



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

JUL 11 2000

The Honorable Joanne M. S. Brown
Legislative Secretary
I Mina'Bente Singko na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature
Suite 200
130 Asपाल Street
Hagåtña, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	
Time	1:35 PM
Date	July 11, 2000

Dear Legislative Secretary Brown:

Enclosed please find Substitute Bill No. 281 (COR), "AN ACT TO REPEAL AND REENACT §§8164(b), 8201(e), 8207, 8209, 9209.1, 8210, 8211, 8214, AND 8218(h), TO ADD §8219, ALL TO ARTICLES 1 AND 2 OF CHAPTER 8 OF TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM", which was signed into law Public Law No. 25-157.

This legislation contains quite a few amendments to the Government of Guam Retirement Fund, but most of the amendments relate to defining the time of vesting of interests, which was not previously so specified in previous law. Other items contained in this legislation are as follows:

1. **Definition of "year of employment" is changed** from the previous 10 months equals 1 year, 20 days equals 1 month, retirement credit cannot be had for more than 1 year within a 12 month time frame, but no less than 1,000 hours have to be worked per year. The new definition for "year of employment" is "each plan year (the 12 month ending September 30) during which a member has completed 1,000 hours of service; each month a member completed 1 hour of service shall be equal to 175 hours of service."
2. **More time to switch from DB to DC plan.** Changes voluntary time frame to switch from DB plan to DC plan from 51 months from date of enactment of the law to 63 months. Also allows an "open enrollment" sort of time where each year during March people can switch from the DB to the DC plans.
3. **Employer contribution vesting.** Employer contributions vest with the vesting schedule, which is 5 years or more employment. This provision is the same as current law, but stated a little more clearly.
4. **Items vest according to a schedule.** Rollover members contributions, as well as rollover employers contributions, vest according to the vesting schedule and the Trust Agreement for the new plan.

01020

5. **What vests immediately.** Immediately vesting and non-forfeitable amounts are: members contributions, rollover members contributions, and rollover employers contributions held in the Transfer Incentive Reserve.
6. **When employer contributions vest.** Employer contributions vest in the member immediately upon attaining normal retirement age, death, disability, or termination of all or a portion of the DC system including the employer contribution account (i.e., the end of the plan.)
7. **Specifies usual retirement age is 65.** Benefit payments commence either with early retirement at 55 years, or the normal retirement age of 65 years.
8. **Payments start “as soon as practicable.”** Retirement payments commence “as soon as practicable in accordance with the DC plan and trust agreement”, instead of stating 30 days as it does now.
9. **No disability insurance prior to retirement if you retire under disability.** Disability distributions commence as soon as practicable, also, but distribution of the member’s vested account balances will render them ineligible to receive any pre-retirement benefits under the long-term disability insurance policy.
10. **Amounts that can be taken out.** If an employee quits their job and just wants to take out his or her retirement, vested amounts only can be taken out. But, the vested amounts in the employer contribution account and transfer incentive reserve can only be distributed if the member retires, is disabled, or dies.
11. **Account Statements** are now to include the amount of the “member’s contributions, employer contributions, rollover contributions and amounts maintained in the transfer incentive reserve, plus interest, dividends and other accumulations credited or debited on behalf of the member.”
12. **Sick leave.** This bill allows sick leave to be paid out in a lump sum at the rate of: hourly rate of the average of the 3 highest years times ½ of the number of sick leave hours that the employee has. Previous to this amendment, members of the Defined Benefit plan could count sick leave towards retirement time, however members of the Defined Contribution plan would simply lose their sick leave entirely.
13. **Effective date.** The amendments for the Transfer Incentive Benefit are retroactive to transfers from the DB plan to the DC plan on or after 10-1-95.
14. **Promissory note.** If an employee is paying in for the 5 years retirement credit granted in previous legislation, and the employee hasn’t executed the required promissory note and started paying, the employee has 30 days to do this. If the employee doesn’t take care of executing the promissory note in this time frame, they lose the opportunity for the 5 years extra credit.

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July, 2000 – Page 3

This legislation clarifies some of the provisions of law concerning the DC plan (the newer retirement program).

Very truly yours,



Carl T. C. Gutierrez
I Maga'Lahen Guåhan
Governor of Guam

Attachment: copy attached for signed bill or overridden bill
original attached for vetoed bill

cc: The Honorable Antonio R. Unpingco
Speaker

03/02/00

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
2000 (SECOND) Regular Session

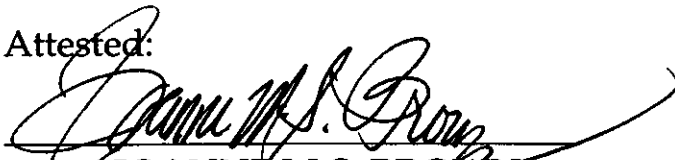
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Substitute Bill No. 281 (COR) "AN ACT TO REPEAL AND REENACT §§8164(b), 8201(e), 8207, 8209, 8209.1, 8210, 8211, 8214, AND 8218(h), TO ADD §8219, ALL TO ARTICLES 1 AND 2 OF CHAPTER 8 OF TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM," was on the 23rd day of June 2000, duly and regularly passed.



ANTONIO R. UNPINGCO
Speaker

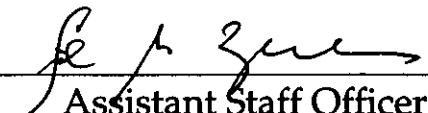
Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

.....

This Act was received by *I Maga'lahaen Guahan* this 25th day of June, 2000,
at 7:44 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: 7-10-00

Public Law No. 25-157

**MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
1999 (FIRST) Regular Session**

Bill No. 281 (COR)

As substituted by the Committee on
Housing, General Government Services
and Foreign Affairs.

Introduced by:

V. C. Pangelinan
K. S. Moylan
F. B. Aguon, Jr.
E. C. Bermudes
A. C. Blaz
J. M.S. Brown
E. B. Calvo
M. G. Camacho
Mark Forbes
L. F. Kasperbauer
A. C. Lamorena, V
C. A. Leon Guerrero
J. C. Salas
S. A. Sanchez, II
A. R. Unpingco

**AN ACT TO REPEAL AND REENACT §§8164(b),
8201(e), 8207, 8209, 8209.1, 8210, 8211, 8214, AND
8218(h), TO ADD §8219, ALL TO ARTICLES 1 AND 2
OF CHAPTER 8 OF TITLE 4 OF THE GUAM CODE
ANNOTATED, RELATIVE TO CLARIFYING THE
TRANSFER INCENTIVES, VESTING SCHEDULE
AND DISTRIBUTION OPTIONS ASSOCIATED
WITH THE TRANSFER OF MEMBERSHIP FROM
THE DEFINED BENEFIT PLAN TO THE DEFINED
CONTRIBUTION RETIREMENT SYSTEM.**

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

2 **Section 1. Legislative Findings.** *I Liheslaturan Guåhan* adopts the
3 findings set forth in Public Law Number 25-19, which created incentives to
4 induce those enrolled in the Defined Benefit Plan to transfer to the Defined
5 Contribution Retirement System as necessary to achieve the following:

6 (1) a positive effect on the financial stability of the Defined
7 Benefit Plan;

8 (2) reduction of the government's unfunded liability, thus
9 reducing the government contribution from the general fund; *and*

10 (3) increasing the security ratio of the Retirement Fund.

11 *I Liheslaturan Guåhan* further finds that the current Defined Contribution
12 Retirement System statute provisions do *not* contain complete details
13 regarding the vesting of amounts contributed on behalf of members, and the
14 distribution of such vested benefits. In order to provide comprehensive
15 information to Defined Benefit Plan members who are considering transfer to
16 the Defined Contribution Retirement System, and to current Defined
17 Contribution Retirement System members, it is necessary to clarify the vesting
18 and distribution provisions of the current statute.

19 **Section 2. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan*
20 to clarify the retrospective and prospective incentives offered to members of
21 the Defined Benefits Plan who have and who will transfer to the Defined
22 Contribution Retirement System, thus expanding the membership base of the
23 new system and meeting the objectives which led to the creation of the
24 Defined Contribution Retirement System in order to preserve the integrity of
25 the Government of Guam Retirement Plan for the future of all its prospective

1 retirees. Clarification of the provisions in the Defined Contribution
2 Retirement System statute is necessary to effectuate the purposes of Public
3 Law Number 25-19, consistent with the existing vesting schedule and
4 distribution limitations as provided in the Defined Contribution Retirement
5 System Plan and Trust Agreement, as approved by the Director of the
6 Department of Revenue and Taxation.

7 **Section 3.** Section 8164(b) of Article 1, Chapter 8 of Title 4 of the Guam
8 Code Annotated is hereby *repealed and reenacted* to read as follows:

9 **“(b) Employer’s Contribution Reserve.** The amounts
10 contributed by the government under the provisions hereof, or service
11 retirement annuity, disability retirement annuity and benefits to
12 survivors covering membership service and prior service, shall be
13 credited to this reserve. Regular interest shall be credited annually upon
14 the mean amount in the reserve.

15 Upon the granting of a service retirement annuity, disability
16 retirement annuity or survivor’s benefit, an amount representing the
17 excess of the actuarial value of the annuity or benefit over the
18 accumulated contributions of the member, including interest, shall be
19 transferred from this reserve to the retirement reserve.

20 Upon effective election by a member to participate in the Defined
21 Contribution Retirement System in accordance with the provisions of
22 §8207 of this Chapter, an amount equal to five percent (5%) of the
23 member’s annual base pay for each year of creditable service
24 immediately *prior to* the member’s transfer, *up to a maximum of five (5)*
25 years, not including interest, shall be transferred from this reserve to the

1 Transfer Incentive Reserve in accordance with §8209.1(b) of this
2 Chapter, and shall be subject to the timing of distribution limitations set
3 forth in the Defined Contribution Retirement System Plan and Trust
4 Agreement. Transfers made pursuant to this Subsection shall be fully
5 vested and shall constitute a window benefit to the transferring
6 member, and shall *not* be available after December 31, 2000.”

7 **Section 4.** Section 8201(e) of Article 2, Chapter 8 of Title 4 of the Guam
8 Code Annotated is hereby *repealed and reenacted* to read as follows:

9 “(e) ‘*Year of employment*’ for vesting purposes means each Plan
10 Year (the twelve-month period ending on September 30) during which a
11 member has completed at least one-thousand (1,000) hours of service for
12 which a member is directly or indirectly provided compensation or is
13 entitled to compensation by the government for the performance of
14 duties for the government during the Plan Year. For purposes of
15 determining Hours of Service, each month during which a member has
16 completed *at least* one (1) hour of Service shall be equivalent to one
17 hundred seventy-five (175) hours of service;”

18 **Section 5.** Section 8207 of Article 2, Chapter 8 of Title 4 of the Guam
19 Code Annotated is hereby *repealed and reenacted* to read as follows:

20 **“Section 8207. Voluntary Participation in System.**

21 (a) Any member with less than twenty (20) years service
22 credit recognized under the existing system may, upon written
23 election, voluntarily elect membership in the Government of
24 Guam Defined Contribution Retirement System, on a prospective
25 basis on or after October 1, 1995. Said member of the existing

1 retirement system upon election to withdraw that person's
2 contribution plus interest, must then deposit such funds in the
3 Government of Guam Defined Contribution Retirement System;
4 and as a result thereof, such member's years of service credit in the
5 existing system shall be applied toward the years of employment
6 service for vesting purposes under §8210 of this Article, and no
7 further benefits will be payable to such member under the existing
8 retirement system. Members electing to transfer to the Defined
9 Contribution Retirement System will have their transfers effective
10 at the end of the first pay period following the month of transfer.
11 Employees will have sixty-three (63) months after enactment of
12 this legislation, and between March 1 and March 31 of every year,
13 beginning in the year 2002, in which to elect to transfer to the
14 Defined Contribution Retirement System. After having made such
15 election the employee may *not* change such election or again
16 become a member of the existing retirement system. Any member
17 who does *not* select one (1) option or the other at the end of the
18 sixty-three (63) month period, *except* as provided for in this
19 Section, shall be deemed to have irrevocably elected to be a
20 member in the existing system."

21 **Section 6.** Section 8209 of Article 2, Chapter 8 of Title 4 of the Guam
22 Code Annotated is hereby *repealed and reenacted* to read as follows:

23 **"Section 8209. Employer Contributions.**

24 (a) Each employer shall, pursuant to §8208, make a
25 contribution to each member's account with respect to each

1 member whose employment commenced on or after October 1,
2 1995, or who transfers to the Defined Contribution Retirement
3 System pursuant to §8207, which is equal to five percent (5%) of
4 such member's base pay. In addition, each participating employer
5 shall match the first five percent (5%) of each member's base pay.
6 The amounts contributed herein shall vest in accordance with the
7 vesting schedule set forth in Subsection (c) of §8210.

8 (b) Furthermore, each participating employer also shall
9 make a contribution to the ancillary benefit account for the sole
10 purpose of financing pre-retirement disability insurance and
11 survivor death insurance premiums, in an amount equal to a
12 designated percentage of such member's base pay, the percentage
13 to be determined on a quarterly basis by the Board within its sole
14 discretion, in an amount *not to exceed* eight-tenths of one percent
15 (0.8%) of each member's base pay.

16 (c) Each participating employer shall ensure that its
17 employer or member contributions are made within five (5)
18 working days. In the case of an officer or an employee of the
19 government of Guam, any unpaid employer contribution shall be
20 a government debt, contracted as a result of a casual deficit in the
21 government's revenues, to be accorded preferred status over other
22 expenditures."

23 **Section 7.** Section 8209.1 of Article 2, Chapter 8 of Title 4 of the Guam
24 Code Annotated is hereby *repealed and reenacted* to read as follows:

1 **"Section 8209.1. Rollovers from Member's and Employer's**
2 **Contributions Reserves.**

3 (b) **Rollover of Member's Contributions.** Amounts
4 transferred from the Member's Contribution Reserve in
5 accordance with Subsection (a) of §8164 of this Chapter shall be
6 deposited to the member's account established for the benefit of
7 the member under a trust agreement, and shall be fully vested,
8 *subject* to the timing of distribution limitations set forth in the
9 Defined Contribution Retirement System Plan and Trust
10 Agreement.

11 (b) **Rollover of Employer's Contributions.** Amounts
12 transferred from the Employer's Contribution Reserve to fund
13 transfer incentive benefits in accordance with Subsection (b) of
14 §8164 of this Chapter shall be deposited in a Transfer Incentive
15 Reserve established for the benefit of the member under a trust
16 agreement. The Transfer Incentive Reserve shall be segregated
17 from employer contributions, and an individual account shall be
18 maintained for each member and include subsequent interest,
19 dividends, and/or any other accumulations credited or debited on
20 behalf of the member, and shall be fully vested, *subject* to the
21 timing of distribution limitations set forth in the Defined
22 Contribution Retirement System Plan and Trust Agreement."

23 **Section 8.** Section 8210 of Article 2, Chapter 8 of Title 4 of the Guam
24 Code Annotated is hereby *repealed and reenacted* to read as follows:

25 **"Section 8210. Vesting Schedule.**

1 (a) A member's interest in the following shall be fully and
2 immediately vested and nonforfeitable:

3 (1) members' contributions, pursuant to §8208;

4 (2) rollover of member's contributions pursuant to
5 Subsection (a) of §8209.1, including amounts rolled over
6 from other qualified retirement plans; *and*

7 (3) rollover of employer's contributions held in the
8 Transfer Incentive Reserve pursuant to Subsection (b) of
9 §8209.1.

10 (b) A member's interest in the balance of his Employer
11 Contribution Account described in §8209 shall be fully and
12 immediately vested and nonforfeitable upon the occurrence of any
13 one (1) or more of the following events:

14 (1) the member's attainment of normal retirement
15 age as defined in the Defined Contribution Retirement
16 System Plan and Trust Agreement while the member is
17 employed by the government;

18 (2) the member's death while the member is
19 employed by the government;

20 (3) the member's disability as defined in the Defined
21 Contribution Retirement System Plan and Trust Agreement
22 while the member is employed by the government; *or*

23 (4) the termination of all or a portion of the Defined
24 Contribution Retirement System, including the Employer
25 Contribution Account.

1 (c) In addition to the events described in Subsection (b), a
2 member's interest in the balance of his Employer Contribution
3 account described in §8209 shall be fully and immediately vested
4 and nonforfeitable upon the member's completion of five (5) or
5 more years of employment pursuant to Subsection (e) of §8201 and
6 as described in the Defined Contribution Retirement System Plan
7 and Trust Agreement.

8 (d) Upon a member's termination of employment, all
9 nonvested amounts shall constitute a forfeiture as of the date of
10 termination of employment and shall be transferred and
11 maintained in a suspense account pursuant to Subsection (e).

12 (e) The forfeited amounts described in Subsection (d) shall
13 be credited to a suspense account and shall be maintained by the
14 Board for a period of five (5) years following termination of the
15 member's employment. In the event that the member does *not*
16 return to the employ of the government within said five (5) years,
17 the amount attributable to such member shall be released from the
18 suspense account and applied to employer contributions in future
19 years. The aggregate amount of forfeitures released from the
20 suspense account at the end of each fiscal year will be applied as
21 contributions of contributing employers in an amount equal to the
22 contributions made on behalf of the employee, plus any earnings
23 thereon proportion to the aggregate amount of contributions made
24 by the contributing employer for the five (5) fiscal years ending
25 with the fiscal year in which the forfeitures are released from the

1 suspense account bears to the total contributions made by all
2 contributing employers for the same five (5) fiscal years period.
3 Upon certification to the several contributing employers of the
4 aggregate account balances plus earnings thereon which have
5 been irrevocably forfeited pursuant to this §8210, the several
6 contributing employers shall be permitted in the next succeeding
7 fiscal year, or years, to reduce their total aggregate contribution
8 requirement pursuant to §8209 of this Article, for the then current
9 fiscal year by an amount equal to the aggregate amounts
10 irrevocably forfeited and certified as such to each contributing
11 employer.”

12 **Section 9.** Section 8211 of Article 2, Chapter 8 of Title 4 of the Guam
13 Code Annotated is hereby *repealed and reenacted* to read as follows:

14 **“Section 8211. Commencement of Benefit Payments.** Upon
15 the occurrence of any of the events described in Subsections (b) or (c) of
16 §8210, a member, or in the event of a member’s death, the member’s
17 beneficiary, shall be entitled to receive a benefit equal to the balances in
18 the member’s vested account, including, but not limited to, balances in
19 the Transfer Incentive Reserve, pursuant to the following:

20 **(a) Normal and Early Retirement.** At any time after a
21 member reaches the early retirement age of fifty-five (55) years
22 and has completed five (5) years of employment for vesting
23 purposes, or reaches the normal retirement age of sixty-five (65),
24 that person may elect to receive retirement benefits by notifying
25 the Board or its designee in writing of such intention *not less than*

1 sixty (60) days *prior to* the effective date of retirement. Retirement
2 payments shall commence as soon as practicable after retirement
3 in accordance with the Defined Contribution Retirement System
4 Plan and Trust Agreement.

5 **(b) Disability.** A member may elect to receive a
6 distribution of the member's vested account balances as soon as
7 practicable after termination of employment due to permanent
8 and total disability; *provided*, that any distribution of the member's
9 vested account balances will render the member ineligible to
10 receive any pre-retirement benefits provided under the long-term
11 disability insurance policy issued pursuant to §8213. In the event
12 of permanent and total disability after termination of employment,
13 a member may elect to receive a distribution of that member's
14 vested account as soon as practicable after certification of said
15 disability in accordance with the Defined Contribution Retirement
16 System Plan and Trust Agreement.

17 **(c) Death.** In the event of a member's death,
18 distribution of the member's vested account balances to the
19 member's beneficiaries shall be made as soon as practicable after
20 retirement in accordance with the Defined Contribution
21 Retirement System Plan and Trust Agreement.

22 **(d) Other Termination of Employment.** In the event of
23 termination of employment for reasons other than retirement,
24 disability or death, a member may elect to receive a distribution of
25 the member's vested account balances as soon as practicable after

1 termination of employment; *provided*, that the distribution of
2 vested amounts in the member's Employer Contribution Account
3 and Transfer Incentive Reserve shall be distributed upon either:
4 (1) the member's attainment of early or normal retirement age in
5 accordance with the Defined Contribution Retirement System Plan
6 and Trust Agreement; (2) disability as described in Subsection (b);
7 or (3) death as described in Subsection (c)."

8 **Section 10.** Section 8214 of Article 2, Chapter 8 of Title 4 of the
9 Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

10 **"Section 8214. Account Statements.** The Board shall prepare,
11 or cause to be prepared, on a quarterly basis, an account statement for
12 each member's account, to include the amount of the member's
13 contributions, employer contributions, rollover contributions and
14 amounts maintained in the transfer incentive reserve, plus interest,
15 dividends and/or other accumulations credited or debited on behalf of
16 the member. The statement shall include, but not be limited to, a
17 statement of the current market value of the members' account. The
18 Board shall prescribe the form and content of the account statement
19 consistent with the provisions of this Section."

20 **Section 11.** Section 8218(h) of Article 2, Chapter 8 of Title 4 of the
21 Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

22 "(h) Process pre-October 1, 1995, hire elections, transfer
23 accumulated member contributions from existing retirement system to
24 defined contribution plan or calculate frozen accrued benefits in existing

1 retirement plan as appropriate. This step is to be completed within
2 sixty-three (63) months of enactment of enabling legislation.”

3 **Section 12.** Section 8219 is hereby *added* to Article 2, Chapter 8 of Title
4 4 of the Guam Code Annotated to read as follows:

5 **“Section 8219. Lump Sum for Sick Leave Not Utilized.**

6 Any person employed by the government of Guam and a member of the
7 Defined Contribution Retirement System who has unused accumulated
8 sick leave upon the day of that person’s retirement or disability shall be
9 entitled to a lump-sum payment equal to the hourly rate of the average
10 base pay of the three (3) highest annual salaries received by a member
11 during that person’s years of credited service multiplied by one-half
12 (1/2) of the unused accumulated sick leave hours.”

13 **Section 13. Effective Date.** The amendments herein shall be effective
14 upon enactment, although the applicability of eligibility for benefits
15 associated with the Transfer Incentive Benefit shall be applicable retroactively
16 to transfers from the Defined Benefit Plan to the Defined Contribution
17 Retirement System made on or after October 1, 1995.

18 **Section 14. Promissory Note to be Executed.** Any individual
19 who purchases additional years of service credit subject to the provisions of
20 Public Law Numbers 25-72, 25-74, 25-90, and 25-98 who has *not* executed a
21 repayment agreement or promissory note, shall sign and execute such
22 repayment agreement or promissory note within thirty (30) days of enactment
23 of this Act. The first payment shall be made within sixty (60) days of the
24 execution of the repayment agreement or promissory note. Failure to execute
25 a repayment agreement or promissory note as may be required by law shall

1 result in the *immediate* loss of additional years of service credit. The
2 Retirement Fund shall notify all applicable individuals of this requirement
3 *immediately* upon enactment of this Act.

4 **Section 15. Severability.** *If* any provision of this Act, including, but
5 not limited to, any Section or Subsection contained within this Act, or its
6 application to any person or circumstances is held invalid or contrary to law,
7 the invalidity does *not* affect other provisions, Sections, or applications of this
8 Act which can be given effect without the invalid provision or application,
9 and to this end the provisions of this Act are severable.



COPY

MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
TWENTY-FIFTH GUAM LEGISLATURE
155 Hesler Street, Hagåtña, Guam 96910

June 29, 2000



The Honorable Carl T.C. Gutierrez
I Maga'lahaen Guåhan
Ufisinan I Maga'lahi
Hagåtña, Guam 96910

Dear *Maga'lahi* Gutierrez:

Transmitted herewith are Substitute Bill Nos. 281(COR) & 392(LS) which were passed by *I Mina'Bente Singko Na Liheslaturan Guåhan* on June 23, 2000.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joanne M.S. Brown".

JOANNE M.S. BROWN
Senator and Legislative Secretary

Enclosure

IX TRANSMISSION CHECKLIST TO I MAGA'LAHEN GUAHAN
(Included in File w/ All Bills Transmitted)
BILL NO. 281 (cor)

- EXHIBITS ATTACHED *None*
- CONFIRM NUMBER OF PAGES *14*
- CAPTION ON CERTIFICATION MATCHES BILL CAPTION
- ENGROSSED SIGN "*" REMOVED FROM BILL
- 15 SENATORS IN SPONSORSHIP OR CONFIRM OTHERWISE
- CERTIFICATION SIGNED BY SPEAKER & LEGIS. SECRETARY
- EMERGENCY DECLARATION, if any *No*

Confirmed By: *[Signature]*

Dated: 6/29

FINAL REVIEW: *[Signature]*

Dated: 6/29

- HAND CARRY BILL IN BLUEBACK (ORIGINAL & COPY)
TO THE GOVERNOR. (DANNY, ROBERT OR OTHERS)
- ACKNOWLEDGED COPY W/ ORIGINAL BLUEBACK
PLACED ON CLERK'S DESK. (Same copy given to Susan)

- FILED by: Danny, Robert or others

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
2000 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

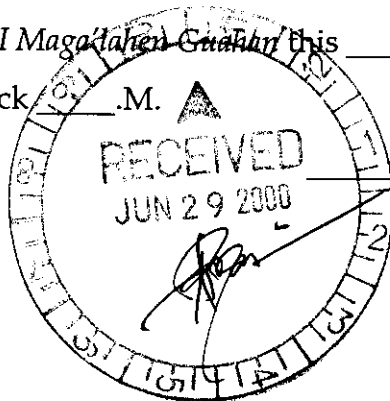
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ANTONIO R. UNPINGCO
Speaker

Attested:

JOANNE M.S. BROWN
Senator and Legislative Secretary

.....
This Act was received by *I Maga'lahen Guahan* this _____ day of _____, 2000,
at _____ o'clock _____ M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:

CARL T. C. GUTIERREZ
I Maga'lahen Guahan

Date: _____

Public Law No. _____

Office of the Speaker
ANTONIO R. UNPINGCO
Date: 6/28/00
Time: 3:35p
Rec'd by: [Signature]
Print Name: Laurie

6

I MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN

2000 (SECOND) Regular Session

Date: 6/23/00

VOTING SHEET

5 Bill No. 281(COR)

Resolution No. _____

Question: _____

<u>NAME</u>	<u>YEAS</u>	<u>NAYS</u>	<u>NOT VOTING/ ABSTAINED</u>	<u>OUT DURING ROLL CALL</u>	<u>ABSENT</u>
AGUON, Frank B., Jr.	✓				
BERMUDES, Eulogio C.	11 ✓				
BLAZ, Anthony C.	1 ✓				
BROWN, Joanne M.S.	✓				
CALVO, Eduardo B.	✓				
CAMACHO, Marcel G.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LAMORENA, Alberto C., V	✓				
LEON GUERRERO, Carlotta A.	✓				
MOYLAN, Kaleo Scott	✓				
PANGELINAN, Vicente C.	✓				
SALAS, John C.	✓				
SANCHEZ, Simon A., II	✓				
UNPINGCO, Antonio R.	✓				

TOTAL 15 0 0 0 0

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence



FILE

MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
TWENTY-FIFTH GUAM LEGISLATURE
155 Hesler Street, Hagåtña, Guam 96910

June 12, 2000

(DATE)

Memorandum

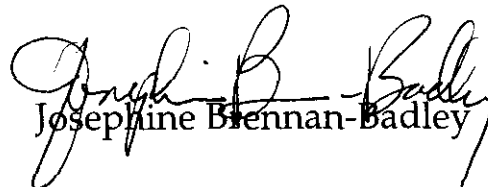
To: Senator Vicent C. Pangelinan

From: Clerk of the Legislature

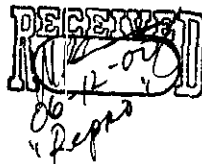
Subject: Report on Bill No. 281(COR)

Pursuant to §7.04 of Rule VII of the 25th Standing Rules, transmitted herewith is a copy of the Committee Report on Bill No. 281(COR), for which you are the prime sponsor.

Should you have any questions or need further information, please call the undersigned at 472-3464/5.


Josephine Brennan-Badley

Attachment



Senator Kaleo S. Moylan
Chairperson, Committee on Housing,
General Government Services and Foreign Affairs
Mina'Bente Singko Na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature

June 12, 2000

Honorable Antonio R. Unpingco
Speaker
Mina'Bente Singko Na Liheslaturan Guåhan
Hagåtña, Guam 96910

VIA: Chairperson, Committee on Rules, Government Reform, Reorganization and
Federal Affairs

Dear Mr. Speaker:


The Committee on Housing, General Government Services and Foreign Affairs, to which was referred Bill No. 281 (COR), "AN ACT TO *REPEAL AND REENACT* §§ 8164, 8201(e), 8207, 8209, 8209.1, 8210, 8211, 8214, 8218(h), TO *ADD* A NEW SECTION 8219 ALL OF ARTICLES 1 AND 2 OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM," has had the same under consideration, and now wishes to report back the same with the recommendation to do pass as substituted.

The Committee votes are as follows:

<u>-7-</u>	To Do Pass
<u>-0-</u>	Not to Pass
<u>-0-</u>	Abstain
<u>-0-</u>	Inactive File

A copy of the Committee Report and other pertinent documents are attached for your immediate reference and information.

Thank you,

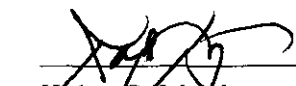
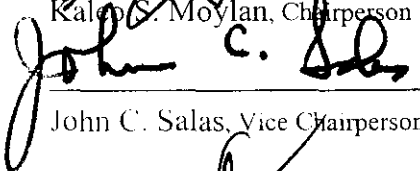
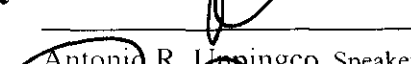
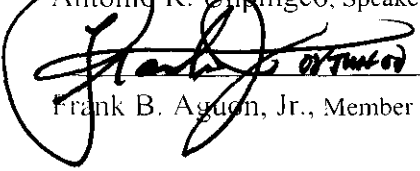
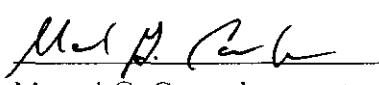



KALEO S. MOYLAN
Chairperson

Enclosure:

**Committee on Housing, General
Government Services and Foreign Affairs
Vote Sheet on
Substitute Bill No. 281 (COR)**

AN ACT TO REPEAL AND REENACT §§ 8164, 8201(e), 8209, 8209.1(b), 8210, 8211, AND 8214, ALL OF ARTICLES 1 AND 2 OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM.

COMMITTEE MEMBER	TO PASS	NOT TO PASS	ABSTAIN	INACTIVE FILE
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 Kaleo S. Moylan, Chairperson	↓			
 John C. Salas, Vice Chairperson	✓			
 Antonio R. Umpingco, Speaker & Ex-Officio	↓			
 Frank B. Aguon, Jr., Member	✓			
Anthony C. Blaz, Member				
Joanne M.S. Brown, Member				
 Marcel G. Camacho, Member	✓			
Alberto C. Lamorena, V, Member				
Carlotta A. Leon Guerrero, Member				
 Vicente C. Pangelinan, Member	✓			
 Simon A. Sanchez, II, Member	↓			

***Committee on Housing,
General Government Services and Foreign Affairs
Report On***

**Bill No. 281 (COR)
*As substituted by the Committee.***

AN ACT TO REPEAL AND REENACT §§ 8164, 8201(e), 8209, 8209.1(b), 8210, 8211, AND 8214, ALL OF ARTICLES 1 AND 2 OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM.

PUBLIC HEARING: The Committee on Housing, General Government Services and Foreign Affairs, to which was referred Bill No. 281 (COR) “AN ACT TO REPEAL AND REENACT §§ 8164, 8201(e), 8209, 8209.1(b), 8210, 8211, AND 8214, ALL OF ARTICLES 1 AND 2 OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM,” conducted a public hearing on Thursday, May 25, 2000, 9:00 a.m. at the Legislative Public Hearing Room and on Tuesday, May 30, 2000 at the Committee Conference Room. Senator Kaleo S. Moylan, Chairperson of the Committee on Housing, General Government Services and Foreign Affairs convened the hearing promptly at 9:00 a.m. on both days. Also in attendance were Senators Vicente C. Pangelinan, Joanne M.S. Brown and Lawrence F. Kasperbauer.

TESTIMONY: For the record, the Chairman informed the Members and others present to discuss Bill No. 281 (COR) that although appropriate government representatives were invited (Mr. Rodney Webb, Director of the Department of Administration; Mr. John F. Tarantino, Attorney General of Guam and Mr. John Rios, Director of the Government of Guam Retirement Fund, non were in attendance. There being no further witnesses, the Chairperson adjourned the hearing, and moved onto the next item on the agenda.

FINDINGS: The Committee finds that Public Law Number 23-42, which established the Defined Contribution Retirement System for all new employees of the

preserve the integrity of the Government of Guam Retirement Plan for the future of all its prospective retirees.

More importantly, it is necessary to provide clarification of the provisions in the Defined Contribution Retirement System statute to effectuate the purposes of Public Law No. 25-19 consistent with the existing vesting schedule and distribution limitations as provided in the Defined Contribution Retirement System Plan and Trust Agreement, as approved by the Director of the Department of Revenue and Taxation.

RECOMMENDATION: The Committee, having reviewed Bill No. 281 (COR), “AN ACT TO REPEAL AND REENACT §§ 8164, 8201(e), 8209, 8209.1(b), 8210, 8211, AND 8214, ALL OF ARTICLES 1 AND 2 OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM,” recommends that the legislation, as substituted, be passed by *I Liheslaturan Guåhan*.

***Profile on
Substitute Bill No. 281 (COR)***

Brief Title: “Clarification of transfer incentives, vesting schedule and distribution options associated with the transfer of membership from the Defined Benefit Plan to the Defined Contribution Retirement System.

Date Introduced: Friday, August 13, 1999.

Main Sponsor: Senator Vicente C. Pangelinan.

Committee Referral: From the Committee on Rules, Government Reform, Reorganization and Federal Affairs to the Committee on Housing, General Government Services and Foreign Affairs on September 2, 1999.

Public Hearing(s): Thursday, May 25, 2000, 9:00 a.m. at the Legislative Public Hearing Room and on Tuesday, May 30, 2000 at the Committee Conference Room.

Official Title: AN ACT TO REPEAL AND REENACT §§ 8164, 8201(e), 8209, 8209.1(b), 8210, 8211, AND 8214, ALL OF ARTICLES 1 AND 2 OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM.

Recommendation: To do pass as substituted by the Committee.

Section Analysis

Section 1. Legislative Findings.

Section 2. Legislative Intent.

Section 3. Employer's Contribution Reserve. Repeals and reenacts Section 8164(b), Article 1, Chapter 8, of Title 4 of the Guam Code Annotated. This section provides that upon the effective election of an employee to participate in the Defined Contribution Retirement System, the timing of distribution limitation shall be set forth in accordance to the Defined Contribution Retirement System Trust Agreement. It further provides that transfers made shall be fully vested and shall constitute a window benefit to the transferring member.

Section 4. Year of Employment. Repeals and reenacts Section 8201(e), Article 2, Chapter 8, of Title 4 of the Guam Code Annotated. This section provides that "*Year of employment for vesting purposes*" is defined to mean each Plan Year (the twelve-month period ending on September 30) during which a member has completed at least one-thousand (1,000) hours of service for which a member is directly or indirectly provided compensation or is entitled to compensation by the government for the performance of duties for the government during the Plan Year. For purposes of determining Hours of Service, each month during which a member has completed at least one Hour of Service shall be equivalent to one hundred seventy-five Hours of Service;"

Section 5. Employer Contributions. Repeals and reenacts Section 8209(e), Article 2, Chapter 8, of Title 4 of the Guam Code Annotated. This section

provides that that the employer contributions shall vest in accordance with the vesting schedule set forth in §8210(c). It further provides that each participating employer also shall make a contribution to the ancillary benefit account for the sole purpose of financing pre-retirement disability insurance and survivor death insurance premiums, in an amount equal to a designated percentage of such member's base pay, the percentage to be determined on a quarterly basis by the Board within its sole discretion, in an amount not to exceed eight-tenths of one percent (0.8%) of each member's base pay.

Lastly, each participating employer shall ensure that its employer or member contributions are made within five (5) working days. It further provides that in the case of an officer or an employee of the government of Guam, any unpaid employer contribution shall be a government debt, contracted as a result of a casual deficit in the government's revenues, to be accorded preferred status over other expenditures.

Section 6. Rollovers from Member's and Employer's Contributions Reserves. Repeals and reenacts Section 8209.1, Article 2, Chapter 8, of Title 4 of the Guam Code Annotated. This section provides that amounts transferred from **the Member's Contribution Reserve** in accordance with §8164(a) of this Chapter shall be deposited to the member's account established for the benefit of the member under a trust agreement, and shall be fully vested, subject to the timing of distribution limitations set forth in the Defined Contribution Retirement System Plan and Trust Agreement.

It further provides that amounts transferred from the **Employer's Contribution Reserve** to fund transfer incentive benefits in accordance with §8164(b) of this Chapter shall be deposited in a **Transfer Incentive Reserve** established for the benefit of the member under a trust agreement. The Transfer Incentive Reserve shall be segregated from employer contributions, and an individual account shall be maintained for each member and include subsequent interest, dividends, and/or any other accumulations credited or debited on behalf of the member, and shall be fully vested, subject to the timing of distribution limitations set forth in the Defined Contribution Retirement System Plan and Trust Agreement."

Section 7. Vesting Schedule. Repeals and reenacts Section 8210, Article 2, Chapter 8, of Title 4 of the Guam Code Annotated. The section provides that a member's interest shall be fully and immediately vested and nonforfeitable. It further provides that a member's interest in the balance of his Employer Contribution Account described in §8209 shall be fully and immediately vested and nonforfeitable upon the occurrence of any one or more of the following events:

(1) The member's attainment of normal retirement age as defined in the Defined Contribution Retirement System Plan and Trust Agreement while the member is employed by the government;

(2) The member's death while the member is employed by the government;

(3) The member's disability as defined in the Defined Contribution Retirement System Plan and Trust Agreement while the member is employed by the government; or

(4) The termination of all or a portion of the Defined Contribution Retirement System including the Employer Contribution Account.

In addition, a member's interest in the balance of his Employer Contribution account described in §8209 shall be fully and immediately vested and nonforfeitable upon the member's completion of five (5) or more years of employment pursuant to §8201(e) and as described in the Defined Contribution Retirement System Plan and Trust Agreement.

Upon a member's termination of employment, all nonvested amounts shall constitute a forfeiture as of the date of termination of employment and shall be transferred and maintained in a suspense account.

The forfeited amounts shall be credited to a suspense account and shall be maintained by the Board for a period of five (5) years following termination of the member's employment. In the event that the member does *not* return to the employ of the government within five (5) years, the amount attributable to such member shall be released from the suspense account and applied to employer contributions in future years.

The aggregate amount of forfeitures released from the suspense account at the end of each fiscal year will be applied as contributions of contributing employers in an amount equal to the contributions made on behalf of the employee, plus any earnings thereon proportion to the aggregate amount of contributions made by the contributing employer for the five (5) fiscal years ending with the fiscal year in which the forfeitures are released from the suspense account bears to the total contributions made by all contributing employers for the same five (5) fiscal years period. Upon certification to the several contributing employers of the aggregate account balances plus earnings thereon which have been irrevocably forfeited pursuant to this §8210, the several contributing employers shall be permitted in the next succeeding fiscal

year or years to reduce their total aggregate contribution requirement pursuant to §8209 of this Article, for the then current fiscal year by an amount equal to the aggregate amounts irrevocably forfeited and certified as such to each contributing employer.

Section 8. Commencement of Benefit Payments. Repeals and reenacts Section 8211, Article 2, Chapter 8, of Title 4 of the Guam Code Annotated. This section provides that upon the occurrence of any of the events described §8210(b) and (c), a member (or, in the event of a member's death, the member's beneficiary) shall be entitled to receive a benefit equal to the balances in the member's vested account, including, but not limited to, balances in the Transfer Incentive Reserve, pursuant to the following:

Normal and Early Retirement. At any time after a member reaches the early retirement age of fifty-five years and has completed five (5) years of employment for vesting purposes, or reaches the normal retirement age of 65, he or she may elect to receive retirement benefits by notifying the board or its designee in writing of such intention not less than sixty days prior to the effective date of retirement. Retirement payments shall commence as soon as practicable after retirement in accordance with the Defined Contribution Retirement System Plan and Trust Agreement.

Disability. A member may elect to receive a distribution of the member's vested account balances as soon as practicable after termination of employment due to permanent and total disability; provided that, any distribution of the member's vested account balances will render the member ineligible to receive any pre-retirement benefits provided under the long-term disability insurance policy issued pursuant to §8213. In the event of permanent and total disability after termination of employment, a member may elect to receive a distribution of that member's vested account as soon as practicable after certification of said disability in accordance with the Defined Contribution Retirement System Plan and Trust Agreement.

Death. In the event of a member's death, distribution of the member's vested account balances to the member's beneficiaries shall be made as soon as practicable after retirement in accordance with the Defined Contribution Retirement System Plan and Trust Agreement.

Other Termination of Employment. In the event of termination of employment for reasons other than retirement, disability, or death, a member may elect to receive a distribution of the member's vested account balances as

soon as practicable after termination of employment; provided that the distribution of vested amounts in the member's Employer Contribution Account and Transfer Incentive Reserve shall be distributed upon either: (1) the member's attainment of early or normal retirement age in accordance with the Defined Contribution Retirement System Plan and Trust Agreement; (2) disability as described in subsection (b); or (3) death as described in subsection (c).

Section 9. Account Statements. Repeals and reenacts Section 8214, Article 2, Chapter 8, of Title 4 of the Guam Code Annotated. This section provides that the Board shall prepare or cause to be prepared, on a quarterly basis, an account statement for each member's account, to include the amount of the member's contributions, employer contributions, rollover contributions, and amounts maintained in the transfer incentive reserve, plus interest, dividends and/or other accumulations credited or debited on behalf of the member. The statement shall include, but not be limited to a statement of the current market value of the members' account. The board shall prescribe the form and content of the account statement not inconsistent with the provisions of this §8214.

Section 10. Severability.

Section 11. Effective Date. This section provides that the proposed changes are to take effect upon enactment, although the applicability of eligibility for benefits associated with the Transfer Incentive Benefit shall be applicable retroactively to transfers from the Defined Benefit Plan to the Defined Contribution Retirement System made on or after October 1, 1995.

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
1999 (FIRST) Regular Session

Bill No. 281 (COR)

As substituted by the Committee on
Housing, General Government Services
and Foreign Affairs.

Introduced by:

V. C. Pangelinan

K. S. Moylan

**AN ACT TO REPEAL AND REENACT §§ 8164, 8201(e),
8207, 8209, 8209.1, 8210, 8211, 8214, 8218(h), TO ADD A
NEW SECTION 8219 ALL OF ARTICLES 1 AND 2 OF
CHAPTER 8 OF TITLE 4, GUAM CODE
ANNOTATED, RELATIVE TO CLARIFYING THE
TRANSFER INCENTIVES, VESTING SCHEDULE
AND DISTRIBUTION OPTIONS ASSOCIATED WITH
THE TRANSFER OF MEMBERSHIP FROM THE
DEFINED BENEFIT PLAN TO THE DEFINED
CONTRIBUTION RETIREMENT SYSTEM.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings. *I Liheslaturan Guåhan* adopts the findings set forth in Public Law No. 25-19, which created incentives to induce those enrolled in the Defined Benefit Plan to transfer to the Defined Contribution Retirement System as necessary to achieve the following:

(1) A positive effect on the financial stability of the Defined Benefit Plan;

(2) Reduction of the government's unfunded liability, thus reducing the government contribution from the general fund; and

1 (3) Increasing the security ratio of the Retirement Fund.

2 *I Liheslaturan Guåhan* further finds that the current Defined Contribution
3 Retirement System statute provisions do not contain complete details regarding the
4 vesting of amounts contributed on behalf of members, and the distribution of such
5 vested benefits. In order to provide comprehensive information to Defined Benefit
6 Plan members who are considering transfer to the Defined Contribution Retirement
7 System, and to current Defined Contribution Retirement System members, it is
8 necessary to clarify the vesting and distribution provisions of the current statute.

9 **Section 2. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan*
10 to clarify the retrospective and prospective incentives offered to members of the
11 Defined Benefits Plan who have and who will transfer to the Defined Contribution
12 Retirement System, thus expanding the membership base of the new system and
13 meeting the objectives which led to the creation of the Defined Contribution
14 Retirement System in order to preserve the integrity of the Government of Guam
15 Retirement Plan for the future of all its prospective retirees. Clarification of the
16 provisions in the Defined Contribution Retirement System statute is necessary to
17 effectuate the purposes of Public Law No. 25-19 consistent with the existing vesting
18 schedule and distribution limitations as provided in the Defined Contribution
19 Retirement System Plan and Trust Agreement, as approved by the Director of the
20 Department of Revenue and Taxation.

21 **Section 3.** Section 8164 (b), Article 1, Chapter 8, of Title 4 of the Guam Code
22 Annotated is hereby *repealed and reenacted* to read as follows:

23 **“(b) Employer’s Contribution Reserve.** The amounts contributed by
24 the Government under the provisions hereof, or service retirement annuity,
25 disability retirement annuity and benefits to survivors covering membership
26 service and prior service, shall be credited to this reserve. Regular interest shall
27 be credited annually upon the mean amount in the reserve.

1 Upon the granting of a service retirement annuity, disability retirement
2 annuity or survivor's benefit, an amount representing the excess of the actuarial
3 value of the annuity or benefit over the accumulated contributions of the
4 member, including interest, shall be transferred from this reserve to the
5 retirement reserve.

6 Upon effective election by a member to participate in the Defined
7 Contribution Retirement System in accordance with the provisions of §8207 of
8 this Chapter, an amount equal to five percent (5%) of the member's annual base
9 pay for each year of creditable service immediately prior to the member's
10 transfer, up to a maximum of five (5) years, not including interest, shall be
11 transferred from this reserve to the Transfer Incentive Reserve in accordance
12 with §8209.1(b) of this Chapter and shall be subject to the timing of distribution
13 limitations set forth in the Defined Contribution Retirement System Plan and
14 Trust Agreement. Transfers made pursuant to this Subsection shall be fully
15 vested and shall constitute a window benefit to the transferring member and
16 shall *not* be available after December 31, 2000."

17 **Section 4.** Section 8201 (e), Article 2, Chapter 8, of Title 4 of the Guam Code
18 Annotated is hereby *repealed and reenacted* to read as follows:

19 “(e) *Year of employment* for vesting purposes means each Plan Year
20 (the twelve-month period ending on September 30) during which a member has
21 completed at least one-thousand (1,000) hours of service for which a member is
22 directly or indirectly provided compensation or is entitled to compensation by
23 the government for the performance of duties for the government during the
24 Plan Year. For purposes of determining Hours of Service, each month during
25 which a member has completed at least one Hour of Service shall be equivalent
26 to one hundred seventy-five Hours of Service;”

1 **Section 5.** Section 8207, Article 2, Chapter 8, of Title 4 of the Guam Code
2 Annotated is hereby *repealed and reenacted* to read as follows:

3 **“Section 8207. Voluntary Participation in System.**

4 (a) Any member, with less than twenty (20) years service credit,
5 recognized under the existing system may, upon written election, voluntarily
6 elect membership in the Government of Guam Defined Contribution Retirement
7 System, on a prospective basis, on or after October 1, 1995. Said member of
8 the existing retirement system upon election to withdraw his or her contribution
9 plus interest, must then deposit such funds in the Government of Guam Defined
10 Contribution Retirement System; and as a result thereof, such member’s years
11 of service credit in the existing system shall be applied toward the years of
12 employment service for vesting purposes under §8210 of this Article, and no
13 further benefits will be payable to such member under the existing retirement
14 system. Members electing to transfer to the Defined Contribution Retirement
15 System will have their transfers effective at the end of the first pay period
16 following the month of transfer. Employees will have sixty-three (63) months,
17 after enactment of this legislation, and between March 1 and March 31 of every
18 year, beginning in the year 2002, in which to elect to transfer to the Defined
19 Contribution Retirement System. After having made such election, the
20 employee may not change such election or again become a member of the
21 existing retirement system. Any member who does not select one (1) option or
22 the other at the end of the sixty-three (63) month period, except as provided for
23 in this Section, shall be deemed to have irrevocably elected to be a member in
24 the existing system.”

25 **Section 6.** Section 8209, Article 2, Chapter 8, of Title 4 of the Guam Code
26 Annotated is hereby *repealed and reenacted* to read as follows:

1 **“Section 8209. Employer contributions.** (a) Each employer
2 shall, pursuant to §8208, make a contribution to each member’s account with
3 respect to each member whose employment commenced on or after October 1,
4 1995, or who transfers to the Defined Contribution Retirement System pursuant
5 to §8207, which is equal to five percent (5%) of such member’s base pay. In
6 addition, each participating employer shall match the first five percent (5%) of
7 each member’s base pay. The amounts contributed herein shall vest in
8 accordance with the vesting schedule set forth subsection (c) of §8210.

9 (b) Furthermore, each participating employer also shall make a
10 contribution to the ancillary benefit account for the sole purpose of financing
11 pre-retirement disability insurance and survivor death insurance premiums, in
12 an amount equal to a designated percentage of such member’s base pay, the
13 percentage to be determined on a quarterly basis by the Board within its sole
14 discretion, in an amount not to exceed eight-tenths of one percent (0.8%) of
15 each member’s base pay.

16 (c) Each participating employer shall ensure that its employer or
17 member contributions are made within five (5) working days. In the case of an
18 officer or an employee of the government of Guam, any unpaid employer
19 contribution shall be a government debt, contracted as a result of a casual
20 deficit in the government’s revenues, to be accorded preferred status over other
21 expenditures.”

22 **Section 7.** Section 8209.1, Article 2, Chapter 8, of Title 4 of the Guam Code
23 Annotated is hereby *repealed and reenacted* to read as follows:

24 **“Section 8209.1. Rollovers from Member’s and Employer’s**
25 **Contributions Reserves.** (a) Rollover of Member’s Contributions.
26 Amounts transferred from the Member’s Contribution Reserve in accordance
27 with subsection (a) of §8164 of this Chapter shall be deposited to the member’s

1 account established for the benefit of the member under a trust agreement, and
2 shall be fully vested, subject to the timing of distribution limitations set forth in
3 the Defined Contribution Retirement System Plan and Trust Agreement.

4 **(b) Rollover of Employer's Contributions.** Amounts transferred
5 from the Employer's Contribution Reserve to fund transfer incentive benefits in
6 accordance with subsection (b) of §8164 of this Chapter shall be deposited in a
7 Transfer Incentive Reserve established for the benefit of the member under a
8 trust agreement. The Transfer Incentive Reserve shall be segregated from
9 employer contributions, and an individual account shall be maintained for each
10 member and include subsequent interest, dividends, and/or any other
11 accumulations credited or debited on behalf of the member, and shall be fully
12 vested, subject to the timing of distribution limitations set forth in the Defined
13 Contribution Retirement System Plan and Trust Agreement.”

14 **Section 8.** Section 8210, Article 2, Chapter 8, of Title 4 of the Guam Code
15 Annotated is hereby *repealed and reenacted* to read as follows:

16 **“Section 8210. Vesting Schedule.** (a) A member's interest
17 in the following shall be fully and immediately vested and nonforfeitable:

18 (1) Members' contributions, pursuant to §8208;

19 (2) Rollover of member's contributions pursuant to subsection
20 (a) of §8209.1, including amounts rolled over from other qualified
21 retirement plans; and

22 (3) Rollover of employer's contributions held in the Transfer
23 Incentive Reserve pursuant to subsection (b) of §8209.1.

24 (b) A member's interest in the balance of his Employer Contribution
25 Account described in §8209 shall be fully and immediately vested and
26 nonforfeitable upon the occurrence of any one or more of the following events:

1 (1) The member's attainment of normal retirement age as
2 defined in the Defined Contribution Retirement System Plan and Trust
3 Agreement while the member is employed by the government;

4 (2) The member's death while the member is employed by the
5 government;

6 (3) The member's disability as defined in the Defined
7 Contribution Retirement System Plan and Trust Agreement while the
8 member is employed by the government; or

9 (4) The termination of all or a portion of the Defined
10 Contribution Retirement System including the Employer Contribution
11 Account.

12 (c) In addition to the events described in subsection (b), a member's
13 interest in the balance of his Employer Contribution account described in §8209
14 shall be fully and immediately vested and nonforfeitable upon the member's
15 completion of five or more years of employment pursuant to subsection (e) of
16 §8201 and as described in the Defined Contribution Retirement System Plan
17 and Trust Agreement.

18 (d) Upon a member's termination of employment, all nonvested
19 amounts shall constitute a forfeiture as of the date of termination of
20 employment and shall be transferred and maintained in a suspense account
21 pursuant to subsection (e).

22 (e) The forfeited amounts described in subsection (d) shall be credited
23 to a suspense account and shall be maintained by the board for a period of five
24 (5) years following termination of the member's employment. In the event that
25 the member does *not* return to the employ of the government within said five
26 (5) years, the amount attributable to such member shall be released from the
27 suspense account and applied to employer contributions in future years. The

1 aggregate amount of forfeitures released from the suspense account at the end
2 of each fiscal year will be applied as contributions of contributing employers in
3 an amount equal to the contributions made on behalf of the employee, plus any
4 earnings thereon proportion to the aggregate amount of contributions made by
5 the contributing employer for the five (5) fiscal years ending with the fiscal year
6 in which the forfeitures are released from the suspense account bears to the total
7 contributions made by all contributing employers for the same five (5) fiscal
8 years period. Upon certification to the several contributing employers of the
9 aggregate account balances plus earnings thereon which have been irrevocably
10 forfeited pursuant to this §8210, the several contributing employers shall be
11 permitted in the next succeeding fiscal year or years to reduce their total
12 aggregate contribution requirement pursuant to §8209 of this Article, for the
13 then current fiscal year by an amount equal to the aggregate amounts
14 irrevocably forfeited and certified as such to each contributing employer.”

15 **Section 9.** Section 8211, Article 2, Chapter 8, of Title 4 of the Guam Code
16 Annotated is hereby *repealed and reenacted* to read as follows:

17 **“Section 8211. Commencement of benefit payments.** Upon the
18 occurrence of any of the events described in subsections (b) or (c) of §8210, a
19 member (or, in the event of a member’s death, the member’s beneficiary) shall
20 be entitled to receive a benefit equal to the balances in the member’s vested
21 account, including, but not limited to, balances in the Transfer Incentive
22 Reserve, pursuant to the following:

23 **(a) Normal and Early Retirement.** At any time after a
24 member reaches the early retirement age of fifty-five years and has
25 completed five (5) years of employment for vesting purposes, or reaches
26 the normal retirement age of 65, he or she may elect to receive retirement
27 benefits by notifying the board or its designee in writing of such intention

1 not less than sixty days prior to the effective date of retirement.
2 Retirement payments shall commence as soon as practicable after
3 retirement in accordance with the Defined Contribution Retirement
4 System Plan and Trust Agreement.

5 **(b) Disability.** A member may elect to receive a distribution of
6 the member's vested account balances as soon as practicable after
7 termination of employment due to permanent and total disability;
8 provided that, any distribution of the member's vested account balances
9 will render the member ineligible to receive any pre-retirement benefits
10 provided under the long-term disability insurance policy issued pursuant
11 to §8213. In the event of permanent and total disability after termination
12 of employment, a member may elect to receive a distribution of that
13 member's vested account as soon as practicable after certification of said
14 disability in accordance with the Defined Contribution Retirement
15 System Plan and Trust Agreement.

16 **(c) Death.** In the event of a member's death, distribution
17 of the member's vested account balances to the member's beneficiaries
18 shall be made as soon as practicable after retirement in accordance with
19 the Defined Contribution Retirement System Plan and Trust Agreement.

20 **(d) Other Termination of Employment.** In the event of
21 termination of employment for reasons other than retirement, disability,
22 or death, a member may elect to receive a distribution of the member's
23 vested account balances as soon as practicable after termination of
24 employment; provided that the distribution of vested amounts in the
25 member's Employer Contribution Account and Transfer Incentive
26 Reserve shall be distributed upon either: (1) the member's attainment of
27 early or normal retirement age in accordance with the Defined

1 Contribution Retirement System Plan and Trust Agreement; (2) disability
2 as described in subsection (b); or (3) death as described in subsection
3 (c).”

4 **Section 10.** Section 8214, Article 2, Chapter 8, of Title 4 of the Guam Code
5 Annotated is hereby *repealed and reenacted* to read as follows:

6 “**Section 8214. Account Statements.** The board shall prepare or
7 cause to be prepared, on a quarterly basis, an account statement for each
8 member’s account, to include the amount of the member’s contributions,
9 employer contributions, rollover contributions, and amounts maintained in the
10 transfer incentive reserve, plus interest, dividends and/or other accumulations
11 credited or debited on behalf of the member. The statement shall include, but
12 not be limited to a statement of the current market value of the members’
13 account. The board shall prescribe the form and content of the account
14 statement not inconsistent with the provisions of this §8214.”

15 **Section 11.** Section 8218 (h), Article 2, Chapter 8, of Title 4 of the Guam
16 Code Annotated is hereby *repealed and reenacted* to read as follows:

17 “(h) Process pre-October 1, 1995, hire elections, transfer accumulated
18 member contributions from existing retirement system to defined contribution
19 plan or calculate frozen accrued benefits in existing retirement plan as
20 appropriate. This step is to be completed within sixty-three (63) months of
21 enactment of enabling legislation.”

22 **Section 12.** A new Section 8219 is hereby *added* to Article 2, Chapter 8, of
23 Title 4 of the Guam Code Annotated is hereby *repealed and reenacted* to read as
24 follows:

25 “**Section 8219. Lump Sum for Sick Leave Not Utilized.** Any
26 person employed by the government of Guam and a member of the Defined
27 Contribution Retirement System who has unused accumulated sick leave upon

1 the day of his retirement or disability shall be entitled to a lump-sum payment
2 equal to the hourly rate of the average base pay of the three (3) highest annual
3 salaries received by a member during his years of credited service multiplied by
4 one-half (1/2) of the unused accumulated sick leave hours.”

5 **Section 13. Severability.** *If any provision of this Act, including, but not*
6 *limited to, any section or subsection contained within this Act, or its application to*
7 *any person or circumstances is held invalid or contrary to law, the invalidity does not*
8 *affect other provisions, sections, or applications of this Act which can be given effect*
9 *without the invalid provision or application, and to this end the provisions of this Act*
10 *are severable.*

11 **Section 14. Effective Date.** *The amendments herein shall be effective upon*
12 *enactment, although the applicability of eligibility for benefits associated with the*
13 *Transfer Incentive Benefit shall be applicable retroactively to transfers from the*
14 *Defined Benefit Plan to the Defined Contribution Retirement System made on or after*
15 *October 1, 1995.*

16 **Section 15. Promissory Note to be Executed.** *Any individual who*
17 *purchases additional years of service credit subject to the provisions of Public Law*
18 *Numbers 25-72, 25-74, 25-90, and 25-98 who has not executed a repayment*
19 *agreement or promissory note, shall sign and execute such repayment agreement or*
20 *promissory note within thirty (30) days of enactment of this Act. The first payment*
21 *shall be made within sixty (60) days of the execution of the repayment agreement or*
22 *promissory note. Failure to execute a repayment agreement or promissory note as*
23 *may be required by law shall result in the immediate loss of additional years of service*
24 *credit. Retirement Fund shall notify all applicable individuals of this requirement*
25 *immediately upon enactment of this Act.”*

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
1999 (FIRST) Regular Session

Bill No. 281 (COR)

Introduced by:

V. C. Pangelinan

**AN ACT TO AMEND §§ 8164, 8201(e), 8209, 8209.1(b),
8210, 8211, AND 8214, ALL OF TITLE 4, GUAM
CODE ANNOTATED, RELATIVE TO CLARIFYING
THE TRANSFER INCENTIVES, VESTING
SCHEDULE AND DISTRIBUTION OPTIONS
ASSOCIATED WITH THE TRANSFER OF
MEMBERSHIP FROM THE DEFINED BENEFIT
PLAN TO THE DEFINED CONTRIBUTION
RETIREMENT SYSTEM.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings. *I Liheslaturan Guåhan* adopts the findings set forth in Public Law No. 25-19, which created incentives to induce those enrolled in the Defined Benefit Plan to transfer to the Defined Contribution Retirement System as necessary to achieve the following:

- (1) A positive effect on the financial stability of the Defined Benefit Plan;
- (2) Reduction of the government's unfunded liability; and
- (3) Increasing the security ratio of the Retirement Fund.

I Liheslaturan Guåhan further finds that the current Defined Contribution Retirement System statute provisions do not contain complete details regarding the vesting of amounts contributed on behalf of members, and the distribution of such vested benefits. In order to provide comprehensive information to Defined Benefit Plan members who are considering transfer to the Defined Contribution Retirement

1 System, and to current Defined Contribution Retirement System members, it is
2 necessary to clarify the vesting and distribution provisions of the current statute.

3 **Section 2. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan*
4 to clarify the retrospective and prospective incentives offered to members of the
5 Defined Benefits Plan who have and who will transfer to the Defined Contribution
6 Retirement System, thus expanding the membership base of the new system and
7 meeting the objectives which led to the creation of the Defined Contribution
8 Retirement System in order to preserve the integrity of the Government of Guam
9 Retirement Plan for the future of all its prospective retirees. Clarification of the
10 provisions in the Defined Contribution Retirement System statute is necessary to
11 effectuate the purposes of Public Law No. 25-19 consistent with the existing vesting
12 schedule and distribution limitations as provided in the Defined Contribution
13 Retirement System Plan and Trust Agreement, as approved by the Director of the
14 Department of Revenue and Taxation.

15 **Section 3.** Subsection (b) of 4 GCA §8164 is hereby amended to read:

16 **“(b) Employer’s Contribution Reserve.** The amounts contributed by
17 the Government under the provisions hereof, or service retirement annuity,
18 disability retirement annuity and benefits to survivors covering membership
19 service and prior service, shall be credited to this reserve. Regular interest shall
20 be credited annually upon the mean amount in the reserve.

21 Upon the granting of a service retirement annuity, disability retirement
22 annuity or survivors’s benefit, an amount representing the excess of the
23 actuarial value of the annuity or benefit over the accumulated contributions of
24 the member, including interest, shall be transferred from this reserve to the
25 retirement reserve.

26 Upon effective election by a member to participate in the Defined
27 Contribution Retirement System in accordance with the provisions of §8207 of

1. this Chapter, an amount equal to five percent (5%) of the member's annual base
2. pay for each year of creditable service immediately prior to the member's
3. transfer, up to a maximum of five (5) years, not including interest, shall be
4. transferred from this reserve to the Transfer Incentive Reserve in accordance
5. with §8209.1(b) of this Chapter and shall be subject to the timing of distribution
6. limitations as promulgated by the board set forth in the Defined Contribution
7. Retirement System Plan and Trust Agreement. Transfers made pursuant to this
8. Subsection shall be fully vested and shall constitute a window benefit to the
9. transferring member and shall *not* be available after December 31, 1999."

10. **Section 4.** Subsection (e) of 4 GCA §8201, is hereby amended to read:

11. “(e) *Year of employment ~~service for vesting purposes~~ for vesting*
12. *purposes means employment for at least ten (10) months, a month being defined*
13. *as twenty (20) employment days; provided, that no more than one year of*
14. *service may be accumulated in any twelve month period; the twelve*
15. *consecutive month period equal to a plan year during which a member*
16. *completes not less than one thousand (1,000) hours of service, as computed on*
17. *an actual or equivalency basis as the board may so determine with respect to all*
18. *members each Plan Year (the twelve-month period ending on September 30)*
19. *during which a member has completed at least one-thousand (1,000) hours of*
20. *service for which a member is directly or indirectly provided compensation or*
21. *is entitled to compensation by the government for the performance of duties for*
22. *the government during the Plan Year. For purposes of determining Hours of*
23. *Service, each month during which a member has completed at least one Hour of*
24. *Service shall be equivalent to one hundred seventy-five Hours of Service;”*

25. **Section 5.** 4 GCA §8209 is hereby amended to read:

26. “**§8209. Employer contributions.** (a) Each employer shall,
27. pursuant to §8208, make a contribution to each member's account with respect

1 to each member whose employment commenced on or after October 1, 1995, or
2 who transfers to the Defined Contribution Retirement System pursuant to
3 §8207, which is equal to five percent (5%) of such member's base pay. In
4 addition, each participating employer shall match the first five percent (5%) of
5 each member's base pay. The amounts contributed herein shall vest in
6 accordance with the vesting schedule set forth subsection (c) of §8210.

7 (b) Furthermore, each participating employer also shall make a
8 contribution to the ancillary benefit account for the sole purpose of financing
9 pre-retirement disability insurance and survivor death insurance premiums, in
10 an amount equal to a designated percentage of such member's base pay, the
11 percentage to be determined on a quarterly basis by the Board within its sole
12 discretion, in an amount not to exceed eight-tenths of one percent (0.8%) of
13 each member's base pay.

14 (c) Each participating employer shall ensure that its employer or
15 member contributions are made within five (5) working days. In the case of an
16 officer or an employee of the government of Guam, any unpaid employer
17 contribution shall be a government debt, contracted as a result of a casual
18 deficit in the government's revenues, to be accorded preferred status over other
19 expenditures."

20 **Section 6.** 4 GCA §8209.1, is hereby amended to read:

21 **"§8209.1. Rollovers from Member's and Employer's Contributions**
22 **Reserves.** (a) Rollover of Member's Contributions. Amounts transferred
23 from the Member's Contribution Reserve in accordance with subsection (a) of
24 §8164 of this Chapter shall be deposited to the member's account established
25 for the benefit of the member under a trust agreement, and shall be fully vested,
26 subject to the timing of distribution limitations as provided in rules promulgated
27 by the board set forth in the Defined Contribution Retirement System Plan and

1. ~~Trust Agreement. A statement of account shall be issued to each member of the~~
2. ~~Government of Guam Defined Contribution System who maintains an~~
3. ~~individual account in this Reserve, annual, as of the end of each fiscal year,~~
4. ~~showing the amount of the member's rolled over contributions and interest,~~
5. ~~dividends and/or other accumulations credited or debited on behalf of the~~
6. ~~member.~~

7. **(b) Rollover of Employer's Contributions.** Amounts transferred
8. from the Employer's Contribution Reserve to fund transfer incentive benefits in
9. accordance with subsection (b) of §8164 of this Chapter shall be deposited ~~to~~
10. ~~the members account~~ in a Transfer Incentive Reserve established for the benefit
11. of the member under a trust agreement. The Transfer Incentive Reserve shall
12. be segregated from employer contributions, and an individual account shall be
13. maintained for each member and include subsequent interest, dividends, and/or
14. any other accumulations credited or debited on behalf of the member, and shall
15. be fully vested, subject to the timing of distribution limitations set forth in the
16. Defined Contribution Retirement System Plan and Trust Agreement."

17. Section 7. 4 GCA §8210 is amended to read:

18. **"§8210. Termination of Membership. Vesting Schedule.** (a) ~~Any~~
19. ~~member who leaves government service after the completion of five (5)~~
20. ~~complete years of employment service for vesting purposes shall be eligible~~
21. ~~following his or her attainment of age fifty five (55) to receive a distribution~~
22. ~~from the member's account of an amount equal to the member's contribution~~
23. ~~plus one hundred percent (100%) of the employer contributions and amounts in~~
24. ~~the member's Transfer Incentive Reserve and any earnings thereon. A~~
25. member's interest in the following shall be fully and immediately vested and
26. nonforfeitable:

27. (1) Members' contributions, pursuant to §8208;

1 (2) Rollover of member's contributions pursuant to subsection
2 (a) of §8209.1, including amounts rolled over from other qualified retirement
3 plans; and

4 (3) Rollover of employer's contributions held in the Transfer
5 Incentive Reserve pursuant to subsection (b) of §8209.1.

6 (b) ~~Any member who leaves government service after the completion~~
7 ~~of five (5) years, but less than twenty (20) years of service shall be eligible to~~
8 ~~receive a distribution from the member's account, an amount equal to the~~
9 ~~member's contributions plus any earnings thereon, provided said member is less~~
10 ~~than fifty five (55) years of age at termination. The board shall promulgate~~
11 ~~rules and regulations to determine reinstatement of vesting service with respect~~
12 ~~to future government contributions upon reemployment of the member. A~~
13 member's interest in the balance of his Employer Contribution Account
14 described in §8209 shall be fully and immediately vested and nonforfeitable
15 upon the occurrence of any one or more of the following events:

16 (1) The member's attainment of normal retirement age as
17 defined in the Defined Contribution Retirement System Plan and Trust
18 Agreement while the member is employed by the government;

19 (2) The member's death while the member is employed by the
20 government;

21 (3) The member's disability as defined in the Defined
22 Contribution Retirement System Plan and Trust Agreement while the member
23 is employed by the government; or

24 (4) The termination of all or a portion of the Defined
25 Contribution Retirement System including the Employer Contribution Account.

26 (c) ~~Any member who leaves government service prior to the~~
27 ~~completion of five (5) complete years of employment service for vesting~~

1 ~~purposes shall be eligible to receive a distribution from the member's account~~
2 ~~of an amount equal to the member's contributions, plus any earnings thereon~~
3 ~~following his or her termination of employment.~~ In addition to the events
4 described in subsection (b), a member's interest in the balance of his Employer
5 Contribution account described in §8209 shall be fully and immediately vested
6 and nonforfeitable upon the member's completion of five or more years of
7 employment pursuant to subsection (e) of §8201 and as described in the
8 Defined Contribution Retirement System Plan and Trust Agreement.

9 (d) ~~Notwithstanding any of the foregoing in the event of permanent~~
10 ~~and total disability or death of any member, that member or his or her~~
11 ~~beneficiary shall be eligible to receive a distribution equal to the member's~~
12 ~~contributions plus one hundred percent (100%) of the employer's contributions~~
13 ~~and amounts in the member's Transfer Incentive reserve and any earnings~~
14 ~~thereon.~~ Upon a member's termination of government service employment, all
15 nonvested amounts shall constitute a forfeiture as of the date of termination of
16 service employment and shall be transferred and maintained in a suspense
17 account pursuant to subsection (e).

18 (e) ~~The remaining balance, if any, in the member's account after the~~
19 ~~distribution~~ The forfeited amounts described in subsection (d) shall be credited
20 to a suspense account. ~~Any account balances credited to the suspense account~~
21 and shall be maintained by the board for a period of five (5) years following
22 termination of the member's employment. In the event that the member does
23 *not* return to the employ of the employer government within said five (5) years,
24 the amount attributable to such member shall be released from the suspense
25 account and applied to employer contributions in future years. The aggregate
26 amount of forfeitures released from the suspense account at the end of each
27 fiscal year will be applied as contributions of contributing employers in an

1 amount equal to the contributions made on behalf of the employee, plus any
2 earnings thereon proportion to the aggregate amount of contributions made by
3 the contributing employer for the five (5) fiscal years ending with the fiscal year
4 in which the forfeitures are released from the suspense account bears to the total
5 contributions made by all contributing employers for the same five (5) fiscal
6 years period. Upon certification to the several contributing employers of the
7 aggregate account balances plus earnings thereon which have been irrevocably
8 forfeited pursuant to this §8210, the several contributing employers shall be
9 permitted in the next succeeding fiscal year or years to reduce their total
10 aggregate contribution requirement pursuant to §8209 of this Article, for the
11 then current fiscal year by an amount equal to the aggregate amounts
12 irrevocably forfeited and certified as such to each contributing employer.

13 ~~(f) — Any member or, in the event of death of any member, that member~~
14 ~~or his or her beneficiary may elect to receive that member's Transfer Incentive~~
15 ~~Reserve authorized in this Section in a lump sum payment."~~

16 **Section 8.** 4 GCA §8211 is hereby amended to read:

17 **§8211. Retirement, eCommencement of benefit payments.** Upon
18 the occurrence of any of the events described in subsections (b) or (c) of §8210,
19 a member (or, in the event of a member's death, the member's beneficiary)
20 shall be entitled to receive a benefit equal to the balances in the member's
21 vested account, including, but not limited to, balances in the Transfer Incentive
22 Reserve, pursuant to the following:

23 (a) **Normal and Early Retirement.** At any time after a member
24 reaches the early retirement age of fifty-five years and has completed five
25 (5) years of employment ~~service~~ for vesting purposes, or reaches the
26 normal retirement age of 65, he or she may elect to receive retirement
27 benefits by notifying the board or its designee in writing of such intention

1. not less than sixty days prior to the effective date of retirement.
2. Retirement payments shall commence ~~within thirty days of the retirement~~
3. ~~date under such payment option or options as may be provided by the~~
4. ~~board and elected by the member~~ as soon as practicable after retirement
5. in accordance with the Defined Contribution Retirement System Plan and
6. Trust Agreement.

7. (b) Disability. A member may elect to receive a distribution of
8. the member's vested account balances as soon as practicable after
9. termination of employment due to permanent and total disability;
10. provided that, any distribution of the member's vested account balances
11. will render the member ineligible to receive any pre-retirement benefits
12. provided under the long-term disability insurance policy issued pursuant
13. to §8213. In the event of permanent and total disability after termination
14. of employment, a member may elect to receive a distribution of that
15. member's vested account as soon as practicable after certification of said
16. disability in accordance with the Defined Contribution Retirement
17. System Plan and Trust Agreement.

18. (c) Death. In the event of a member's death, distribution
19. of the member's vested account balances to the member's beneficiaries
20. shall be made as soon as practicable after retirement in accordance with
21. the Defined Contribution Retirement System Plan and Trust Agreement.

22. (d) Other Termination of Employment. In the event of
23. termination of employment for reasons other than retirement, disability,
24. or death, a member may elect to receive a distribution of the member's
25. vested account balances as soon as practicable after termination of
26. employment; provided that the distribution of vested amounts in the
27. member's Employer Contribution Account and Transfer Incentive

1. Reserve shall be distributed upon either: (1) the member's attainment of
2. early or normal retirement age in accordance with the Defined
3. Contribution Retirement System Plan and Trust Agreement; (2) disability
4. as described in subsection (b); or (3) death as described in subsection
5. (c)."

6. **Section 9.** 4 GCA §8214 is hereby amended to read:

7. **"§8214. Account Statements.** The board shall prepare or cause to
8. be prepared, on a quarterly basis, an account statement for each member's
9. account, to include the amount of the member's contributions, employer
10. contributions, rollover contributions, and amounts maintained in the transfer
11. incentive reserve, plus interest, dividends and/or other accumulations credited
12. or debited on behalf of the member. The statement shall include, but not be
13. limited to a statement of the current market value of the members' account.
14. The board shall prescribe the form and content of the account statement not
15. inconsistent with the provisions of this §8214."

16. **Section 10. Severability.** If any provision of this Act, including, but not
17. limited to, any section or subsection contained within this Act, or its application to
18. any person or circumstances is held invalid or contrary to law, the invalidity does not
19. affect other provisions, sections, or applications of this Act which can be given effect
20. without the invalid provision or application, and to this end the provisions of this Act
21. are severable.

22. **Section 11. Effective Date.** The amendments herein shall be effective upon
23. enactment, although the applicability of eligibility for benefits associated with the
24. Transfer Incentive Benefit shall be applicable retroactively to transfers from the
25. Defined Benefit Plan to the Defined Contribution Retirement System made on or after
26. October 1, 1995.



FONDON RITIRAO GUBETNAMENTON GUÅHAN
Government of Guam Retirement Fund
424 ROUTE 8
MAITE, GUAM 96927

Telephone Nos. (671) 475-8900/8901
Facsimile No. (671) 475-8922



May 25, 2000

The Honorable Kaleo S. Moylan
Senator, Twenty-Fifth Guam Legislature
Chairman, Committee on Housing, General
Government Services and Foreign Affairs
Sinajana Shopping Mall-Phase II
Suite 16B, No. 777, Route 4
Sinajana, GU 96926

GUAM LEGISLATURE	
OFFICE OF SENATOR KALEO S. MOYLAN	
ACKNOWLEDGEMENT RECEIPT	
Date: <u>5-25-00</u>	Time: <u>4:25 pm</u>
Received by: <u>Nicholas</u>	

VIA: Chief of Staff, Office of the Governor

Re: Bill 281

Dear Mr. Chairman:

Thank you for affording us the opportunity to submit written testimony on Bill 281. This letter serves as the Fund's written testimony, which I now submit for the record.

The Government of Guam Retirement Fund and the Board of Trustees is in favor of and supports Bill 281. This Bill clarifies the transfer incentives, vesting schedule and distribution options associated with the transfer of membership from the Defined Benefit Plan to the Defined Contribution Retirement System as required in PL 25-19.

As the Defined Contribution Plan continues to grow with \$40 million in assets and over 6,000 participants, there is a continuing need to clarify existing plan provisions and amendments as may be necessary to comply with federal IRC and ERISA requirements.

Again, thank you for the opportunity to submit testimony on Bill 281.

Sincerely,

JOHN A. RIOS
Director

Cc: All Senators
Chief of Staff, Office of the Governor

Senator Kaleo S. Moylan
Chairperson, Committee on Housing,
General Government Services and Foreign Affairs
Mina' Bente Singko Na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature

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May 16, 2000

OFFICE COPY

The Honorable Madeleine Z. Bordallo
Maga'lahaen Guåhan
R. J. Bordallo Governor's Complex
Agana, Guam 96932

Re: Committee Public Hearing: Thursday, May 25, 2000

Dear Governor Bordallo:

This is to inform you that the Committee on Housing, General Government Services and Foreign Affairs to which was referred your appointments of Jaime Paulino, Jesus Okada and Juan Wusstig to serve as members of the Guam Housing Board of Commissioners, and John V. Gerber to serve as a member of the Civil Service Commission, and legislative measures, will conduct a public hearing on Thursday, May 25, 2000 commencing at 8:30 a.m. in the Legislative Public Hearing Room. A copy of the hearing Agenda and other pertinent information are enclosed for your reference and information.

Thank you,



KALEO S. MOYLAN

Enclosure:

Senator Kaleo S. Moylan
Chairperson, Committee on Housing,
General Government Services and Foreign Affairs
Mina'Bente Singko Na Lihe laturan Guåhan
Twenty-Fifth Guam Legislature

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ATTORNEY GENERAL'S OFF

May 16, 2000

OFFICE COPY

Mr. John F. Tarantino
Attorney General
Department of Law
Agana, Guam 96910

Re: Committee Public Hearing

Dear Mr. Tarantino:

This is to inform you that the Committee on Housing, General Government Services and Foreign Affairs has scheduled a public hearing on Thursday, May 25, 2000, commencing at 8:30 a.m., in the Guam Legislature Public Hearing Room. A copy of the hearing Agenda is enclosed for your review.

Thank you,



KALEO S. MOYLAN

Enclosure:

Senator Kaleo S. Moylan
Chairperson, Committee on Housing,
General Government Services and Foreign Affairs
Mina' Bente Singko Na Liheslaturan Guahan
Twenty-Fifth Guam Legislature

Q. JAMES

May 16, 2000

OFFICE COPY

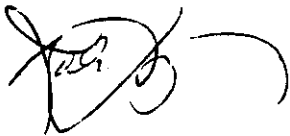
Mr. John Rios
Director
Government of Guam Retirement Fund
Maite, Guam 96910

Re: Committee Public Hearing

Dear Mr. Rios:

This is to inform you that the Committee on Housing, General Government Services and Foreign Affairs has scheduled a public hearing on Thursday, May 25, 2000, commencing at 8:30 a.m., in the Guam Legislature Public Hearing Room. The Committee would appreciate receiving testimony from you and or your assigned staff on Bill Nos. 165 and 281 (COR). A copy of the hearing Agenda is enclosed for your review.

Thank you,



KALEO S. MOYLAN

Enclosure:

cc: Mr. Gerald S.A. Perez
Chairman, Retirement Fund Board of Trustees

Senator Kaleo S. Moylan
Chairperson, Committee on Housing,
General Government Services and Foreign Affairs
Mina' Bente Singko Na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature

May 16, 2000

OFFICE COPY

Mr. Rodney Webb
Director
Department of Administration
Agana, Guam 96910

Re: Committee Public Hearing

Dear Mr. Webb:

This is to inform you that the Committee on Housing, General Government Services and Foreign Affairs has scheduled a public hearing on Thursday, May 25, 2000, commencing at 9:00 a.m., in the Guam Legislature Public Hearing Room. The Committee would appreciate receiving testimony from you and or your assigned staff on Bill Nos. 165, and 281 (COR) and Bill No. 354 (LS). A copy of the hearing Agenda is enclosed for your review.

Thank you,



KALEO S. MOYLAN

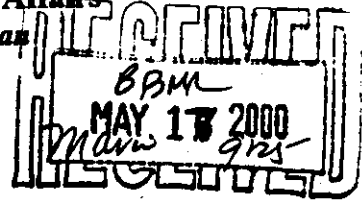
Enclosure:

DOA DIR. G.F.A.



17 MAY 00 10:14

Senator Kaleo S. Moylan
Chairperson, Committee on Housing,
General Government Services and Foreign Affairs
Mina'Bente Singko Na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature



May 16, 2000

OFFICE COPY

Mr. Joseph Rivera
Director
Bureau of Budget and Management Research
R. J. Bordallo Governor's Complex
Hagåtña, Guam 96932

Re: Request for Fiscal Notes

Dear Mr. Rivera:

Please find attached copies of Bills referred to the Committee on Housing, General Government Services and Foreign Affairs which I respectfully request issuance of Fiscal Notes.

Bill No. 165 (COR), AN ACT TO ADD ITEMS (o) AND (p) TO §8201 OF ARTICLE 2 OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED AND TO ADD §§ 8220, 8221, 8222, 8223, 8224 AND 8225 TO ARTICLE 2 OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING THAT FORFEITURES BE ALLOCATED TO THE ACCOUNTS OF ACTIVE DEFINED CONTRIBUTION PLAN MEMBERS AND THAT SUCH FORFEITURES BE VESTED IN A MANNER CONSISTENT WITH THE VESTING OF EMPLOYER CONTRIBUTIONS.

Substitute Bill No. 171 (COR) AN ACT TO *ADOPT* RULES AND REGULATIONS RELATIVE TO THE GUAM PROCUREMENT REGULATIONS AND TO *REPEAL* RULES AND REGULATIONS PREVIOUSLY PROMULGATED BY THE GENERAL SERVICES AGENCY, DEPARTMENT OF ADMINISTRATION.

Bill No. 175 (COR), AN ACT TO ADD A NEW §5218 TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO SUBJECTING ALL UNSOLICITED OFFERS TO THE GOVERNMENT OF GUAM TO THE

Mr. Joseph Rivera
Director, BBMR
Re: Request for Fiscal Notes
May 16, 2000
Page 2

**COMPETITIVE SEALED BIDDING PROCEDURES OF GUAM
PROCUREMENT REGULATIONS.**

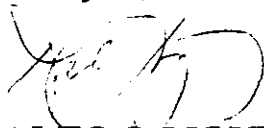
Bill No. 281 (COR), AN ACT TO AMEND §§ 8164, 8201(e), 8209, 8209.1(b), 8210, 8211, AND 8214, ALL OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM.

Bill No. 347 (LS), AN ACT RELATIVE TO ADDRESSING PUBLIC CONCERNS ABOUT THE INCREASING NUMBER OF ILLEGAL COCKFIGHT GAMBLING ACTIVITIES OCCURRING REGULARLY THROUGHOUT THE COMMUNITY, THROUGH THE ESTABLISHMENT OF STRINGENT PENALTIES AND FINES FOR UNAUTHORIZED COCKFIGHT EVENTS CONDUCTED IN VIOLATION OF EXISTING LAWS.

Bill No. 354 (LS), AN ACT TO ADD A NEW §2110 TO CHAPTER 2 OF TITLE 4, GUAM CODE ANNOTATED RELATIVE TO EXEMPTING VOLUNTEERS WORKING IN THE GOVERNMENT FROM CERTAIN FEES.

As these measures directly affect the welfare of our people and to expedite the hearing process, it is respectfully requested that fiscal notes be provided the Committee.

Thank you,



KALEO S. MOYLAN
Chairperson

Enclosures:

Senator Kaleo S. Moylan
Chairperson, Committee on Housing,
General Government Services and Foreign Affairs
Mina'Bente Singko Na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature

May 16, 2000

MEMORANDUM

To: All Members, Committee on Housing,
General Government Services and Foreign Affairs

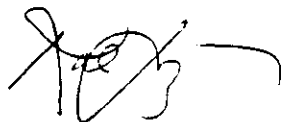
From The Chairperson,

Subject: Committee Public Hearing

This is to inform you that the Committee on Housing, General Government Services and Foreign Affairs will be conducting a public hearing on Thursday, May 25, 2000, at 8:30 a.m., in the Guam Legislature Public Hearing Room.

A copy of the hearing Agenda is attached for your review.

Thank you.



KALEO S. MOYLAN

Attachment:

cc: All Senators
Clerk of Legislature
Protocol
Media

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
Senator Kaleo S. Moylan, Chairman
Committee on Housing, General Government Services and Foreign Affairs

Public Hearing
8:30 a.m., Thursday, May 25, 2000

A G E N D A

- I. Call to Order:
- II. Announcement & Introduction of Members:
- III. Executive Appointments:

Mr. Jaime Paulino, Jesus Okada, and Juan C. Wusstig to serve as members of the Guam Housing and Urban Renewal Authority Board of Commissioners.

Mr. John V. Gerber to serve as a member of the Civil Service Commission for a term of 6 years to expire on May 12, 2006.

- IV. Legislative Measure:

Bill No. 165 (COR), AN ACT TO ADD ITEMS (o) AND (p) TO §8201 OF ARTICLE 2 OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED AND TO ADD §§ 8220, 8221, 8222, 8223, 8224 AND 8225 TO ARTICLE 2 OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING THAT FORFEITURES BE ALLOCATED TO THE ACCOUNTS OF ACTIVE DEFINED CONTRIBUTION PLAN MEMBERS AND THAT SUCH FORFEITURES BE VESTED IN A MANNER CONSISTENT WITH THE VESTING OF EMPLOYER CONTRIBUTIONS.

Substitute Bill No. 171 (COR) AN ACT TO *ADOPT* RULES AND REGULATIONS RELATIVE TO THE GUAM PROCUREMENT REGULATIONS AND TO *REPEAL* RULES AND REGULATIONS PREVIOUSLY PROMULGATED BY THE GENERAL SERVICES AGENCY, DEPARTMENT OF ADMINISTRATION.

**The Hearing will take place at the Guam Legislature's Public Hearing Room.
Individuals requiring special accommodations, auxiliary aids or services are asked to contact the
Office of Senator Kaleo S. Moylan at 472-3342.**

Bill No. 175 (COR), AN ACT TO ADD A NEW §5218 TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO SUBJECTING ALL UNSOLICITED OFFERS TO THE GOVERNMENT OF GUAM TO THE COMPETITIVE SEALED BIDDING PROCEDURES OF GUAM PROCUREMENT REGULATIONS.

Bill No. 281 (COR), AN ACT TO AMEND §§ 8164, 8201(e), 8209, 8209.1(b), 8210, 8211, AND 8214, ALL OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM.

Bill No. 347 (LS), AN ACT RELATIVE TO ADDRESSING PUBLIC CONCERNS ABOUT THE INCREASING NUMBER OF ILLEGAL COCKFIGHT GAMBLING ACTIVITIES OCCURRING REGULARLY THROUGHOUT THE COMMUNITY, THROUGH THE ESTABLISHMENT OF STRINGENT PENALTIES AND FINES FOR UNAUTHORIZED COCKFIGHT EVENTS CONDUCTED IN VIOLATION OF EXISTING LAWS.

Bill No. 354 (LS), AN ACT TO ADD A NEW §2110 TO CHAPTER 2 OF TITLE 4, GUAM CODE ANNOTATED RELATIVE TO EXEMPTING VOLUNTEERS WORKING IN THE GOVERNMENT FROM CERTAIN FEES.

V. Remarks:

VI. Adjournment:

Senator Kaleo S. Niyilan
 Chairperson, Committee on Housing,
 General Government Services and Foreign Affairs
Mina' Bente Singsko Nu Liheslaturan Guåhan
 Twenty-Fifth Guam Legislature

FACSIMILE COVER SHEET

May 22, 2000

To: Mr. Carl T.C. Guerrero
 Governor of Guam
 Fax: (671) 477-4826

Mr. Rodney Webb
 Director, Department of Administration
 Fax: (671) 472-3440

Mr. John F. Tarantino
 Attorney General
 Fax: (671) 472-2493

Mr. Joseph Rivera
 Director, BMR
 Fax: (671) 472-2825

Subject: Revised Agenda Committee Public Hearing on May 25, 2000

Total Pages including Facsimile Cover Sheet: three (-3-).

Please contact Michon Blas at 472-3342 if transmittal is incomplete or not legible.

Important Note: The document accompanying this facsimile transmission may contain confidential information which is legally privileged. The information is intended only for the use of the person or entity addressed herein. If you are not the intended recipient or person responsible for delivering it to the intended recipient, you are hereby notified that any disclosure, copying or distribution or use of any of the information contained in this transmission is strictly prohibited. If you receive this facsimile in error, please contact us immediately. Thank You.

MESSAGE:



Tel. (671) 472-3342/3 • Fax (671) 472-3440
 Sinajana Shopping Mall • Phase II • Suite 16B • 777 Route 4 • Sinajana, Guam 96926 U.S.A.

TRANSMISSION REPORT

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TOTAL 0:01'21" 3

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 MB : SEND TO MAILBOX PG : POLLING A REMOTE MP : MULTI-POLLING RM : RECEIVE TO MEMORY

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
Senator Kaleo S. Moylan, Chairman
Committee on Housing, General Government Services and Foreign Affairs

Public Hearing
8:30 a.m., Thursday, May 25, 2000

Revised A G E N D A

- I. Call to Order:
- II. Announcement & Introduction of Members:
- III. Executive Appointments:

Mr. Jaime Paulino, Jesus Okada, and Juan C. Wusstig to serve as members of the Guam Housing and Urban Renewal Authority Board of Commissioners.

Mr. John V. Gerber to serve as a member of the Civil Service Commission for a term of 6 years to expire on May 12, 2006.

- IV. Legislative Measure:

Bill No. 165 (COR), AN ACT TO ADD ITEMS (o) AND (p) TO §8201 OF ARTICLE 2 OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED AND TO ADD §§ 8220, 8221, 8222, 8223, 8224 AND 8225 TO ARTICLE 2 OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING THAT FORFEITURES BE ALLOCATED TO THE ACCOUNTS OF ACTIVE DEFINED CONTRIBUTION PLAN MEMBERS AND THAT SUCH FORFEITURES BE VESTED IN A MANNER CONSISTENT WITH THE VESTING OF EMPLOYER CONTRIBUTIONS.

Substitute Bill No. 171 (COR), AN ACT TO *ADOPT* RULES AND REGULATIONS RELATIVE TO THE GUAM PROCUREMENT REGULATIONS AND TO *REPEAL* RULES AND REGULATIONS PREVIOUSLY PROMULGATED BY THE GENERAL SERVICES AGENCY, DEPARTMENT OF ADMINISTRATION.

**The Hearing will take place at the Guam Legislature's Public Hearing Room.
Individuals requiring special accommodations, auxiliary aids or services are asked to contact the
Office of Senator Kaleo S. Moylan at 472-3342.**

Bill No. 175 (COR), AN ACT TO ADD A NEW § 2100 TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO SUBJECTING ALL UNSOLICITED OFFERS TO THE GOVERNMENT OF GUAM TO THE COMPETITIVE SEAL BIDDING PROCEDURES OF GUAM PROCUREMENT REGULATIONS.

Bill No. 281 (COR), AN ACT TO AMEND §§ 8164, 8201(e), 8209, 8209.1(b), 8210, 8211, AND 8214, ALL OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM.

Bill No. 347 (LS), AN ACT RELATIVE TO ADDRESSING PUBLIC CONCERNS ABOUT THE INCREASING NUMBER OF ILLEGAL COCKFIGHT GAMBLING ACTIVITIES OCCURRING REGULARLY THROUGHOUT THE COMMUNITY, THROUGH THE ESTABLISHMENT OF STRINGENT PENALTIES AND FINES FOR UNAUTHORIZED COCKFIGHT EVENTS CONDUCTED IN VIOLATION OF EXISTING LAWS.

Bill No. 354 (LS), AN ACT TO ADD A NEW § 2110 TO CHAPTER 2 OF TITLE 4, GUAM CODE ANNOTATED RELATIVE TO EXEMPTING VOLUNTEERS WORKING IN THE GOVERNMENT FROM CERTAIN FEES.

V. Remarks:

VI. Adjournment:

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
Senator Kaleo S. Moylan, Chairman
Committee on Housing, General Government Services and Foreign Affairs

Public Hearing
(Continuation)
10:00 a.m., Tuesday, May 30, 2000
Committee Conference Room, Sinajana

A G E N D A

- I. Call to Order:
- II. Announcement & Introduction of Members:
- III. Legislative Measure:

Bill No. 165 (COR), AN ACT TO ADD ITEMS (o) AND (p) TO §8201 OF ARTICLE 2 OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED AND TO ADD §§ 8220, 8221, 8222, 8223, 8224 AND 8225 TO ARTICLE 2 OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING THAT FORFEITURES BE ALLOCATED TO THE ACCOUNTS OF ACTIVE DEFINED CONTRIBUTION PLAN MEMBERS AND THAT SUCH FORFEITURES BE VESTED IN A MANNER CONSISTENT WITH THE VESTING OF EMPLOYER CONTRIBUTIONS.

Substitute Bill No. 171 (COR), AN ACT TO *ADOPT* RULES AND REGULATIONS RELATIVE TO THE GUAM PROCUREMENT REGULATIONS AND TO *REPEAL* RULES AND REGULATIONS PREVIOUSLY PROMULGATED BY THE GENERAL SERVICES AGENCY, DEPARTMENT OF ADMINISTRATION.

Bill No. 281 (COR), AN ACT TO AMEND §§ 8164, 8201(e), 8209, 8209.1(b), 8210, 8211, AND 8214, ALL OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM.

The Hearing will take place at the Committee Conference Room.
Individuals requiring special accommodations, auxiliary aids or services are asked to contact the Office of Senator Kaleo S. Moylan at 472-3342.

Committee on Housing, General Government Services and Foreign Affairs
Public Hearing, 10:00 a.m., Tuesday, May 30, 2000
Committee Conference Room
A G E N D A

Bill No. 354 (LS), AN ACT TO ADD A NEW §2110 TO CHAPTER 2 OF TITLE 4, GUAM CODE ANNOTATED RELATIVE TO EXEMPTING VOLUNTEERS WORKING IN THE GOVERNMENT FROM CERTAIN FEES.

IV. Remarks:

V. Adjournment:

The Hearing will take place at the Committee Conference Room. Individuals requiring special accommodations, auxiliary aids or services are asked to contact the Office of Senator Kaleo S. Moylan at 472-3342.



MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN

Senator Kaleo S. Moylan, Chairman

Committee on Housing,

General Government Services and Foreign Affairs

Public Hearing

8:30 a.m., Thursday, May 25, 2000

A G E N D A

Appointments:

Mr. Paulino Jeatts Okada, and Juan C. Wunstug to serve as members of the Guam Housing and Urban Renewal Authority Board of Commissioners.

Mr. John V. Gerber to serve as a member of the Civil Service Commission for a term of 6 years to expire May 12, 2000.

Bill No. 165 (COR), AN ACT RELATIVE TO REQUIRING THAT FORFEITURES BE ALLOCATED TO THE ACCOUNTS OF ACTIVE DEFINED CONTRIBUTION PLAN MEMBERS AND THAT SUCH FORFEITURES BE VESTED IN A MANNER CONSISTENT WITH THE VESTING OF EMPLOYER CONTRIBUTIONS.

Substitute Bill No. 17 (COR) AN ACT TO ADOPT RULES AND REGULATIONS RELATIVE TO THE GUAM PROCUREMENT REGULATIONS AND TO REPEAL, RULES AND REGULATIONS PREVIOUSLY PROMULGATED BY THE GENERAL SERVICES AGENCY, DEPARTMENT OF ADMINISTRATION.

Bill No. 175 (COR). AN ACT RELATIVE TO SUBJECTING ALL UNSOLICITED OFFERS TO THE GOVERNMENT OF GUAM TO THE COMPETITIVE SEALED BIDDING PROCEDURES OF GUAM PROCUREMENT REGULATIONS.

Bill No. 281 (COR). AN ACT TO AMEND §§8164, 8201(e), 8209.1(b), 8210, 8211, and 8214, ALL OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM.

Bill No. 347(LS). AN ACT RELATIVE TO ADDRESSING PUBLIC CONCERNS ABOUT THE INCREASING NUMBER OF ILLEGAL COCKFIGHT GAMBLING ACTIVITIES OCCURRING REGULARLY THROUGHOUT THE COMMUNITY, THROUGH THE ESTABLISHMENT OF STRINGENT PENALTIES AND FINES FOR UNAUTHORIZED COCKFIGHT EVENTS CONDUCTED IN VIOLATION OF EXISTING LAWS.

Bill No. 354 (LS). AN ACT RELATIVE TO EXEMPTING VOLUNTEERS WORKING IN THE GOVERNMENT FROM CERTAIN FEES.

The Hearing will take place at the Guam Legislature Public Hearing Room located at Hagatña. Individuals requiring special accommodations, auxiliary aids or services are asked to contact the office of Senator Kaleo S. Moylan at 472-3342.

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Administrator of the Estate of ED GUZMAN CASTRO Deceased. Case No. PR0282-90

DATE OF HEARING ON APPLICATION FOR LETTERS OF ADMINISTRATION

NOTICE IS REQUIRED. YOU ARE NOT REQUIRED TO APPEAR IN COURT UNLESS YOU DESIRE.

Notice is hereby given that A.C. BORJA has filed a petition for administration upon the estate of Edward Guzman, deceased, and that on May 17, 2000, at the hour of 8:30 a.m., in the Court of the Superior Court of Guam, Hagatña, a public hearing and all interested parties are hereby notified to appear at the time and place for said hearing and to advise if any they have any objections should not be

Notice is hereby made of the petition for further administration on April 20, 2000

Clerk, Superior Court of Guam

PROBATE CASE NO. PR0104-98

NOTICE TO CREDITORS

NOTICE IS HEREBY GIVEN by the undersigned, Rita Untalan Cruz, Administratrix of the Estate of Mariano Concepcion Cruz, deceased, to the creditors of, and all persons having claims against, the said estate or against the said deceased, that within sixty (60) calendar days after the first publication of this Notice, they either file them, with the necessary vouchers, in the office of the Clerk of the Superior Court of Guam, or present them, with the necessary vouchers, to the undersigned at: the Law Offices of Taitano & Cohen LLP, P.O. Box 326204, Hagatña, GU 96932, which is the place of business of the undersigned in all matters pertaining to the said estate.

DATED this 9th day of May, 2000.

/s/Rita Untalan Cruz

kindness of the Navy." (RQT)

IN THE SUPERIOR COURT OF GUAM

ALEXANDER S. AZHIKANNIKAL, Plaintiff,

vs.

VIMI MATHAI, Defendant,

DOMESTIC CASE NO. DM-0329-00

SUMMONS

TO: Defendant, VIMI MATHAI:


YOU ARE HEREBY summoned and required to serve upon Plaintiff's attorney, Gerald E. Gray Attorney at Law whose address is: 202 K&F Commercial Building 213 E Buena Vista Avenue Dededo, Guam 96912 an answer to the verified complaint served upon you herewith within thirty (30) days after service of this Summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the Complaint.

Dated: May 11, 2000

RICHARD MARTINEZ, Acting Clerk Superior Court of Guam

By: /s/Deputy Clerk

The board of directors will meet at the Field (Route 15).

 **MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN**
 Senator Kaleo S. Moylan, Chairman
 Committee on Housing, General Government Services and Foreign Affairs

Public Hearing
 8:30 a.m., Thursday, May 25, 2000

AGENDA

Appointments:

Mr. Paulino Jeatts Okada, and Juan C. Wunstug to serve as members of the Guam Housing and Urban Renewal Authority Board of Commissioners.

Mr. John V. Gerber to serve as a member of the Civil Service Commission for a term of 6 years to expire May 12, 2000.

Bill No. 165 (COR), AN ACT RELATIVE TO REQUIRING THAT FORFEITURES BE ALLOCATED TO THE ACCOUNTS OF ACTIVE DEFINED CONTRIBUTION PLAN MEMBERS AND THAT SUCH FORFEITURES BE VESTED IN A MANNER CONSISTENT WITH THE VESTING OF EMPLOYER CONTRIBUTIONS.

Substitute Bill No. 17 (COR) AN ACT TO ADOPT RULES AND REGULATIONS RELATIVE TO THE GUAM PROCUREMENT REGULATIONS AND TO REPEAL, RULES AND REGULATIONS PREVIOUSLY PROMULGATED BY THE GENERAL SERVICES AGENCY, DEPARTMENT OF ADMINISTRATION.

Bill No. 175 (COR). AN ACT RELATIVE TO SUBJECTING ALL UNSOLICITED OFFERS TO THE GOVERNMENT OF GUAM TO THE COMPETITIVE SEALED BIDDING PROCEDURES OF GUAM PROCUREMENT REGULATIONS.

Bill No. 281 (COR). AN ACT TO AMEND §§8164, 8201(e), 8209.1(b), 8210, 8211, and 8214, ALL OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM.

Bill No. 347(LS). AN ACT RELATIVE TO ADDRESSING PUBLIC CONCERNS ABOUT THE INCREASING NUMBER OF ILLEGAL COCKFIGHT GAMBLING ACTIVITIES OCCURRING REGULARLY THROUGHOUT THE COMMUNITY, THROUGH THE ESTABLISHMENT OF STRINGENT PENALTIES AND FINES FOR UNAUTHORIZED COCKFIGHT EVENTS CONDUCTED IN VIOLATION OF EXISTING LAWS.

Bill No. 354 (LS). AN ACT RELATIVE TO EXEMPTING VOLUNTEERS WORKING IN THE GOVERNMENT FROM CERTAIN FEES.

The Hearing will take place at the Guam Legislature Public Hearing Room located at Hagatña. Individuals requiring special accommodations, auxiliary aids or services are asked to contact the office of Senator Kaleo S. Moylan at 472-3342.

JUL 13 1999

**MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
1999 (FIRST) Regular Session**

Bill No. 281(00A)
Introduced by:

v. c. pangelinan 

AN ACT TO AMEND §§ 8164, 8201(e), 8209, 8209.1(b), 8210, 8211, AND 8214, ALL OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE TRANSFER INCENTIVES, VESTING SCHEDULE AND DISTRIBUTION OPTIONS ASSOCIATED WITH THE TRANSFER OF MEMBERSHIP FROM THE DEFINED BENEFIT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings. *I Liheslaturan Guåhan* adopts the findings set forth in Public Law No. 25-19, which created incentives to induce those enrolled in the Defined Benefit Plan to transfer to the Defined Contribution Retirement System as necessary to achieve the following:

- (1) A positive effect on the financial stability of the Defined Benefit Plan;
- (2) Reduction of the government's unfunded liability; and
- (3) Increasing the security ratio of the Retirement Fund.

I Liheslaturan Guåhan further finds that the current Defined Contribution Retirement System statute provisions do not contain complete details regarding the vesting of amounts contributed on behalf of members, and the

1 distribution of such vested benefits. In order to provide comprehensive
2 information to Defined Benefit Plan members who are considering transfer to
3 the Defined Contribution Retirement System, and to current Defined
4 Contribution Retirement System members, it is necessary to clarify the vesting
5 and distribution provisions of the current statute.

6 **Section 2. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan*
7 to clarify the retrospective and prospective incentives offered to members of
8 the Defined Benefits Plan who have and who will transfer to the Defined
9 Contribution Retirement System, thus expanding the membership base of the
10 new system and meeting the objectives which led to the creation of the
11 Defined Contribution Retirement System in order to preserve the integrity of
12 the Government of Guam Retirement Plan for the future of all its prospective
13 retirees. Clarification of the provisions in the Defined Contribution
14 Retirement System statute is necessary to effectuate the purposes of Public
15 Law No. 25-19 consistent with the existing vesting schedule and distribution
16 limitations as provided in the Defined Contribution Retirement System Plan
17 and Trust Agreement, as approved by the Director of the Department of
18 Revenue and Taxation.

19 **Section 3.** Subsection (b) of 4 GCA §8164 is hereby amended to read:

20 “(b) **Employer’s Contribution Reserve.** The amounts contributed
21 by the Government under the provisions hereof, or service retirement
22 annuity, disability retirement annuity and benefits to survivors covering
23 membership service and prior service, shall be credited to this reserve.
24 Regular interest shall be credited annually upon the mean amount in the
25 reserve.

1 Upon the granting of a service retirement annuity, disability
2 retirement annuity or survivors's benefit, an amount representing the
3 excess of the actuarial value of the annuity or benefit over the
4 accumulated contributions of the member, including interest, shall be
5 transferred from this reserve to the retirement reserve.

6 Upon effective election by a member to participate in the Defined
7 Contribution Retirement System in accordance with the provisions of
8 §8207 of this Chapter, an amount equal to five percent (5%) of the
9 member's annual base pay for each year of creditable service
10 immediately prior to the member's transfer, up to a maximum of five (5)
11 years, not including interest, shall be transferred from this reserve to the
12 Transfer Incentive Reserve in accordance with §8209.1(b) of this Chapter
13 and shall be subject to the timing of distribution limitations as
14 promulgated by the board set forth in the Defined Contribution
15 Retirement System Plan and Trust Agreement. Transfers made
16 pursuant to this Subsection shall be fully vested and shall constitute a
17 window benefit to the transferring member and shall *not* be available
18 after December 31, 1999."

19 **Section 4.** Subsection (e) of 4 GCA §8201, is hereby amended to read:

20 "*(e) Year of employment service for vesting purposes* for vesting
21 purposes means employment for at least ten (10) months, a month being
22 defined as twenty (20) employment days; provided, that no more than
23 one year of service may be accumulated in any twelve-month period;
24 the twelve consecutive month period equal to a plan year during which
25 a member completes not less than one thousand (1,000) hours of service;

1 basis by the Board within its sole discretion, in an amount not to exceed
2 eight-tenths of one percent (0.8%) of each member's base pay.

3 (c) Each participating employer shall ensure that its employer
4 or member contributions are made within five (5) working days. In the
5 case of an officer or an employee of the government of Guam, any
6 unpaid employer contribution shall be a government debt, contracted as
7 a result of a casual deficit in the government's revenues, to be accorded
8 preferred status over other expenditures."

9 Section 6. 4 GCA §8209.1, is hereby amended to read:

10 "§8209.1. Rollovers from Member's and Employer's
11 Contributions Reserves. (a) Rollover of Member's Contributions.
12 Amounts transferred from the Member's Contribution Reserve in
13 accordance with subsection (a) of §8164 of this Chapter shall be
14 deposited to the member's account established for the benefit of the
15 member under a trust agreement, and shall be fully vested, subject to
16 the timing of distribution limitations as provided in rules promulgated
17 by the board set forth in the Defined Contribution Retirement System
18 Plan and Trust Agreement. ~~A statement of account shall be issued to~~
19 ~~each member of the Government of Guam Defined Contribution System~~
20 ~~who maintains an individual account in this Reserve, annual, as of the~~
21 ~~end of each fiscal year, showing the amount of the member's rolled over~~
22 ~~contributions and interest, dividends and/or other accumulations~~
23 ~~credited or debited on behalf of the member.~~

24 (b) Rollover of Employer's Contributions. Amounts
25 transferred from the Employer's Contribution Reserve to fund transfer

1 incentive benefits in accordance with subsection (b) of §8164 of this
2 Chapter shall be deposited ~~to the members account~~ in a Transfer
3 Incentive Reserve established for the benefit of the member under a
4 trust agreement. The Transfer Incentive Reserve shall be segregated
5 from employer contributions, and an individual account shall be
6 maintained for each member and include subsequent interest,
7 dividends, and/or any other accumulations credited or debited on
8 behalf of the member, and shall be fully vested, subject to the timing of
9 distribution limitations set forth in the Defined Contribution Retirement
10 System Plan and Trust Agreement."

11 Section 7. 4 GCA §8210 is amended to read:

12 ~~"§8210. Termination of Membership. Vesting Schedule. (a)~~
13 ~~Any member who leaves government service after the completion of~~
14 ~~five (5) complete years of employment service for vesting purposes shall~~
15 ~~be eligible following his or her attainment of age fifty-five (55) to receive~~
16 ~~a distribution from the member's account of an amount equal to the~~
17 ~~member's contribution plus one hundred percent (100%) of the~~
18 ~~employer contributions and amounts in the member's Transfer Incentive~~
19 ~~Reserve and any earnings thereon. A member's interest in the following~~
20 ~~shall be fully and immediately vested and nonforfeitable:~~

- 21 (1) Members' contributions, pursuant to §8208;
22 (2) Rollover of member's contributions pursuant to
23 subsection (a) of §8209.1, including amounts rolled over from other
24 qualified retirement plans; and

1 (3) Rollover of employer's contributions held in the
2 Transfer Incentive Reserve pursuant to subsection (b) of §8209.1.

3 (b) ~~Any member who leaves government service after the~~
4 ~~completion of five (5) years, but less than twenty (20) years of service~~
5 ~~shall be eligible to receive a distribution from the member's account, an~~
6 ~~amount equal to the member's contributions plus any earnings thereon,~~
7 ~~provided said member is less than fifty-five (55) years of age at~~
8 ~~termination. The board shall promulgate rules and regulations to~~
9 ~~determine reinstatement of vesting service with respect to future~~
10 ~~government contributions upon reemployment of the member. A~~
11 member's interest in the balance of his Employer Contribution Account
12 described in §8209 shall be fully and immediately vested and
13 nonforfeitable upon the occurrence of any one or more of the following
14 events:

15 (1) The member's attainment of normal retirement age as
16 defined in the Defined Contribution Retirement System Plan and
17 Trust Agreement while the member is employed by the
18 government;

19 (2) The member's death while the member is employed by
20 the government;

21 (3) The member's disability as defined in the Defined
22 Contribution Retirement System Plan and Trust Agreement while the
23 member is employed by the government; or

1 (4) The termination of all or a portion of the Defined
2 Contribution Retirement System including the Employer Contribution
3 Account.

4 (c) ~~Any member who leaves government service prior to the~~
5 ~~completion of five (5) complete years of employment service for vesting~~
6 ~~purposes shall be eligible to receive a distribution from the member's~~
7 ~~account of an amount equal to the member's contributions, plus any~~
8 ~~earnings thereon following his or her termination of employment. In~~
9 ~~addition to the events described in subsection (b), a member's interest in~~
10 ~~the balance of his Employer Contribution account described in §8209~~
11 ~~shall be fully and immediately vested and nonforfeitable upon the~~
12 ~~member's completion of five or more years of employment pursuant to~~
13 ~~subsection (e) of §8201 and as described in the Defined Contribution~~
14 ~~Retirement System Plan and Trust Agreement.~~

15 (d) ~~Notwithstanding any of the foregoing in the event of~~
16 ~~permanent and total disability or death of any member, that member or~~
17 ~~his or her beneficiary shall be eligible to receive a distribution equal to~~
18 ~~the member's contributions plus one hundred percent (100%) of the~~
19 ~~employer's contributions and amounts in the member's Transfer~~
20 ~~Incentive reserve and any earnings thereon. Upon a member's~~
21 ~~termination of government service employment, all nonvested amounts~~
22 ~~shall constitute a forfeiture as of the date of termination of ~~service~~~~
23 ~~employment and shall be transferred and maintained in a suspense~~
24 ~~account pursuant to subsection (e).~~

1 (e) ~~The remaining balance, if any, in the member's account after~~
2 ~~the distribution~~ The forfeited amounts described in subsection (d) shall
3 be credited to a suspense account. ~~Any account balances credited to the~~
4 ~~suspense account~~ and shall be maintained by the board for a period of
5 five (5) years following termination of the member's employment. In
6 the event that the member does *not* return to the employ of the
7 ~~employer~~ government within said five (5) years, the amount attributable
8 to such member shall be released from the suspense account and
9 applied to employer contributions in future years. The aggregate
10 amount of forfeitures released from the suspense account at the end of
11 each fiscal year will be applied as contributions of contributing
12 employers in an amount equal to the contributions made on behalf of
13 the employee, plus any earnings thereon proportion to the aggregate
14 amount of contributions made by the contributing employer for the five
15 (5) fiscal years ending with the fiscal year in which the forfeitures are
16 released from the suspense account bears to the total contributions
17 made by all contributing employers for the same five (5) fiscal years
18 period. Upon certification to the several contributing employers of the
19 aggregate account balances plus earnings thereon which have been
20 irrevocably forfeited pursuant to this §8210, the several contributing
21 employers shall be permitted in the next succeeding fiscal year or years
22 to reduce their total aggregate contribution requirement pursuant to
23 §8209 of this Article, for the then current fiscal year by an amount equal
24 to the aggregate amounts irrevocably forfeited and certified as such to
25 each contributing employer.

1 ~~(f) Any member or, in the event of death of any member, that~~
2 ~~member or his or her beneficiary may elect to receive that member's~~
3 ~~Transfer Incentive Reserve authorized in this Section in a lump sum~~
4 ~~payment."~~

5 Section 8. 4 GCA §8211 is hereby amended to read:

6 "**§8211. Retirement, ~~c~~Commencement of benefit payments.**
7 Upon the occurrence of any of the events described in subsections (b) or
8 (c) of §8210, a member (or, in the event of a member's death, the
9 member's beneficiary) shall be entitled to receive a benefit equal to the
10 balances in the member's vested account, including, but not limited to,
11 balances in the Transfer Incentive Reserve, pursuant to the following:

12 (a) Normal and Early Retirement. At any time after a
13 member reaches the early retirement age of fifty-five years and has
14 completed five (5) years of employment ~~service~~ for vesting
15 purposes, or reaches the normal retirement age of 65, he or she
16 may elect to receive retirement benefits by notifying the board or
17 its designee in writing of such intention not less than sixty days
18 prior to the effective date of retirement. Retirement payments
19 shall commence ~~within thirty days of the retirement date under~~
20 ~~such payment option or options as may be provided by the board~~
21 ~~and elected by the member~~ as soon as practicable after retirement
22 in accordance with the Defined Contribution Retirement System
23 Plan and Trust Agreement.

24 (b) Disability. A member may elect to receive a
25 distribution of the member's vested account balances as soon as

1 practicable after termination of employment due to permanent
2 and total disability; provided that, any distribution of the
3 member's vested account balances will render the member
4 ineligible to receive any pre-retirement benefits provided under
5 the long-term disability insurance policy issued pursuant to §8213.
6 In the event of permanent and total disability after termination of
7 employment, a member may elect to receive a distribution of that
8 member's vested account as soon as practicable after certification
9 of said disability in accordance with the Defined Contribution
10 Retirement System Plan and Trust Agreement.

11 (c) Death. In the event of a member's death,
12 distribution of the member's vested account balances to the
13 member's beneficiaries shall be made as soon as practicable after
14 retirement in accordance with the Defined Contribution
15 Retirement System Plan and Trust Agreement.

16 (d) Other Termination of Employment. In the event of
17 termination of employment for reasons other than retirement,
18 disability, or death, a member may elect to receive a distribution
19 of the member's vested account balances as soon as practicable
20 after termination of employment; provided that the distribution of
21 vested amounts in the member's Employer Contribution Account
22 and Transfer Incentive Reserve shall be distributed upon either: (1)
23 the member's attainment of early or normal retirement age in
24 accordance with the Defined Contribution Retirement System Plan

1 and Trust Agreement; (2) disability as described in subsection (b);
2 or (3) death as described in subsection (c)."

3 **Section 9.** 4 GCA §8214 is hereby amended to read:

4 **"§8214. Account Statements.** The board shall prepare or
5 cause to be prepared, on a quarterly basis, an account statement for each
6 member's account, to include the amount of the member's contributions,
7 employer contributions, rollover contributions, and amounts
8 maintained in the transfer incentive reserve, plus interest, dividends
9 and/or other accumulations credited or debited on behalf of the
10 member. The statement shall include, but not be limited to a statement
11 of the current market value of the members' account. The board shall
12 prescribe the form and content of the account statement not inconsistent
13 with the provisions of this §8214."

14 **Section 10. Severability.** If any provision of this Act, including, but
15 not limited to, any section or subsection contained within this Act, or its
16 application to any person or circumstances is held invalid or contrary to law,
17 the invalidity does not affect other provisions, sections, or applications of this
18 Act which can be given effect without the invalid provision or application,
19 and to this end the provisions of this Act are severable.

20 **Section 11. Effective Date.** The amendments herein shall be effective
21 upon enactment, although the applicability of eligibility for benefits
22 associated with the Transfer Incentive Benefit shall be applicable retroactively
23 to transfers from the Defined Benefit Plan to the Defined Contribution
24 Retirement System made on or after October 1, 1995.