

RULES AND REGULATIONS

PUBLIC SERVICE SYSTEM

National Civil Service System

Republic of Palau

**NATIONAL CIVIL SERVICE BOARD
P.O. BOX 100
KOROR, REPUBLIC OF PALAU
96940**

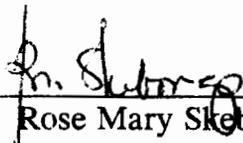
PROMULGATION OF RULES AND REGULATIONS FOR THE PUBLIC SERVICE SYSTEM

Pursuant to the authority vested in the National Civil Service Board pursuant to Section 6 of Republic of Palau Public Law (RPPL) No. 1-37, the National Public Service System Act, these Rules and Regulations to govern the Public Service System are hereby promulgated and adopted by the National Civil Service Board.

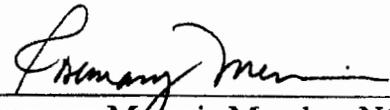
IN WITNESS WHEREOF, we have hereunder set our hands and affix our signatures this 14th day of February 1997, in the State of Koror, Republic of Palau.



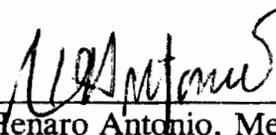
Gilbert U. Demei, Member NCSB



Rose Mary Skebong, Member NCSB



Rosemary Mersai, Member NCSB



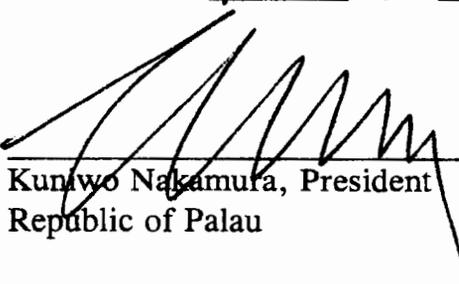
Henaro Antonio, Member NCSB



Brownly Salvador, NCSB Chairman

These Rules and Regulations to govern the Public Service System are hereby approved and shall be promulgated and published according to law.

Approved this 18th day of February, 1997.



Kuniwo Nakamura, President
Republic of Palau

PUBLIC SERVICE SYSTEM REGULATIONS

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PUBLIC EMPLOYMENT

PUBLIC SERVICE SYSTEM REGULATIONS

PART 1. PURPOSE AND SCOPE

1.1. Purpose. These regulations implement the provisions of the National Public Service System Act of division 1 of title 33 of the Palau National Code , which establishes a Public Service System in the National Government of the Republic of Palau. The Public Service System shall be a career service, based on merit principles, and free from discrimination, coercion, reprisal, or political influence. It shall be designed to attract, select, and retain the best individuals available, with incentives for competent and loyal employees, and a means to eliminate unnecessary and inefficient employees. The Public Service shall, at all times, provide efficient and impartial service to the public, the employees, and to management.

1.2. Definitions. In these regulations, the following definitions shall apply:

- (a) "Appropriate management official" means the Chief Justice of the Supreme Court, and the President of the Republic of Palau, or persons duly appointed by them to manage employment and personnel matters within their respective branches of the National Government or departments thereof.
- (b) "Board" means the National Civil Service Board as defined in the National Public Service System Act of division 1 of title 33 of the PNC.
- (c) "Bureau" means the Bureau of Public Service System.
- (d) "Bureau director" means the heads of the various bureaus in the executive branch.
- (e) "Chairman" means the Chairman of the National Civil Service Board.
- (f) "Department" means each Ministry of the Executive Branch, and the Judicial Branch of the National Government.
- (g) "Director" means the Director of the Bureau of Public Service System.
- (h) "Exempt employee(s)" means those employees that are set forth as not being covered under the National Public Service System Act of division

1 of title 33, pursuant to 33 PNC 205 and Sub-Part 1.3. of these regulations.

- (i) "Public Service" means all offices and other positions in the national government not exempted by section 205 of this division or any other law of the Republic.
- (j) "Regular employee or permanent employee" means an employee who has been appointed to a position in the Public Service in accordance with these regulations and who has successfully completed his initial probation period.
- (k) "Service anniversary date" means the anniversary of the date of initial appointment to the Public Service, or such other date as may be established by regulation.

1.3. Coverage. These regulations apply to all employees and positions in the National Government now existing or hereafter established, and all personal services performed for the National Government, with the following exceptions:

- (a) Persons or organizations retained by contract where the Director of the Bureau of Public Service System has certified that the service to be performed is special or unique and nonpermanent, is essential to the public interest and that, because of the degree of expertise or special knowledge required and the nature of the services to be performed, it would not be practical to obtain personnel to perform such service through normal Public Service recruitment procedures;
- (b) Positions of a temporary nature needed in the public interest where certified by the Director of the Bureau of Public Service System and when the need for the same does not exceed 90 days; provided, however, that in the event of a major disaster declared by the President of the Republic of Palau, the Director may extend such 90-day period for a maximum of an additional 180 days for positions engaged in relief, repair or rehabilitation as a result of such disaster;
- (c) Members of any board, public corporation, commission, or other agency or appointed public officials whose appointments are made by the President with the advice and consent of the Senate;

- (d) Elected officials, and members of the Council of Chiefs;
- (e) Persons appointed by the President or Vice President pursuant to Section 6, Public Law No. 7-8-8 to fill the following positions: Chief of staff, special advisors and assistants;
- (f) The Chief Clerks, Legislative Counsels, Budget Officer, Administrative Officer, and the other employees of the Olbiil Era Kelulau;
- (g) Positions specifically exempt by any other law of the Republic of Palau;
- (h) Personnel presently under contract of employment not included in paragraph (a) of this subsection during the life of such contract. No contract of employment shall be entered into, renewed, or amended after the effective date of RPPL No. 1-37, except subject to the provisions hereof;
- (i) Persons who are appointed to occasionally serve as a classroom teachers when regular classroom teachers are absent from work during any one school year;
- (j) Any position involving intermittent performance which does not require more than forty hours in any one month;
- (k) Positions of a part-time nature requiring the services of four hours or less a day but not exceeding one year in duration;
- (l) Positions of a temporary nature which involve special projects having specific completion dates which do not exceed one year;
- (m) Justice and judges.

The Director of the Bureau of Public Service System from time to time may request from the appropriate management official, information regarding specific positions to determine the continued applicability of their exempt or non-exempt status. The Director's determination of the appropriate status is final.

1.4. Application. All matters concerning the classification and compensation of position and the employment, conduct, assignment, training, performance, and separation of

employees in the Public Service System shall be governed by applicable regulations and shall be applied equitably to all.

1.5. Limitations. Preference in employment and training will be given to Republic of Palau citizens. However, nothing in these regulations shall be construed as to prohibit the hiring of expatriate personnel by contract by the President or Vice President of the Republic of Palau, the Chief Justice of the Supreme Court, or their designees. However, such positions shall be certified by the Director of the Bureau of Public Service System when required by these regulations.

PART 2. ORGANIZATION AND ADMINISTRATION

2.1. The National Civil Service Board. Appointed by the President of the Republic of Palau and confirmed by the Senate of the Olbiil Era Kelulau, the Board shall represent the public interest in assuring compliance with basic policy concerning personnel administration, and in ensuring that the integrity of the National Public Service System is preserved. Subject to the provisions of National Public Service System Act of division 1 of title 33 of the PNC, and these regulations, the Board shall:

- (a) Formulate policies and promulgate regulations to carry out the provisions of the National Public Service System Act, including but not limited to regulations governing the recruitment, hiring, placement, and promotion of employees, competitive and promotional examinations, eligibility criteria and qualifications for employment, provisional, short term and emergency appointments, termination of employees, reductions in force, a period of probationary service which must be satisfied before an employee becomes a permanent employee which period shall not exceed six months, and such other matters as may be within the purview of the National Public Service System Act of division 1 of title 33 of the PNC. The appropriate management officials in the National Government, along with the Bureau of Public Service System, shall be responsible for effectuation of regulations promulgated by the Board.
- (b) Foster and develop, in cooperation with the appropriate management officials, the Bureau of Public Service System and others, programs to promote the public service and to improve employee efficiency.
- (c) Assist in developing base salary schedules and compensation plans in accordance with the National Public Service System Act and other applicable laws of the Republic.
- (d) Hear and decide administrative appeals of employees of disciplinary actions, for suspensions of more than three working days, demotions, and dismissals from the Public Service. The Board may utilize the services of qualified hearing officers, where such services are deemed essential by the Board. Administrative hearings shall be public except when the appealing employee requests a closed hearing.

- (e) Provide technical assistance and advice regarding these regulations in all cases requiring interpretation of legal requirements and policy.
- (f) Make such inquiries and investigations into personnel administration in the Public Service as it may deem desirable.
- (g) Perform any other lawful acts necessary to carry out the purpose and provisions of the National Public Service System Act.

2.2. Appropriate Management Officials. Subject to these regulations and the National Public Service System Act, the appropriate management officials shall:

- (a) Administer the system of personnel administration within their respective branches or departments;
- (b) Exercise responsibility for effectuation of these regulations;
- (c) Formulate, in cooperation with each other, personnel policies to ensure that these regulations are carried out consistently and equitably throughout the affected branches of government.
- (d) Foster and develop, in cooperation with the Bureau of Public Service System, each other and the Board, programs to promote the Public Service System and to improve employee efficiency.
- (e) Develop and establish a time keeping system for employees within their respective branches or departments.

2.3. Duly Appointed Appropriate Management Officials. Whenever the Chief Justice or the President of the Republic duly appoints another person or other persons to manage employment and personnel matters within their respective branches of the National Government or department thereof, such appointments shall be made in writing, a copy of which shall be submitted to the Chairman of the National Civil Service Board, the Director of the Bureau of Public Service System, and the administrator being appointed.

Notice of the appointment shall also be given to all employees directly affected by the appointment. Such notice may be made in a general bulletin posted in a place accessible to all employees affected.

PART 3. EXAMINATIONS & EVALUATIONS

Based on the needs of the government, the Director of the Bureau of Public Service System shall administer recruitment programs designed to attract fully-qualified applicants for the Public Service System. Competitive selection procedures shall be used to the maximum extent practicable.

3.1. Authorized Positions and Examinations. No person shall be appointed to any position not exempt from the Public Service System until and unless that position has been properly established, classified, and authorized for recruitment. All new positions which are created and all established positions which are covered by the National Public Service System Act shall be filled only after careful examination and/or evaluation has been conducted on the qualifications of candidates and candidates have been interviewed for the position. Where deemed appropriate by the Director, there shall be competitive examinations for the relative fitness of candidates for positions in the Public Service. In cases where the Director has determined that a competitive examination is not required, examination of records of education, training, experience, and any other relevant information of candidates shall be evaluated and rated by the Director.

3.2. Accountability of Positions. A list of all authorized positions shall be maintained by the Director of the Bureau of Public Service System showing the classification and current status of each such position.

3.3. Examination Notices. As vacancies occur or are anticipated, examinations for recruitment shall be announced and posted in appropriate places and shall be given the widest publicity justified for the vacancy.

- (a) Radio, newspapers, television, and other forms of media shall be used whenever practicable.
- (b) Appropriate management officials shall make every effort to bring announcements to the attention of all personnel under their jurisdiction.
- (c) The Director of the Bureau of Public Service System shall determine the coverage of examination announcements based on the availability of skills within the area in which a vacancy is located.

- (d) With the exception of promotional examinations or as otherwise provided by law, all examinations shall be free and open to the public. Admission to all examinations shall be conditioned by appropriate standards of health, physical condition, age, education, training, experience, and character as are deemed necessary and proper by the Director for the class for which the examination is to be given.

3.4. Content of Examination Notices. Notices shall contain, at least, the following information:

- (a) Class title of position.
- (b) Salary and pay level.
- (c) Brief description of duties and responsibilities.
- (d) Geographical and organizational location of the position.
- (e) Qualifications required for admission.
- (f) Opening and closing dates, and place to file applications.
- (g) Any other information considered by the Director of the Bureau of Public Service System to be valuable to the attraction of candidates for the position.

3.5. Period of Announcement. Examination announcements on a competitive basis shall be open for at least ten working days. However, the Director of the Bureau of Public Service System may extend the period for receipt of applications, providing such extensions are announced in the same manner as the original announcement.

3.6. Continuous Notice of Examinations. When difficulty is experienced in attracting sufficient numbers of qualified applicants for vacancies in the Public Service System, the Director of the Bureau of Public Service System may announce a continuous examination. Notice of closing of a continuous examination shall be posted at least ten working days prior to the final closing date for such examination.

3.7. Promotional Examinations. Promotional examinations are restricted to permanent employees in the Public Service System. Announcements to fill vacancies by

promotion shall be distributed in the same manner as other examination notices. However, the Director of the Bureau of Public Service System may restrict eligibility for participation in an examination to a particular department if the position to be filled is of a nature peculiar to that department.

3.8. Open-Competitive Examinations. Examinations shall be open-competitive. Announcements of open-competitive examinations shall be posted, and applications may be filed for a period of at least ten (10) working days prior to holding the examinations.

3.9. Content of Examinations. Examinations shall be practical and reasonable and shall provide for ascertaining the qualifications of applicants and their relative capacity and fitness for the proper performance of duties in the class of position for which they are applying. Any accepted method of examining may be used, including verification and evaluation of education, training, aptitude and character of applicants, and any other accepted examining and/or evaluation device deemed appropriate by the Director of the Bureau of Public Service System.

3.10. Security of Examinations. Examinations shall be administered and maintained under conditions affording maximum security at all times. All precautions shall be taken to safeguard the confidential nature of examination questions and related documents. Information concerning the nature and content of tests shall not be divulged to any person prior to the examination. Unauthorized disclosure of examination material shall be cause for disqualification from employment in the Public Service System. The identity of examination candidates shall be kept confidential, through appropriate means, during the entire examination process until the completion of the scoring process. The substitution in an examination of a different person for an accepted applicant is considered, for both parties, unauthorized disclosure of examination material. Cheating by a candidate and assisting another candidate to cheat shall be considered unauthorized disclosure of examination material.

3.11. Admission to Examination. Applications for examination shall be made on forms prescribed by the Director of the Bureau of Public Service System. Proper completion of applications and submission of supplemental information shall be accomplished in accordance with the examination announcement and established procedures. Applications shall be signed and such signature shall certify to the truth of all statements contained in the application and other submitted materials. A false answer or statement shall be grounds for denying admission to the examination, removal from the resulting eligible list, or for dismissal from the Public Service if employed prior to the discovery of a false answer

or statement. The Director shall accept applications or designate persons who are authorized to accept applications. Applications for specific positions shall be accepted only during the period specified on the examination announcement. Applications submitted by mail shall be postmarked no later than the announced closing date. Late applications will not be accepted unless approved by the Director because of unusual circumstances. Such determinations shall be made a matter of record and similar circumstances in other examinations shall be treated equally.

3.12. Disqualification of Applicants. The Director of the Bureau of Public Service System may refuse to examine and/or evaluate an applicant for any of the following reasons:

- (a) Failure to meet the minimum qualification requirements for admission to the examination;
- (b) Unsatisfactory physical or mental health conditions;
- (c) Habitual or excessive use of drugs, narcotics, or intoxicating beverages;
- (d) False statements, or attempting to practice deception or fraud in his application;
- (e) Failure to file for examination within the dates specified by the examination announcement; or
- (f) Criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct detrimental to the performance of duties of the position for which he has applied.

Applicants who do not meet the minimum qualifications or who are disqualified for any of the reasons noted above shall be notified as soon as practicable. If an applicant is disqualified following placement on an eligible list, his name shall be removed from the eligible list, and if appointed from that eligible list, he shall be terminated.

3.13. Notification of Acceptance for Examination. Each applicant who has been accepted shall be given sufficient advance notice of date, time, and place of any open-competitive examination; inclusion of the requisite information on the examination announcement meets this notification requirement. No applicant shall be entitled to take an open-competitive examination at a date, time, or place, other than that stated in the

notification unless specifically authorized by the Director of the Bureau of Public Service System. The Director shall not be responsible if a notice is lost in the mails or sent to an applicant's former address through failure of an applicant to report a change of address. Where mail service is not adequate to meet these notification requirements, oral notification in person by telephone or by radio may be given if the foregoing time and content provisions are met, and if such oral notification is properly documented.

3.14. Conduct of Examinations. All examinations shall be under the control of the Director of the Bureau of Public Service System or such suitable person or persons as he may designate to administer them. The Director shall appoint a representative to administer any open-competitive examinations at the time and place designated in the notification of acceptance for examination or the examination announcement.

3.15. Cancellation of Examinations. Examinations may be canceled at any time by the Director of the Bureau of Public Service System if there is no longer need for eligibles covered by the examination or if the examination no longer meets the expressed requirements of the government.

3.16. Rating of Examinations. Appropriate scientific and statistical techniques and procedures shall be used in scoring and rating examinations, and determining the relative ranking of candidates on competitive examinations. The final rating required to pass an examination shall be set by the Director of the Bureau of Public Service System who may also set minimum ratings for each part of the examination. The final earned ratings of each candidate shall be determined by combining the earned ratings of each part of the examination in accordance with the weights established for each such Part.

3.17. Reviews of Examination Results. Any applicant may request a review of his rating within ten working days following the notification of examination results. Such request for review shall be addressed to the Director of the Bureau of Public Service System who shall comply with the request and make whatever changes, if any, the facts warrant.

3.18. Change in Rating. Changes in rating may be made as a result of correction of errors in the scoring or rating process, or as a result of request for review wherein the facts warrant a change. Correction of errors shall be applied equally to all participants. An amended notice of rating shall be reported to all applicants affected by such change in rating. If a correction results in non-passing for an employee already appointed from that eligible list, that employee shall be terminated from the position to which appointed.

3.19. Certification from Eligible Lists. Appointments and promotions in the Public Service System shall be made from certified eligible lists resulting from examinations and/or evaluation, except as otherwise provided by these regulation or applicable law.

3.20. Physical Examinations. Physical examinations may be required of applicants and employees of the Public Service System where physical condition requirements are necessary for the proper performance of assigned duties. Such examinations shall provide a means for recommendations to be made by the medical examiner as to whether the individual concerned is physically qualified for the position for which recruitment is being conducted. The Director of the Bureau of Public Service System shall notify persons when such examinations are required.

3.21. Medical Examinations. Medical examinations are required by the Director of the Bureau of Public Service System for all employees prior to entry on duty. Such examinations shall provide a means for determining that the individual concerned is free from any present or potential medical conditions adverse to performance of his duties, other employees, and membership in the Public Service System.

3.22. Administration of Physical and Medical Examinations. Physical and medical examinations shall be administered by medical personnel authorized by the Republic of Palau to conduct such examinations for employment purposes, and shall be recorded on forms prescribed by the Director of the Bureau of Public Service System. Applicants or employees of the Public Service System are provided such examinations, free of charge, at the medical facilities of the Republic of Palau.

PART 4. ELIGIBLE LIST

4.1. Establishment of Eligible Lists. Employees in the Public Service shall be selected from employment lists, hereafter referred to as eligible lists, established and maintained by the Director of the Bureau of Public Service System. Candidates shall be placed on eligible lists in the order of qualifying grades on the competitive examination and/or based upon evaluation for the subject position. The list shall be designated as an "eligible list" for that class of position and shall be considered "established" upon approval of the Director.

4.2. Duration of Eligible Lists. The life of an eligible list shall be for a period of one year, unless a new eligible list is established by a more recent competitive examination and/or evaluation. An eligible list may be extended up to one year beyond its original expiration date by the Director of the Bureau of Public Service System. No person shall be retained on an eligible list beyond the period of extension of the original list. When an eligible list is reduced to an insufficient number of eligibles, a new list may be established through appropriate competitive examination and/or evaluation.

4.3. Promotional List. Only persons in the Public Service who have completed their probationary period and have passed the requisite promotional examination and/or evaluation may be placed on a promotional list. The Director of the Bureau of Public Service System may confine a promotional list to persons of one department if their work is of a nature peculiar to that department.

4.4. Open Competitive List. The Director of the Bureau of Public Service System shall prepare an eligible list after each open-competitive examination. Such list shall place all persons thereon, with passing grades, in the order of their final ratings. In the event two or more applicants have identical ratings, their names shall be placed, according to their scores, on the most heavily weighted portion of the examination. If all portions are identical, the receipt time of their applications will determine priority.

4.5. Procedure When Eligibles are Required. Whenever eligibles are required, the Director of the Bureau of Public Service System shall:

- (a) Prepare the examination notice.
- (b) Administer the examination and/or evaluation.

- (c) Establish an eligible list, as determined by the examination and/or evaluation.

4.6. Removal of Names From Eligible Lists. The Director of the Bureau of Public Service System may remove the name of any person who has been disqualified under Sub-Part 3.12. of these regulations. The name of any person may also be removed if:

- (a) The person is appointed from that list to a permanent position in the Public Service.
- (b) The eligible candidate fails to respond within ten working days from the date of dispatch of an inquiry as to availability for employment, provided that, his name may be restored for reasons deemed sufficient by the Director.
- (c) In the case of promotional lists, termination of service in the Public Service System occurs.
- (d) The eligible voluntarily withdraws.
- (e) There is evidence of physical or mental unfitness to perform the duties of the position, as indicated by appropriate medical examination.
- (f) The eligible fails to report without good cause for a scheduled interview with the appropriate management official.
- (g) The eligible is found by the Director to be no longer qualified to perform the duties required of the class of position.

4.7. Departmental Promotional Requests. The appropriate management official, wishing to fill, by promotion, a vacant permanent position in his department, may request the Director of the Bureau of Public Service System to provide the name of the employee who shall be promoted. The Director shall identify and ascertain:

- (a) All employees of that department with permanent appointments at lower pay-level position in the same or related position class series as the vacant position,
- (b) Which of those employees meet the minimum qualification standards of the vacant position,

- (c) Their length of service in the Public Service, and
- (d) If he is a Republic of Palau citizen.

The Director shall then certify to the requesting management official a list of the names of the qualified Republic of Palau citizens in order of their seniority in Public Service; if there are no qualified Republic of Palau citizens, then the names of the qualified non-Republic of Palau citizens with the longest Public Service records shall be certified. If the management official so wishes, in the original instance, he may request the Director to announce a promotional examination limited to that department. The Director shall make its determination in accordance with Sub-Part 3.7.

A management official may fill a vacant position in his department by promoting any regular employee in the department without examination if the employee meets the minimum class qualifications of the position to which he is to be promoted, and if the position is in the same series as the position held by the employee or is clearly an upward progression in the same career-ladder of positions.

Prior to the effective date of the promotion, the appropriate management official shall notify the Director of the proposed action. The Director shall then review the proposed promotion to ensure that the promotion is in compliance with the requirements of this Sub-Part.

PART 5. CERTIFICATION AND APPOINTMENT

5.1. Certification of Eligibles. For the purpose of filling vacancies in the Public Service, the appropriate management official shall request a list of eligibles from the Director of the Bureau of Public Service System, unless he elects to fill a position by transfer, promotion, or demotion. Requests for eligibles shall be made on forms prescribed by the Director, and shall clearly identify the position to be filled. The Director shall respond to such request by certifying from the appropriate eligible list the five highest available eligibles, or such lesser number as are available.

The appropriate management official shall conduct interviews and take the appointment only from the list eligible persons certified to him unless no person is acceptable to him on the list certified by the Director in which case he shall reject the list and request the Director to submit a new list, in which event the Director shall submit a new list of eligible persons selected in like manner. Should the management official elect to reject the list, he shall specify his reasons for rejecting each of the five eligibles in writing to the Director.

No person shall report to work nor receive a salary unless he has been previously certified on an appropriate eligible list by the Director and selected by the appropriate management official.

5.2. Type of Position and Appointments. All positions in the Public Service shall be identified in the records of the Director of the Bureau of Public Service System as either permanent, provisional, temporary, or such other status as is authorized by law.

5.3. Other Positions. Positions which are exempt under 33 PNC 205 and therefore not in the Public Service, shall be clearly identified according to the appropriate Sub-Part of the law, for record purposes.

5.4. Appointments. All employees shall hold a probationary appointment for a period of six (6) months from the beginning of their initial employment in the Public Service. An employee who has satisfactorily completed his initial six (6) month probationary period shall be converted to permanent appointment status in the Public Service and is entitled to the full benefits of these regulations.

5.5. Provisional Appointments. When there is no appropriate eligible list, the appropriate management official may fill a position by provisional appointment after notifying the Director of the Bureau of Public Service System. Such provisional

appointment must be of a person who meets the qualification standard for the class involved. Such appointment shall be limited to a period of ninety (90) days, the Director shall then conduct an examination and/or evaluation within such ninety (90) day period.

Any person given a provisional appointment who meets all the requirements of these regulations regarding appointments to permanent positions, including the passing of the appropriate examination, and is appointed to the position on a permanent basis, is entitled to have the period of service performed in such provisional status counted towards meeting his probationary period.

All persons receiving provisional appointments shall be required to meet the minimum qualification requirements of the class of position to which appointments are sought.

5.6. Emergency Appointments. The Director of the Bureau of Public Service System may certify a temporary appointment needed in the public interest when the need for the same does not exceed 90 days; provided, however, that in the event of a major disaster declared by the President of the Republic of Palau, the Director may extend such 90 day period for a maximum of an additional 180 days for positions engaged in relief, repair or rehabilitation as a result of such disaster. Such temporary positions are exempt from the Public Service System under 33 PNC 205.

5.7. Prohibition of Nepotism. First degree sanguinity is hereby prohibited in cases of direct supervisor/subordinate relationship. Spouses and persons within the first degree of sanguinity may not be employed in the National Government in a supervisor/subordinate relationship. Any exception for the best interest of the National Government shall be subject to approval by the Board.

PART 6. OUTSIDE EMPLOYMENT AND OTHER ACTIVITIES

6.1. Off-Duty Activities. No employees in the Public Service shall engage in outside employment or other outside activities not compatible with the responsibilities of his office or position, or as prohibited by law. Employees shall not accept any fee, compensation, gift, payment of expenses, or any other thing of monetary value which would result in:

- (a) Use of public office for private gain,
- (b) Affording preferential treatment to anyone,
- (c) Loss of efficiency or economy to the government,
- (d) Loss of independence or impartially,
- (e) Making a government decision outside official channels, or
- (f) Any adverse effect on the public's confidence in the integrity of the government.

6.2. Prohibited Activities Within the Public Service. It shall be prohibited for any person during his employment with the Public Service and while performing the duties of his position to:

- (a) Receive compensation or anything of monetary value, other than that to which he is entitled from the government for the performance of duties within the scope of his official responsibilities; or
- (b) Engage in the unlawful manufacture, distribution, dispensing, possession or use in the employee's work place of a controlled substance as defined in 34 PNC chapter 31. Any employee convicted of a drug offense occurring in the work place must report it to his/her supervisor within five days of the conviction.

The provision contained in Part 6.2. (a) is already a part of the Rules and Regulations of the Public Service System. The new provision described earlier, and being added to Part 6.2. is found in subsection (b).

6.3. Violation Penalties. Whenever it is established that the provisions of this Part have been violated, the employee may be subject to disciplinary action in accordance with Part 11.

PART 7. TRAINING AND EMPLOYEE DEVELOPMENT

7.1. Policy. Insofar as appropriate training increases workers' effectiveness in jobs; improves morale; decreases labor turnover; prepares new employees to do jobs for which they are not trained; provides an effective means of screening and placement; and prepares employees for filling responsible jobs, and upward mobility; and insofar as it is a major commitment of this government to train and develop a viable Public Service work force, the following policy is reiterated:

The Board in cooperation with the appropriate management officials, the Bureau of Public Service System and others shall be responsible for defining policy requirements of developing the Public Service System's work force; to determine long range goals to be met within all job categories in existence with the Public Service System; to evaluate training programs and recommend alternatives to aid in the overall direction of manpower development programs in the Public Service to accomplish their objectives; to ensure that proper coordination is maintained within the departments, so that manpower development in the Public Service is in concert with development in the private sector and to ensure that education services available within and outside the Republic of Palau are fully utilized.

7.2. Definitions. For the purpose of this Part, three categories of training may be distinguished; job skill training, promotional training, and employee development.

- (a) Job-Skill Training: The type of training in which the primary purpose may be: (1) to improve an employee's performance in the position in which he is currently employed; (2) to prepare an employee to move laterally in the same or related classes of positions.
- (b) Promotional Training: The type of training which an employee undergoes in order that he may be able to perform with average efficiency the minimum tasks required in the position to which he is being trained.
- (c) Employee Development: The type of training which is offered to an employee so that he can broaden his background or broaden his perspectives in his own or related occupational areas.

7.3. Responsibilities.

- (a) It is the responsibility of each appropriate management official to implement all training programs, at all levels, in their organizations to insure that training objectives are met. In keeping with this function, each management official must submit plans to implement their training objectives to the Director of the Bureau of Public Service System and the Board, including what they have determined to be their immediate priorities and the needs of their areas.

Each management official is responsible for budgeting adequate funds for training of employees. The management officials are responsible for reporting the nature, content, and results of such training activities as in-service training to the Director of the Bureau of Public Service System and the Board, in order to facilitate overall coordination of manpower development throughout the Republic.

- (b) The Director of the Bureau of Public Service System is responsible for the overall coordination of training programs developed for departments' implementation, to insure career mobility and development within the Public Service System. In addition, the Director shall be responsible for:
- (1) Location and determining costs of training resources within and outside the Republic of Palau and to evaluate such training;
 - (2) Maintaining current employee training records for all those employees receiving training outside the Republic of Palau;
 - (3) Coordinating plans and programs for necessary training of employees, such as in-service training programs to provide managerial, supervisory, secretarial, clerical skills, and trade skills, and others;
 - (4) Coordinating all training with the departments to avoid duplications of effort and to insure a balanced development of manpower.

- (c) Supervisors. In carrying out the training objectives of their program areas, first line supervisors are to perform supportive functions such as, but not limited to the following: planning for employee release time when such is needed for formal classroom instruction; informing trainees of the content of their training program, their objectives and benefits, and their responsibility to absorb and use the instructions provided for them; motivating the employees to engage in self-improvement activities leading to improved performance and possible promotions and for providing their immediate supervisors with information regarding all aspects of training programs in which their subordinates are participating.

When an employee enters a new position, a period of ninety (90) days will be given the supervisor in which to conduct an orientation for the new employee in the policies, procedures, rules and regulations which are specific to him and to the performance of his job.

7.4. External Training. Training courses given by agencies outside the Republic of Palau will be utilized to the extent budgets will permit. All departments wishing to engage in special training, formal short-term training, and other academic programs for their employees outside the Republic of Palau must submit to the Director of the Bureau of Public Service System the names of employees to be given such courses and the content and length of such training, for evaluation prior to sending an employee abroad for training.

7.5. Payment of Costs:

- (a) Employees released to attend authorized job-training and developmental programs will receive any combination of basic salary, travel expenses when required, and per diem or stipend as (applicable) to the training involved with the approval of the appropriate management official. Training provided as part of a planned upgrading program, such as a management internship, is job-related, within the meaning of this paragraph.
- (b) Employees attending education or training programs designed to generally improve their potential for advancement, but not specifically related to their present duties or duties they are specifically being trained to assume, may be released on training and education leave and may enter into cost-sharing

agreements with their departments, at the discretion of their supervisors, with the approval of the appropriate management official.

- (c) The government shall have no responsibility for any costs incurred by an employee who seeks further academic training on his own initiative, other than those classified in (a) or (b) above.
- (d) An employee who receives scholarship assistance to attend programs classified in (a) or (b) above, and who is also granted leave with pay to attend such programs, shall be subject to the limitations described in Sub-Part 18.3. (e).

7.6. Support for Training. The appropriate management officials and supervisors are encouraged to give positive support to training efforts, since improved skills and more effective supervision, at all levels, will support better mission accomplishment.

7.7. Evaluation of Training. The Director of the Bureau of Public_Service System will develop and maintain a system which will provide information and analysis of the effectiveness of training provided. Such analysis will be used to alter training courses where needed and in training needs surveys. All personnel who attend and return from training courses within or outside the Republic of Palau will be required to submit a written report including a summary of the course, along with a judgment of the added value gained from the course. Such report shall be addressed to the Director, the Chairman of the Board, and a copy sent to the appropriate management official.

PART 8. TERMINATIONS OTHER THAN FOR CAUSE

8.1. Resignation. Resignations shall be in writing and shall be submitted at least ten (10) working days in advance of the effective date. The appropriate management official may designate positions for which this period may be extended up to thirty (30) working days.

- (a) The appropriate management official shall submit a copy of the written resignation, together with the necessary terminating documents, to the Minister of Administration.
- (b) In case an employee resigns without submitting his resignation in writing, the appropriate management official shall, within fifteen (15) days following the resignation, file with the Minister of Administration a statement showing termination of employment.
- (c) Any employee who is absent without leave (AWOL) for more than ten (10) working days, whether consecutive or not, during any one six (6) month period as specified in Part 18.5. of these regulations, is considered to have resigned from his position.
- (d) Withdrawal of a resignation may be permitted provided the employee states his reasons for the withdrawal, in writing, prior to the effective date of the resignation, and the appropriate management official concerned agrees to the proposed withdrawal.

8.2. Termination for Medical Reasons. When an employee contracts a serious, long-term infectious or contagious disease which endangers the health of others, or becomes mentally incapacitated, or is otherwise permanently physically disabled and due to such disability is unable to satisfactorily perform the duties of the position to which assigned, the appropriate management official may terminate his employment, provided:

- (a) No suitable reassignment can be made within the department to which he is assigned; and
- (b) The employee has had a recent medical examinations which substantiated one of the medical conditions as stated in Sub-Part 8.2.

If an employee refuses to have a medical examination at the written request of the appropriate management official, and the appropriate management official has good cause to believe that the employee has contracted a serious long-term infectious or contagious disease which endangers the health of others, or is mentally incapacitated, or is otherwise permanently physically disabled and due to such disability is unable to satisfactorily perform the duties of the position to which he is assigned, the employee may be placed on leave without pay. If, after thirty (30) days of the request by appropriate management official that the employee have a medical examination, the employee still refuses to have such an examination, the employee may be terminated by the appropriate management official, without his consent.

8.3. Reduced Work Time. In the event that a reduction in personnel is imminent due to lack of funds, each department affected by such reductions shall, whenever feasible, permit employees to voluntarily reduce work time or their work week, whichever is appropriate, to prevent employee lay-offs. Reduced work time options may be available in the form of fewer hours of work per day, or fewer days of work per week, on a regular basis, such as a six-hour day or a four-day work week. The appropriate management official shall notify the appropriate employees of the proposed reduction in personnel, and consult with those employees who wish to volunteer for reduced work time prior to placing any employee on a reduced work time schedule.

- (a) Voluntary work time reductions shall result in pro rata reduction of compensation to participating employees. Such employees shall be returned to full-time schedules when budgetary constraints are eliminated. Employees who participate in the reduced work time shall continue to receive the same benefits of employment as they were receiving prior to their participation in the reduced work time.
- (b) If reduction-in-force becomes unavoidable, employees who participate in a voluntary reduced work time pursuant to this Sub-Part, shall not be routinely subject to lay-off ahead of other permanent employees. In such case, Sub-Part 8.4. shall apply.

8.4. Reduction-in-Force. When there is an impending reduction-in-force due to lack of work, lack of funds, or governmental reorganization, the appropriate management official concerned shall inform the Board and the Director of the Bureau of Public Service System of this fact at least 60 calendar days in advance of the effective date of the proposed reduction-in-force. Prior to informing the Board and the Director of the need for reduction-

in-force, the appropriate management official shall exhaust all possibilities of placing the employee in another equivalent position or in a position he is qualified for, or on a reduced work time.

- (a) Order of Terminations. The order of termination in reduction-in-force shall be determined by the Board in accordance with the following:
- (1) Permanent employees shall not be terminated when positions in the same class are continued with the services of probationary employees;
 - (2) An employee's individual merit, including qualifications for the position, seniority, education, training, experience, and performance ratings shall be the primary basis for establishing order of layoffs;
 - (3) Persons reached by reduction-in-force may not be reassigned to positions other than those for which they are fully qualified;
 - (4) A permanent employee who is to be terminated from a position of one class may ask for a review of the status of employees serving in his department in the lower classes of the same related field. Upon receipt, the Board shall conduct such a review. If it finds an employee serving in a lower class requiring the same or closely related qualifications who is not a permanent employee, the Board shall offer the position occupied by such probationary employee to the employee being terminated. If he accepts, the services of the probationary employee in the same or lower class shall be terminated.
 - (5) The Director of the Bureau of Public Service System shall make available to the Board the official personnel folders of those employees who are affected by the reduction-in-force and shall certify in writing to the Board that such folders are accurate and complete. Upon receipt of the folders, the Board shall conduct a review of the folders and determine the appropriate order of termination.
- (b) Reduction-in-Force Notice. After determining the order of termination, the Board shall inform the affected employees, in writing, that they have been reached by reduction-in-force and that their services shall be terminated. The Board's letter shall be dispatched at least 30 calendar days prior to the effective

date of termination as set by the appropriate management official. The employee shall sign a copy of the letter to acknowledge receipt and return it to the Board.

8.5. Exit Interview. The appropriate management official shall ask each resigning employee whether he wants an exit interview with the Board. If the employee indicates a desire to have such an interview, the appropriate management official will state in the remarks section of the personnel action form that the employee wants an interview with the Board. The appropriate management official shall forward the request to the Board immediately.

Upon receipt of the request, the Board shall arrange a personal interview for each employee resigning from the Public Service, prior to the effective date of the resignation action, whenever possible. The interview shall be conducted for the purpose of obtaining from the employee the true reason(s) for his resignation. The Board shall report to the appropriate management official and the Director of the Bureau of Public Service System any impropriety surrounding the employee's resignation, as well as forward any constructive criticisms or suggestions that the employee may have had regarding his employment. Interviews shall be recorded in report form and be made a part of the employee's official personnel folder.

PART 9. PERFORMANCE EVALUATION

9.1. Purpose. The performance evaluation system is designed primarily for the purpose of appraising each employee on how well he is discharging his duties and responsibilities, and of indicating areas in his performance where he could be more effective in the application of his knowledge, skill, and abilities. It provides a means for letting the employee know where he stands with the organization.

9.2. Coverage. Every employee shall participate, with his supervisor, in periodic evaluations of the employee's achievement of established standards of performance.

9.3. Responsibilities. Each appropriate management official shall ensure preparation, on forms prescribed by the Director of the Bureau of Public Service System, for each employee under his jurisdiction, standards of performance which relate specifically to that employee's assignment. The employee's immediate supervisor shall work together with the employee to develop realistic original standards of performance, in terms of what the employee's job demands are and the level of results to be achieved. In addition, the supervisor and the employee shall meet in conference to objectively and consistently evaluate the employee's performance, in terms of the standards established and to mutually revise his performance standards upon review of his development in the job. When improvement in the employee's performance is desired, the supervisor must explain to the employee in writing how such improvement is to be achieved.

The Director of the Bureau of Public Service System shall monitor the performance evaluation system and shall be alert to changes needed for improvement of such system.

9.4. Due Dates. Original standards of performance shall be developed as a major factor in an employee's orientation to a new job. Performance standards review and revision conference may be held, as the relationship requires. A performance evaluation conference shall be held prior to an employee's appointment to a permanent position or other change in position status.

Permanent employees shall be given written performance ratings annually, before their service anniversary dates. A copy of the performance rating shall be given to the employee. Ratings shall be submitted to the appropriate management official by the supervisor within 10 working days of receipt of the performance ratings_form from the Bureau of Public Service System, and concurred in by the appropriate bureau director, if applicable, no later than the end of the pay period preceding the service anniversary date. If ratings are not

submitted pursuant to the aforementioned deadlines, then the appropriate bureau director or appropriate management official shall have the authority to presume that the employee is rated "Satisfactory" and may authorize a change in position status such as a step increase, if the employee has been rated "Satisfactory" or higher throughout the entire appropriate waiting period for that step increase.

Employees serving probationary periods shall be given a written performance rating at the end of the first three months of their probationary periods, except that the final rating shall be submitted no later than two (2) weeks prior to completion of their period of probation.

9.5. Categories of Ratings. Performance ratings shall be "Exceptional", "Good", "Satisfactory", or "Unsatisfactory". Such ratings shall be based on rating standards established and defined by the Director of the Bureau of Public Service System and explained to the employee in writing by his immediate supervisor. Ratings of "Exceptional" or "Unsatisfactory" shall be accompanied by a written statement giving a full explanation of such rating and shall be concurred in by the bureau director, if applicable. Employees rated "Unsatisfactory" shall be counselled and warned that lack of improvement may result in disciplinary action.

9.6. Impact of Ratings. Annual written performance ratings are the basis for granting or withholding step increases. Employees rated "Exceptional", "Good", or "Satisfactory" throughout the entire appropriate waiting period for the next step increase, shall be eligible for step increases in their pay level. Those rated "Unsatisfactory" at any time during their waiting period, shall not be eligible for a step increase.

Annual written performance ratings serve also as one factor in selection for promotion, in determining retention status in cases of reduction-in-force, in reviewing justification for authorizing a merit increase, and may be a consideration when evaluating a Superior Performance Award request.

PART 10. INCENTIVE AWARDS

10.1. Purpose of Program. The Public Service Incentive Awards Program is established for the purpose of improving government operations and recognizing employees through the medium of incentive awards. The awards under this program are designed:

- (a) To encourage employees to participate in improving the efficiency and economy of government operations;
- (b) To recognize and reward employees for their suggestions, superior accomplishments, or other personal efforts which contribute to efficiency, economy, or other improvements in government operations;
- (c) To recognize and reward employees who perform special acts or services in the public interest in connection with, or related to, their employment.

10.2. Stimulating Participation. To obtain maximum value from the program, it is necessary that appropriate management officials emphasize to supervisors and employees the importance of employee participation in improving government operations. Motivating employees toward improved job performance and concern for effective government is a basic responsibility of all managers and supervisors.

10.3. Contributions and Award Categories. An employee's contribution, to be considered for an Incentive Award, must be identified with one of the following three categories:

- (a) Suggestion Award
- (b) Superior Performance Award
- (c) Special Act or Service Award

10.4. Suggestion Award. An award for an idea submitted by an employee and adopted for use by the government. Awards of this kind are made only when the employee's suggestion directly contributes to economy or efficiency or directly increases effectiveness in carrying out government programs or missions. Awards are made in the form of a cash lump-sum payment.

10.5. Superior Performance Award. An award granted for performance exceeding job requirements, and involving a contribution so superior or meritorious as to warrant special recognition. To be eligible for superior performance award, the employee must meet the following three criteria:

- (a) Performance of one or more important job functions in a manner that substantially exceeds normal requirements so that , when viewed as a whole, the work performance is of a high degree of effectiveness;
- (b) Performance that exceeds the normal or typical;
- (c) Performance that does not meet all the requirements of a quality increase but does significantly exceed job requirements in one or more important job functions may be considered for a lump-sum award for superior performance.

10.6. Special Act or Service Award. An award granted for performance which has involved overcoming unusual difficulties, or exemplary or courageous handling, of an emergency situation related to official employment. Awards in this category are made in the form of a lump sum payment.

10.7. Documentation. Employee suggestions must be submitted in writing and requests for performance awards and special acts or service awards must be submitted to the Director of the Bureau of Public Service System. Recommendations for such awards may be submitted by employees of the Public Service System as well as from any interested person. Statements of justification should be brief and factual, emphasize results achieved which are beyond normal job requirements and identify measurable benefits to the government. Final determination of awards under this Part will be made by the Director.

10.8. Incentive Awards. Employee suggestions, Superior Performance Awards, and Special Act or Service Award nominations will be reviewed and evaluated by the Director of the Bureau of Public Service System and the Chairman of the Board or his designee and appropriate minister or his designee.

10.9. Award Scale. Cash awards, under this Part, will be determined by the Director of the Bureau of Public Service System. No single award shall exceed \$500.00. The amount of the award shall be based on the significance of the justification for the award.

10.10. Honorary Awards. When appropriate, an Honorary Award may be granted in recognition of an employee's contribution. The Honorary Award may be in addition to a cash award. For example, an Honorary Award is particularly appropriate in recognition of continued distinguished service, a singular achievement, or an act of personal heroism. It may be granted independently of, or as a supplement to a cash award; it is not intended, however, to serve as a substitute for deserved monetary awards. It is designed to select and bestow singular honor as an official recognition of achievement and as an incentive to further accomplishments.

PART 11. DISMISSALS, DEMOTION AND SUSPENSIONS

11.1. Actions Covered. This Part applies only to dismissals, demotions and suspensions of employees by management officials.

11.2. Authority to Dismiss, Demote or Suspend. The authority to dismiss, demote or suspend has been granted to management officials, meaning the Chief Justice of the Supreme Court, and the President of the Republic of Palau, or persons duly appointed by them to manage employment and personnel matters within their respective branches of the national government or departments thereof, by 33 PNC 425. This authority may not be further delegated or re-delegated.

11.3. Employee Coverage. This Part applies to all employees of the national government of the Republic of Palau not exempt under 33 PNC 205.

11.4. Merit of Action. An adverse action may not be taken against an employee covered by this Part except for disciplinary purposes, incompetency, or other reason provided for by these regulations. Each of the following constitutes cause for discipline of an employee covered by this Part:

- (a) Fraud in securing appointment;
- (b) Inexcusable neglect of duty;
- (c) Insubordination;
- (d) Dishonesty;
- (e) Drinking or drunkenness on duty;
- (f) Intemperance;
- (g) Addiction to the use of narcotics or habit-forming drugs, when such use is detrimental to an employee's job performance;
- (h) Inexcusable absence without leave;

- (i) Conviction of a felony or conviction of a misdemeanor involving moral turpitude. A plea or verdict of guilty, or a conviction following a plea of nolo contendere, to a charge of a felony or any offense involving moral turpitude is deemed to be a conviction within the meaning of this Part.;
- (j) Discourteous treatment of the public or other employees;
- (k) Misuse of government property;
- (l) Violation of Board or Bureau of Public Service System rules and regulations;
- (m) Refusal to take and subscribe to an oath or affirmation which is required by law in connection with his employment;
- (n) Other failure of good behavior either during or outside of duty hours which is of such a nature that it causes discredit to his agency or his employment;
- (o) Use of official position or governmental property for private gain or profit;
- (p) The prohibited activities as set forth in Parts 6.1. and 6.2. of these regulations.

11.5. Procedures for Taking Adverse Actions. The management official must observe certain procedural requirements when processing an action covered by this Part. These procedural requirements are as follows:

- (a) Suspensions and Temporary Demotions.
 - (1) The management official may suspend or demote any employee for less than three working days, whether consecutively or not, with written notice as set forth in Sub-Part 11.6. Such suspension or demotion may take effect immediately. In such case, in addition to a copy of the pertinent personnel action, a copy of the written notice must be placed in the employee's appropriate folder within two working days of its delivery to the employee.
 - (2) The management official may suspend or demote an employee for three working days or more, whether consecutively or not, to take effect as designated in the written notice as provided for in Sub-Part 11.6.;

provided that within two working days of its delivery to the employee, a copy of that notice is on file in the employee's adverse action folder.

- (3) The management official may suspend an employee immediately pending an investigation or hearing of any charge against him, to take effect or designated in a notice of suspension for investigation or hearing; provided that within two working days of its delivery to the employee a copy of that statement is on file in the employee's adverse action folder.

Where such a suspension is made and the charge subsequently dropped or not substantiated, the employee shall be reinstated in his position without loss of pay and other benefits. Where the charge against the employee is substantiated and the disciplinary action is one of suspension:

- (i) And the disciplinary suspension is less than the time on suspension for investigation or hearing, the employee shall be so notified in accordance with Sub-Part 11.5. (a)(1) or (2) of these regulations, whichever is appropriate, and shall be reinstated in his position without loss of pay and other benefits for all time on suspension for investigation or hearing in excess of the duration of disciplinary action suspension.
- (ii) And the disciplinary suspension is equal to the time on suspension for investigation or hearing, the employee shall be reinstated in his position, provided he had been notified of the disciplinary suspension in accordance with Sub-Part 11.5. (a)(1) or (2) of these regulations, whichever is appropriate.
- (iii) And the disciplinary suspension exceeds the time on suspension for investigation or hearing, the employee shall be notified of the disciplinary action suspension in accordance with Sub-Part 11.5. (a)(1) or (2), of these regulations, whichever is appropriate, and shall be credited for the disciplinary action suspension period with all time on suspension for investigation or hearing, and shall be continued on disciplinary suspension until the total disciplinary action suspension is realized.

- (iv) And the disciplinary action of demotion is taken following a suspension for investigation or hearing, the employee shall be reinstated in his position without loss of pay and other benefit resulting from the suspension for investigation or hearing, pending compliance with Sub-Part 11.5. (b) of these regulations.
 - (v) And the disciplinary action taken following a suspension for investigation or hearing is dismissal, the employee shall be continued on suspension pending the completion of the ten working days notice period, and compliance with Sub-Part 11.5. (b) of these regulations.
- (b) Dismissal and Permanent Demotion. The management official may dismiss or demote an employee provided that at least ten working days before the effective date of the dismissal or demotion, the employee is delivered a written notice, as set forth in Sub-Part 11.6. of these regulations.
- (c) Contesting Suspension, Dismissal or Demotion. Any regular employee may contest a suspension for more than three working days, demotion or dismissal to the Board and the Trial Division of the Supreme Court, provided he is in compliance with the provisions of Part 12 of these regulations.

11.6. Content of Written Notice. The written notice letter of adverse action must be dated and must notify the employee of a specific action. It shall include the following:

- (a) The name, address, employing department, and position title of the employee, as recorded in the employee's official personnel folder.
- (b) The reasons supporting the action, specifically, and in detail, including names, times and places. The letter should be self-contained, so that a person unacquainted with the facts and circumstances involved can obtain from the letter a clear understanding of the reason(s) for the action which are related to the charges. The letter must also include a detailed statement of any part of the employee's past record which the management official considered in determining severity of the action.
- (c) The letter must inform the employee that he is entitled to review all the material relied on by the management official to support the reason(s)

specified in the letter, including material relevant to the employee's past record if that record forms part of the basis for the action. The notice must inform the employee where he may review such material. The above requirement means that the management official cannot use any material to support its reason(s) which, because of security or other considerations, cannot be disclosed to the employee or his designated representative.

- (d) When applicable the notice must inform regular employees of their right to a hearing and right of appeal to the Board and the Trial Division of the Supreme Court pursuant to 33 PNC 426 and Part 12 of these regulations. The notice must also inform the employee of where a copy of these Public Service System Regulations is available for his information.

11.7. Preparation and Review of Written Notice of Adverse Action. The written notice of adverse action must be prepared by the appropriate management official and may be reviewed before issuance by the Attorney General or his designee.

11.8. Delivery of Written Notice. A written notice of adverse action to the employee shall preferably be delivered to him personally. His written acknowledgment of its receipt shall be obtained by his signature and date, entered at the end of the last page of the written notice; provide, however, that written acknowledgment is not necessary if the employee refuses to acknowledge in writing.

- (a) Delivery may also be effected by certified or registered mail, return receipt requested, properly addressed to the employee at his last known address, and in such case the notice shall be deemed to be given when received, or five (5) days from the date of mailing, whichever first occurs.
- (b) Delivery may also be effected by delivery to any person over the age of eighteen (18) years found at the residence of the employee.
- (c) In each case, the person effecting delivery shall certify to the time, date, and manner thereof, and shall affix his signature to such certification. If an employee refuses to acknowledge such notice, the person effecting delivery shall certify such refusal in writing.
- (d) In computing the advance notice period, where required by Sub-Part 11.5.(b) of these regulations, the day on which the notice is delivered is not counted.

11.9. Duty Status An employee against whom an action of dismissal or demotion is taken may be retained in an active duty status during the notice period, if the management official believes retention of the employee in an active duty status is warranted. When circumstances are such that the retention of the employee in an active duty status in his own position may result in damage to government property, or may be detrimental to the interests of the government or the employee's fellow workers or the general public, the employee may be temporarily assigned to duties in which these conditions will not exist. If an employee cannot be kept in an active duty status during the notice period, either in his regular position or through temporary assignment to another position, the employee may be placed in a non-duty status with or without pay for the ten (10) working days' notice period.

11.10. Separation During Initial Probationary Period. If, during the six month initial probationary period which each new appointee must serve, it becomes evident that the employee lacks the ability, attitude, or desire to become an efficient and productive employee in the position to which appointed, that employee shall be separated from the service.

- (a) Management officials who find it necessary to separate an employee during probation shall provide the employee with not less than five (5) working days' advance notice, in writing, specifying the reasons for the separation. The employee shall be afforded the right to discuss his situation with the management official proposing the separation.
- (b) Probationary employees are not entitled to appeal their suspensions, demotions, or dismissals to the Trial Division of the Supreme Court.

11.11. Initiating Personnel Actions. As soon as practicable following delivery of the notice of action, it is the responsibility of the management official to initiate a personnel action appropriate to the action taken.

11.12. Termination for Cause. Any employee who is terminated for cause as defined in Sub-Part 11.4. of these regulations, shall not be considered for reemployment in the Public Service System for a period of six (6) months from the effective date of his termination.

11.13. Racial, Religious or Political Consideration Barred. No person holding any position in the national Public Service shall be suspended, demoted, or dismissed from his

position on account of sex, marital status, race, religious or political affiliation, or place of origin.

PART 12. APPEALS TO THE BOARD AND SUPREME COURT

12.1. Contesting Suspensions for No More Than Three Working Days. Any regular employee who has been suspended for no more than three working days, may contest his suspension in writing to the Director of the Bureau of Public Service System within ten calendar days of the notice of the suspension. Upon receipt of an employee's written appeal, the Director shall review the employee's reasons for appeal and issue his decision in writing within five working days of receipt of the appeal. The decision of the Director on these matters is final.

12.2. Contesting Suspensions of Over Three Days, Dismissals, and Demotions to the Board. An employee may contest his dismissal, demotion or suspension of over three days to the Board as follows:

- (a) Employees May Contest Suspension, Dismissal or Demotion through Administrative Hearing. An employee who is suspended for more than three working days, dismissed or demoted shall have the right to appeal to the Board and request an administrative hearing before an impartial hearing panel of the Board composed of three hearing officers who shall be either members of the Board, qualified hearing officers, or a combination of both. At least one member of the hearing panel must be a member of the Board. Hearing officers shall be designated by the Chairman of the Board. The request for a hearing shall be made within 14 calendar days of receipt of written notice of adverse action, through a letter to the Chairman.
- (b) Calling of the Hearing. When an administrative hearing is requested the Chairman shall convene the impartial hearing panel and designate the time and place for the hearing. Such hearing shall take place within ten working days from the receipt of the request. The employee and the responsible management official shall each have the right to present evidence, and to be represented by counsel of his or her own choosing. The impartial hearing panel shall examine and hear all witnesses testimony, documents, and evidence in the matter. At the hearing, technical rules of evidence shall not apply, and the evidence taken may be taken stenographically or by recording machine.
- (c) Representation. When an appeal hearing is before the Board, the Attorney General or his/her designee shall represent the government.

- (d) Decision Based on Hearing. Within 60 calendar days of the hearing, the hearing panel shall put its findings of fact and final decision in writing and give a copy of its decision to the employee and the appropriate management official involved, and shall file a copy in the employee's adverse action folder. If the hearing panel finds that the action is not justifiable, the Board shall either order that the employee be reinstated in his or her position and compensated for lost salary, or modify the action of the management official if it finds the circumstances of the case so require, and, thereupon, order such disposition of the case as it may deem just and proper. If the Board finds that the action is justifiable, the Board shall sustain the action of management. An employee who fails to appeal to the Board within the time prescribed in this section may not bring an action in any court to contest his suspension, dismissal or demotion.

12.3. Contesting Suspensions of Over Three Days, Dismissals and Demotions to the Court. An employee may contest his dismissal, demotion or suspension of over three working days to the Trial Division of the Supreme Court as follows:

- (a) Any regular employee who is suspended for more than three working days, or dismissed or demoted, may bring an action for reinstatement and loss of pay in the Trial Division of the Supreme Court within 60 calendar days after written notice of the decision of the Board in the government's favor.
- (b) If the court finds that the reasons for the action are not substantiated in any material respect, or that the procedures required by law or regulation were not followed, the court shall order that the employee be reinstated in his position, without loss of pay and benefits. If the court finds that the reasons are substantiated or only partially substantiated, and that the proper procedures were followed, the court shall sustain the action of the management official, provided that the court may modify the action of the management official if it finds the circumstances of the case so require, and may thereupon order such disposition of the case as it may deem just and proper.

PART 13. EMPLOYEE VIEW PRESENTATION

13.1. Purpose. This Part is established to allow employees or employee associations a reasonable opportunity to present their views to the government, free from restraints or reprisals in the exercise of this right, as authorized by 33 PNC 429.

13.2. Employee Coverage. The following procedure covers all Public Service System employees, or employee associations and their representatives.

13.3. Coverage. Any matter of concern or dissatisfaction to an eligible employee regarding matters affecting his working conditions, status, or pay are covered unless exempted in Sub-Part 13.4.

13.4. Matters Not Covered. The procedure will not cover the following:

- (a) An adverse action appealable under Part 11 and 12.
- (b) A fitness-for-duty examination.
- (c) Nonselection for appointment, promotion, or reassignment from a group of properly ranked and certified candidates.
- (d) Nonadoption of a suggestion or disapproval of a merit increase, performance award, or other kind of honorary discretionary award.

13.5. Right to Seek Advice. Sometimes, an employee has a valid reason for not presenting his views to his immediate supervisor. The government, therefore, must provide opportunities for an employee to informally communicate with and seek advice from a supervisory or management official of higher rank than the employee's immediate supervisor or the Director of the Bureau of Public Service System.

13.6. Informal Procedure. Before an employee can formally present his views to the Board under Part 13.7. of these regulations, he must show evidence of having pursued his views with a supervisor, the Director of the Bureau of Public Service System, or appropriate management official informally.

- (a) An employee may present his views to his supervisor, the Director or an appropriate management official concerning a continuing practice or condition

at any time. He must present his views concerning a particular act or occurrence within ten working days of the date of that act or occurrence or the date he became aware of the act or occurrence.

- (b) An employee may present his views under the informal procedure, either orally or in writing to his supervisor, the Director or an appropriate management official.
- (c) Supervisors, an appropriate management official or the Director have an obligation to accept an employee's views and to act promptly and fairly on the issue or issues presented. Informal settlement requires that the supervisor, appropriate management official or the Director exhibit competence, mature judgment, and a true willingness to reach a satisfactory settlement.
- (d) If the employee has a valid reason for not presenting his views to his immediate supervisor, he must present it to one of the persons designated in Part 13.5.

13.7. Formal Procedure. If the employee is not satisfied by the supervisor's, Director's, or appropriate management official's actions, he may forward his views to the Board. Entitlement to formal review is based on employee's compliance with the following:

- (a) The employee must explain his attempts to settle the issue informally,
- (b) He must submit his views within the prescribed time limits,
- (c) He must present his views in writing,
- (d) The letter must contain sufficient details to identify and clarify the issues, and
- (e) The employee must specify the personal relief requested by him.

PART 14. POLITICAL ACTIVITIES

The political activities of person in the Public Service System shall be subject to the restrictions of this Part.

14.1. Rights of Employees. All employees in the Public Service shall have the following rights:

- (a) To vote for the candidates of their choice and to express their opinions as an individual privately and publicly on political subjects and candidates;
- (b) Attend political rallies, fund raising functions or other political gatherings;
- (c) Sign political petitions as an individual;
- (d) Display a political picture, sticker, badge or button;
- (e) Make financial contribution to political parties or organizations;
- (f) Otherwise participate fully in public affairs, except as prohibited by law, in a manner which does not materially compromise his efficiency or integrity as an employee or the neutrality, efficiency, or integrity of his agency.

14.2. Prohibitions. Employees of the Public Service System shall not:

- (a) Use their office or official influence to interfere with an election or to affect the results of an election,
- (b) Use their official authority to coerce any person or political party in reference to any politically related activity,
- (c) Be obligated to contribute to any political fund or render service to any political activity,
- (d) Solicit or receive political contributions from anyone while on government time or on government property,
- (e) Campaign for any candidates for public office during working hours.

14.3. Penalty. Any employee found guilty of a prohibited activity shall be subject to disciplinary action by the appropriate management official.

PART 15. POSITION CLASSIFICATION

15.1. General. All positions subject to the provisions of the National Public Service System Act, shall be classified in accordance with the approved Position Classification Plan.

15.2. Definitions:

- (a) "Position Classification" means the process by which positions in an organization are identified according to their duties and responsibilities, like positions segregated into groups called classes, and a systematic record made of the classes found and of the particular positions found to be of each class.
- (b) "Class" means one position or a group of positions sufficiently similar in respect to their duties, responsibilities, and authority that the same title may be used with clarity to designate each position allocated to the class, the same standard qualifications may be required of all incumbents, the same test of fitness may be used to choose qualified employees, and the same schedule of compensation may be applied with equity under the same or substantially the same employment conditions; and sufficiently dissimilar from any position or any group of positions to warrant exclusion from those groups of positions.

The class title assigned to a position in accordance with the Position Classification Plan, shall be the official title and will be used for all personnel, budgetary and financial purposes. In addition, the official title shall be used for all position organization charts.

- (c) "Position" means a specific employment, whether occupied or vacant, consisting of a group of all the current duties and responsibilities assigned by competent authority and requiring the full or part-time employment of one person.
- (d) "Position Clarification Plan" means classes of position arranged in a logical and systematic order to reflect all of the kinds and levels of work utilized in the Public Service.
- (e) "Allocation" means the assignment of a position to its appropriate class on the basis of analysis of the duties and responsibilities of the position.

- (f) "Reallocation" means the reassignment of a specific position or group of positions from one class to another on the basis of analysis and identification of new or different tasks.
- (g) "Class Specification" means an official position classification plan document describing the general characteristics of the class, including the official class title, a description of the scope of duties and responsibilities of the class, examples of work or typical duties performed, and a statement of the qualifications required to perform the work of the class.
- (h) "Occupational Group" means a major subdivision of a position classification plan, generally embracing several series of classes of positions in associated or related work specialties, professions or related activities (e.g., Clerical and Machine Operation; Administrative, Management and Allied; Agriculture and Allied; etc. make up an occupational group).
- (i) "Series or Classes" means classes closely related as to occupational specialty but differing in level of difficulty, responsibility and qualifications required. (e.g., the three classes of Clerk Typists--Clerk Typist I, Clerk Typist II, Clerk Typist III make up a series).
- (j) "Position Description" means a formal, official written statement by management documenting the assignment or reassignment of the duties and responsibilities of a position.

15.3. Director Responsibility. The Director of the Bureau of Public Service System is responsible for the following:

- (a) The classification of all positions, per assigned duties and responsibilities;
- (b) The grouping of positions into classes on the basis of their similarities in duties, responsibilities, and other significant factors;
- (c) Assigning a title to each class which shall apply to all positions in the class; and the characteristics of each class and the standards for employment in any position in the class shall be prescribed by the Director after consultation with the appropriate management officials concerned;

- (d) The changing of a position from one class to another where substantial changes have occurred in the duties and responsibilities;
- (e) The determination of the status of occupants of positions which have been changed from one class to another class;
- (f) Assigning a salary level, based on applicable and established base salary levels, to each position occupied by employees of the national government of the Republic of Palau, except those positions exempted under the provisions of 33 PNC 205; and
- (g) Periodically conducting, necessary and appropriate studies of rates of compensation and compensation practices in all geographic areas from which employees for the Public Service are normally recruited, and recommending and transmitting the same to the President of the Republic for review and approval and further transmission to the Olbiil Era Kelulau for enactment.

15.4. Management Officials and Supervisors Responsibility. Management Officials and Supervisors are responsible for:

- (a) The planning, organizing, developing and assigning of duties and responsibilities to positions, whether occupied or vacant;
- (b) When making assignments, giving consideration to the mission of the organization and structuring positions for accomplishment of requirements in the most effective and economical manner possible;
- (c) Assuring that assigned duties and responsibilities do not duplicate or overlap with those of other positions;
- (d) Assuring that the current duties and responsibilities assigned to positions are completely and accurately described in Position Descriptions in full and sufficient detail for position classification and all related purposes;
- (e) Assuring the development, preparation, maintenance, and submission of factual and up-to-date functions statements and organizational position charts which clearly depict such information as assigned organizational and/or supervisory responsibility, organizational segment identification, employee

names with official class titles and pay levels for the positions to which assigned, the title and pay levels of vacant positions which are funded and approved, and other similar essential details; and

- (f) Assisting their employees, to whatever extent necessary, to accomplish the foregoing and to obtain information from authoritative sources, as necessary, to answer specific questions as may be raised by their employees.

PART 16. COMPENSATION

16.1. General. All positions subject to the provisions of the National Public Service System, shall be compensated in accordance with applicable laws, rules and regulations.

16.2. Compensation Plan. The classes in the Position Classification Plan, when assigned to appropriate pay levels of the Uniform Base Salary Schedule as established by law, shall constitute the basic Compensation Plan.

The Director of the Bureau of Public Service System shall assign all classes in the Position Classification Plan to appropriate pay levels in the Base Salary Schedule in accordance with the following:

- (a) Kind and level of work;
- (b) Degree of difficulty and responsibility;
- (c) Kind, quality and level of qualification requirements;
- (d) Relationship to other classes in its occupational group, and of its occupational group to other occupational groups; and
- (e) Long-range recruitment market experience.

16.3. Definitions. In addition to those definitions covered in Sub-Part 1.2, the following definitions shall apply in matters covered by this Part:

- (a) "Salary Range" means the group of salary rates which span from minimum to maximum in each Pay Level of the Uniform Base Salary Schedule established by law.
- (b) "Step" means a single increment or rate in a salary range.
- (c) "Service Anniversary Date" means the anniversary of the date of initial appointment, or such other date as may be established by regulation.

and duties at the end of the detail. Technically, a position is not filled by a detail, as the employee continues to be the incumbent of the position from which detailed. Normally, whenever, it is anticipated that the need for a detail will exceed ninety (90) days, it is more appropriate to effect a temporary promotion if the employee is qualified at the higher grade. Individuals who do not meet the qualification standards of the position at the higher grade cannot be temporarily promoted and, therefore, must voluntarily agree to any period for which the detail exceeds ninety (90) days. An employee detailed to a lower position cannot be so assigned for a period exceeding ninety (90) days. An employee may also be detailed to a set of duties, which must be specifically described in a task list, when the government's need for necessary or emergency services cannot be obtained by other desirable or practical means.

16.7. "Acting" Assignment. An "Acting" assignment is the designation, in writing, that an employee will act for a period of up to thirty (30) days in place of a supervisor. When the supervisor's absence exceeds the initial thirty (30) day period, a new designation shall be made for an additional thirty (30) days. This thirty (30) day renewal of the "acting" assignment is repeated until the supervisor returns to his position. Whenever the acting assignment exceeds ninety (90) days, the employee shall be temporarily promoted if he meets the qualifications standards of the position. If the acting assignment exceeds ninety (90) days and the employee does not meet the qualifications standards of the position, he shall be compensated with two (2) steps in his current pay level, but may not exceed the maximum step. In either case, the return to his former salary (grade and step) at the end of the temporary assignment will be done in the same manner as provided under Sub-Part 16.8.

16.8. Temporary Promotion. A temporary promotion is utilized when it is anticipated that an employee will temporarily occupy a position for a period in excess of ninety (90) days. An employee can be temporarily promoted only if he meets the qualifications standards of the new position. The employee temporarily promoted, shall be compensated at the step in the new pay level which is at least equal to an increase of two steps at his current pay level. The employee must be informed in advance and agree, in writing, that at the expiration of the temporary position, he will be returned to the former salary (grade and step) that he would be receiving had he remained in the former position. No temporary promotion shall exceed a period of one (1) year, nor shall any employee be temporarily promoted to the same position consecutively.

16.9. Demotion. An employee demoted, through no fault of his own, to a position in a lower pay level, shall be compensated at the rate which does not exceed his current pay rate. Where his existing rate exceeds the rate of the maximum step of the lower pay level,

the employee shall be compensated at such maximum step. An employee demoted as disciplinary measure shall have his compensation reduced to the corresponding step of the lower pay level. In addition, an employee's service anniversary date shall be changed to the effective date of a demotion for disciplinary reasons. An employee who volunteers for demotion shall be treated the same as an employee demoted through no fault of his own.

An employee demoted for non-disciplinary reasons, during a new probationary period, to the class of position from which he was promoted, shall be compensated at the pay level and step received immediately prior to his promotion, with credit for the period of promotion.

16.10. Transfer. An employee who is transferred to a different position at the same pay level, shall receive no change in compensation. A two (2) week notice period must be given the losing supervisor or department prior to effecting a transfer, provided the losing supervisor consents to the transfer of his employee. An employee transferred into the same class within the system may not serve a probationary period.

16.11. Effect on Service Anniversary Date. An employee's service anniversary date will not be affected by a detail, "acting" assignment, temporary promotion, demotion (other than for disciplinary reasons), or transfer action.

- (d) "Service Year" means satisfactory service rendered by an employee during a prescribed work year of twelve (12) months; provided, that unauthorized periods of absence and leaves without pay of the authorized limit of thirty (30) working days be made up so that a full year of actual service is rendered.

16.4. Initial Appointments. All initial appointments shall be made at the first step of the appropriate pay level; unless for the purpose of facilitating the recruitment of professional and technically trained persons to fill positions for which there is a shortage of qualified applicants, a higher rate is necessary, in which case, appointment may be allowed at succeeding steps but not beyond the fifth step. Such appointments shall be approved by the Director. Anyone appointed at a step other than the minimum step is also eligible under these regulations for step increases in the same manner as other employees.

When a person is reemployed after a break in service of one or more days into a position in a class and pay level lower or higher than the one he previously held, his salary shall be set at the step of the new pay level closest to his previous salary but not to exceed the maximum step; provided, that the Board may certify any step beyond the fifth on a case by case basis. When a person is reemployed into his previous position, the step of his pay level shall remain the same as it was on the effective date of his prior separation from the Public Service. If a person re-enters the system into the same class he previously held, he shall serve a probationary period no less than 90 days.

16.5. Promotions. An employee who is promoted from a position in one class to an existing position in a higher class shall be compensated at the lowest step in the new pay level which at least equals the amount of a two (2) step increase in the former pay level, providing it does not exceed the highest step of the new pay level. The effective date of the promotion shall be the new service anniversary date for the promoted employee.

A regular employee who is promoted to another position in the public service may be required, at the discretion of the appropriate management official, to serve a new probation period in his new position, but he shall be entitled to all the rights and privileges of a member of the public service, except the right to appeal in case of a dismissal from the new position, as distinguished from dismissal from the services, for inefficiency in the new position during his probationary period, in which case he shall be returned to his former position. No employee shall serve a probationary promotion period for more than thirty (30) days.

16.6. Detail. A detail is the temporary assignment of an employee to a different position for a specified period, with the employee returning to his regular position

PART 17. COMPENSATION ADJUSTMENT FOLLOWING PERSONNEL ACTION

17.1. Reallocation of Position.

- (a) An employee whose position is reallocated to a class assigned a higher pay level shall be compensated at the lowest step in the higher pay level which at least equals the amount of a one (1)-step increase in the lower pay level.
- (b) An employee whose position is reallocated to a class assigned a lower pay level shall be compensated at that rate in such lower pay level which does not exceed his existing rate. His service anniversary date shall remain unchanged. Where the employee's existing rate is beyond the maximum step of the lower pay level, he shall be compensated at such maximum step of the lower pay level. He shall receive any benefits due to any future changes in salary rates.
- (c) The service anniversary date of an employee retained in a reallocated position shall not change.

17.2. Effective Date of Allocation. An initial allocation or reallocation action shall be effective the first of the pay period immediately following approval by the Director of the Bureau of Public Service System. An earlier effective date may be established only when a recruitment problem may require such or the reallocation action is initiated by the Director.

17.3. Reassignment of a Class to a Different Pay Level. Employees occupying positions in a class which is reassigned to a different pay level shall be compensated in the same manner as provided in Sub-Part 17.1.(a) and 17.1.(b). There shall be no change in their service anniversary dates.

17.4. Other Compensation Provisions.

- (a) Within-Grade Increase. All eligible employees may be granted within grade increases upon completion of the following periods of satisfactory performance at the following steps in the rate ranges of the base salary schedule:

<u>Step</u>	<u>Period of Satisfactory Performance</u>
1 through 3	1 year
4 through 6	2 years
7 through 10	3 years

No employee may be compensated above the maximum step prescribed for his pay/grade level.

This regulation applies only to permanent employees who have been appointed to a position in the Public Service and who have successfully completed their initial probation period of six (6) months. Only those employees who are employed on standard full-time work schedules, including such occupations as Classroom Teachers who may work only a "school year" are eligible to receive within-grade increases who have successfully completed the appropriate months of satisfactory service.

- (1) Procedures. An employee granted a within grade increase following completion of the appropriate period of satisfactory service, will be advanced to the next higher step in the salary range for his pay level.

Such within-grade or step increase shall be effective on the first day of the first pay period which begins on or after the date he completed the appropriate period of service since the date of his last within-grade increase. The effective date of a within-grade increase may not be delayed because of administrative error or oversight. In case of oversight, the employee is entitled to a within-grade increase retroactive to the date he became eligible, as defined above. In case of an error involving underpayment of the correct amount of increase, the employee is entitled to retroactive adjustment to the last date on which he became eligible for a within-grade increase. In case of an amount of an error involving overpayment of the correct amount of increase, the employee's salary shall be immediately adjusted to the correct amount and recovery effected for all such overpayment in excess of the correct amount retroactive to the date on which the increase was effective, or six (6) months, whichever is the lesser. The employee will be consulted in determining a reasonable amount to be recovered from each pay period.

The computation of the appropriate satisfactory service is subject to the following adjustments:

- (i) For those positions for which the normal work schedule is limited to a "school year", all approved leave without pay (LWOP) or time spent in a non-pay status, taken only during the period of time after school closes in the Summer and prior to reopening in the Fall, is creditable towards the waiting period for a within-grade increase.
- (ii) In addition to the above and for all positions, approved leave in a non-pay status (LWOP) and/or unapproved leave (AWOL) not to exceed eighty (80) hours, is creditable towards the waiting period for a within-grade increase for steps one (1) through three (3). For steps four (4) through six (6), the amount of LWOP and/or AWOL, not exceeding one hundred sixty (160) hours, is creditable towards the waiting period for a within-step increase. Likewise, for steps seven (7) through ten (10), the amount of LWOP and or AWOL not exceeding two hundred forty (240) hours is creditable towards the waiting period for a within-grade increase. Unapproved leave (AWOL) and leave without pay (LWOP) of more than eighty (80), one hundred sixty (160), and two hundred forty (240) hours respectively, will extend the waiting period by at least one pay period or by the amount of time such AWOL or LWOP exceeds the eighty (80), one hundred sixty (160), or the two hundred forty (240) hours respectively, whichever is greater.
- (iii) Time served in a LWOP status for purposes of job related education or training is credited towards within-grade increases, the same as if the employee had been in a pay status for that period of time while in LWOP. However, any portion of the time while on LWOP that is not directly related to the study program, or associated travel via the most direct route, is not creditable towards the waiting period for a within-grade increase. Finally, to be creditable towards the waiting period, the education program in which the employee is enrolled must be clearly and directly applicable to the employee's present

position or one to which he may reasonably aspire, and which he is released from full time work status and placed in an approved leave without pay (LWOP) status.

- (iv) A former employee with a break in service begins a new waiting period upon reemployment, for a within-grade increase. No credit will be given towards the completion of this new waiting period for any time served under a former waiting period prior to the break in service.

(2) Responsibilities.

- (i) Appropriate management officials are responsible for ensuring that within-grade salary increases are initiated on a timely basis by a tickler system established for that purpose. Additionally, they will assure that all related documentation generated and received from responsible supervisors is appropriately recorded in the adjustment of records and filed for reference use.
- (ii) Employee's supervisors are responsible for ensuring that all within-grade salary increases are processed on a timely basis. Further, supervisors shall certify that the work performance of each employee is of an acceptable (i.e., satisfactory or better) level of competence. This is required since within-grade increases are not automatic. If a satisfactory level of performance is not attained by the end of a ninety (90) day period following the date of the performance evaluation resulting in the "unsatisfactory" rating, supervisors shall initiate action to reassign the employee to other work at the same or lower pay level for which qualified or, in extreme cases, to consider termination. It is mandatory that responsible supervisors fully document in detail each case of an employee whose work performance is not satisfactory. Information copies of such documentation shall be provided to the employee and transmitted to the appropriate management official for retention in the employee's official personnel folder.

Upon receipt of completed within-grade increase forms, the employees' supervisors shall review all information for accuracy and verify any adjustments which may have been made, to preclude the possibility of error. All supervisors have a continuing responsibility to ensure that each employee fully understands all details concerning his within-grade increase.

(iii) The Payroll Section of the Bureau of National Treasury is responsible for recording all pertinent leave information on the within-grade salary increase form, which will result in adjustment of the effective date of the action.

(b) Merit Increases. Employees may be granted merit increases not to exceed one step increase in the base pay rate, for sustained superior performance over a period of one (1) year or more. No employee may receive more than one merit increase in a twelve (12) month period. A merit increase does not interrupt the minimum waiting period required to qualify for a within-grade increase.

(1) Procedures. To request a merit increase, the supervisor will prepare a memorandum of not more than one typewritten page in length, which must include the following:

(i) Statements descriptive of areas in which the employee has excelled, e.g., initiative, judgment, quality, productivity, job knowledge, communications. For supervisory positions, such additional factors as training of others, leadership, and job planning must be described.

(ii) Statements must clearly relate the foregoing with the most important and key duties and responsibilities within the employee's position. For example, productivity in terms of volume could be critical in some positions such as in clerical work but of little importance in teaching positions. Also, it must be recognized that positions often contain a variety of duties with some being less difficult or less responsible than others. For obvious reasons, a recommendation and request for a merit increase cannot be based on these lower aspects of a position.

An employee who has attained the top salary step may not be accorded a merit increase, and other means should be sought to recognize superior performance. The Incentive Awards Program is one means of recognizing superior performance.

An employee receiving a merit increase will also receive his next within-grade increase based on satisfactory performance and completion of the prescribed waiting period since his last within-grade increase.

- (2) Responsibilities. The employee's supervisor is responsible for initiating and preparing the request for a merit increase. Required documentation consists of the memorandum of justification (cited above) and the appropriate form, signed by the employee's supervisor. The effective date of a merit increase shall be the beginning of the pay period following its approval.

All employees' supervisors should remain aware that the primary purpose of a merit increase is to recognize sustained superior performance only. It is not to be used as a means or device to compensate an employee where a supervisor has not been able to obtain a promotion for the employee, or where the supervisor is of the opinion that the pay level of the position is too low, or for any other reasons unrelated to excellence in the performance of duties.

The Board is responsible for review of all requests for merit increases for completeness, accuracy, and compliance with established requirements. Inappropriate or improperly substantiated requests will be returned to the initiating organization, without action, for such corrective measures as may be deemed necessary. Properly documented requests for merit increase will be reviewed for final approval by the Board.

If approved the Board shall return approved requests for merit increases to the appropriate management official, who shall then be responsible for timely distribution of the requests to the Payroll Section of the Bureau of the National Treasury for required action.

- (c) Overtime Compensation and Control. Overtime compensation is utilized where overtime work is necessary for all eligible employees, in accordance with the overtime provisions of the National Public Service System Act.

Any employee who is directed to work on the sixth and seventh days of the workweek, provided he has first worked forty (40) hours at straight time in the same work-week, or in excess of eight(8) hours in one day, shall be paid overtime at the rate of one and one-half (1 1/2) times his basic pay.

- (1) Purpose. To establish criteria for overtime compensation payments for all eligible employees directed to work in excess of the forty (40) hours of the regular and scheduled work-week, or in excess of eight hours in one day.

- (2) Scope. This regulations applies to all employees who are in positions not exempted from the National Public Service System Act.

- (3) Definitions.

- (i) Overtime. All work performed in excess of the regular forty (40) hour work week, or in excess of eight hours in one day.

- (ii) Regular Work Week. Consists within the period of time commencing after 12:00 P.M. on Saturday and ending at 12:00 P.M. on the following Saturday, of any scheduled five (5) consecutive workdays consisting of eight (8) work hours each.

For the vast majority of employees, the regular work week is scheduled to commence on Monday, at 7:30 A.M., and end on the following Friday, at 4:30 P.M., of each week.

However, the appropriate management official may schedule an employee to work other than from 7:30 A.M. - 4:30 P.M. if the job so requires.

- (iii) Overtime Payments. Additional pay, calculated at one and one-half (1 1/2) times the employee's basic rate of pay for overtime hours worked.

- (iv) Basic or Base Pay. The hourly rate of compensation paid to an employee for the performance of assigned work excluding all other types of payments such as Differentials for Night Work and Hazardous Work; Travel Per Diem; Transfer Allowance; and the like.
 - (v) Adjusted Base Salary Rate. The total of a base salary rate plus a premium for advanced professional degrees and/or foreign service, or a special medical differential, as established by National Public Service System Act.
- (4) Responsibilities. Appropriate management officials and cognizant supervisors are responsible for all required approvals for overtime, control of overtime consistent with sound management practices, and keeping their employees fully informed of all details concerning overtime.
- (5) General. Overtime work will be authorized and controlled in accordance with the following:
- (i) It is scheduled and approved twenty-four (24) hours in advance, whenever feasible, except in unanticipated emergencies.
 - (ii) Overtime must be requested by the immediate supervisor and approved by his superior or the appropriate management official.
 - (iii) Such overtime work is directed to a specific objective or goal of accomplishment and, it cannot be accomplished during the regular workday, nor postponed to the following day or days. An employee who is required to work overtime of less than two (2) hours is credited with a minimum of two (2) hours overtime work.
 - (iv) All paid absences will be considered as time worked, in computing overtime hours.

- (v) Time lost due to absence without leave (AWOL) or leave without pay (LWOP) will not be included in the total hours worked when calculating overtime compensation.
 - (vi) Any employee who is being paid Standby Differential for remaining on call to duty at any time during a regular scheduled standby period in excess of a normal forty (40) hour work week, shall not be eligible for overtime payment for any work performed while on scheduled standby. For all hours worked in addition to the normal forty (40) hour work week, except regularly scheduled standby hours, overtime compensation will be paid.
- (d) Holiday Pay. To provide additional compensation to employees who are required to work on a legal holiday.
- (1) Controls. The following controls apply to the amount of additional compensation to be paid for work performed on a legal holiday under varying circumstances:
 - (i) For employees required to work on a legal holiday which falls during their regularly scheduled work week, Monday through Friday:

For the first eight (8) hours of work, compensation is two (2) times the base salary rate;

and

for all additional hours worked on the same day in excess of the first eight (8) hours of work, compensation is at regular overtime rate which is one and one-half (1 1/2) times the base salary rate, in accordance with Sub-Part 17. 4.(c)(3)(iii).

- (ii) For employees required to work on a legal holiday which falls outside their regularly scheduled work week (i.e., Wednesday through Sunday and the holiday worked falls on Monday or Tuesday), compensation shall be as follows:

All hours worked on that day, whether eight (8) hours or more compensation is at regular overtime rate which is one and one-half (1 1/2) times the base salary rate.

Holiday pay for work performed on a legal holiday will not be paid any employee who is paid a Standby Differential.

When a legal holiday falls within the regularly scheduled work week of an employee who is on leave without pay (LWOP) status, such employee will not be compensated with holiday pay, provided that the period of leave without pay begins at least a day before the holiday and extends beyond it. For an employee on an irregular work week, if the holiday falls outside the irregular work week, his next regular workday shall become his holiday.

(2) Responsibilities.

- (i) The Payroll Section of the Bureau of the National Treasury is responsible for ensuring that the employees are properly paid in accordance with the time and attendance reported.
- (ii) Employees' supervisors are responsible for assuring complete and accurate reporting of employees required to work on a legal holiday and providing clear identification to the responsible Payroll Section whether the work performed on a legal holiday falls during or beyond their regularly scheduled work week.

- (e) Temporary Hazardous Work. Employees whose occupation involves unusual and extreme hazards to their health and safety shall be paid a differential of twenty-five (25) or fifteen percent (15%) of the base salary rate, or of the adjusted base salary rate when provided by law, depending on

whether the work performed is most severe or severe for all those hours in which hazardous work is performed.

(1) Qualification Criteria.

- (i) Hazardous work is considered most severe, and an employee shall receive the twenty five percent (25%) differential when it is likely to result in serious incapacitation, a long period of compensable lost time, or possible loss of life, when accidents occur frequently in spite of reasonable safety precautions, or when it results in frequent exposure to hazardous conditions where failure to exercise extreme care and judgment may result in accidents which could result in total disability or fatality.
- (ii) Hazardous work is considered severe, and an employee shall receive a fifteen percent (15%) differential when frequent injuries are likely but do not usually result in serious incapacitation, where it could reasonably lead to possible eye injuries, loss of fingers or burns, or where it may result in moderate periods of compensable lost time.

(2) Procedures.

The Board is responsible for the review and approval of all requests for payment of Temporary Hazardous Work Differentials. Supervisors must submit a written request, through their appropriate management official, with a full and detailed explanation of the circumstances in support of all requests for Temporary Hazardous Work Differentials. Each request must provide details including a complete definition of the hazard, a list of the name, correct official position title, pay level, step, salary, organization, and the amount of time each employee will be exposed to the particular hazard for which payment is sought. The Board will review and approve each such request for the propriety of the action and the completeness and accuracy of all pertinent information. The payroll section of the Bureau of National Treasury will be responsible for effecting the required payment, after verifying appropriate authorization.

Occasional special projects which involve unusual and extreme hazards, such as the loading, unloading, and transporting of significant quantities of dangerous explosives, may require the services of a number of employees normally engaged in other work. Such employees are entitled to Temporary Hazardous Work Differentials for the actual period of time they were involved in the work.

- (f) Night Work. Additional compensation in the form of a Night Work Differential of fifteen percent (15%) of base salary rate is paid for all hours worked between 7:00 P.M. and 6:00 A.M., when such hours are included within the regular scheduled hours of duty for the employee.
- (1) Control Criteria. To be eligible to receive payment of a Night Work Differential, the following criteria must be met:
- (i) Payment will be made only for actual hours worked which fall between the period of 7:00 P.M. and 6:00 A.M.;
 - (ii) The above is restricted to include only those regularly scheduled work hours within the specified time period which constitute all or a part of the employee's regular hours of duty.
- (2) Non-Payment of a Night Work Differential. Payment of a Night Work Differential will not be made for the following situations:
- (i) An employee whose regular hours of duty include scheduled hours during the period of 7:00 P.M. to 6:00 A.M., is absent and does not actually perform work for the hours involved;
 - (ii) An employee required to perform work during the hours of 7:00 P.M. to 6:00 A.M. and those hours are not a part of his regularly scheduled hours of night work duty;
 - (iii) An employee who is paid a Standby Differential for remaining on call for duty at any time during a regularly scheduled standby period in excess of a normal forty (40) hour work week, or eight (8) hour work day, shall not be eligible for payment of Night

Work Differential for any work performed while on scheduled standby.

- (3) Responsibilities. To place employees on scheduled hours of Night Work duty, the appropriate form shall be initiated and approved by the immediate or next higher-level supervisor and approved by the appropriate management official.

The supervisor is responsible for preparing and submitting complete work schedules covering each employee regularly scheduled to work hours falling between 7:00 P.M. and 6:00 A.M.

The Payroll Section of the Bureau of the National Treasury will be responsible for monitoring Time and Attendance Reports submitted by departments, to assure the propriety of payment of Night Work Differential. An employee's immediate or next higher-level supervisor shall initiate the appropriate form to remove employees from night work status when such requirement is no longer justified.

- (g) Standby Differential. All employees whose conditions of work or employment involve all of the following criteria shall be entitled to receive a Standby Differential of twenty percent (20%) of the base salary rate, or of the adjusted base salary rate.

- (1) Qualification Criteria. To qualify for a Standby Differential of twenty percent (20%) of the base salary rate, or of the adjusted base salary rate, all of the following conditions of work or employment must be met:

- (i) The nature of the position or occupation is such that employees are required to remain on call in a standby duty status which must be performed at their designated work station or location;
- (ii) Hours of standby duty must be for a regularly scheduled period of time in excess of a normal forty (40) hour work week. The minimum scheduled standby duty tour shall consist of not less than eight (8) hours per week;

- (iii) Employees assigned to work regularly scheduled hours of standby duty must be regularly and frequently called upon to perform the assigned duties or services while on standby;
 - (iv) Employees being paid Standby Differential are not eligible to receive payment for Night work Differential, Holiday Pay, or Overtime Pay for any work performed while serving a scheduled standby. Overtime compensation will be paid, however, for all hours worked in addition to the normal forty (40) hour work week and any hours beyond regularly scheduled standby hours. Employees shall not be paid Standby Differential while on leave, with or without pay.
 - (v) All employees on standby duty status must provide their immediate supervisors with information regarding where they may be contacted. If the supervisor is unable to contact the employee at the place designated by the employee, the employee is ineligible for Standby Differential for that regularly scheduled period of time of standby duty. (Example: Employee leaves a phone number at which he may be reached while on standby duty. Supervisor tries to reach him, but he is unavailable at that number. Employee is not eligible to receive his Standby Differential).
- (2) Responsibilities. To place employees on scheduled standby duty, a request shall be initiated and approved by the immediate or next higher-level supervisor and approved by the appropriate management official. Supervisors should consider the possible use of occasional overtime to cover situations of sporadic or infrequent need, in situations where the establishment of standby duty tours are considered which fail to meet all the qualification criteria above.

In addition, supervisors are responsible for preparing and submitting to the appropriate management official for approval, replacement standby duty schedules for employees, as the need arises, and for initiating a request to remove employees from standby status when such requirement is no longer justified. Further, supervisors are responsible for assuring complete and accurate reporting of employees on standby

duty status who fail to comply with Sub-Part 17.4.(h), (1),(v) above. Copies of all schedules shall be forwarded, through appropriate channels, for review by the Director of the Bureau of Public Service System.

The Payroll Section of the Bureau of the National Treasury is responsible for monitoring all reports submitted by responsible officials, to ensure the propriety of payment of standby differential to each eligible employee.

- (h) Advance Professional Degree. Any employee who has achieved professional capabilities through obtaining an L.L.B. or J.D. Degree, a Doctorate in Medicine or Dentistry, or an earned doctorate in any other field from an accredited United States university or any other university accredited or accepted in the United States, and who is employed in a position having a requirement for such degree, shall receive, in addition to a Base Salary, premium of 50 percent of the Base Salary for the pay level and step of the position.

After review of the above credentials of an employee, the appropriate management official shall prepare and submit to the Payroll Section of the Bureau of the National Treasury the appropriate form, to ensure the payment of advanced professional degree premiums to each eligible employee.

- (i) Foreign Service Premium. Any employee who is a citizen of the Republic of Palau and is assigned by the appropriate management official on a permanent change of duty station to work at locations outside the geographic boundaries or administrative control limits of the Republic of Palau shall receive, in addition to a Base Salary, a Foreign Service Premium of 30 percent (30%) of Base Salary.

The appropriate management official shall be responsible for preparing and submitting the appropriate forms to the Payroll Section of the Bureau of the National Treasury, to ensure the propriety of payment of Foreign Service Premiums to each eligible employee.

- (j) Special Medical Differential. Any employee who is a Medical Officer or Dental Officer and who occupies a position the duties of which are

predominantly clinical, as opposed to administrative, in nature, shall receive, in addition to a Base Salary, a Special Medical Differential of 24 percent of the Base Salary for the pay level and step of the position.

After review of the above credentials of an employee, the appropriate management official shall prepare and submit to the Payroll Section of the Bureau of the National Treasury, the appropriate forms, to ensure the payment of Special Medical Differential to each eligible employee.

(k) Limitation. In no case may an employee receive payment for combined differentials for the preceding Standby, Night Work or Temporary Hazardous Duty in excess of 30 percent of the current basic salary rate.

(l) Recovery in Case of Overpayment. In case of an amount of an error involving overpayment of the correct amount of pay, the employee's salary shall be immediately adjusted to the correct amount and recovery effected for all such overpayment in excess of the correct amount retroactive to the date on which the overpayment first occurred, or six months, whichever is the lesser. The employee will be consulted in determining a reasonable amount to be recovered from each pay period.

17.5. Transfer Allowance - Per Diem. When employees are recruited or transferred beyond normal commuting distances from their place of permanent residence for work outside the Republic of Palau, they shall be entitled to: (1) per diem at established rates at the new location for a period of ninety calendar days from the date of entrance in the new position; (2) all expenses connected with travel of themselves and their immediate families; and (3) transportation of household effects to the new work location.

(a) Purpose. Payment of Transfer Allowance per diem occurs above and beyond travel per diem in effect during actual travel status up to the day of arrival at the new duty station. Commencing from the day of arrival at the new duty station these funds are provided for the purpose of assisting the employee to effect the transfer without undue economic impact on personal funds or savings.

(b) Controls and Procedures. Payment of the ninety (90) calendar days per diem will be calculated from the date of the employee's arrival at the new location

of assignment. All per diem will be calculated at established rates for the new location.

- (c) A Transfer Allowance is not Payable. When a person, who for personal and voluntary reasons has left his permanent place of residence, and who subsequently seeks employment at the location where he happens to be, and who then becomes employed at that same location.
- (d) The following positions and appointments are not covered by the Transfer Allowance provisions:
 - (i) All positions which are exempt from the Public Service System under Sub-Part 1.3.(a-m).
 - (ii) Provisional ninety (90) day appointments, which may be extended for an additional ninety (90) days, to positions pending establishment of an eligible list of persons from which selection may be made. In the event a provisional appointee obtains a probationary appointment and is otherwise qualified, such an individual shall be eligible for Transfer Allowance on the date when probationary status is secured.
- (e) Travel Authorizations. Travel authorization and travel voucher forms shall be prepared by the appropriate management official to effect the transfer. Upon arrival at the duty station, the employee is required to submit the travel voucher to the appropriate management official for approval. The Bureau of the National Treasury shall compute the voucher for payment based on the established per diem rate in effect for the new location as of the date the employee arrived at his location of assignment.

PART 18. LEAVES OF ABSENCE

18.1. Purpose. Leaves of absence from the Public Service are for the mutual benefit of the employee and his employer. When leaves of absence are granted, they are considered to be for legitimate reasons as will promote the good of the public service.

18.2. Kinds. Leaves of absence are either with pay or without pay.

18.3. Leaves With Pay.

- (a) Annual. Annual leave shall be granted for the purpose of rest and relaxation. Employees who have less than three years of creditable service shall earn annual leave at the rate of four hours per pay period; except that newly appointed employees shall undergo a waiting period of 90 calendar days before being credited with annual leave beginning from the effective date of their employment. Employees with more than three but less than ten years of creditable service shall earn annual leave at the rate of six hours per pay period. Employees who have ten or more years of creditable service shall earn annual leave at the rate of eight hours per period. Annual leave requests of more than three working days must be made at least 2 working days in advance. Other request must be made sufficiently in advance so as to enable management to make the necessary staff adjustments for coverage of the employee's assignments during his absence. All leave requests shall be made on a leave request form. All annual leave requests must be approved by the employee's appropriate management official upon recommendation of such employee's immediate supervisor.

Provisional appointees who become probationary employees shall accrue annual leave for the time period served under their provisional appointment, but shall undergo a waiting period of ninety (90) days from the effective date of their probationary appointment before being credited with annual leave.

A former employee of the Public Service who is rehired, will be credited with his previous time period of service, for the purposes of determining the rate at which he is entitled to earn annual leave.

An employee separated from the Public Service for any reason shall receive a lump sum payment for all annual leave accrued to his credit at the time of separation.

- (b) Maximum Accumulation. The maximum accumulation of annual leave for employees shall be three-hundred and sixty (360) hours. Thereafter, any excess over such maximum shall be forfeited unless taken before the end of the calendar year in which such excess was accumulated.
- (c) Sick Leave. All employees shall earn sick leave at the rate of four (4) hours per pay period. There shall be no limit to the amount of sick leave which may be accumulated. Illnesses of more than three days' duration shall require a certificate from qualified medical personnel certifying to the fact of such illness and the treatment being administered. The supervisor may require a certificate for shorter periods when use of such leave is chronic and excessive. The employee's immediate supervisor is responsible for approving such leave requests.

Sick leave may be used by an employee who has had contact with, or is required to treat, a member of his immediate family (as defined in Sub-Part 18.3.(f) below) who has developed a contagious disease. A statement from qualified medical personnel certifying to the fact of such illness and the treatment being administered is required before such a request for sick leave shall be granted.

Former employees of the Public Service who are rehired within three (3) years after their termination will be credited with the unused sick leave accumulated during their previous employment.

Any person who is appointed by the President, Chief Justice, or the President of the Senate or Speaker of the House of Delegates, to assume a permanent position in the national government under exempt status, and who thereafter is reemployed in the Public Service System within three years, shall be credited with his unused sick leave during his tenure under exempt status.

- (d) Leave Advance. Where, for good reason, an employee requires additional annual or sick leave, the appropriate management official may grant advance leave up to a maximum of one-half (1/2) of the total earnable leave credits for

one (1) year from the date the application is made. No additional advance leave shall be granted unless an employee has served long enough to cover past grants of advance leave. Subsequent earnings shall serve to replace the amount of advance leave granted and taken.

An employee who resigns or is terminated after being granted advance leave shall have the amount of advance leave granted and taken deducted from his earnings. An employee requesting advance leave shall be notified in writing of this provision prior to the granting of advance leave.

- (e) Training and Education Leave. Leaves for the purpose of job-related training and education may be granted by the Director of the Bureau of Public Service System, to permanent employees for a period not to exceed one year. The Director may review and extend this period up to an additional year. Such additional leaves may not be granted the same employee until and unless he performs in his position for at least one year following expiration of the first extension; provided, however, that the Director may waive this requirement on a case-by-case basis. An employee who receives scholarship assistance from the Republic of Palau to attend job-related training and education, shall not be entitled, in addition, to leave with pay, unless the Director determines that such scholarship assistance is insubstantial. Such employees may be entitled to leave without pay under Sub-Part 18.4.(b), however.

The period of leave shall not affect the employee's service anniversary date.

- (f) Compassionate Leave. In order to promote the good of the Public Service, employees may be granted compassionate leave with pay of no more than five (5) working days in cases of death, or imminent death, in the immediate family of the employee. For the purpose of this Sub-Part, the term "immediate family" shall be defined as an employee's mother, father, maternal uncle, spouse, immediate offspring (natural or legally adopted), brother or sister, and grandfather or grandmother, as well as the mother, father, grandmother and grandfather of the employee's spouse.
- (g) Excused Absence (Administrative Leave). An absence from duty administratively authorized, without loss of pay and without charge to leave, is an excused absence. Such absences are authorized under emergency conditions beyond the control of management (e.g., typhoons), for

participation in civic activities in the interest of the government, or employment connected examinations. However, an employee subpoenaed as a witness, except as a government witness shall charge such absence to annual leave or leave without pay. The appropriate management official is responsible for approving excused absence requests. An employee on administrative leave is presumed to have no legal authority to act in his official capacity unless specifically granted such authority in writing from the appropriate management official.

- (h) Maternity Leave. Female employees who are permanent employees may be granted leaves of absence with pay for reasons of maternity for a period of not more than one (1) month in one (1) calendar year. The period of maternity leave with pay shall not change the employee's service anniversary date. Upon completion of such leaves, such employees are entitled to return to their positions with full rights and privileges.

The employee's immediate supervisor is responsible for approving maternity leave requests. An employee requesting such leave shall submit a statement from qualified personnel certifying the fact of pregnancy.

- (i) Personal Leave. Every permanent employee shall be entitled to one (1) personal holiday per calendar year, without charge to other forms of leave. The appropriate management official may require the employee to provide at least five (5) working days' notice in advance of the personal holiday.
- (j) Accumulation of Leave. An employee who is absent on an approved leave with pay, shall continue to accrue annual and sick leave while on such leave.

18.4. Leaves Without Pay.

- (a) Maternity Leave. Female employees who are permanent employees may be granted leaves of absence without pay for reasons of maternity for a period of up to five (5) months. This is in addition to that leave provided for in Part 18.3.(h). Upon completion of such leaves, such employees are entitled to return to their positions with full rights and privileges, except that the period of maternity leave without pay shall affect the employee's waiting period for her next within grade increase, as provided for in Sub-Part 17.4.(a)(1)(ii). The

employee's immediate supervisor is responsible for approving maternity leave requests.

- (b) Training and Education Leave. Employees who are ineligible for further training or education leaves with pay, as provided for under Sub-Part 18.3.(e), or who wish to pursue their education on a full-time basis without financial assistance by the government may be granted leaves of absence without pay for a period not to exceed one (1) year. No extensions to this one year period may be granted. Such employees shall have the right to return to their positions at the conclusion of their education or training, but their waiting periods for within-grade increases shall be adjusted as provided for in Sub-Part 17.4.(a)(1)(ii). The Director is responsible for approving requests for Training and Education leave.

- (c) Annual (Vacation) or Sick Leave. With the concurrence of his appropriate management official, a permanent employee may be granted leave without pay for the purpose of extending his vacation; provided, however, that such extension shall not exceed a period of thirty (30) working days. Similar extensions may be granted for sick leave purposes; provided, however, that the attending physician certifies to the necessity for the extension and the extension does not exceed thirty (30) working days. An employee whose illness exceeds all applicable leaves may be subject to termination at the discretion of the appropriate management official.

Such extensions shall affect the employee's waiting period for within-grade increases as provided for in Sub-Part 17.4.(a)(1)(ii).

18.5. Unauthorized Leave. Unauthorized leave (Absent Without Official Leave [AWOL]) is absence from duty without appropriate authorization. Employees who are absent from duty without prior approval, except in bona fide emergencies, shall be charged AWOL. Employees on AWOL for more than fifteen (15) consecutive working days during any one six (6) month period, shall be automatically resigned as of the last date on which the employee worked. This section shall not be applicable for termination for cause.

18.6. Credit for Service. For purposes of this Part on Leaves of Absence, service as a regular employee in the three branches of the Trust Territory Government, the Palau District Legislature, and in the Olbiil Era Kelulau, the Judiciary, and the Executive Branches

of the Government of the Republic of Palau shall be credited toward service in the Public Service System of the Republic of Palau.

18.7. Responsibilities. The employee shall initiate a request for leave using such forms, documentation, and explanatory material as may be required, such request shall be made sufficiently in advance, so as to enable management to make the necessary staff adjustments for coverage of the employee's assignments during his absence.

Management officials shall review all requests in the light of program needs, replacement services, and legal and policy requirements. In consideration of the foregoing and any other pertinent considerations, management may approve, disapprove, or arrange modifications of leave requests.

18.8. Emergency. An employee on annual leave may be recalled by the government in emergency situations. An employee is entitled to complete his leave after his services are no longer necessary for the emergency situation.

PART 19. RECORDS

19.1. Official Personnel Folder (OPF). For each active employee an Official Personnel Folder (OPF) shall be maintained by the Bureau of Public Service System. The folder shall contain, at a minimum, the following elements of permanent information covering the employee:

- (a) Formal application for employment;
- (b) Copy of the certificate of eligibles from which selected or other documents which indicate the appointing authority;
- (c) Form on which prior creditable service is listed and Service Computation Date is derived;
- (d) Copy of each personnel action affecting the employee;
- (e) Performance evaluation reports;
- (f) Copy of the description of positions occupied by the employee;
- (g) Exit interview report, if any;
- (h) Medical examination reports;
- (i) Any other document concerning the employee that the Director of the Bureau of Public Service System determines should be made part of the employee's Official Personnel Folder.

19.2. Confidentiality of Records. Employee's records shall be kept confidential. This is essential to protect the privacy of the individual concerned. The records shall be maintained in a locked file with access allowed only to the Director of the Bureau of Public Service System or to personnel authorized by him. Access must be restricted to those persons having a "need to know" as determined by the Director.

19.3. Employee Access to Official Personnel Folder. An employee or his authorized representative may have access to his own Official Personnel Folder at any time during regular working hours provided an employee of the Bureau of Public Service System

watches as the employee's review takes place. The employee is entitled to access to his medical records, unless the physician who prepared the medical record has stated in writing that the employee is not entitled to access of such report.

19.4. Disposition of Records. Upon the separation of an employee for whatever reason, his records shall be closed and removed to storage.

19.5. Adverse Action Folder (AAF). A separate file shall be maintained by the Bureau of Public Service System for any employee who has had a suspension, demotion, or dismissal filed against him by an appropriate management official. This file shall contain all material relating to such adverse action. It shall be kept distinct and separate from an employee's Official Personnel Folder. If an employee contests the action taken against him to the Board or the Trial Division of the ROP Supreme Court, the Attorney General or his designee and the employee or his authorized representative shall have access to the adverse action folder.

PART 20. TRUST TERRITORY RULES AND REGULATIONS

20.1. Repealer. All regulations heretofore promulgated pursuant to Title 61 of the Trust Territory Code are hereby repealed by the Board, pursuant to RPPL No. 1-37, Section 6(2).