

I Mina'trentai Sais Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
253-36 (COR)	Telo T. Taitague	"GUÅHAN COLA ACT OF 2022" AN ACT TO ADD A NEW CHAPTER 8A TO TITLE 4 OF THE GUAM CODE ANNOTATED RELATIVE TO SAFEGUARDING THE ANNUAL COST OF LIVING ALLOWANCES (COLA) FOR GOVERNMENT OF GUAM RETIREES AND REQUIRING NO LESS THAN THE MINIMUM COLA PAYMENT THRESHOLD ESTABLISHED FOR RETIREES AT TWO THOUSAND DOLLARS (\$2,000.00) PER ANNUM.	2/16/22 11:05 a.m.						

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN
2022 (SECOND) Regular Session

Bill No. 253-36 (COR)

Introduced by:

Telo T. Taitague



**“GUÅHAN COLA ACT OF 2022” AN ACT TO ADD A
NEW CHAPTER 8A TO TITLE 4 OF THE GUAM
CODE ANNOTATED RELATIVE TO
SAFEGUARDING THE ANNUAL COST OF LIVING
ALLOWANCES (COLA) FOR GOVERNMENT OF
GUAM RETIREES AND REQUIRING NO LESS THAN
THE MINIMUM COLA PAYMENT THRESHOLD
ESTABLISHED FOR RETIREES AT TWO
THOUSAND DOLLARS (\$2,000.00) PER ANNUM.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Intent.** *I Liheslaturan Guåhan* finds that the retiree
3 cost of living allowance (COLA) paid to annuitants of the Government of Guam
4 Retirement Fund has supplemented retirees surviving on a fixed income. COLA
5 has offset the increases in the cost of living for retirees and has helped counteract
6 the effects of rising prices in the economy.

7 Many retirees have limited financial resources upon retirement and living on
8 a fixed income requires that retirees are solely or almost entirely dependent on
9 funds they receive from their pensions. Many have little to no flexibility and have
10 limited financial resources. Retirees living on a tight budget can find it challenging
11 to afford unexpected expenses where care must be taken to manage disposable
12 income.

13 Public Law 25-72 required the payment of supplemental annuities and cost
14 of living allowances (COLA) as an obligation of the Government of Guam and not

1 the Retirement Fund. Taxpayers by law, fund COLA payments annually. Retirees
2 since 2014 have received a flat Two Thousand Dollars (\$2,000) COLA, which has
3 not kept up with Guam’s rising cost of living.

4 The bill will require that the Executive Branch determine annually COLA
5 payments provided that the COLA is no less than Two Thousand Dollars (\$2,000)
6 for each retiree. *I Maga’hagan Guåhan* will correspondingly submit an
7 appropriation request with the annual budget bill to *I Liheslaturan Guåhan*
8 *consistent with the COLA amounts for retirees.*

9 *I Liheslatura Guåhan* further finds that it becomes the Government of
10 Guam’s responsibility to safeguard and maintain the minimum threshold of COLA
11 benefits to retirees and their survivors. The annual COLA payments have become
12 an economic lifeline for many retirees to make ends meet.

13 Retirees have dedicated their lives to serving the people of Guam. COLA
14 payments are intended to help relieve some of the financial burdens faced by
15 *manåmko* retirees. Retirees need money for the basics — paying for medicine and
16 medical care, filling up a gas tank, and food. The annual cost-of-living allowances
17 to retirees directly benefit Guamanians and Guam’s economy.

18 **Section 2.** A new Chapter 8A is added to Title 4 of the Guam Code
19 Annotated to read:

20 **“CHAPTER 8A**

21 **GUÅHAN COLA ACT OF 2022**

22 § 8A101. Title.

23 § 8A102. Scope of Authority.

24 § 8A103. Definitions.

25 § 8A104. Interpretation.

26 § 8A105. Purpose of Chapter.

27 § 8A106. Annual Cost of Living Allowance to Retirees and Survivors.

1 § 8A107. Autonomous Agencies Responsible for Retiree COLA.

2 § 8A108. Autonomous Agency Required to Reimburse General Fund.

3 § 8A109. Retiree May Waive COLA Payment.

4 § 8A110. Electronic Fund Transfer Required for COLA Payments.

5 § 8A111. Construction With Other Laws.

6 § 8A101. Title. This Chapter shall be known as the “*Guåhan COLA Act of*
7 *2022.*”

8 § 8A102. Scope of Authority. This Chapter shall apply to all Government
9 of Guam retirees or their survivors.

10 § 8A103. Definitions. As used in this Chapter, each of the following terms
11 shall be defined as follows:

12 a. “Autonomous agency” shall include any of the following entities of the
13 government of Guam: Guam Power Authority, the A.B. Won Pat
14 International Airport Authority, the Guam Economic Development
15 Authority, the Guam Housing Corporation, the Government of Guam
16 Retirement Fund, the Jose D. Leon Guerrero Commercial Port, the Guam
17 Waterworks Authority, and the Guam Visitors Bureau.

18 b. “COLA” refers to “Cost of Living Allowance,” a standard payment made to
19 retirees or their survivors that are receiving annuities from the Government
20 of Guam Retirement Fund to offset increases in the cost of living and to
21 counteract the effects of rising prices in the economy.

22 c. “Director” is the Director of the Government of Guam Retirement Fund.

23 d. “GGRF” shall mean the Government of Guam Retirement Fund.

24 e. “Retiree” is an individual who has separated active employment with earned
25 service time and is enrolled with the Government of Guam Retirement Fund
26 by September 30 of the prior fiscal and is eligible to receive COLA in the
27 current fiscal year.

- 1 f. “Retirement Fund” shall refer to the Government of Guam Retirement Fund.
2 g. “Survivor” is the beneficiary of a deceased retiree who is enrolled with the
3 Government of Guam Retirement Fund by November 1 of the current fiscal
4 year and eligible to receive COLA.

5 **§ 8A104. Interpretation.** In interpreting and applying the provisions of this
6 Chapter, they shall be held to be the minimum requirements and shall be liberally
7 construed in furtherance of its objectives.

8 **§ 8A105. Purpose of Chapter.** This Chapter codifies the Cost of Living
9 Allowances (COLA) appropriated annually in each Fiscal Year Appropriations
10 Act.

11 **§ 8A106. Annual Cost of Living Allowance to Retirees and Survivors.**

- 12 a. *I Maga'hågan Guåhan* shall include by a single lump-sum payment, a Cost-
13 of-Living Allowance (COLA) amounting to no less than two thousand
14 dollars (\$2,000) annually for each retiree and survivor of the Government of
15 Guam Retirement Fund (GGRF) who is retired prior to the last day of the
16 Fiscal Year, or their survivor, no later than thirty (30) days, thereafter.
17 b. If a retiree is a Defined Benefit and a Defined Contribution retiree, the
18 retiree or survivor shall only be entitled to a single COLA payment.
19 c. *I Maga'hågan Guåhan* shall include in the annual budget bill to *I*
20 *Liheslaturan Guåhan* an appropriation from the General Fund to the
21 Department of Administration indicating the COLA payment amount for all
22 retirees and survivors in accordance with Subsection (a) supra.

23 **§ 8A107. Autonomous Agencies Responsible for Retiree COLA.** The
24 Guam Power Authority, the A.B. Won Pat International Airport Authority, the
25 Guam Economic Development Authority, the Guam Housing Corporation, the
26 Government of Guam Retirement Fund, the Jose D. Leon Guerrero Commercial
27 Port, the Guam Waterworks Authority, and the Guam Visitors Bureau shall pay a

1 COLA in a single payment equal to the amount authorized pursuant to § 8A106 for
2 retirees, or their survivor who retired from that autonomous agency, supra.

3 **§ 8A108. Autonomous Agency Required to Reimburse General Fund.**

4 Autonomous agencies identified in § 8A107 of this Chapter shall reimburse the
5 General Fund for any COLA paid by the General Fund to retirees who have retired
6 from that agency and their survivors no later than December 31 of the current
7 Fiscal Year when payments are made.

8 **§ 8A109. Retiree May Waive Standard COLA Payment.** Any retiree or

9 survivor eligible to receive the COLA may waive their payment authorized herein
10 by filing a notarized affidavit waiving such payment with the Retirement Fund.
11 The Director shall transmit a copy of the notarized affidavit to the entity
12 responsible for issuing payment.

13 **§ 8A110. Electronic Fund Transfer for COLA Payments.** Enrollees must

14 provide banking information from a Federal Deposit Insurance Corporation
15 (FDIC), Federal Savings and Loan Insurance Corporation (FSLIC), or an
16 Automated Clearing House (ACH) recognized banking institution to the
17 Retirement Fund to receive COLA payments through Electronic Fund Transfer. A
18 retiree or survivor may request the Retirement Fund to receive the COLA
19 payments by check.

20 **§ 8A111. Construction With Other Laws.** Insofar as the provisions of the

21 “Guåhan COLA Act of 2022” are inconsistent with the provisions of any other law
22 or regulations, in whole or in part, the provisions of this Act shall be controlling;
23 and in particular but not by way of limitation, except as may be provided in this
24 Act, no provision of any law or regulation shall have cause or effect in carrying out
25 the purpose of the provisions of the “Guåhan COLA Act of 2022” unless *I*
26 *Liheslatura Guåhan* shall specifically so state.”

1 **Section 3. Severability.** If any portion of this Act is for any reason held
2 invalid or unconstitutional by any court of competent jurisdiction, such portion
3 shall be deemed a separate provision and shall not affect the validity of the
4 remaining portions of the Act.

5 **Section 4. Effective Date.** This Act shall be effective on October 1, 2022.