

URGENT!

GovGuam Group Health Insurance Open Enrollment

Important DATE!

The Government of Guam (GovGuam) Group Health Insurance Open Enrollment for Fiscal Year 2009 is scheduled to take place from August 25, 2008 to September 19, 2008. All retirees and survivors are encouraged to attend one of the following orientation sessions for a full presentation of the benefits and changes.

DATE	TIME	LOCATION
SATURDAY, September 2, 2008	9:00 a.m. to 11:00 a.m.	• Dededo Sports Complex
SATURDAY, September 6, 2008	10:00 a.m. to 5:00 p.m.	• Micronesia Mall Expo Hall • Guam Premier Outlets (GPO)
SATURDAY, September 13, 2008	10:00 a.m. to 5:00 p.m.	• Micronesia Mall Expo Hall • Agana Shopping Center, 2nd Floor

Enrollment in the GovGuam Health Plan is required to be eligible to participate in the Medicare reimbursement program. However, please note, Medicare reimbursements are subject to the availability of funds, and continuation of the program is contingent on legislative appropriation.

Direct Deposit for General Fund Payments Not Feasible

In the Fund's April 2008 newsletter, we encouraged our retirees and survivors to receive their bi-monthly annuity by Electronic Funds Transfer (EFT), commonly known as Direct Deposit. Many who have signed up, are pleased with the convenience of this service. They have consequently requested to receive their other benefits, such as the Supplemental

Benefits, SP206-93 COLA Award disbursements, and/or the annual COLA, through EFT. These payments, however, are paid by the General Fund. Since the General Fund does not have the required retiree data, disbursement of these payments by EFT is not feasible. As such, the Fund facilitates these payments by printing the checks for them.

COLA Award Update

The Fund continues to identify, locate, and process payments for beneficiaries of deceased COLA Awardees relative to the SP206-93 COLA Award. To date, we have facilitated three payments to the Awardees, their surviving spouses, and/or beneficiaries. The distributions were as follows: 1) \$501.16, 2) \$3,848, and 3) \$2,505.

Relative to inquiries regarding the COLA Award, disbursements are made based on the availability of funds. Though the Government has been working diligently to come into full compliance with the judgment, they have not identified sufficient funding to do so. As such, a regular payment schedule has not been established. We expect that there will be a public announcement when additional payments will be disbursed. For updates, you may wish to access the Fund's website, www.ggrf.com.



Survivor Benefits – Defined Benefit Plan



Spouses and/or natural or adoptive children of deceased retirees, or active members who have met the vesting requirements, are entitled to survivor benefits

under the DB Plan. For purposes of providing benefits for members' surviving spouses, the Retirement Fund (the "Fund") recognizes legal marriages, as defined by law. Similar to the Federal Government, the Fund does not recognize Common-law status.

- Beginning on the member's date of death, legally recognized spouses are entitled to 50% of the member's calculated annuity. However, the spouse's annuity will terminate upon his or her death, or upon remarriage before the age of 40.
- The member's minor children, or children over 18 attending high school as of the retiree's/member's date of death, are entitled to a bi-monthly stipend of \$90 per child, for up to 5 children. The stipend is payable up to the age of 24 for children who are full-time under-

- graduate students in an accredited college, university, or educational institution.
- Disabled children are also entitled to the stipend, for their lifetime, provided the child was examined and found to be permanently disabled and incapable of self-support by 2 licensed physicians prior to the child's 18th birthday, or within 1 year of the retiree's/member's death.
- For more information, contact the Benefits Services Division at (671) 475-8903 or 8921.

DEFINED BENEFIT VS. DEFINED CONTRIBUTION – WHAT IS THE DIFFERENCE?		
	Defined Benefit	Defined Contribution
Member Contribution	9.5% of base pay, and 10.5% for eligible member's non-base pay.	The member and employer each contribute 5% of the member's base pay.
Annuity or Retirement	Member's are entitled to a lifetime annuity and survivor benefits. The member's annuity is based on the member's age and/or years of credited service, and an average of the 3 highest salaries received by the member during the years of credited service, or \$6,000, whichever is greater. The basic annuity is limited to a maximum of 85% of the member's average annual salary, or no less than \$1,200 per year.	The entire market value of the member's account is payable upon the member's termination from service with the GovGuam. The lump-sum benefit payment may be paid directly to the member, rolled over to another tax-qualified plan, or used to purchase an annuity from an insurance company.
Refund of Contributions	Before attaining 25 years of total service, a member upon complete separation from employment with GovGuam, is entitled to receive a refund of his total contributions including interest. A member with at least 5 years of service has the option of leaving his contributions in the Plan and receiving a retirement benefit upon attainment of the age of 60.	After attaining 5 years of total service, a member upon complete separation from employment with GovGuam, is entitled to receive the member's and employer's contributions, and any earnings thereon. A member with less than 5 years of total service is entitled to receive the member's contribution plus any earnings thereon.



Yes. As a condition of employment, all PERMANENT GovGuam employees must participate in either the Defined Benefit (DB) or Defined Contribution (DC) Plans.

Employees hired before October 1, 1995 are mandated to participate in the DB Plan. Those hired on or after October 1, 1995 must enroll in the DC Plan.

DB members who subsequently withdraw their contributions upon separation from service, will not be able to pay for contributions previously withdrawn, and will fall under the DC Plan upon re-employment with GovGuam.

Announcement!
DEFINED CONTRIBUTION (DC) PLAN ORIENTATION

Newly hired, or returning GovGuam employees, mandated to participate in the DC Plan have the opportunity to better understand the Plan by attending a mandatory two-day orientation. The monthly event provides information on investment options and tips on managing individual member accounts.

Orientations are held on the second floor of the Fund's office in Maite, every first Wednesday and Thursday of the month, from 9:00 am to 12:00 noon. Additional sessions may be offered as required.

Scheduled orientation dates:
September 3 & 4, 2008
September 17 & 18, 2008
October 1 & 2, 2008

For more information regarding the DC Plan, contact the Members Services Division at 475-8902/8925, or Great West Retirement Services at 475-8945/8957.

NATIONAL "SAVE FOR RETIREMENT" WEEK OCTOBER 20 TO 24, 2008



The following seminars for all GovGuam active employees will be offered from October 21 to 24, 2008. Sessions provide an overview of the GovGuam's tax-deferred retirement savings plan, covering investment options and plan design features. Employees are offered the opportunity to learn more about their retirement plan and taking charge of their financial future, by attending one or more of the following sessions:

Dates	9 a.m. to 10 a.m.	11 a.m. to 12 p.m.	2 p.m. to 3 p.m.
Tues, Oct 21 or Wed, Oct 22, 2008	457 Deferred Comp Plan	Investment Fundamentals	Financially Fit
Thur, Oct 23 or Fri, Oct 24, 2008	457 Deferred Comp Plan	Asset Allocation	Advantages of Budgeting

- 457 Deferred Comp Plan – Provides an overview of the tax-deferred retirement savings plan including investment options and plan design features.
- Investment Fundamentals – Discusses stocks, bonds, and cash equivalents, how they work, their advantages and disadvantages, and the risks involved. Also covered are proven investment concepts and steps to designing a sound investment strategy.
- Asset Allocation - Discusses the benefits of asset allocation and the fundamental investment basics in an asset allocation strategy. Also discussed are different types of risks, how and why they occur, and how to minimize risks.
- Financially Fit – Discusses the financial challenges individuals face and how to establish a financial plan. Also provided is a basic review of risk and return, and investment types.
- Advantages of Budgeting – Offers instruction on creating and using a budget, determining cash flow, identifying debt ratio & calculating net worth.



For more information, contact Great-West Retirement Services at 475-8945 or 8958.

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