

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
346-36 (LS)	Jose "Pedro" Terlaje Tina Rose Muña Barnes Joe S. San Agustin Clynton E. Ridgell Telena Cruz Nelson James C. Moylan Frank Blas Jr. V. Anthony Ada	AN ACT TO AMEND §§ 8502 AND 8503, OF ARTICLE 5, CHAPTER 8, TITLE 4 OF THE GUAM CODE ANNOTATED RELATIVE TO THE DEFINED BENEFIT 1.75 RETIREMENT SYSTEM.	10/21/22 4:30 p.m.	10/26/22	Committee on Public Accountability, Human Resources, the Guam Buildup, Hagåtña Revitalization, Regional Affairs, Public Libraries, Telecommunications, and Technology			Request: 10/26/22 11/4/22	



Vice Speaker

TINA ROSE MUÑA BARNES

CHAIRPERSON, COMMITTEE ON RULES

I Mina'trentai Sais Na Liheslaturan Guåhan

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November 4, 2022

MEMO

To: Rennae Meno
Clerk of the Legislature

From: Vice Speaker Tina Rose Muña Barnes
Chairperson, Committee on Rules

Re: Fiscal Note on Bill No. 346-36 (LS)

Håfa adai,

Attached, please find the fiscal note for the following bill:

Bill No. 346-36 (LS)

Please forward the same to Management Information Services (MIS) for posting on our website.

If you have any questions or concerns, please feel free to contact Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this important matter.



Bureau of Budget & Management Research
Fiscal Note of Bill No. 346-36 (LS)

AN ACT TO AMEND §§ 8502 AND 8503, OF ARTICLE 5, CHAPTER 8, TITLE 4 OF THE GUAM CODE ANNOTATED RELATIVE TO THE DEFINED BENEFIT 1.75 RETIREMENT SYSTEM.

Department/Agency Appropriation Information

Dept./Agency Affected: Government of Guam Retirement Fund (GGRF)	Dept./Agency Head: Paula M. Blas, Director
Department's General Fund (GF) appropriation(s) to date:	\$41,235,458
Department's Other Fund appropriation(s) to date:	\$0
Total Department/Agency Appropriation(s) to date:	\$41,235,458

Fund Source Information of Proposed Appropriation

	General Fund:	Special Fund:	Total:
FY 2022 Unreserved Fund Balance	\$0	\$0	\$0
FY 2023 Adopted Revenues	\$0	0	0
FY 2023 Appropriations (P.L. 36-107)	\$0	0	0
Sub-total:	\$0	0	0
Less appropriation in Bill	\$0	0	0
Total:	\$0	0	0

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2023 (if applicable)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund	1/	\$0	\$0	\$0	\$0	\$0
Special Fund (SF)	1/	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? / / Yes /X/ No
If Yes, see attachment
- Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A / / Yes / / No
If no, what is the additional amount required? \$ /X/ N/A
- Does the Bill establish a new program/agency? / / Yes /X/ No
If yes, will the program duplicate existing programs/agencies? /X/ N/A / / Yes / / No
Is there a federal mandate to establish the program/agency? / / Yes /X/ No
- Will the enactment of this Bill require new physical facilities? / / Yes /X/ No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /X/ Yes / / No
/ / Requested agency comments not received by due date: / / Other:

Analyst: <u>Arthur R. Mariano, B&MA Supervisor</u>	Date: <u>4/1/22</u>	Director: <u>Lester L. Carlson, Jr., Director</u>	Date: <u>NOV 13 2022</u>
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Footnotes:

1/: In its current form, the subject legislation proposes to allow for newly-hired Government of Guam employees and certain active Defined Contribution (DC) Plan members would benefit from another opportunity to elect to participate as Defined Benefit (DB) 1.75 Plan members. The Bill would also allow uniformed personnel who are DB 1.75 Plan members to be eligible for full retirement benefits at age fifty-five (55) with twenty-five (25) years of service or at age fifty-seven (57) with five (5) years of service. Based on the Bureau's review of the Cost Estimate cited in the Bill, and subject to certain caveats and limitations, should DC Plan members elect to participate in the DB 1.75 Plan and the eligibility age for uniformed personnel be reduced as proposed, it would increase the unfunded actuarial liability by 0.09% and increase the employer contribution rate by 0.04%. Relative to the cost impact on the Government of Guam, using the Total Expected Payroll (DB & DC Plan members) reported in the Actuarial Valuation as of September 30, 2021 (\$547,124,284) and the current Employer Contribution Rate of 28.43%, DB & DC employer contributions would increase by approximately \$220,000 to \$230,000 per annum from respective payroll sources (GF, SF, federal grants, etc.).