5 apply:

6 **(1) Judicial Branch**

7 ...

8 (E) The Presiding Justice of the Trial Division shall receive an
9 annual salary of not less than seventy thousand dollars (70,000) and not
10 more than eighty-five thousand dollars (\$85,000).

11 (F) Each Associate Justice of the Trial Division shall receive an
12 annual salary of not less than sixty thousand dollars (\$60,000) and not
13 more than eighty thousand dollars (\$80,000).

14 (G) Each Associate Justice of the Appellate Division shall receive
15 an annual salary of not less than sixty-five thousand dollars (\$65,000)
16 and not more than eighty-five thousand dollars (85,000).

17 (H) The Chief Justice shall receive an annual salary not to
18 exceed ninety thousand dollars (\$90,000).

19 ...”

20 Section 3. **Amendment.** Section 753(a) of Title 41, as amended by RPPL 9-62,
21 is hereby amended as follows:

22 “§ 753. Old age insurance benefit.

23 (a) A person who is fully insured and has attained the age of sixty (60)
24 years and retired is entitled to a monthly old age insurance benefit,
25 beginning with the month in which that person became so entitled
26 and ending with the month preceding the month in which he dies,
27 subject to the earnings test.

28 ...”

29 Section 4. **Amendment.** Section 755 of Title 41 of the Palau National Code is
30 hereby amended as follows:

1 “§ 755. Surviving spouse’s insurance benefit.

2 (a) ...

3 ...

4 (d) A person who is under the age of sixty (60), and who is employed and
5 earns more than three thousand dollars (\$3,000) in any quarter shall have his/her
6 surviving spouse benefit reduced by one dollar (\$1) for every three dollars (\$3) for
7 wages earned in a quarter in excess of three thousand dollars (\$3,000). The reduction
8 shall be applied in the quarters immediately following the quarter in which the wages
9 were earned.

10 ...”

11 Section 5. Amendment. Section 761 of Title 41 of the Palau National Code is
12 hereby amended as follows:

13 “§ 761. The earnings test.

14 (a) ...

15 ...

16 (c) A person who became eligible to receive the surviving spouse benefit after
17 December 31, 2013 shall have his surviving spouse benefit reduced by one dollar (\$1)
18 for every three dollars (\$3) for wages earned in a quarter in excess of three thousand
19 dollars (\$3,000), unless:

20 (1) the surviving spouse beneficiary attains the age of sixty; or

21 (2) the surviving spouse beneficiary was eligible for the surviving
22 spouse benefit under section 755 prior to August 2, 2007.

23 The reduction shall be applied in the quarters immediately following the
24 quarter in which the wages were earned.

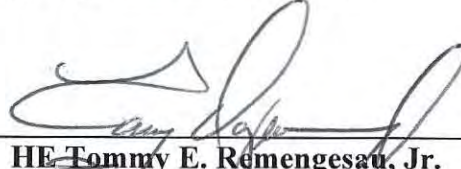
25 ...”

26 Section 6. Effective Date.

27 This Act shall take effect upon its approval by the President, or upon
28 becoming law without such approval.

PASSED: March 16, 2017

Approved this 29th day of March, 2017.



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