



Ministry of Health & Human Services

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Republic of Palau
Ministry of Health and Human Services
Bureau of Public Health and Human Services

Certificate of Adoption

It is hereby certified that these rules governing the Child Raising Subsidy for Palauan Citizens were adopted by the Bureau of Public Health and Human Services on August 18, 2023 Pursuant to Section 8506 of Republic of Palau Public Law (RPPL) No. 11-11 and 6 PNC Chapter 1 (the Administrative Procedure Act).

In WITNESS WHEREOF, I have hereunder affixed my signature this 18th day of August 2023 in the state of Koror, Republic of Palau.

Gaafar J. Uherbelau
Minister of Health and Human Services

These Rules and Regulations to govern the Child Raising Subsidy for Palauan Citizens are hereby approved and shall be promulgated and published according to law.

Approved this 24th day of August 2023

Surangel Whipps, Jr.
President
Republic of Palau

Palau Child Raising Subsidy Regulations

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1. **Authority and purpose.** These regulations are promulgated as authorized under 34 PNC § 8506 to implement the child raising subsidy
2. **Severability.** If any section, subsection, item, clause, or phrase contained in these regulations is found to be illegal, unconstitutional, or otherwise incorrect or inapplicable, such finding shall not affect the validity of the remaining provisions of these regulations.
3. **Definitions.** In these regulations:
 - 3.1 “Applicant” means an individual who applies for a child raising subsidy. To be eligible for a subsidy, an applicant must be a parent or a legal guardian of a child and have had full-time physical custody of the child in Palau for at least six (6) of the previous twelve (12) months at the time the applicant submits an application for a child raising subsidy. For a child born within six (6) months of the application date, an applicant is eligible so long as he or she has full-time custody at the time the application is submitted.
 - 3.2 “Child” means a person under eighteen (18) years of age who is a citizen and resident of Palau and has a Palauan Social Security Number.
 - 3.3 “Child raising subsidy” means financial assistance to parents and legal guardians for expenses in raising a child in the Republic of Palau.
 - 3.4 “Citizen” means any individual recognized as a citizen under the Constitution of the Republic of Palau and Title 13 of the Palau National Code.
 - 3.5 “Legal guardian” means a person who has been appointed by the court or otherwise has the legal authority to make decision concerning a child and has physical custody of the child.
 - 3.6 “Minister” means the Minister of Health and Human Services.

3.7 "Ministry" means Ministry of Health and Human Services.

3.8 "Parent" means a child's biological father or mother or a child's legal parent through adoption. To qualify for a child raising subsidy, a parent must have legal custody of the claimed child at the time the applicant submits an application.

3.9 "Tax year" means twelve (12) consecutive months beginning January 1 and ending December 31.

4. Citizenship requirements.

An applicant is eligible for a child raising subsidy only if both the applicant and the claimed child are citizens of Palau and reside together in Palau.

5. Income requirements.

5.1 An applicant is eligible for one or more child raising subsidies per child if the applicant's yearly income did not exceed \$15,000 in the previous tax year.

5.2 Yearly income is calculated based on total income including, but not limited to, the following:

5.2.1 employment income;

5.2.2 self-employment income; and

5.2.3 Social Security Benefits or Pension Plan payments.

5.3 Child support and spousal support shall not be included in calculating total income.

6. Amount of subsidy and payment method.

6.1 An applicant whose total income does not exceed \$15,000 is eligible for a \$100 subsidy payment for each eligible child for which the applicant is the parent or legal guardian.

6.2 The Ministry shall make its best effort to issue child subsidy payments within twenty-one (21) calendar days of approving the application.

6.3 Once an applicant is deemed eligible, the Ministry shall set up a procedural disbursement mechanism to issue and disburse the financial stipend to the proper recipient in the amount determined and established by law.

7. Application process.

To be eligible for a child care subsidy, a parent or legal guardian must:

7.1 Complete an application in the form created and provided by the Minister;

7.2 Submit to the Ministry proof of the identity of each child by providing the child's birth certificate, adoption documents (if applicable), and social security cards for both applicant and child;

7.3 Submit to the Ministry proper documentation to demonstrate that the applicant's income, as calculated under Section 5 of these regulations, did not exceed \$15,000 in the previous tax year. The documentation will be as required by the Minister in the application form and may include the applicant's W-2 and documents related to Social Security payments, pensions, and makit payments. If no documentation is available for any category, the Ministry may accept as part of the application a sworn declaration as to the amount of income received;

7.4 The application deadline for submissions for tax year 2022 shall be September 15, 2023. For all subsequent tax years, the application deadline shall be ninety (90) days after the end of the tax year.

8. Accountability.

8.1 Only one parent or legal guardian may apply for a child care subsidy for a specific child, no two individuals may apply for a child subsidy for the same child. The Ministry shall maintain a list of all children who have been claimed for subsidies and cross-reference that list before issuing new subsidies to ensure that no child is claimed twice.

8.2 Submitted applications shall include a sworn affidavit that the applicant will use the child care subsidy for the sole purpose of helping with the expenses of raising a child in Palau.

9. Notification of application outcome.

9.1 Within thirty (30) days of receiving the application, the Minister must notify the applicant as to whether or not the application is approved. For appeal purposes, an application is deemed denied if the Minister does not approve or deny an application within this period.

9.2 If the application is not approved, the notification must be in writing and must include the Minister's reason for denial.

10. Appeal process.

10.1 An applicant may appeal to the Minister in writing for reconsideration of a disapproved application. The appeal request must be submitted to the Division of Human Services within ten (10) working days after an applicant is notified of the decision. If an appeal is not delivered in the time required, then the applicant is deemed to have accepted the decision, and the decision is not subject to further appeal or court review.

10.2 Within ten (10) business days after receiving an appeal, the Minister shall reconsider the decision and provide the person who delivered the request with a written decision on the request.

11. Notification of changes.

An applicant must report changes in circumstances affecting the eligibility of the applicant or claimed child to the Division of Human Services in writing or by phone within thirty (30) days of such change.

12. Technical amendments.

If the Olbiil Era Kelulau amends the enabling statute of these regulations to adjust the amount of the child raising subsidy or the income requirement, the Ministry may amend these regulations to reflect such adjustments without going through the rulemaking process of the Administrative Procedure Act.

13. Penalties and fraud.

13.1 **Criminal Penalties:** Any person who knowingly makes a false statement or falsifies any application or record submitted to the Ministry in an attempt to defraud the Child Raising Subsidy program is guilty of a misdemeanor and shall be imprisoned for a period not exceeding twelve (12) months or fined not more than five thousand dollars (\$5,000) or both.

13.2 **Civil Penalties:** If a parent or legal guardian fails to report in writing any change in circumstance under Section 11 within thirty (30) days of such change, the parent or legal guardian shall be liable for a civil penalty of one hundred percent (100%) of the amount of the assistance received from the date of such change.

13.2.1 If any penalty imposed is not paid on or before the date prescribed for such payment, there shall be collected, in addition to such penalty, interest on the unpaid balance, at the rate of ten percent (10%) per annum from its due date until the date it is paid. In the event that any penalty and interest due is referred to an attorney for collection, whether or not suit is brought for the collection thereof, the person shall be additionally liable for reasonable attorney's fees and cost of collection, including court costs.

13.2.2 The amount of any civil penalty, interest, attorney's fee, or cost of collection shall be paid to the National Treasury.

14. Reporting requirements.

14.1 The Ministry shall submit a Financial Management Report for the Child Raising Subsidy to the Olbiil Era Kelulau and the President of the Republic of Palau on a bi-annual basis.

14.2 Financial Management Reports are to be submitted at the end of April and October each year. April reports shall cover the first period, the first six (6) months of the fiscal year (October to March); and the October reports shall cover the latter period, the last six (6) months of the fiscal year (April to September).

14.3 Financial Management shall provide in detail all disbursements, collections, expenditures and all other pertinent information for the reporting period.