



I MINA' TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

Bill No. 346.32 (WR)

Introduced by:

Michael T. Limtiaco 

AN ACT TO ADD NEW §8138.6, 8138.7, 8138.8, AND
8138.9 TO CHAPTER 8 OF TITLE 4 GCA RELATIVE TO
CREATING A SEPARATE BOARD OF TRUSTEES FOR
MEMBERS OF THE DEFINED CONTRIBUTION
RETIREMENT PLAN.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that the
3 Government of Guam Retirement Fund Board of Trustees is statutorily mandated to
4 protect the financial viability of the Defined Benefit Plan (DB plan) authorized by
5 Article 1 of Chapter 8 of 4GCA. As such members of the board, whether, they
6 represent the DB plan or Defined Contribution Plan (DC plan) members must first
7 advocate for the financial solvency of the DB plan.

8 *I Liheslaturan Guåhan* further finds that currently, there are more active
9 employees in the DC plan than the DB plan. Most of the legislation and lobbying
10 efforts since 1995 (when the DC plan was created the DB plan was closed) that
11 originated from the Retirement Fund's Board of Trustees was for benefit of DB plan
12 members.

13 It is the intent of *I Liheslatura* to create separate Boards of Trustees for the
14 members of the DC and DB plans so that all members can enjoy equal standing,
15 representation and advocacy from the Government of Guam Retirement Fund.

1 **Section 2.** New Sections 8138.6, 8138.7, 8138.8 and 8138.9 are added to Chapter 8 of
2 4 GCA.

3 **§8138.6. Separation of Trusteeship.** Upon the seating of the Boards of Trustees
4 authorized by §8138.7 and §8138.8, the general supervision of the Government of
5 Guam Retirement Fund staff and the appointment of a director shall be the function of
6 the Joint Boards of Trustees. Upon a vacancy in the Director's position, at replacement
7 shall be made a vote of seven (7) members of the Joint Boards of Trustees. For
8 purposes of this Section, the Joint Boards of Trustees is the combined membership of
9 the Boards created by §§8138.7 and 8138.8 of this Chapter. In the event of a tie of the
10 Joint Boards of Trustees, the Director shall cast a tie-breaking vote.

11 **§8138.7. Defined Benefit Plan Board of Trustees - Creation and Succession.**
12 There is hereby created the Defined Benefit Plan Board of Trustees. The Defined
13 Benefit Plan Board of Trustees shall succeed all duties, functions, contractual and
14 fiduciary responsibilities of the Board Trustees created by §8138 of this Chapter for
15 the retirement plan authorized by Article 1 of this Chapter.

16 The Defined Benefit Plan Board of Trustees shall consist of four (4) members.
17 Two (2) members shall be elected from the active employees who are members of the
18 retirement plan authorized by Article 1 of this Chapter. Two (2) members shall be
19 elected from the retired employees who are members of the retirement plan authorized
20 by Article 1 of this Chapter. One (1) member shall be appointed by the elected
21 members. The term of office shall be four (4) years. In the event of a vacancy, the
22 remaining members shall appoint a replacement to fill the remainder of the vacating
23 member's unexpired term.

24 The Defined Benefit Plan Board of Trustees may appoint non-voting ex-officio
25 members as needed. The Director shall serve as board Secretary.

26 A quorum shall consist of three (3) voting members.

27 The Chairperson and officers shall be chosen by a vote of not less than three (3) voting
28 members.

1 Regular meetings of the shall be scheduled during the first week of every
2 calendar month. Special meetings may be scheduled as needed.

3 Any member who misses two consecutive regular scheduled meetings with an
4 unexcused absence is considered to have resigned from the board.

5 **§8138.8. Alternate Plans Board of Trustees - Creation and Succession.** There is
6 hereby created the Alternate Plans Board of Trustees. The Alternate Plans Board of
7 Trustees shall succeed all duties, functions, contractual and fiduciary responsibilities of
8 the Board Trustees created by §8138 of this Chapter for the retirement plan authorized
9 by Article 2 of this Chapter and any future retirement plans authorized by Public Law.

10 The Alternate Plans Board of Trustees shall consist of four (4) members who are
11 elected from the active employees who are members of the retirement plan authorized
12 by Article 2 of this Chapter. The term of office shall be four (4) years. In the event of
13 a vacancy, the remaining members shall appoint a replacement to fill the remainder of
14 the vacating member's unexpired term.

15 The Alternate Plans Board of Trustees may appoint non-voting ex-officio
16 members as needed. The Director shall serve as board Secretary.

17 A quorum shall consist of three (3) voting members. The Chairperson and
18 officers shall be chosen by a vote of not less than three (3) voting members.

19 Regular meetings of the Board shall be scheduled during the first week of every
20 calendar month. Special meetings may be scheduled as needed. Any member who
21 misses two consecutive regular scheduled meetings with an unexcused absence is
22 considered to have resigned from the board.

23 **§8138.9. Nominations and Elections for the Defined Benefit Plan Boards of**
24 **Trustees and the Alternate Plans Boards of Trustees.** Candidates for election to the
25 Boards of Trustees shall be nominated by petition of not less than twenty-five (25)
26 members from the class of members as the respective nominee. The Guam Election
27 Commission shall certify the nominations from a list of members provided by the

1 Retirement Fund. The deadline to submit nominating petitions and declaration of
2 candidacy shall be ninety (90) days prior to the General Election.

3 Elections for Defined Benefit Plan Boards of Trustees and the Alternate Plans
4 Boards of Trustees shall be held every four (4) years at the General Election. The first
5 election shall be conducted by the Guam Election Commission at the 2014 General
6 Election. Cost related to the Boards of Trustees elections shall be paid by the
7 Retirement Fund. Members duly elected shall be duly sworn in and installed by a
8 Judge or Justice of the Unified Judiciary within ten (10) days after certification of
9 election.

10 **Section 3. Repealer.** Upon Seating of the Boards pursuant to Section 1 of this Act,
11 §8138.2, 8138.3, and 8138.4 of Chapter 8 of 4GCA are repealed.