

GOVERNMENT OF THE REPUBLIC OF PALAU
DIVISION OF LABOR
RULES AND REGULATIONS
2019

PART I AUTHORITY AND PURPOSE:

The Director of the Bureau of Immigration and Foreign Labor is authorized by Section 1034 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 rules and regulations are issued pursuant to Title 13.

Purpose. The purpose of these regulations is to inform all parties of their rights, privileges, and obligations in regard to the employment of Nonresident Workers in the Republic of Palau, to ensure a balanced and stable economy in the Republic of Palau, and to prevent the impairment of wages and working conditions of Resident Workers.

Basic Provisions. Employers in the private sector seeking to employ Nonresident Workers in the Republic of Palau shall secure Work Permits for such workers by applying to the Bureau of Immigration and Foreign Labor before such workers may enter the Republic of Palau. Certain conditions of employment shall be met by the Employers and by the Nonresident Workers.

PART II STATEMENT OF POLICY

It is essential to a balanced and stable economy in the Republic of Palau that workers who are citizens of the Republic be given preference in employment in occupations and industries in the Republic. The public interest requires that the employment of noncitizen workers in occupations and industries not impair the wages or working conditions of Palauan 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 III DEFINITIONS

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

- a) "Available" means able to be on the island on which the Employer desires workers on the date the employer states the workers are desired.
- b) "Bureau" means Bureau of Immigration and Foreign Labor.
- c) "Chief" means the Chief of Labor Division, Bureau of Immigration and Foreign Labor.

- d) "Director" means the Director of the Bureau of Immigration and Foreign Labor.
- e) "Division" means the Division of Labor, Bureau of Immigration and Foreign Labor.
- f) "Employer" means any individual, partnership, association, or corporation hiring or employing employees in the Republic of Palau and any individual who has in his employ a domestic servant, but does not include any branch or agency of a state government or the national government.
- g) "Employment Service" means the agency established in the Bureau of Immigration and Foreign Labor, pursuant to 13 PNC § 1031, *et seq.*
- h) "Minister" means the Minister of Justice.
- 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 PNC.
- j) "Ministry" means the Ministry of Justice.
- k) "Missionary" means a person sent out by a religious organization (i) to preach or teach religion or (ii) to work as a lay worker in hospitals or provide other community services if the salary and other financial support of the person is primarily paid by a religious organization outside of Palau.
- l) "Nonresident Worker" means any person who is capable of performing services or labor and who is not a citizen of the Republic.
- m) "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 his living place.
- n) "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 in Palau at their own expense, and who are recruited and hired in Palau pursuant to "Change of Status" procedures, at the time of hiring of such workers.
- o) "Profession" means lawyer, doctor, scientist, certified public accountant, or other position requiring a post-graduate degree and/or certification, as determined by the Director and approved by the Minister.
- p) "Republic" means Republic of Palau.
- q) "Resident Worker" means any person who is capable of performing services or labor and who is a citizen of the Republic of Palau, or a noncitizen who has been granted permanent resident status pursuant to law.
- r) "Skilled worker" means an employee with specialized skills, training, knowledge, and acquired ability in order to perform the duties of their employment, such as software development, paramedics, physicians, heavy equipment operator, mechanics, craftsmen, and accountants.
- s) "State government" means any government of the sixteen (16) States of the Republic of Palau.
- t) "Subcontract agreement" means an agreement between a subcontractor who employs a Nonresident Worker and a prime contractor to provide labor or services performed by a Nonresident Worker to the prime contractor.

- u) "Temporary Placement Permit" means a permit issued by Director in exceptional cases that involve hardship, legal due process, abuse, or other extenuating circumstances to a Nonresident Worker, which special permit allows Nonresident Worker to work for another Employer for a period not to exceed a total of twelve (12) months.
- v) "Temporary Work Permit" means a ninety (90) day temporary work permit issued to a non-resident who comes to Palau pursuant to 13 PNC § 1022, and which permit shall in no event exceed a total of one hundred eighty (180) days.

PART IV ANNOUNCEMENT REQUIREMENT

4.1 Any employer who desires to hire a Nonresident Worker shall file an application with the Employment Service.

4.2 Upon receiving the application, the Employment Service Officer must first endeavour to fill the job vacancies by referral of qualified Resident Workers registered with such Employment Service or the Citizen Job Placement Office at the Ministry of Finance.

4.3 In the event no resident worker is currently available, then all position vacancies proposed shall be announced for a period of thirty (30) days by the Employment Service. During this thirty (30) day period the Employment Service shall attempt to locate qualified Palauan citizens to fill the vacancies, including those qualified citizens identified by the Citizen Job Placement Office at the Ministry of Finance. The announcement shall specify (a) the occupational position, (b) the job location, (c) the minimum wage in dollars and cents, (d) any pertinent details about job duties and required qualifications, and (e) how to contact the Employer. The Announcements shall be made through radio and other posting such as public television channel newspaper or in public places where deemed feasible by the Employment Service. No Nonresident worker shall be permitted to be employed unless such announcement shall have been given for a period of thirty (30) days. And in the event there is qualified Palauan citizen for the position, he/she must be hired and the effort to hire a Nonresident Worker shall immediately terminate.

Announcements with language requirements other than Palauan or English shall not be accepted in applications to employ Nonresident Workers without a written justification submitted by the Employer and approved by the Director.

4.4 Where a managerial or professional position is desired by the Employer, the Director, or his representative, at his discretion will cause the application to be processed immediately if he has reasonable belief that no citizen or permanent resident is qualified and available for such positions so as to facilitate economic development.

4.5 Upon the expiration of thirty (30) days after the announcement, the Employment Service Officer, upon finding that there are no qualified Resident Worker available to fill the

vacancy, shall notify the Director of said position which may now be available to Nonresident Workers.

4.6 Upon receipt of notice from the Employment Service Officer, the Director shall determine whether employment of such Nonresident Workers will be in the best interest of the Republic. If so, the Director may require employer to submit all documents necessary for processing and approval of the hiring of Nonresident Workers.

PART V PROCESS FOR EMPLOYING NONRESIDENT WORKERS

5.1 Applications for new hires shall include the following documents:

- a) Payment of non-refundable application fee pursuant to Part XXII of these regulations;
- b) A standard employment contract form issued by the Division. Employers may include additional provisions in the employment contract provided such additions shall not supersede any provisions of the standard employment contract;
- c) Original Certificate of Clearance in English from the police authorities in the country and area of the Nonresident Worker's residence. If required by the Division, this certificate shall be authenticated or attached to a valid certificate of National Bureau of Investigations (NBI) or similar National Agency (e.g. US Federal Bureau of Investigation (FBI));
- d) Original Health Certificate in English from the Public Health authorities in the area of the Nonresident Worker's residence. Such a certificate shall be authenticated by the Ministry of Health Services or equivalent Government Agency responsible for National Health Services. The Division may exempt the Ministry of Health Services authentication requirement and accept local health service certificates only if, at the discretion of the Division, such a health certificate appears to have been issued by a competent medical health officer;
- e) Affidavits by at least two previous Employers indicating at least a minimum of two (2) years' work experience in the line of work for which the worker is being hired. Affidavits from travel agents, employment and placement agencies shall not be accepted;
- f) Copy of Passport;
- g) Copy of National & State Business licenses if applicable; and
- h) Copy of Announcement form.

5.2 Application Review. The Division shall review the application to insure that all required fees have been paid and that all required documents are presented and completed. Application Review generally takes fifteen (15) days to complete, but could take longer in some instances. If the applications are not complete, such are to be returned with explanations as to why they are returned.

5.2.1 The Director shall review the application to determine whether the position is required and whether the employment of the Nonresident Worker is in the best interests of the Republic.

5.2.2 The Director shall not grant a Work Permit to any Nonresident Worker in any of the following situations:

- a) The Employer or recruiter is engaged in illegal recruitment of Nonresident Workers into Palau;
- b) The application contains false information;
- c) Employees or former employees of either the Employer or business establishments directly tied to the Employer have been convicted of sex crimes;
- d) The position is exclusively reserved by law for citizens of the Republic or Resident Workers; or
- e) The Employees or former employees are otherwise prohibited from entering the Republic of Palau.

5.2.3 The Director will generally determine that the employment of the Nonresident Worker is not in the best interests of the Republic when:

- a. Additional workers do not appear reasonably necessary for the vacancy applied for;
- b. The job classification applied for is already occupied by a sufficient number of Palauan employees or Palauan business entrepreneurs;
- c. The Employer has failed to demonstrate commitment to train a Resident Worker for the position applied for;
- d. The Division has issued a written determination that the Employer has violated Title 13 of the PNC, these regulations, or the employment contract on at least one occasion within the past year;
- e. A Court in the Republic has found probable cause to conclude that the employee applicant has engaged in a felony or a sex crime;
- f. The recruiter or recruitment agency referring the worker has been found by the Division to have previously provided false information to Employers, employees, or the Division; or
- g. Additional grounds as determined by the Director.

5.2.4 The Director shall refrain from granting new Work Permit(s) to new Nonresident Worker(s) intended to work for an Employer when such Employer has unresolved issues with current Nonresident Workers.

5.2.5 The Director shall make the final determination whether a Nonresident Worker is able to be hired.

5.2.6 For those positions for which the Director has determined that Nonresident Workers may be hired, he or she shall require that a Nonresident Worker Employment Agreement (“Employment Contract”) be entered into between the Employer and the national government, which agreement shall authorize the Employer to hire the Nonresident Worker. Other agreements may be entered into between Employer and Nonresident Worker prescribing the terms of non-resident worker employment consistent with Title 13 of the PNC and these Regulations, and which may only have force and effect upon approval by the Director.

5.3 Issuance of a Work Permit. Upon payment of the Nonresident Worker fee pursuant to Part XXII of these Regulations, the Director shall issue a Nonresident Worker Work Permit for each worker whose application is approved and shall notify the Immigration Office of the issuance of the Work Permit. All Work Permits shall be valid beginning on the date of entry into the Republic.

5.3.1 An Employer may recover a maximum of fifty percent (50%) of the Work Permit (as set out in Rule 22.1) from the Nonresident Worker. The agreement to recover such amount shall be disclosed in the employment contract or other agreements, provided that the deductions may not exceed ten percent (10%) of the Nonresident Worker’s gross monthly income.

5.3.2 No Employer may employ a Nonresident Worker and no Nonresident Worker may work in the Republic prior to the issuance of the Nonresident Worker Work Permit or Provisional Labor_Visa.

5.4 Provisional Labor Visa. For Nonresident Workers entering the Republic to begin their employment, the Director may issue a Provisional Labor Visa pending successful completion of the work permit application. The Provisional Labor Visa may be used by the Nonresident Worker to enter the Republic and begin employment.

Within thirty (30) days of entry, the Nonresident Worker shall report to the Division of Labor, surrender the Provisional Labor Visa and present proof that he/she has satisfactorily completed the physical exam and obtained a social security number. The Nonresident Worker will then be issued a Nonresident Worker Work Permit valid for not more than two (2) years from the date of issuance of the Work Permit. Should the Nonresident Worker fail to satisfactorily complete these requirements, he or she shall be required to depart the Republic upon the expiration of the Provisional Labor Visa.

5.5 Entry into the Republic of Palau. A Nonresident Worker may enter the Republic of Palau to work only if he or she has a valid Work Permit or valid Provisional Labor Visa and certificate of freedom from chronic or communicable disease executed and validated not more than ninety (90) days preceding the date of entry into the Republic of Palau by a physician licensed to practice medicine in the country of origin. These documents shall be presented at the point of entry to responsible officials of the National Government of the Republic.

5.5.1 If a Nonresident Worker fails to enter the Republic of Palau within sixty days from the date of issuance of the Provisional Labor Visa or the Work Permit, then the Work Permit shall be void and entry denied. No refunds/offset shall be made to an Employer unless a request is made within one hundred and eighty days (180) from the date of issuance of the Work Permit. All such refunds are at the discretion of the Director. Alternatively, the Employer may apply to the Division of Labor for a sixty (60) day extension of the Provisional Labor Visa upon payment of a seventy-five dollar (\$75) fee. The final decision is to be made by the Director, provided that no extension shall be granted if a Nonresident Worker's Provisional Labor Visa or Tourist Visa has expired.

5.6 Post-Entry Physical Examination. Within ten (10) days after authorized entry into the Republic of Palau for employment purposes, the Nonresident Worker shall present himself or herself, for a physical examination, which shall include testing for all communicable diseases, including but not limited to tuberculosis and hepatitis. If the worker is diagnosed with a communicable disease, the Director of Public Health may order that the Nonresident Worker depart the Republic at the Employer's expense.

5.7 Cancellation/Revocation of Work Permit:

5.7.1 The Work Permit may be cancelled by the Director for refusal by the Employer or employee to comply with the labor laws, regulations, or other laws of the Republic of Palau. If the Work Permit is so cancelled, the Director shall take steps to deport the Nonresident Worker.

5.7.2 The timing of the Nonresident Worker's departure from Palau based on cancellation/revocation of Work Permit must take into account the time needed to settle outstanding grievances between Employer and Nonresident Worker.

5.8 Temporary Work Permits:

5.8.1 Pursuant to 13 PNC § 1022, 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.

5.8.2 To acquire a Temporary Work Permit, the Employer must submit application forms to the Division of Labor for the approval of the Director. A single extension of a Temporary Work Permit up to another ninety (90) days may be granted by the Director but the total time period, including any extensions, shall not exceed one hundred and eighty (180) days. Announcement of positions for temporary certifications is not required.

5.8.3 Any attempt to use this provision regarding temporary employees under 13 PNC § 1022 as a waiver for the requirements imposed under 13 PNC § 1041 shall be cause for denial of such application or for revocation of such permit.

5.8.4 Any Temporary Work Permit issued pursuant to 13 PNC § 1022 may only be issued to a nonresident who is not already in Palau.

5.8.5 Notwithstanding the Temporary Work Permit issued pursuant to 13 PNC § 1022, Temporary Placement Permits may also be issued to Nonresident Workers at the discretion of the Director, pursuant to Rule 6.1.3. For purposes of Temporary Placement Permit only, the Director may waive or reduce the Temporary Permit fee, and may allow for a temporary placement to last no more than twelve (12) months.

PART VI CONDITIONS OF EMPLOYMENT

6.1 Employment Restrictions. A Nonresident Worker shall be employed only by the Employer for which he or she has been approved by the Director. This condition does not prohibit legitimate subcontract arrangements.

6.1.1 An Employer shall not permit or allow his or her Nonresident Workers to be “on loan basis or otherwise” to any projects not directly controlled by the Employer. Violators will be subject to fine and/or deportation as provided in Part XVIII.

6.1.2 A Nonresident Worker may perform work outside his or her specific profession or occupation for his or her Employer, but that work must be reasonably related to the job for which he or she was originally employed.

6.1.3 In exceptional cases that involve hardship, legal due process, abuse, or other extenuating circumstances, the Director may issue Temporary Placement Permit to temporarily place Nonresident Workers with other Employers for a period necessary to earn sufficient income to pay for return ticket home, but in no circumstances shall it exceed twelve (12) months. In cases of such temporary placement, the Director shall issue the Nonresident Worker a Temporary Placement Permit, and will require the new temporary employer to enter a new employment contract for the Nonresident Worker, provided the new temporary employer clearly understands that the maximum period of temporary placement employment is twelve (12) months.

6.2 Age Restrictions. A Nonresident Worker shall be between twenty-one (21) and sixty (60) years of age, excluding entertainers applying for temporary Work Permits. The above-stated age restrictions may be waived by the Director upon a showing that the worker provides an irreplaceable service to the Employer or where the worker is married to a Palauan or has Palauan dependents and provides support for family members.

6.3 Employer Financial Requirements. The Director, in his or her discretion, may require the Employer to submit financial statements certified by a competent person and/or a bank which indicate the Employer’s ability to pay the Nonresident Worker’s wages and repatriation costs.

The Director shall not permit an Employer to hire Nonresident Worker if the Employer does not have sufficient income to cover wages and repatriation costs of the worker.

6.3.1 Bond; Repatriation Account. The Director may require the Employer to secure a cash bond in an amount sufficient to cover both three (3) months wages and return transportation for the employee. This bond must be paid prior to issuance of a Work Permit or a provisional Work Visa. The bond money shall be deposited by the Director into a dedicated account within the National Treasury. The funds shall be used by the Bureau in case the Employer defaults in payment of wages and/or repatriation costs. If the employee leaves Palau with no outstanding claim for money from the Employer, the Employer shall be entitled to a full refund of the bond money allotted for that employee.

6.3.2 Such bond is mandatory whenever the Employer:

- a) Has not paid fees, fines, or other money owed to the Bureau or the Tax or Social Security Offices, unless a written agreement has been entered into providing for such payment;
- b) Has been unable or refused to pay for the return transportation of a Nonresident Worker;
- c) Has been unable or refused to pay the wages of a Nonresident Worker as required by the employment contract or order of the Director; or
- d) Has otherwise failed to meet financial obligations required pursuant to these regulations.

6.3.3 Third Party Surety or Guarantor for Repatriation Cost. Subject to Rule 6.3.2, the Director may accept Third Party Surety or Guarantor who will assume payment of the return transportation cost of Nonresident Worker on behalf of the Employer. In the event Third Party Surety/Guarantor is used, Director must ensure that the Surety/Guarantor (a) has sufficient income to easily cover the said costs, and (b) signs all necessary paperwork to legally obligate him/her to pay such costs when the need arises.

6.4 Return Transportation to the Point of Hire. *THE EMPLOYER IS RESPONSIBLE FOR THE COSTS OF RETURN TRANSPORTATION TO THE POINT OF ORIGIN OF EVERY NONRESIDENT WORKER THAT THE EMPLOYER BRINGS INTO PALAU, REGARDLESS OF THE REASON FOR THE NONRESIDENT WORKER'S DEPARTURE.* The Employer and the Nonresident Worker may provide in the employment contract that a portion of the worker's wages be withheld to cover transportation costs back to the point of hire in the event of a breach of contract by the worker or in the event that the worker terminates his or her employment without cause. The amount withheld shall not exceed one hundred percent (100%) of the actual cost of the return leg of the trip. The amount withheld shall be refunded to the Nonresident Worker at the completion of his or her employment contract, or when the employee is terminated without cause.

6.4.1 If there is no specific agreement made in the employment contract between Employer and Nonresident Worker providing for such other arrangement on transportation costs, then Employer shall be responsible for the entire transportation costs.

6.4.2 The costs of return transportation include the cost of a coach flight ticket back to the Nonresident Worker's point of origin and whatever luggage allowance is included in the base ticket. Additional expenses, such as upgraded seating and additional luggage allowances, are not included.

6.5 Workplace Conditions. To ensure safe and healthful working conditions for both Resident and Nonresident Workers in the Republic, Employers shall furnish and use personal and other safety devices to safeguard against and prevent injuries and illnesses arising out of the work environment. Employers shall adopt reasonable and adequate health and safety rules and shall require their employees to comply with such rules for the benefit of both Employers and employees. Employers shall provide an adequate supply of drinking water and sufficient and sanitary toilet facilities at the work site or reasonable access thereto.

6.6 Medical Expenses. Employers shall be responsible for all medical expenses arising from employment-related activities.

6.7 Maximum Food & Housing Deductions. Consistent with Rule 7.3 below, the maximum deduction to be made from the wages of a Nonresident Worker for food and housing shall be twenty-five percent (25%) of the employee's wages.

6.8 Transportation to Worksite. 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. When such transportation is provided, it shall be equally available to Resident Workers.

6.9 Possession of Work Permit. The Nonresident Worker shall keep his/her Work Permit on his/her person at all times, provided that, just prior to the worker's termination and departure from the Republic of Palau or for extension or renewal of the Work Permit, the Work Permit shall be turned over to the Employer who shall return it to the Division of Labor. In the event Work Permit is turned over to the Employer for extension or renewal purposes, a photocopy of the Work Permit shall be made, given to, and held by the Nonresident Worker to have at all times.

6.10 Time Off. Every Nonresident Worker is entitled to one (1) day off per week, consisting of ten (10) continuous hours without working between 6:00 a.m. and 6:00 p.m.

PART VII MINIMUM WAGE AND SALARIES

7.1 Every Employer in the Republic shall pay a minimum wage of three dollars and fifty cents (\$3.50) per hour to Resident and Nonresident Workers, unless exempted from minimum wage requirements as provided in Rule 7.2.

7.2 The minimum wage requirements set forth in Rule 7.1 shall not apply to the following:

- a) Up to two (2) individuals employed as farmers by a Single Employer;
- b) Up to two (2) individuals employed as domestic helpers, caretakers, babysitters, or house boys;
- c) Employees who are students;
- d) Employees twenty (20) years of age or younger, hired on a probationary basis, for a period not to exceed ninety (90) days; or
- e) Employees of non-profit organizations.

Each Employer may have up to two (2) individuals employed in each of the five capacities listed in subsections (a) and (b) above for a total of ten (10) employees per Employer not subject to the minimum wage requirement.

7.3 An Employer required to pay minimum wage, pursuant to Rule 7.1 above, shall not be obligated to pay for the employee's transportation, food, housing, or other living expenses. If an Employer does provide food and/or housing to an employee, the reasonable cost of such food or housing may be included in calculating the employee's hourly wage rate for purposes of satisfying minimum wage requirements, or the reasonable cost of such food or housing may be deducted when calculating the wages to be paid to the Nonresident Worker. However, any arrangement to deduct any of these costs shall be disclosed in the employment contract with the Nonresident Worker.

7.4 Failure of an Employer to comply with the above-stated minimum wage requirements may subject the Employer to Civil Penalties as provided by 13 PNC § 1025.

7.5 Resident Workers shall be given wages and salaries at least equivalent to those given to Nonresident Workers. If annual and sick leave and other benefits are given to Nonresident Workers, the same benefits shall also be given to Resident Workers.

PART VIII 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 may be enforced by the Division of Labor or the Division of Environmental Health, Ministry of Health.

8.1 Site of Housing:

8.1.1 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.

8.1.2 Whenever worker housing is closed between projects or on a 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 out-houses shall be locked or otherwise secured to prevent unauthorized entrance.

8.2 Shelter:

8.2.1 Worker housing shall be constructed in a manner which will provide protection against the elements, including wind, rain and flood, fire, and landslides.

8.2.2 Natural ventilation consisting of openable windows shall be provided.

8.2.3 Each room in the housing shall be provided with adequate lighting

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

8.4 Toilet Facilities:

8.4.1 The number of sit-down toilets to be provided shall be no less than one (1) per fifteen (15) persons.

8.4.2 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.

8.4.3 Natural ventilation consisting of openable windows or other openings shall be provided.

8.4.4 Toilet facilities shall be of sanitary and easily cleanable construction and shall be maintained in sanitary condition by the individuals using the facilities or else by the Employer.

8.5 Laundry, Hand Washing and Bathing Facilities:

8.5.1 Sanitary laundry, hand washing, and bathing facilities shall be provided.

8.5.2 Facilities shall be of sanitary and easily cleanable construction and shall be maintained in sanitary condition by the individuals using the facilities.

8.6 Sewage and Refuse Disposal:

8.6.1 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, handwashing, bathing, and kitchen facilities shall be connected to a private wastewater disposal system.

8.6.2 Garbage shall be stored in disposable or cleanable containers.

8.7 Food Storage, Kitchen, and Eating Facilities:

8.7.1 Food or cooking facilities are to be provided wherever workers are provided common living quarters.

8.7.2 Food shall be stored safely.

8.7.3 Refrigeration facilities shall be provided for storage of perishable food.

8.7.4 No person with a communicable disease shall be employed in the preparation or serving of meals.

8.7.5 Facilities shall be adequate for insuring sanitary maintenance of eating and cooking utensils.

8.8 Health Measures:

8.8.1 Adequate first aid supplies shall be available at the living site for the emergency treatment of injured persons.

8.8.2 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.

8.8.3 The Employer shall report to the Bureau of Public Health any case of food poisoning or unusual prevalence of any illness.

PART IX DEPARTURE OF NONRESIDENT WORKERS

9.1 Return of Work Permit. Prior to a Nonresident Worker's termination and departure from the Republic of Palau, his or her Work Permit shall be turned over to the Division of Labor.

9.2 Re-Employment. Upon termination of employment, a Nonresident Worker shall not be permitted to work for any other Employer for a period of five (5) years from the date of departure unless:

- a) The Nonresident Worker is the spouse of a Palauan citizen;
- b) The Nonresident Worker's Employer has died 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 seller/transferor and the buyer/transferee agree the buyer/transferee shall 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;
- 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 the dependent of a Nonresident Worker, is a victim;
- g) The Nonresident Worker is abandoned by the Employer as defined in 13 PNC 1044(a)(5); or
- h) The Nonresident Worker is otherwise issued a Temporary Placement Permit by the Director consistent with Rule 5.8.5 above.

Within that five (5) year time period, however, the Nonresident Worker is not prohibited from returning and working for the same Employer with whom the Nonresident Worker had a contract immediately prior to departure or termination of employment.

PART X APPLICATIONS FOR RENEWAL /EXTENSION

10.1 Applications for renewal/extension of the Work Permit shall include the following information:

- a) Work permit extension application form;
- b) Copy of Passport which expires no less than six (6) months from the date of renewal application;
- c) Republic of Palau National Police Clearance;
- d) A Health Clearance, in English, and
- e) Copy of Worker's expiring Work Permit.

10.2 Applications for renewal shall be submitted at least fifteen (15) working days prior to the expiration of the worker's Work Permit. An Application submitted after the expiration date of the worker's Work Permit is deemed late. Late applications may be considered for approval

at the discretion of the Director but will be subject to a fine of twenty five (\$25.00) dollars, provided that any application that is over forty-five (45) days late may not be considered.

PART XI SUBCONTRACT AGREEMENTS

11.1 While a Nonresident Worker shall only be employed by and work for his/her Employer, this does not prohibit a subcontract agreements.

11.2 In order for the subcontract agreement to be valid, the following requirements must exist:

- a) The subcontract agreement must be between a subcontractor, who employs the Nonresident Worker, and the prime contractor. A subcontract shall not be made between the Nonresident Worker and prime contractor;
- b) The purpose of the subcontract agreement must be to provide labor or services to the prime contractor;
- c) The service(s) to be performed pursuant to the subcontract must have a definite completion date or range, which must be described in the subcontract agreement;
- d) The subcontractor, who employs the Nonresident Worker, who will be performing the service/project under the subcontract must have an existing business. Employers who do not have a business may not enter into valid subcontract agreements to provide services to a prime contractor; and
- e) The payment for the services under the subcontract agreement should be paid directly to the subcontractor, who employs the Nonresident Worker. The subcontractor should always be solely responsible for the payment of salaries and other administrative tasks of Nonresident Workers in his or her employ.

11.3 Any subcontract agreement must be approved by the Director in writing before it is valid.

11.4 Any Employer who wishes to have a subcontract agreement approved must transmit to the Division of Labor for review, approval, and recordation.

11.5 Any subcontract agreement that has not been approved by the Director shall have no force and effect under these Rules and Regulations.

PART XII RECORD MAINTENANCE/QUARTERLY REPORTS

12.1 Employer shall keep the following records for presentation upon demand by the Bureau:

- a) The name, address, age, local residence, job classification, and wage rate of each employee;
- b) Payrolls showing the number of hours worked each week, the compensation earned, and deductions made for each employee;
- c) The citizenship, point of origin, entry permit expiration date, and educational and experiential background of each Nonresident Worker;
- d) The number of employment-related accidents, the name of any injured worker, the type of injuries, the treatment, the outcome of treatment, the worker's subsequent employment status, and the amount of time lost from work;
- e) The number of illnesses of Nonresident Workers, the names of such workers, the types of illnesses, the treatment, the outcome of treatment, the worker's subsequent employment status, the amount of time lost from work, and whether hospitalization was required; and
- f) A copy of the Nonresident Worker agreement authorizing the hiring of the Nonresident Worker in question.
- g) A copy of any subcontract agreement.

12.2 Failure to maintain such records or provide them to the Bureau upon demand is punishable as provided for in 13 PNC § 1067 or in Part XVIII of these Regulations.

PART XIII REFUNDS/OFFSET REQUEST REQUIREMENTS

The following sets forth procedures for receiving refunds or offsets for money paid to the Division of Labor.

13.1 Provisional Labor Visa. In order to receive a refund for a Provisional Labor Visa that was lost or expired, the following procedures apply:

- a) Requester must write a request letter to the Director.
- b) Submit a copy of the original Provisional Visa form.
- c) Must provide payment receipt.

13.2 Renewal/Extension refunds/offset requirements. In order to receive a refund for an extension that was paid for, but not utilized, the following procedures apply:

- a) Employer must make a request within sixty (60) days after issuance of the work permit renewal/extension.
- b) Submit request in writing to the Director.
- c) Submit original work permit.

- d) Provide copy of passport indicating the date of departure or Immigration Movement Inquiry.
- e) Employee must depart prior to the issuance of the new work permit extension.
- f) If original extension/renewal work permit is not submitted, requester must pay for a new original.
- g) Must provide payment receipt.

13.3 Request for lost temporary work permit outside of the Republic of Palau.

- a) Must write request letter addressed to Director setting forth the reasons for needing a replacement.
- b) Attach copy of the passport.
- c) Include two (2) passport sized photos.

13.4 Cancellation of New/Renewal Work Permit Application.

- a) Must write letter to Director to cancel.
- b) Any cancellation of a renewal work permit requires that the letter provide departure date of the worker and surrender the old/current work permit.
- c) A new Work Permit Application that has been processed to Provisional Visa will not be returned to Employer, but will be kept for recording purposes.

13.5 Work Permit Offset. In the event that an Employer's Nonresident Worker leaves Palau, at no fault of Employer, within three (3) months of arrival, the Employer may obtain an offset on the fee for a new Work Permit.

PART XIV CHANGE OF STATUS

14.1 Subject to Rule 14.2 below, the Nonresident Worker Work Permit and/or Provisional Labor Visa must be issued PRIOR TO the worker's arrival in the Republic, unless the worker is already legally present in the Republic.

14.2 Pursuant to 13 PNC § 1048(b), persons present in the Republic pursuant to a tourist, visitor, resident, spouse, dependent, government, missionary visa, or legally in Palau without a visa, who desire to remain in the Republic for employment, may change status to a worker visa while remaining in the Republic but only for employment at a position that requires skilled labor and such unskilled labor depending on the needs of the Republic as determined by the Director with the approval of the Minister of Justice.

14.3 A Nonresident seeking to change status in accordance with 13 PNC § 1048(b) and Part XIV will be required to pay a change of status fee in addition to meeting all other requirements.

PART XV SPOUSE AND DEPENDENTS OF PALAUANS

15.1 A Nonresident Worker who is legally married to a citizen of the Republic of Palau or has been adopted by a citizen of the Republic is not exempt from the requirements of Title 13 of the PNC, except as provided by 13 PNC § 1044.

15.2 A Spouses and Dependents of a citizen of the Republic of Palau who has been declared an undesirable alien pursuant to 13 PNC § 1005(k) or (l) shall be subject to immediate deportation and shall be denied entry into the Republic.

PART XVI EXEMPTION OF MISSIONARY AND PARTIAL EXEMPTION TO STATE GOVERNMENT

16.1 The Bureau does not consider an individual meeting the definition of a Missionary in these Regulations to be a Nonresident Worker. Such individual is thus exempt from the requirements of these Regulations.

16.2 Pursuant to 13 PNC § 1078, any State Government is exempt from the provisions of Title 13 of the PNC when hiring skilled workers only.

16.2.1 An employment contract entered into between any State Government and Nonresident worker must be submitted to Director for review, verification, and approval. The Director's determination shall be provided in written form to the Division of Immigration within fifteen (15) days of the determination being made.

16.2.2 Before approving the employment contract, the Director shall ensure that the position subject of the employment contract is for the skilled worker.

16.3 State Governments shall comply with the provisions of Title 13 of the PNC when hiring any Nonresident Workers who are not skilled workers.

PART XVII OFFICERS AND CREW OF FOREIGN FISHING VESSEL

17.1 All Nonresident Workers employed as officers or crew on board foreign fishing vessels, as defined in Title 27 of the PNC, based primarily in the Republic of Palau are required to obtain a Nonresident Worker Work Permit. A vessel will be considered to be based primarily in Palau if it is physically present within the territorial waters of the Republic of Palau for more than sixty (60) days (cumulative) per calendar year.

17.2 In lieu of the documents required in Rule 5.1, the employment of Nonresident Workers as officers or crew on board a foreign fishing vessel requires submission of the following:

- a) An application form submitted by the Employer;

- 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, and
- e) A copy of the employment contract used by the vessel owner.

17.3 Applications to employ a Nonresident Worker as an officer or crew on board a foreign fishing vessel must satisfy all other requirements of Part V except that such workers are not required to obtain a social security number prior to issuance of the provisional Work Permit.

17.4 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 renewal shall be accompanied by the renewal fee and pictures and shall include the information required pursuant to Rule 17.2.

17.5 The housing requirements of Rules 8.1 through 8.8 are inapplicable in situations where the Nonresident employees are housed onboard the fishing vessel.

PART XVIII COMPLIANCE MONITORING/CITATIONS

18.1 The Division shall monitor compliance with the laws, rules and regulations governing the Protection of Resident Workers Act by inspection at work sites and at housing facilities provided to Nonresident Workers by their Employers.

18.2 Inspections shall include oversight, monitoring and review of the use of Nonresident Workers; Work Permit reviews; review of Employers' records, working and living conditions, and minimum wage requirements; interviews with workers and Employers; and any other action as deemed necessary by the Division.

18.3 The Division may issue citations to those who are in violation of the provisions of Title 13 of the PNC and these Rules and Regulations. The right to issue citations is in addition to other enforcement measures authorized by Part IV of Title 13 and these Regulations, and shall not preclude further punitive or equitable actions. Penalties for violations of Title 13, §§1020-1077 and these Rules and Regulations include:

- For failure to comply with the minimum wage requirements set forth in these regulations and 13 PNC § 1025, the Employer shall be subject to a civil penalty of five hundred dollars (\$500.00) and a penalty equivalent to the sum of all unpaid taxes and social security contributions plus interest;
- For all other violations of Title 13 §§ 1022-1077 or these regulations by an Employer, the Employer shall, upon conviction thereof, be fined not more than two thousand dollars (\$2,000.00), or imprisoned for not more than six (6) months, or both;
- For failure to comply with the requirement that a Nonresident Worker keep his/her Work Permit on his person at all times, the Nonresident Worker shall, upon conviction

thereof, be fined not more than fifty dollars (\$50.00), or imprisoned for not more than five (5) days, or both.

- For failure to comply with the requirement that the Nonresident Worker only engage in employment for compensation with the Employer who has contracted with the Director, the Nonresident Worker may be subject to deportation proceedings;
- For any contractor who fails to comply with 13 PNC § 1024, the contractor, upon conviction thereof, shall be guilty of a misdemeanor and subject to a fine of one thousand dollars (\$1,000.00) and shall also be ordered to pay reasonable expenses for transportation, lodging, and board to any employee entitled thereto to whom it was not so furnished.

18.4 A party found in non-compliance of the minimum wage requirement shall pay the fine indicated to the National Treasury on or before the date indicated. He or she shall obtain a receipt and present the receipt or copy thereof to the Division.

18.5 An aggrieved party may appeal a finding of non-compliance to the Director within ten (10) days of the receipt of the citation according to the provisions of 13 PNC § 1064. A citation not timely appealed to the Director shall be final for all purposes.

18.6 The Director may disapprove a new application, renewal, or extension involving a party that has an unpaid citation, until such citation is paid. During the pendency of any appeal, however, applications shall be handled in the usual course with the discretion of the Director.

PART XIX DISPUTE RESOLUTION

19.1 Complaints. Any person may file a complaint with the Director that a violation of the provisions of the Protection of Resident Workers Act or these Rules and Regulations has occurred. Any employee or group of employees may file a grievance with the Director in matters related to unsafe working conditions, non-payment of wages, working hours, contract termination, or other breach of the employment agreement or violation of Title 13 of the PNC or these regulations. Nonresident Workers should attempt to resolve disputes with their Employer prior to filing a complaint with the Director. Upon receipt of a signed grievance the Director shall begin an investigation. Unsigned grievances or complaints shall be handled at the discretion of the Director.

19.2 Preference Denial. Resident Workers rejected for an advertised job may file a signed written grievance with the Director. In the event the Employer applies to the Division to employ a Nonresident Worker in that job, the Director shall initiate an investigation as to whether a qualified Resident Worker was denied preference in employment.

19.3 Termination by Employer. If a Nonresident Worker is terminated by an Employer before the end of the worker's contract, the Employer shall give written notice to the worker and a copy of such notice to the Division of Labor at least five (5) days prior to the effective date of

the termination. The notice shall state the Nonresident Worker's name, the number of the Work Permit, the reasons for termination, and the expected date of departure from the Republic.

19.3.1 Upon receipt of a written termination notice, the Director shall immediately review the reasons for termination. If the terminated worker 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 employment contract between the worker and his or her Employer, the Director shall immediately initiate an investigation.

19.3.2 Pending the decision of the Director, wages may be withheld by the Employer after notice of termination. Shelter and food shall be provided during the ten (10) day waiting period if wages are withheld or if shelter and food had been provided by the employment contract. A sufficient living allowance, as determined by the Director, may be provided in lieu of food and shelter.

19.3.3 If the Director finds that the Employer has complied with relevant contractual provisions in terminating the worker, and has cause to terminate, the worker shall leave the Republic of Palau on or before the date designated by the Director in a written order served upon the person of such worker. The Employer may use money withheld from the Nonresident Worker's wages pursuant to Rule 6.4, to pay for repatriation. If the Director finds that the Employer did not have sufficient cause to terminate the worker, then the worker shall be entitled to all wages withheld for return transportation, and shall be provided a return plane ticket wholly at Employer's expense, subject to the provisions of Rule 6.4.2.

19.3.4 Interim Payment of Wages. If the Director finds that the Employer failed to comply with relevant contractual obligations in terminating a Nonresident Worker, or terminated the worker without cause, the Employer shall be required to pay all regular wages that would have accrued to the employee from the date of the termination notice to the date of the ruling, whether or not employee is working or not, and to comply with any other sanction ordered by the Director. If the Director finds that the Employer did, in fact, comply with relevant contractual provisions in terminating a Nonresident Worker, the Employer shall not have to pay any wages to the employee from the effective date of termination notice unless the employment contract requires otherwise.

19.3.5 Re-Entry after Early Termination by Worker. A Nonresident Worker sent home for violating or prematurely terminating their contractual agreement without cause shall not be allowed to return to work in the Republic of Palau for a minimum of five (5) years.

19.4 Investigations:

19.4.1 Investigations of complaints or grievances may include site inspections, documents reviews, and interviews with the parties to the complaint or grievance and with relevant witnesses, as the Director deems necessary. Interviews may be conducted separately or in the

presence of other parties to the complaint or grievance and with relevant witnesses, at the discretion of the Director. The Director may interview the parties and witnesses in the field or upon advance written notice at a specified location. Failure of a party to respond to a written notice of an interview or respond to a written letter asking for information shall not prejudice the Director in rendering its decision based on other information provided by or about that party, nor shall it delay the Director's ruling except where good cause is shown for failure to appear or to provide the information as solicited by the Director.

19.4.2 Parties to a complaint or grievance may submit written statements and documentary or material evidence to the Director during the investigation.

19.5 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. The official of the Division/Bureau will sign only as a witness to the settlement agreement. Acceptance of the agreement shall constitute the ruling of the Director and the case shall be closed.

19.5.1 The Division/Bureau shall encourage the parties involved to attempt to settle their differences first, but where settlement agreement cannot be reached, the Director shall issue its written ruling. The ruling shall be in letter form and include the following information:

- a) Complaint or grievance;
- b) Information considered by the Bureau in reaching its decision;
- c) Title, sections, subsections of laws, rules and regulations, or contract provisions violated; and
- d) Orders directed to one or both parties.

PART XX PENALTIES AND INJUNCTIONS

20.1 Whenever, after investigation or hearing, the Director finds that an Employer or employee has violated a statute of the Republic of Palau, these regulations, or applicable contractual obligations, the Director or his designee may order any appropriate sanction including cancellation of nonresident employment agreements with the Employer, and/or prohibiting the Employer from hiring any new Nonresident Workers for a stated period, or assessment of civil penalties in accordance with the law.

20.2 The aggrieved party shall have ten working days in which to file an appeal of the decision of the Director or his designee in accordance with 13 PNC § 1064 or § 1065. Failure to do so establishes the Director's ruling as final.

20.3 Injunctions. In addition to any of the other penalties prescribed by law, the Attorney General may bring action in the Trial Division of the Supreme Court of the Republic of Palau to enjoin violations of the provisions of labor laws, rules, or regulations of the Republic.

PART XXI EMPLOYEE'S RIGHTS AND REMEDIES

21.1 Employee Bound by Contract and Laws Only. Employee's obligations arise solely from the contract he or she signed, and the laws of the Republic of Palau. Employer shall not impose upon employees restrictions, obligations, wage penalties or the like, that are not in the employment contract or that are contrary to the laws of the Republic of Palau. Employer's attempts to do so may subject the Employer to legal action. Further, the Employee's refusal to abide by such unauthorized obligations or restrictions shall not be just cause for termination.

21.2 Nothing herein shall be construed to deny an employee the right to maintain a private cause of action against his or her Employer for breach of contract or for violations of the laws of the Republic of Palau.

PART XXII FEES

22.1 New work permit:

Skilled Workers	\$150.00 (1 year)	\$300.00 (2 years)
Unskilled Workers	\$125.00 (1 year)	\$250.00 (2 years)

22.2 Application fee (non-refundable) \$25.00

22.3 Change of Status Fee \$500.00

22.4 Temporary Work Permit \$300.00

22.5 Work permit extension:

Skilled Workers	\$150.00 (1 year)	\$300.00 (2 years)
Unskilled Workers	\$125.00 (1 year)	\$250.00 (2 years)

22.6 Re-issue of lost/error/damaged work permit \$110.00

22.7 Change of Occupation \$300.00

22.8 Photocopying \$0.50/page

22.9 Rules & regulation copies \$5.00

22.10 Re-issue of Provisional Labor Visa (original not returned) \$75.00

22.11 Re-issue of Visa (extension of days) \$75.00

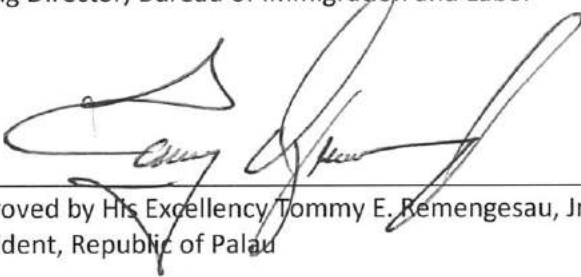
22.12 Re-issuance of 90 days temporary work permit \$50.00

All fees in Part XXII are subject to a \$50.00 late penalty for every week or portion of a week that the payment is late.



Adopted by Silverius Tellei
Acting Director, Bureau of Immigration and Labor

2/12/19
Date



Approved by His Excellency Tommy E. Remengesau, Jr.
President, Republic of Palau

2/12/19
Date