

Government of the Republic of Palau
Ministry Of Human Resources, Culture, Tourism &
Development



PROPOSED

Division of Labor Rules & Regulations
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**GOVERNMENT OF THE REPUBLIC OF PALAU
MINISTRY OF HUMAN RESOURCES, CULTURE, TOURISM, AND DEVELOPMENT
BUREAU OF LABOR AND HUMAN RESOURCES**

The Director of the Bureau of Labor and Human Resources within the Ministry of Human Resources, Culture, Tourism, and Development is authorized by Section 1324 of Title 13 of the Palau National Code (PNC), as amended, to adopt rules and regulations regarding employment and labor practices in the private sector. The following Regulations are issued pursuant to such authority. The purpose of these Regulations is to inform all persons of their rights and obligations in regard to the employment of Nonresident Workers in the Republic of Palau, and of the procedures and process required to obtain a Nonresident Worker permit. Upon taking effect, all previous labor regulations are repealed.

PART 1. STATEMENT OF POLICY

1.1 It is essential to a balanced and stable economy in the Republic of Palau that Resident Workers be given preference in employment in occupations and industries in the Republic. The public interest requires that the employment of Nonresident Workers in occupations and industries not impair the wages or working conditions of Resident Workers. Resident Workers shall be given preference in employment in the Republic of Palau in any job vacancy for which such workers are qualified and available. Nonresident Workers shall be employed only to supplement the labor force of available and qualified Resident Workers.

PART 2. PROHIBITIONS

2.1 No employer may employ a Nonresident to work in the Republic and no Nonresident may work in the Republic without a valid Nonresident Worker permit issued in compliance with Title 13, Chapter 13 of the Palau National Code and these Regulations.

PART 3. DEFINITIONS

3.1 The following terms, as used in these Regulations, are defined as follows:

- (a) “Authorization To Employ Nonresident Worker Agreement”, sometimes referred to in these Regulations simply as an “Authorization Agreement” means the contract between the employer and the Employment Service required by law.
- (b) “Available” means able to be on the island on the date the employer states the workers are desired.

- (c) “Bureau” means the Bureau of Labor and Human Resources established under Title 13.
- (d) “Employment Service Officer” means the official who is the head of the employment service established under Title 13.
- (e) “Director” means the Director of the Bureau of Labor and Human Resources.
- (f) “Employer” means any individual, partnership, association, or corporation hiring employees in the Republic of Palau and any individual who has in its employ a domestic servant, but does not include any branch or agency of the national government.
- (g) “Employment Service” means the employment service established under Title 13.
- (h) “Minister” means the Minister of the Ministry of Human Resources, Culture, Tourism, and Development.
- (i) “Foreign fishing vessel” means a vessel registered in a jurisdiction other than Palau which is fishing in the Republic pursuant to a permit issued under Title 27 of the Palau National Code.
- (j) “Job” means a paid position of part time or regular employment.
- (k) “Licensed employer” means an employer who has a national or state government license allowing the employer to conduct business in Palau or the state of their residence.
- (l) “Ministry” means the Ministry of Human Resources, Culture, Tourism, and Development (sometimes referred to as the “MHRCTD”).
- (m) “Nonresident ” means a person who is not a citizen of the Republic. A Nonresident legally married to a citizen of Palau is NOT exempt from the requirements of Title 13 of the Palau National Code or these Regulations, except as otherwise provided.
- (n) “Nonresident Worker” means any person who is capable of performing services or labor and who is not a citizen of the Republic or an immigrant alien admitted to the Republic for permanent residence under the provisions of Title 13 of the Palau National Code, including persons acting in a professional, managerial, or executive capacity. Nonresident employees of the National and State Governments of Palau who are seeking employment during hours when they are not engaged in the performance of their government jobs are considered to be Nonresident Workers and not exempt from these Regulations.
- (o) “Nonresident Worker Contract”, sometimes referred to in these Regulations simply as the “Worker Contract”, means the agreement that the Employment Service requires the employer and the Nonresident Worker to enter into and sign.

- (p) “Nonresident Worker Permit”, sometimes referred to in these Regulations simply as the “Worker Permit”, means the permit issued by the Employment Service that allows the Nonresident Worker to work in the Republic.
- (q) “Occupation” means a job or profession.
- (r) “Office” means the Office of Labor Compliance. The Office was established by Executive Order No. 451 to ensure compliance with all employment laws of the Republic relating to the employment of Nonresident Workers.
- (s) “Personal service” means the delivery of a letter, notice, citation and any other documents to a party, to a clerk, or other person in charge of the party’s office, or to a responsible adult of suitable discretion working at the party’s office or residing at the party’s living place.
- (t) “Point of Origin” means the point of embarkation shown on the ticket utilized by the Nonresident Worker to come to Palau for purposes of employment. The Director shall determine the “Point of Origin” for any Nonresident Workers who are present in Palau when hired pursuant to “Change of Status” procedures; provided that in no event shall the Point of Origin so determined by the Director be Palau.
- (u) “Profession” means a job performed by a lawyer, doctor, scientist, certified public accountant, architect, or chemical, civil, electrical or mechanical engineers, or other occupation requiring a post-graduate degree and/or certification or licensure, as determined by the Employment Service and approved by the Minister.
- (v) “Republic” means the Republic of Palau.
- (w) “Resident Worker” means any person who is capable of performing services or labor and who is a citizen of the Republic of Palau, or an immigrant alien admitted to the Republic for permanent residence under the provisions of Title 13 of the Palau National Code, including persons acting in a professional, managerial, or executive capacity.
- (x) “Sanitary” means hygienic and clean.
- (y) “Skilled worker” means an employee with specialized skills, training, knowledge, and acquired ability in order to perform the duties of their employment, including without limitation software developers, paramedics, physicians, heavy equipment operator, plumbers, craftsmen, and accountants, and such other jobs as determined by the Employment Service and approved by the Minister.
- (z) “State government” means any government of the sixteen (16) States of the Republic.

(aa) “Subcontract” means an agreement by an employer to perform a commercial act for another duly licensed business as part of a larger project for which the other business has already been contracted by the prime contractor.

(bb) “Temporary Employment Permit” means a ninety (90) day temporary work permit issued to a non-resident who comes to Palau pursuant to 13 PNC § 1303, and which permit shall in no event exceed a total of one hundred eighty (180) days.

cc) “Temporary Placement Permit” means a permit issued by the Employment Service to a Nonresident Worker in exceptional cases that involve hardship, legal due process, abuse, or other extenuating circumstances, which permit allows the Nonresident Worker to work for another employer for a period not to exceed a total of twelve (12) months.

(dd) “Temporary employee” means a nonresident who is temporarily working in Palau pursuant to 13 PNC §1303.

(ee) “Noncommercial employer” means an employer who does not have a national or state government license allowing the person to conduct business in Palau or the state of their residence.

PART 4. ANNOUNCEMENT REQUIREMENT

4.1 An employer who desires to hire a Nonresident Worker or extend an existing Nonresident Worker Permit shall first file a job vacancy announcement form with the Employment Service and pay the fee associated therewith. If the employer is a licensed business, copies of the employer’s national and state business licenses shall be submitted with the job vacancy announcement form. No job vacancy announcement with a language requirement other than Palauan or English shall be accepted without a written justification submitted by the employer and approved by the Employment Service.

4.2 Upon receiving the job vacancy announcement, the Employment Service shall first endeavor to fill the job vacancy by referring to the employer any qualified Resident Worker registered with the Employment Service. The Employment Service shall develop and maintain an up-to-date list of Resident Workers seeking employment, their qualifications and contact information, and shall encourage all such Resident Workers to register.

4.3 In the event no Resident Worker qualified for the job is currently registered with the Employment Service, then the job vacancy shall be announced by the Employment Service by posting notice thereof at the Post Office, at the Employment Service’s office in Koror, and on the Employment Service’s website, for a period of six (6) months (the “announcement period”) unless

filled. During the announcement period the Employment Service shall continue to attempt to locate qualified Resident Workers to fill the job vacancy. The announcement shall specify:

- (a) the job position;
- (b) the job location;
- (c) the minimum salary/wage to be paid in dollars and cents;
- (d) any other pertinent details about the job's duties and required qualifications; and
- (e) how to contact the employer.

No new Nonresident Worker permit or renewal of an existing Nonresident Worker permit shall be issued to fill a job vacancy unless such announcement shall have been given for the announcement period.

4.4 In the event a Resident Worker applies directly to the employer or if the Employment Service refers a qualified Resident Worker to the employer to fill a job vacancy, the employer shall promptly conduct an interview with the Resident Worker. The employer thereafter shall promptly advise the Employment Service if it has hired the Resident Worker and if not, the reasons why it has decided not to hire the Resident Worker. If the Director determines in the exercise of his reasonable discretion that the employer's reasons for not hiring a Resident Worker are not justified, then the job vacancy announcement shall immediately cease and the Employment Service shall refuse to accept and process a Nonresident Worker Application for the job vacancy or issue a Nonresident Worker Permit.

4.5 Upon the expiration of the announcement period and a finding by the Director that there is no qualified Resident Worker immediately available to fill the job vacancy, the Employment Service shall accept and process a Nonresident Worker Application to fill the job position.

4.6 Notwithstanding Part 4.5, if the job vacancy announcement is for a nonresident worker or a profession and if the Director, in the exercise of his reasonable discretion determines that it is likely there will be no qualified Resident Worker immediately available to fill the job position, then commencing at the close of business on the 10th day after the job vacancy announcement is posted, upon the payment by the employer of an expedite fee in addition to the normal application fee, the Employment Service shall accept and begin processing a Nonresident Worker Application for the job vacancy. The payment of an expedite fee allows for faster processing times of the Nonresident Worker Application than the standard processing time that is otherwise available. Provided that the Nonresident Worker Application is complete and all other requirements have

been met, the Employment Service shall endeavor to issue the Nonresident Worker permit by no later than seventy-two (72) hours after the job vacancy announcement period has expired. In all other cases, the Employment Service shall not accept and begin processing a Nonresident Worker Application once the job vacancy announcement period has expired.

4.7 If at any time the Minister determines in the exercise of his reasonable discretion that the employment of a Nonresident Worker to fill the job vacancy is not in the best interests of the Republic, the Employment Service shall refuse to accept and process a Nonresident Worker Application for the job vacancy or issue a Nonresident Worker Permit.

PART 5. APPLICATIONS TO EMPLOY NONRESIDENT WORKERS

5.1 Except as provided in Part 4.6 and Part 8.1(b) and otherwise as the Director deems appropriate, the Employment Service shall not accept and begin processing a Nonresident Worker Application (the “Application”) until the job vacancy announcement period has expired. Applications for new hires shall require the following:

- (a) The employer’s prior compliance with the requirements of Part 4 hereof;
- (b) The submission of a completed Nonresident Worker Application in form and content as required by the Employment Service;
- (c) The payment of the application fee and, if applicable, the expedite fee, set forth in these regulations;
- (d) A completed Nonresident Worker Contract in form and content as required by the Employment Service signed by both the employer and the Nonresident Worker. Employers may include additional provisions in the Worker Contract provided such additions shall not contradict or supersede any provisions of the Worker Contract;
- (e) In form and content acceptable to the Employment Service, an original police clearance or similar document in English from the police authorities in the country and area of the Nonresident Worker’s residence certifying the Nonresident Worker’s criminal record and if available an original police clearance or similar document in English from the police authorities of the Republic of Palau if the Nonresident Worker was previously employed in the Republic of Palau. As an example, for Nonresident Workers whose point of origin is the Republic of the Philippines, a certificate authenticated by or attached to a certificate issued by the Republic of the Philippines National Bureau of Investigation (NBI) shall satisfy the foregoing requirement.

(f) In form and content acceptable to the Employment Service, an original health certificate or similar document in English from the public health authorities in the area of the Nonresident Worker's residence certifying that the Nonresident Worker is free from contagious diseases. Such a certificate shall be executed and validated by a physician licensed to practice medicine in the Nonresident Worker's country of origin and approved by a government agency responsible for national health services in that country. The Director may exempt the national health service approval requirement and accept a local health service certificate only if, in the exercise of his reasonable discretion, the Director determines that such a health certificate appears to have been issued by a competent medical health officer. For Nonresident Workers whose point of origin is the Republic of the Philippines, a medical examination report approved and authorized by the Republic of the Philippines Department of Health satisfies the foregoing requirement. For a Nonresident Worker applicant legally present in Palau at the time of hiring, a Health Certificate issued by the Republic Ministry of Health and Human Services satisfies the requirements of this sub-part;

(g) In form and content acceptable to the Employment Service, an affidavit by the Nonresident Worker indicating a minimum of two (2) years' work experience in the job or profession for which the Nonresident Worker is being hired;

(h) A copy of the Nonresident Worker's Passport showing that the Passport is not set to expire less than six (6) months prior to the anticipated expiration date of the Nonresident Worker permit being sought;

(i) A completed Authorization Agreement in form and content as required by the Employment Service and signed by the employer;

(j) Provided that the appropriate change of status fee is paid and all other requirements of these regulations met, a Nonresident legally present in the Republic pursuant to a tourist, visitor, resident, spouse, dependent, government or missionary visa, or legally in Palau without a visa, who desires to remain in the Republic for employment, may change status and apply for and acquire a Nonresident Worker permit while remaining the Republic but only for employment in an occupation that requires skilled labor or such unskilled labor depending on the needs of the Republic as determined by the Director in the exercise of his reasonable discretion, with the approval of the Minister.

(k) The Director, in the exercise of his reasonable discretion, may require the employer to submit financial records, or statements certified by a competent person and/or a bank, which indicate the employer's ability to pay the Nonresident Worker's wages, repatriation and the other costs associated with the Nonresident Worker's employment. The Director shall not issue a Nonresident Worker Permit if the Director, in the exercise of his reasonable discretion, determines that the employer does not have assets or income sufficient to pay the foregoing costs.

PART 6. JOINT APPLICATION BY NONCOMMERCIAL EMPLOYERS

6.1 Two (2) noncommercial employers desiring to hire a Nonresident Worker as a farmer or as a domestic helper/houseboy may file a joint application to hire a Nonresident Worker to fill such job vacancy.

6.2 An application submitted pursuant to this Part shall comply with the requirements of Parts 4 and 5 of these Regulations, provided further that:

(a) the Nonresident Worker Contract between the noncommercial employers' and the Nonresident Worker shall, in addition to all the standard requirements, provide that the noncommercial employers are jointly and severally (i.e., both together and individually at the same time) responsible for the employer's obligations (payment of salary/wages, transportation, housing, food allowance, etc.) to the Nonresident Worker under the Worker Contract; and

(b) the Authorization to Employ Nonresident Worker Agreement between the noncommercial employers' and the Republic shall, in addition to all the standard requirements, provide that (i) the noncommercial employers are jointly and severally (i.e., both together and individually at the same time) responsible for the employer's obligations to the Republic; and (ii) require the noncommercial employers to designate which of them shall be responsible for paying the Nonresident Worker, and for communicating with and filing all documents/reports/returns required by the Employment Service and by the Social Security Administration, and paying all required fees and taxes.

6.3 An application submitted pursuant to this Part shall be reviewed by the Employment Service as set forth in Part 7 of these Regulations, provided that as a condition of issuing a Nonresident Worker permit pursuant to this Part, the Director shall require the joint noncommercial employers to post a cash bond in the amount of no less than one (1) month's salary plus the cost of return transportation for the Nonresident Worker to the point of origin. The bond shall be paid prior to issuance of the permit.

6.4 The noncommercial employers may apportion the working hours of the Nonresident Employee between themselves provided that in no instance shall the total working hours of the Nonresident Worker exceed the maximum allowed by law or by these regulations.

6.5 A Nonresident Worker Permit issued pursuant to this Part shall otherwise be subject to and comply with all applicable provisions of law and these Regulations.

PART 7. APPLICATION REVIEW

7.1 The Employment Service shall promptly review an Application to insure that it is complete, that all required documents have been submitted and all required fees to date have been paid. If the Application is not complete, it shall be immediately returned to the employer with an explanation as to why it is being returned.

7.2 The Application review process generally takes fifteen (15) business days to complete, but could take longer in some instances. Any employer who did not take advantage of or who did not qualify for expedited processing of an Application pursuant to Part 4.6 above may, at the time the Application is submitted, request that the review of the Application be expedited by paying the expedite fee set forth in these regulations. Provided that the Application is complete and all other requirements have been met, the Employment Service shall endeavor to issue the Nonresident Worker permit by no later than five (5) business days after the payment of the expedite fee.

7.3 The Director shall review the Application to determine whether the job position is in the best interests of the Republic. If, at any time, the Director or the Minister determines in the exercise of their reasonable discretion that the employment of a Nonresident Worker to fill a job vacancy is not in the best interests of the Republic, the Employment Service shall refuse to accept or process the Nonresident Worker Application or issue a Nonresident Worker Permit.

7.4 The Employment Service shall not issue a Nonresident Worker Permit in any of the following situations:

- (a) The employer or recruiter has been or is presently engaged in the illegal recruitment of Nonresident Workers into Palau;
- (b) The Director determines pursuant to Part 5.1(k) that the employer does not have sufficient income to employ the Nonresident Worker;
- (c) The Application contains false information;
- (d) The employer has been convicted of a felony arising from or related to the employment of Nonresident Workers;

(e) The Nonresident Worker applicant has been convicted of a felony or of a crime of moral turpitude, whether a felony or misdemeanor; or

(f) The job position is exclusively reserved by law for citizens of the Republic or Resident Workers.

7.5 The Employment Service will generally determine that the issuance of a Nonresident Worker Permit is not in the best interests of the Republic when:

(a) Additional Nonresident Workers for the job position do not reasonably appear to be necessary;

(b) The employer previously has failed to demonstrate a commitment to train a Resident Worker for a job position occupied by a Nonresident Worker;

(c) The Employment Service has issued a written determination that the employer has violated Title 13 of the Palau National Code, these regulations, or the employer's Worker Contract with a Nonresident Worker on at least one occasion within the past year;

(d) The Employment Service determines that the recruiter or recruitment agency referring the Nonresident Worker has previously provided false information to employers, employees, or to the Employment Service;

(e) The employer has unresolved issues with the employer's current Nonresident Workers or with the Employment Service; or

(f) There are other grounds as determined by the Director in the exercise of his reasonable discretion.

7.6 As a condition of issuing a Nonresident Worker permit, in the exercise of his reasonable discretion the Director may require the employer to post a cash bond in an amount sufficient to cover no less than one (1) month salary or wages and the return transportation for the Nonresident Worker. The bond must be paid prior to issuance of the permit. The bond money shall be deposited by the Director into the National Treasury. The funds shall be used by the Employment Service to compensate the Nonresident Worker for unpaid salary or wages or to pay for the return ticket to the Nonresident Worker's point of origin in the event the employer defaults in payment of the salary, wages and/or repatriation costs. If the Nonresident Worker leaves Palau with no outstanding claim for salary or wages from the employer, the employer shall be entitled to a full refund of the cash bond posted for that Nonresident Worker, provided the employer applies for the refund within one (1) year of the Nonresident Worker's departure from the Republic.

7.7 The bond described in Part 7.6 above shall be mandatory whenever the employer:

- (a) Has not paid fees, fines, or other money owed to the Employment Service, to the Republic, or to the Social Security Administration, unless a written agreement has been entered into providing for such payment;
- (b) Has previously been unable or refused to pay for the return transportation of a Nonresident Worker;
- (c) Has previously been unable or refused to pay the salary or wages of a Nonresident Worker as required by a Worker Contract or by an order of the Director; or
- (d) Has otherwise previously failed to meet financial obligations required by these regulations.

7.8 In the event an employer is required to post a cash bond required by Part 7.6 above, in the exercise of his reasonable discretion the Director may accept a Third Party Surety or Guarantor who agrees to assume payment of any unpaid salary or wages due and owing the Nonresident Worker (up to a maximum of 3 months) and for the return transportation cost of the Nonresident Worker on behalf of the employer. In the event a Third Party Surety/Guarantor is accepted, the Director shall ensure that the Surety/Guarantor:

- (a) has sufficient income or assets to immediately pay the salary or wages and/or return transportation costs: and
- (b) signs all necessary paperwork to legally obligate the Surety/Guarantor to immediately pay such costs if and when the need arises.

PART 8. NONRESIDENT WORKER PERMIT ISSUANCE

8.1 If the Director determines that the application for a Nonresident Worker Permit is complete, that all applicable fees to date have been paid, and that the employment of the Nonresident Worker is in the best interests of the Republic, then upon the payment of the applicable permit fee set forth in these regulations the Director shall approve the application and the Employment Service shall issue a Nonresident Worker Permit for each worker whose application is approved and shall notify the Immigration Office of the issuance of the Nonresident Worker Permit. All Nonresident Worker permits shall be valid beginning on the date of entry of the Nonresident Worker into the Republic, which date will be the date of the issuance of the Nonresident Worker Permit for persons hired in Palau.

8.2 Within ten (10) days after entry into the Republic for employment purposes, the Nonresident Worker shall:

- (a) report to the Employment Service;
- (b) obtain a social security number from the Palau Social Security Administration and provide a copy of the social security card to the Employment Service; and
- (c) be subject to a physical examination to be conducted by or under the auspices of the Bureau of Public Health, the cost of such physical examination to be borne by the Nonresident Worker. If, after completion of the physical examination, it is determined by the Bureau of Public Health that the Nonresident Worker should not be allowed to remain in the Republic the President may order that the Nonresident Worker depart the Republic. The costs of such departure shall be at the employer's expense.

8.3 If a Nonresident Worker fails to enter the Republic within sixty (60) days from the date of issuance of a Worker Permit, then the Republic's Authorization Agreement with the employer and the Worker Permit issued in conjunction therewith shall expire. In such event, the employer of the Nonresident Worker may apply for an offset or refund of the Worker Permit Fee pursuant to Part 19 of these Regulations.

PART 9. APPLICATIONS FOR RENEWAL

9.1 Applications for a renewal of a Nonresident Worker Permit shall require the following:

- (a) The employer's compliance with the requirements of Part 4.1 of these regulations;
- (b) The submission of a completed Renewal Application in form and content as required by the Employment Service, which Renewal Application will be accepted by the Employment Service at the same time as the job vacancy announcement is submitted;
- (c) A copy of the Nonresident Worker's passport showing that it expires no less than six (6) months from the date of the Renewal application;
- (e) A Certificate of Police Clearance from the Palau Bureau of Public Safety;
- (f) A Health Certificate issued by the Republic's Ministry of Health and Human Services; and
- (g) A copy of the applicant's expiring Nonresident Worker Permit.

9.2 To allow sufficient time for compliance with the announcement requirements of Part 4 of these regulations a Renewal Application shall be submitted at least forty-five (45) calendar days prior to the expiration of the expiring Nonresident Worker permit. A Renewal Application submitted less than the 45 day period is deemed late. The Director, in the exercise of his reasonable discretion, shall accept late Renewal Applications, subject to the payment of an additional fee as established on the sliding scale set forth in these regulations.

9.3 Upon the expiration of the announcement period and a finding by the Director that there is no qualified Resident Worker immediately available to fill the job vacancy, that the Renewal Application is complete, that all applicable fees to date have been paid, and that the continued employment of the Nonresident Worker is in the best interests of the Republic, then upon the payment of the applicable permit fee set forth in these regulations the Director shall approve the application and the Employment Service shall execute a new employment contract and issue a renewal of the Nonresident Worker Permit for each worker whose application is approved and shall notify the Immigration Office of the issuance of the extended Nonresident Worker Permit. All renewals of Nonresident Worker permits shall be valid beginning on the date of the issuance of the permit.

PART 10. TEMPORARY EMPLOYMENT PERMITS

10.1 Pursuant to 13 PNC § 1303(a) Temporary Work Permits may be issued by the Director for Nonresident Workers who are needed in the Republic of Palau for ninety (90) days or less.

10.2 To acquire a Temporary Work Permit, the Employer must submit an application to the Director for approval and pay the fees associated. The Director, in the exercise of his reasonable discretion shall determine the application requirements necessary to acquire a Temporary Work Permit.

10.3 The Director, in the exercise of his reasonable discretion, may grant an extension. The Director may grant more than one extension, but the total time period of all extensions shall in no event exceed 180 days.

(a) A person sent to Palau and paid by a manufacturer or distributor located outside of Palau to perform services auxiliary to an existing contract of sale, such as installing machinery which has been exported to the Republic by such manufacturer or distributor, servicing the same, and training personnel located in the Republic to operate the same is not considered to be a temporary employee for purposes of these Regulations.

10.4 It shall be a violation of these Regulations if an employer uses or attempts to use the exemption for temporary employees provided by 13 PNC §1303 as a means of evading the requirements imposed by Title 13 PNC §1302 and §§1331 through 1344, and by these Regulations. As an example only and without limiting the scope of the foregoing, it shall be considered a violation if an employer brings or attempts to bring into the Republic the same employee more than one (1) time under temporary employment status regardless of the services to

be performed, or if an employer brings or attempts to bring into the Republic a different employee under temporary employment status to perform the same services previously performed by an employee under temporary employment status.

PART 11. WORKER & TEMPORARY EMPLOYMENT PERMIT REVOCATION

11.1 In the exercise of his reasonable discretion, a Nonresident Worker or a Temporary Employment permit shall be revoked by the Director upon a finding that there is reasonable evidence of any of the following:

- (a) the furnishing of false, incomplete, or misleading information in an application for the permit whether by the employer, the Nonresident Worker, or by the temporary employee.
- (b) the Nonresident Worker or the temporary employee develops a serious mental problem evidenced by having been adjudged insane, or mentally irresponsible, or an incompetent, or is a chronic alcoholic, or is being treated for serious mental or neurological disorders or for chronic alcoholism;
- (c) the use of or addiction to narcotic drugs by the Nonresident Worker or the temporary employee;
- (d) the conviction of the Nonresident Worker or the temporary employee of a felony, whether or not a term of imprisonment is imposed;
- (e) the conviction of the Nonresident Worker or the temporary employee of a misdemeanor for which the Nonresident Worker or the temporary employee is ordered to serve a term of imprisonment in excess of six (6) months; or
- (f) the conviction of the Nonresident Worker or the temporary employee of a crime of moral turpitude, whether a felony or misdemeanor.

11.2 In the event the Director revokes a Nonresident Worker or Temporary Work permit the Director shall promptly advise the employer and take steps to cause the deportation of the Nonresident Worker or the temporary employee from Palau. The timing of any such deportation shall take into account the time needed to settle any outstanding grievances between the employer and the Nonresident Worker or temporary employee.

11.3 A Nonresident Worker or Temporary Employment permit may be revoked by the President pursuant to the provisions of 13 PNC §§1005 and 1006.

PART 12. OBLIGATIONS & RIGHTS OF THE EMPLOYER

An employer must agree to and implement the following as a condition of being allowed to employ a Nonresident Worker(s).

12.1 An employer may only employ a Nonresident Worker who is at least twenty-one (21) years old but not older than sixty-five (65) years, inclusive, at the time of the Application for a Nonresident Worker permit. The age restrictions of this Part may be waived by the Director upon a showing that the Nonresident Worker has unique knowledge or skill and/or provides an irreplaceable service to the employer, and shall be waived by the Director where the Nonresident Worker is legitimately married to a Palauan or has Palauan dependents (biological or adopted).

12.2 An employer may utilize a Nonresident Worker only to perform the occupation for which the Nonresident Worker has been approved by the Employment Service. This restriction does not prohibit legitimate subcontract arrangements. To be a legitimate subcontract arrangement, an employer of a Nonresident Worker must at all times directly control and be responsible for the work related activities and wages/salary of the Nonresident Worker in connection with the subcontract. For purposes of these regulations a legitimate subcontract arrangement does not include any situation, commercial or otherwise, where an employer “loans” a Nonresident Worker to work for, be under the control and supervision of, and directly paid by another person, a situation commonly referred to as a “u-drive” arrangement. As an example only and without limiting the scope of the foregoing, a noncommercial employer who employs a Nonresident Worker as a domestic helper or as a farmer cannot under any circumstances allow the Nonresident Worker to work for pay for any other person. Nothing herein shall be construed, however, to prohibit a licensed employer operating a cleaning business or maid service, or similar business from providing such cleaning or maid services, periodically or otherwise, pursuant to a contract with the customer.

12.3 The employer may utilize a Nonresident Worker to perform work for the employer outside of the occupation for which the Nonresident Worker has been approved by the Employment Service, but that work must be reasonably related to the approved occupation. As an example only and without expanding or limiting the scope of the foregoing, a Nonresident Worker approved to be an assistant bookkeeper but who is later promoted by the employer to a more senior accountancy position will be considered as performing work reasonably related to the occupation previously approved; i.e., the new position would not be considered as a change of occupation.

12.4 With the limited exceptions listed below in Part 12.5, an employer shall pay a Nonresident Worker the minimum wage established by law. As of the effective date of these regulations, the minimum wage required by law is three dollars and fifty cents (\$3.50) per hour. Employers must remain informed as to developments regarding the minimum wage so as to assure that they are in compliance with the law at all times. Ignorance of the law is no excuse. The failure of an employer to comply with the minimum wage requirements may subject the employer to certain penalties provided by law or these Regulations.

12.5 As of the effective date of these regulations, the minimum wage does not apply to the following categories and numbers of Nonresident Workers:

- (a) Up to two (2) Nonresident Workers employed as farmers by a single employer;
- (b) Up to two (2) Nonresident Workers employed by a single employer as domestic helpers, caretakers, babysitters, or house boys;
- (c) Nonresident Workers who are students; and
- (d) Nonresident Workers employed by duly licensed non-profit organizations.

To be clear, an employer may employ up to only two (2) Nonresident Workers as farmers and up to only two (2) Nonresident Workers from the jobs (*NOT TWO FROM EACH JOB*) described in subsection (b) above, for no more than a total of four (4) Nonresident Workers per employer who do not need to be paid the minimum wage. There is no limit on the number of Nonresident Workers in the categories described in subsections (c) and (d) above who can be employed and not paid the minimum wage.

12.6 Notwithstanding the foregoing, for each Nonresident Worker for whom an employer is not required to pay the minimum wage, the employer shall pay such Nonresident Worker a gross salary or wages totaling no less \$300.00 per month, shall provide cash food allowance of no less than \$75.00 per month, and shall provide housing complying with Part 14 of these Regulations. The cost of the food allowance and providing housing shall not be included towards calculating the gross salary or wage paid to such Nonresident Worker.

12.7 An employer required to pay the minimum wage to a Nonresident Worker may, but is not obligated to, pay for the Nonresident Worker's food, housing, or other living expenses. However, if an employer required to pay the minimum wage to a Nonresident Worker does provide housing and/or food the employer may, in calculating the wages paid for purposes of satisfying minimum wage requirements, take into account the actual cost (exclusive of profit to the employer) of

providing the housing and/or food by deducting from the wages paid the Nonresident Worker the actual cost of such housing and/or food. Notwithstanding the foregoing, the maximum deduction that can be made from the salary or wages of a Nonresident Worker for food and housing may not exceed fifteen percent fifteen (15%) the Nonresident Worker's monthly salary or wages. Housing and food will only be deemed to have been paid as salary or wages if the employee actually received the food and occupied the housing. The actual cost of housing and food included towards calculating the salary or wage paid to the Nonresident Worker shall be included as income to the Nonresident Worker for purposes of reporting the wage and salary and social security tax. Any arrangement to deduct the foregoing costs must be disclosed and included in the Worker Contract with the Nonresident Worker.

12.8 Employers of Nonresident Workers employed in a service sector occupation should note that the minimum wage law prohibits employers from keeping any part of a service charge, tip, or other gratuity left or given by a customer to the employer's employees (Nonresident or Resident) and also prohibits such from being used as payment or credit toward the payment of the minimum hourly wage. The employer is referred to 13 PNC §1306.

12.9 An employer may recover from a Nonresident Worker a maximum of fifty percent (50%) of the Nonresident Worker permit fees paid by the employer, provided, however, that the employer has given written notice of his intent to recover such fees to the Nonresident Worker prior to the Nonresident Worker having departed from his home country or, in the case of a Nonresident Worker legally present in Palau at the time of hiring, prior to the Nonresident Worker signing the Worker Contract with the employer. The inclusion of a provision regarding recovery of the permit fee in the Worker Contract with the Nonresident Worker prior to it being signed by the Nonresident Worker satisfies the written notice required by this Part. The recovery of such fees shall be through deductions from the salary or wages of the Nonresident Worker, provided that the deductions may not exceed ten percent (10%) of the Nonresident Worker's gross monthly salary or wages.

12.10 *THE EMPLOYER, REGARDLESS OF WHETHER THE NONRESIDENT WORKER IS BROUGHT INTO THE REPUBLIC BY THE EMPLOYER, TRANSFERRED TO THE EMPLOYER, OR IS OTHERWISE LAWFULLY IN THE REPUBLIC WHEN HIRED BY THE EMPLOYER; IS RESPONSIBLE FOR THE ENTIRE COST OF RETURN TRANSPORTATION (ECONOMY CLASS TICKET WITH ASSOCIATED LUGGAGE ALLOWANCE) TO THE POINT OF ORIGIN OF EVERY NONRESIDENT WORKER THAT THE EMPLOYER EMPLOYS,*

REGARDLESS OF THE REASON FOR THE NONRESIDENT WORKER'S DEPARTURE. MOREOVER, IN THE EVENT OF THE DEATH OF THE NONRESIDENT WORKER, THE EMPLOYER IS RESPONSIBLE FOR THE ENTIRE COST OF REPATRIATING THE NONRESIDENT WORKER'S REMAINS AND PERSONAL BELONGINGS TO THE POINT OF ORIGIN. IN CASE THE REPATRIATION OF REMAINS IS NOT POSSIBLE, THE SAME MAY BE DISPOSED OF ONLY UPON THE PRIOR APPROVAL OF THE EMPLOYEE'S NEXT KIN OR BY THE EMBASSY/CONSULATE OF THE NONRESIDENT WORKER'S COUNTRY OF ORIGIN NEAREST THE REPUBLIC.

12.11 The employer and the Nonresident Worker may agree in the Worker Contract that a portion of the salary or wages paid the Nonresident Worker each payday will be withheld to cover transportation costs back to the Nonresident Worker's point of origin in the event of a breach of the Worker Contract or termination of employment without cause by the Nonresident Worker. The portion withheld from any one paycheck shall not exceed ten percent (10%) of gross salary or wages paid in that paycheck and in no event shall the total amount withheld exceed one hundred percent (100%) of the actual cost of the transportation costs back to Nonresident Worker's point of origin. The actual cost shall be the cost for an economy ticket at the time of the signing of the Worker Contract. The total amount withheld shall be refunded to the Nonresident Worker at the completion of the Worker Contract, or if the Nonresident Worker is terminated without cause. Nothing in this Part shall be construed as amending or diminishing the employer's responsibilities set forth in Part 12.10.

12.12 The employer shall be responsible for the entire cost of all medical expenses of every Nonresident Worker that the employer employs arising from or related to job related activities or accidents.

12.13 The employer shall give every Nonresident Worker and every Resident Worker that the employer employs at least one (1) day off per week, consisting of at least ten (10) continuous hours without working between 6:00 a.m. and 6:00 p.m.

12.14 The employer of a Nonresident Worker who also employs a Resident Worker(s) performing the same occupation as that performed by the Nonresident Worker shall pay the Resident Worker(s) a salary or wage at least equivalent to the salary or wage paid the Nonresident Worker and shall grant the Resident Worker(s) the same annual and sick leave benefits granted to the Nonresident Worker.

12.15 The employer shall use its best efforts to recruit and train a Resident Worker for every unskilled job for which the employer employs a Nonresident Worker, and shall cooperate with the Employment Service to train a Resident Worker for every skilled job for which the employer employs a Nonresident Worker.

12.16 To ensure safe and healthful working conditions the employer shall furnish every Nonresident Worker and every Resident Worker that the employer employs and require them to use personal and other safety devices to safeguard against and prevent injuries and illnesses arising out of the work environment. Employers of Nonresident Workers shall adopt reasonable and adequate health and safety rules and shall require their Nonresident Workers and every Resident Worker that the employer employs to comply with such rules. Employers of Nonresident Workers shall provide to their Nonresident Workers and every Resident Worker that the employer employs an adequate supply of drinking water and sufficient and sanitary toilet facilities at the work site or reasonable access thereto.

12.17 An employer shall provide transportation for Nonresident Workers from their housing site or from a convenient central meeting place to and from any job site located beyond reasonable walking distance to the housing site. When such transportation is provided, it shall be equally available to Resident Workers.

12.18 As appropriate, an employer of a Nonresident Worker shall keep the following records for each Nonresident Worker and upon demand permit the Office of Labor Compliance to review the same:

- (a) The name, address, age, physical location of residence in Palau, job classification, and wage rate of the Nonresident Worker;
- (b) Payrolls records showing the number of hours worked each week, the compensation earned, and deductions made for the Nonresident Worker;
- (c) The citizenship, point of origin, entry permit expiration date, and experience and education of the Nonresident Worker;
- (d) The number of employment-related accidents, if any, the type of injuries, the treatment, the outcome of treatment, the Nonresident Worker's subsequent employment status, and the amount of time lost from work;

- (e) The number of illnesses experienced by the Nonresident Worker, the types of illnesses, the treatment, the outcome of treatment, the Nonresident Worker's subsequent employment status, the amount of time lost from work, and whether hospitalization was required; and
- (f) A copy of the employer's Nonresident Worker Agreement with the Employment Service authorizing the hiring of the Nonresident Worker in question.
- (g) A copy of any subcontract agreement wherein the Nonresident Worker was utilized by the employer.

PART 13. OBLIGATIONS & RIGHTS OF NONRESIDENT WORKER

13.1 A Nonresident Worker is entitled to the salary or wage and other benefits contained in and arising from the Worker Contract with the employer. The laws of the Republic and these Regulations do not permit an employer to impose restrictions, obligations, salary or wage penalties or the like, that are not in the Worker Contract or that are contrary to the laws of the Republic. A Nonresident Worker's refusal to abide by such unauthorized or unlawful obligations or restrictions shall not constitute just cause for termination by the employer.

13.2 Unless a Nonresident Worker's job as a farmer, domestic helper, caretaker, babysitter or house boy is exempted from the minimum wage law, a Nonresident Worker is entitled to be paid the minimum wage established by law. Any Nonresident Worker entitled to the minimum wage established by law who does not receive it shall have a civil cause of action in any Republic court of appropriate jurisdiction, through the Office of the Attorney General or through the aggrieved Nonresident Worker's choice of private or self- representation.

13.3 A Nonresident Worker who is paid less than the minimum wage is entitled to the salary or wages and other benefits described in Part 12.6 of these Regulations.

13.4 A Nonresident Worker is otherwise entitled to all the benefits that the laws of the Republic and these Regulations require the employer to provide or confer upon the Nonresident Worker. As examples only and without limiting the scope of the foregoing, a Nonresident Worker is entitled to the safe and healthful working conditions, to transportation to the work site in certain circumstances, to housing of a certain quality and size if housing is provided to the Nonresident Worker, etc.

13.5 A Nonresident Worker' obligations arise solely from the Worker Contract with the employer, and the laws of the Republic.

13.6 A Nonresident Worker is prohibited from engaging in any other employment for compensation or for profit other than for the employer who has contracted with the Director for the employment of the Nonresident Worker in the Republic.

13.7 A Nonresident Worker is required to keep the Nonresident Worker Permit on his person at all times; provided that, just prior to the Nonresident Worker's termination and departure from the Republic, the permit shall be turned over to the employer for submission to the Employment Service. In the event the permit is turned over to the employer for temporary extension or renewal purposes, a photocopy of the permit shall be made, given to, and held by the Nonresident Worker on his person at all times.

13.7 A Nonresident Worker whose Worker Contract expires or is lawfully terminated for any reason is not permitted to work for any other employer in the Republic for a period of five (5) years from the date of the Worker Contract's expiration or termination. However, a Nonresident Worker is not prohibited from returning to Palau within said five (5) year period and working for the same employer with whom the Nonresident Worker had a contract immediately prior to expiration or termination of the Worker Contract.

13.9 A Nonresident Worker aggrieved by an order of the Director issued under the provisions of 13 PNC §1352 or §1354 may appeal the order to the Trial Division of the Supreme Court within ten (10) days following the date of the order.

PART 14. LIVING CONDITIONS

An employer shall be responsible for meeting the following conditions where the employer provides housing to Nonresident Workers and controls the occupancy of the housing. Violations of this Part shall be enforced by the Office of Labor Compliance or other pertinent government agencies.

14.1 Housing Site.

(a) Grounds around worker housing shall be maintained in a clean and sanitary condition free of rubbish, debris, waste paper, garbage, and other refuse. Occupants of worker housing are responsible for assisting in this responsibility to the degree that they generate such refuse.

(b) Whenever worker housing is closed on a permanent or semi-permanent basis, the employer shall insure that all garbage, waste and other refuse that would cause a nuisance is collected and disposed of and that the grounds and housing are left in clean and sanitary condition. All

abandoned outhouse pits shall be filled with earth. Remaining outhouses shall be locked or otherwise secured to prevent unauthorized entrance.

14.2 Adequate Shelter.

- (a) Worker housing shall be constructed in a manner that will provide protection against the elements, including wind, rain and flood, fire, and landslides.
- (b) Natural ventilation consisting of windows that can be opened shall be provided.
- (c) Each room in the housing shall be provided with adequate lighting.

14.3 An adequate and convenient clean water supply shall be provided for drinking, cooking, bathing, and laundry purposes.

14.4 Toilet Facilities.

- (a) The number of sit-down toilets to be provided at worker housing shall be no less than one (1) toilet per eight (8) persons.
- (b) Toilet facilities shall be located within two hundred (200) feet of the sleeping quarters. No toilet facility shall be located in a room used for other than toilet purposes. No outhouse pit shall be within one hundred (100) feet of any sleeping room, eating area, or kitchen.
- (c) Natural ventilation consisting of windows that can be opened shall be provided.
- (d) Toilet facilities shall be of sanitary and construction, easily cleaned, and shall be maintained in sanitary condition by the individuals using the facilities or by the employer.

14.5 Laundry, Hand Washing and Bathing Facilities.

- (a) Sanitary laundry, hand washing, and bathing facilities shall be provided.
- (b) Facilities shall be of sanitary and easily cleanable construction and shall be maintained in sanitary condition by the individuals using the facilities.

14.6 Sewage and Refuse Disposal.

- (a) Where public sewers are available, all sewer lines and floor and sink drains from toilet, laundry, hand washing, bathing, and kitchen facilities shall be connected thereto. Where public sewers are not available, all sewer lines and floor and sink drains from toilet, laundry, wash basins, bathing, and kitchen facilities shall be connected to a private wastewater disposal system.
- (b) Garbage shall be stored in disposable or containers that can be cleaned.

14.7 Food Storage, Kitchen, and Eating Facilities:

- (a) Food or cooking facilities are to be provided wherever workers are provided common living quarters.

- (b) Food shall be stored safely.
- (c) Refrigeration facilities shall be provided for storage of perishable food.
- (d) No person with a communicable disease shall be employed in the preparation or serving of meals.
- (e) Facilities shall be adequate for insuring sanitary maintenance of eating and cooking utensils.

14.8 Health Measures:

- (a) Adequate first aid supplies shall be available at the living site for the emergency treatment of injured persons.
- (b) The employer shall report to the Bureau of Public Health the name and address of any Nonresident Worker known to have or suspected of having a communicable disease.
- (c) The employer shall report to the Bureau of Public Health any case of food poisoning or the unusual prevalence of any illness.

PART 15. TRANSFER OF NONRESIDENT WORKER

15.1 Except in the following circumstances, a Nonresident Worker whose Worker Contract expires or is terminated for any reason shall not be permitted to work for any other employer in the Republic for a period of five (5) years from the date of the expiration or termination of the Worker Contract:

- (a) The Nonresident Worker is the legal spouse of a Palauan citizen;
- (b) The Nonresident Worker's employer dies and the employer's legal successor agrees to retain the employment of the Nonresident Worker;
- (c) The Nonresident Worker's employer sells the company or business or otherwise transfers management of the company or business to another employer, and the buyer/transferee agrees to retain the Nonresident Worker as an employee;
- (d) The Nonresident Worker's employer is a sole proprietor who incorporates the business where the Nonresident Worker is employed and the corporation transferee agrees to retain the Nonresident Worker as an employee
- (e) The Nonresident Worker's employer's business dissolves;
- (f) The Nonresident Worker's employer is found guilty by a court of law for any crime where the Nonresident Worker, or a dependent of a Nonresident Worker, is a victim; or

(g) The Director determines that the Nonresident Worker has been abandoned by the employer as set forth in 13 PNC 1334(a)(5).

15.2 In the event any of the circumstances described in subsections (a) through (g) of Part 15.1 above occur, the Director shall permit the Nonresident Worker to transfer to another employer for the duration and pursuant to the terms of the Nonresident Worker's current Worker Contract, and any eventual renewal thereof as applicable, but only if the Nonresident Worker is otherwise eligible to be hired by another employer; if it appears to the satisfaction of the Director that the payment of the Nonresident Worker's wage and salary and social security taxes are or will be brought up-to-date; and if the new employer enters into a standard Authorization Agreement with the Employment Service for the Nonresident Worker.

15.3 A Nonresident Worker whose Worker Contract expires or terminates for reasons other than those set forth in Part 15.1 above is not prohibited from returning to Palau within five (5) years and working for the same employer with whom the Nonresident Worker had a Worker Contract immediately prior to the expiration or termination of the Worker Contract, and nothing in this Part shall be construed otherwise.

PART 16. TEMPORARY PLACEMENT

In exceptional cases that involve hardship, legal due process, abuse, or other extenuating circumstances, in the exercise of his reasonable discretion the Director may issue a Temporary Placement Permit to temporarily place a Nonresident Worker with another employer for a period necessary for the Nonresident Worker to earn sufficient income to pay for a return ticket home; provided that no circumstances shall the Temporary Placement Permit be for longer than twelve (12) months. Additionally, in the exercise of his reasonable discretion the Director may waive or reduce the Temporary Permit fee. The new temporary employer shall be required to enter a new Worker Contract with the Nonresident Worker, and otherwise comply with all the applicable provisions of these Regulations.

PART 17. DISPUTE RESOLUTION

17.1 Any person (sometimes referred to herein as the "complainant") may sign and file a written complaint with the Director that a violation of the provisions of Title 13 of the Palau National Code or of these Regulations has occurred, without limitation including violations related to unsafe working conditions, non-payment of wages, working hours, contract termination, or a breach of the Nonresident Worker Contract. Notwithstanding, Nonresident Workers should attempt to

resolve disputes with their employer prior to filing a complaint. Upon receipt of a signed written complaint the Director shall serve a copy of the complaint on the party against whom the complaint was lodged and conduct an investigation of the allegations of the complaint. Oral or unsigned written complaints shall not be entertained. The Office of Labor Compliance shall assist the Director in any investigations undertaken pursuant to this Part.

17.2 A Resident Worker rejected for an advertised job vacancy may file a signed written complaint with the Director. In the event the employer who advertised the job vacancy subsequently applies to the Employment Service to employ a Nonresident Worker in that job, the Director shall conduct an investigation as to whether a qualified Resident Worker was denied preference in employment.

17.3 An employer terminating a Nonresident Worker before the end of the worker's Worker Contract shall give written notice to the Nonresident Worker and a copy of such notice to the Employment Service, at least five (5) working days prior to the effective date of the termination. The notice shall state the Nonresident Worker's name, the number of the Nonresident Worker Permit, the reasons for termination, and the expected date of departure from the Republic.

17.4 Upon receipt of a written notice of termination, the Director shall immediately review the reasons for termination. If the Nonresident Worker to be terminated signs and files a written complaint within ten (10) days of the termination notice concerning the failure of the employer to comply with the conditions of the Worker Contract, the Director shall immediately conduct an investigation of the complaint. If no complaint is filed by the Nonresident Worker within the 10 day period, then the opportunity to file a complaint shall be deemed to have been waived by the Nonresident Worker.

17.5 Investigations of complaints may include site inspections, reviews of relevant documentation, and interviews with the parties to the complaint and with relevant witnesses, as the Director deems necessary. Parties to a complaint may submit written statements and documentary or material evidence to the Director during the investigation. Interviews may be conducted separately or in the presence of the employer and/or the complainant, in the field or upon advance written notice at a specified location, at the discretion of the Director. The failure of an employer or the complainant to respond to a written notice of an interview or to respond to a written letter asking for information shall not prevent the Director from reaching a decision based

on other information, nor shall it delay the Director's decision, except where good cause is shown for failure to appear or to provide the information as requested by the Director.

17.6 Pending a decision of the Director on the Nonresident Worker's complaint, wages may be withheld by the employer after the effective date of the termination. However, shelter and food shall be provided to the Nonresident Worker during the ten (10) day waiting period if wages are withheld or if shelter and food had been provided by the Worker Contract. A sufficient living allowance, as determined by the Director in the exercise of his reasonable discretion, may be provided in lieu of food and shelter.

17.7 Prior to issuing a written order on the complaint, the Director first shall encourage the parties involved to attempt to settle their differences and offer to mediate if the parties are amenable to settlement. A settlement agreement may be reached between the parties with the assistance of the Director. A record of such settlement specifying its conditions shall be prepared by the Director, and signed by the parties with the Director or other personnel from the Office signing as a witness to the settlement agreement. Acceptance of the agreement shall constitute the ruling of the Director and the case shall be closed.

17.8 When a settlement agreement cannot be reached, the Director shall issue a decision on the complaint. The Director's decision on the Nonresident Worker's complaint shall be contained in a written order promptly personally served upon the Nonresident Worker and the employer.

17.9 The Director's decision and order shall be in letter form and include the following information:

- (a) A copy of the complaint;
- (b) Information considered by the Director in reaching a decision;
- (c) Any laws, regulations, or Worker Contract provisions violated; and
- (d) Orders directed to one or both parties.

17.10 If the Director finds that the employer has complied with relevant provisions of the Worker Contract in terminating the Nonresident Worker, and has cause to terminate, then the employer shall not have to pay any wages to the employee from the effective date of the termination notice and the Nonresident Worker shall be required to leave the Republic on or before the date designated by the Director in the order. In such event, the employer shall use money, if any, withheld from the Nonresident Worker's wages to pay for repatriation. In any event, a Nonresident Worker repatriated to the Nonresident Worker's point of origin for violating or prematurely

terminating their Worker Contract without cause shall not be allowed to return to work in the Republic for a minimum of five (5) years.

17.11 If the Director finds that the employer failed to comply with relevant provisions of the Worker Contract in terminating the Nonresident Worker, or terminated the Nonresident Worker without cause, the employer shall be required to pay all regular wages that should have been paid to the Nonresident Worker from the date wages were withheld to the date of the Director's order, and to comply with any other order or sanction ordered by the Director. Additionally, in such event the Nonresident Worker, at his sole option, shall be entitled immediately receive all wages withheld for return transportation.

17.12 The Director's decision and order shall be in letter form and include the following information:

- (a) A copy of the complaint;
- (b) Information considered by the Director in reaching a decision;
- (c) Any laws, regulations, or Worker Contract provisions violated; and
- (d) Orders directed to one or both parties.

PART 18. OFFICERS AND CREW OF FOREIGN FISHING VESSEL

18.1 All Nonresident Workers employed as officers or crew on board foreign fishing vessels—as defined in Title 27 of the Palau National Code—based primarily in the Republic shall obtain a Nonresident Worker Permit. A foreign fishing vessel will be considered to be based primarily in Palau if it is physically present within the territorial waters of the Republic for more than ninety (90) days (cumulative) per calendar year.

18.2 An application for the employment of a Nonresident Worker as an officers or crew of a foreign fishing vessel shall comply with the announcement requirement of Part 4 of these Regulations, and in lieu of the documents required by Part 5.1 of these Regulations shall require the following:

- (a) An application form submitted by the employer in form and content as required by the Employment Service;
- (b) A copy of the Nonresident Worker's passport or seamen's book;
- (c) A sworn affidavit completed by the Nonresident Worker;
- (d) A Health Clearance, in English. A Health Certificate issued by the Republic Ministry of Health and Human Services satisfies the requirements of this section; and

(e) A copy of the employment contract used by the vessel owner.

18.3 A Nonresident Worker Work Permit issued pursuant to this Part shall be valid for a period of up to two (2) years from the date of issuance. Applications for shall be accompanied by the applicable renewal fee and pictures and shall include the information required pursuant to Part 18.2 above.

18.4 The housing requirements of Part 14 is inapplicable in situations where the Nonresident Worker is housed onboard the fishing vessel.

PART 19. FEES

19.1 Job Vacancy Announcement Fee (non-refundable) \$25.00

19.2 Expedite Fee (non-refundable) \$250.00

19.3 Application Fees (all application fees are non-refundable) \$50.00

(a) Extension Application \$50.00

(b) Change of Status Application \$1000.00

(c) Temporary Work Permit Fee \$600.00

19.4 Permit Fees (permit fees are refundable and/or may be used as an offset against future fees as provided in Part 19.

(a) New/Extended Nonresident Worker Permit Fees

(i) One Year (1 yr) \$300.00

(ii) Two-Years (2 yrs) \$600.00

(b) Permit Issued Pursuant to Status Change (1 yr) \$125.00

	Permit Issued Pursuant to Status Change (2 yrs)	\$250.00
19.5	Temporary Work Permit Fee	\$600.00
19.6	Change of Occupation	\$600.00
19.7	Replacement of lost or damaged Work Permit	\$220.00
19.8	Re-issue of Visa (extension of days)	\$150.00
19.9	Extension of Temporary Work Status	\$100.00
19.10	Photocopying Fee	\$1.00/page
19.11	Copy of Regulations	\$10.00
19.12	Nonresident Worker Annual Fee pursuant to 13 PNC § 1342	
	(i) New Application	\$150
	(ii) Permit Application Renewal	\$100

The fees listed under column A are the fees that will be charged as of the effective date of these Regulations. The fees listed under column B will become effective one (1) year after the effective date of these Regulations. All fees in are subject to a \$50.00 late penalty for every week or portion of a week that a payment is late. Nonresident Worker Permit Fees may be prorated pursuant to the terms of the worker’s employment contract.

Citizens of the United States, the Federated States of Micronesia, or the Republic of the Marshall Islands, are exempt from having to pay the fees imposed by this Part 19 pursuant to 13 PNC § 1326(a) as amended by RPPL No. 11-26.

PART 20. CANCELLATION OF APPLICATION; REFUND/OFFSET REQUESTS

20.1 An employer may request that the Employment Service cancel the employer’s application for a new Worker Permit or renewal of a Worker Permit provided the employer submits a written

request to the Director prior to the issuance of the new Worker Permit or the Worker Permit renewal. In the case of a request to cancel an application to extend, the employer shall also arrange for and advise the Director of the Nonresident Worker's departure from the Republic. If the original of the existing Work Permit has not already been provided to the Employment Service, the employer shall provide such along with the request for cancellation. In the event the existing Worker Permit is not available, the employer shall pay the fee associated with a lost Worker Permit. A new Work Permit Application that has been processed will not be returned to the employer, but will be kept for record purposes.

The following are the procedures required of an employer to receive a refund or an offset of certain fees paid to the Employment Service. Announcement fees, application fees and expedite fees are not refundable for any reason.

20.2 In the event a Nonresident Worker fails to enter the Republic within sixty (60) days from the date of issuance of a Worker Permit, the employer of the Nonresident Worker may apply for a refund of the new Worker Permit fee or an offset of the fee for a new Worker Permit, provided the employer complies with the procedures set forth in Part 20.5 below.

20.3 In the event a Nonresident Worker leaves Palau, through no fault of the employer, within sixty (60) days of the issuance of the Nonresident Worker's Worker Permit, the employer may obtain an offset of the fee for a new Worker Permit, provided the employer complies with the procedures set forth in Part 20.5 below.

20.4 In the event a renewal of a Nonresident Worker Permit is issued but not utilized for whatever reason, the employer may obtain an offset of the fee for a new renewal of a Nonresident Worker Permit, provided the employer complies with the procedures set forth in Part 20.5 below.

20.5 A request for a refund or offset, as applicable, of any of the fees enumerated in Parts 20.2-20.4 above requires the following:

- (a) the submission by the employer of a written request to the Director within one hundred twenty (120) days after the issuance of the Work Permit or the Work Permit renewal;
- (b) for the situation described in Part 19.3 above, a document in form and content satisfactory to the Director indicating the date of the Nonresident Worker's departure from Palau;
- (c) the submission of the original Work Permit or Work Permit renewal, provided that in the event the original Worker Permit or Worker Permit renewal is not available, the employer shall pay the fee associated with a lost Worker Permit; and

(d) a receipt for payment of the fee for which a refund or offset is being sought.

Adopted by Honorable Ngiraibelas Tmetuchl

Minister, Ministry of Human Resources, Culture, Tourism & Development

Approved by His Excellency Surangel Whipps Jr.

President, Republic of Palau