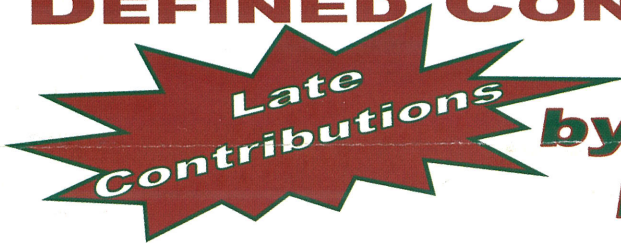


**DEFINED BENEFIT AND  
 DEFINED CONTRIBUTION PLANS**



**by the Guam Memorial  
 Hospital Authority**

The Retirement Fund (the "Fund") on November 12, 2010, filed a Petition for Writ of Mandate with the Superior Court of Guam to order the Guam Memorial Hospital Authority ("GMHA") to remit employer and member contributions, plus interest and penalties, to the Defined Benefit (DB) and Defined Contribution (DC) Retirement Plans. GMHA has not remitted employer and member contributions as summarized below:

Pay Period Ending	Defined Benefit Plan			Defined Contribution Plan		Total
	Date Due	Member & Gov't Share	Unfunded Liability	Date Due	Member & Gov't Share	
08/14/2010	09/03/2010		248,355.52			248,355.52
08/28/2010	09/20/2010	164,206.22	247,486.56			411,692.78
09/11/2010	10/01/2010	168,862.62	255,296.64			424,159.26
09/25/2010	10/15/2010	161,491.68	258,197.43			419,689.11
10/09/2010	10/29/2010	158,504.62	256,754.04	10/22/2010	122,032.20	537,290.86
10/23/2010	11/16/2010	163,755.09	270,321.54	11/08/2010	120,573.22	554,649.85
11/06/2010	11/29/2010	163,296.04	280,410.32	11/19/2010	124,293.00	567,999.36
11/20/2010	12/13/2010	169,562.25	287,048.80	12/03/2010	128,079.56	584,690.61
12/04/2010	12/27/2010	164,395.91	289,421.56	12/17/2010	127,559.81	581,377.28
Total Delinquent Contributions:		1,314,074.43	2,393,292.41		622,537.79	4,329,904.63
					Interest & Penalties:	93,843.72
<b>TOTAL DELINQUENT CONTRIBUTIONS, INTEREST, &amp; PENALTIES:</b>						<b>4,423,748.35</b>

Not only does GMHA's failure to pay have a negative effect on the Retirement Fund, but also on GMHA and its employees as noted below:

- In accordance with Public Law 28-38, the full remittance of DB and DC employee and employer contributions, including interest and penalties, for the prior and current fiscal years is required before the Fund can accept retirement applications from GMHA employees. Thus, the delinquency prevents eligible GMHA employees from retiring.
- DB contributions not paid within 10 working days after the issuance of the payroll checks are assessed a 1% penalty, in addition to the delinquent contributions and applicable interest.
- The 5% employer and 5% member contributions for pay periods ending 10-09-2010 to 12-04-2010, have not been deposited into the individual DC members' retirement accounts. **Failure to timely deposit the money may result in harm to the member's account. In addition to liability for causing this harm and responsibility to make the account whole, GMHA exposes itself to civil and criminal liability.**
- GMHA employees can seek enforcement assistance through the Guam Department of Labor and through U.S. Department of Labor, Employment Standards Administration, Wage and Hour Division. Civil and Criminal penalties can also be assessed against GMHA.



## M E D I C A R E   R E I M B U R S E M E N T

### Current Participants

Current participants are reminded to submit **updated** documentation reflecting 1) new premium amounts, or 2) payments for eligible periods that have not been reimbursed.

### New Participants

New participants must submit 1) a completed Medicare Reimbursement Application, which is available in our office or on our website at [www.ggrf.com](http://www.ggrf.com), and 2) proof of premium payments.

Participants are eligible for reimbursements *in the fiscal year they first applied, and thereafter.*

### Appropriations

Appropriations are remitted from the General Fund to the Retirement Fund on a monthly basis. Reimbursements are contingent on the availability of appropriated funds and are processed in the order in which complete documentation is received. As such, participants are highly encouraged to promptly submit their proof of payment.

### Acceptable Forms of "Proof of Payment"

#### **Retirees With Automatic Deduction:**

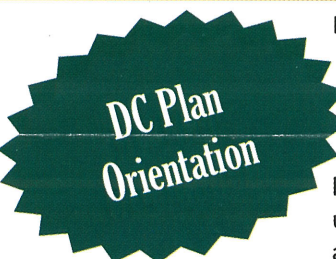
- Form SSA-1099 (for eligible Calendar Year 2010, or prior years, reimbursements).
- The "Your New Benefit Amount" statement showing your premium amount beginning January 2011.
- You may obtain a certification by calling 1-800-772-1213, or accessing the Social Security website at [www.socialsecurity.gov](http://www.socialsecurity.gov). According to the website, you can expect a benefit statement in the mail within ten days. Upon receipt, submit your benefit statement showing your Medicare premium payment amounts, to the Retirement Fund.

#### **Retirees Who Self-Pay:**

- Form CMS-500, *Notice of Medicare Premium Payment Due*, which reflects your payment for the previous bill; or
- **Cancelled** check; or
- Checking or credit card statement.

### Participation in GovGuam Insurance Not Required

In accordance with Public Law 30-196, Government of Guam retirees who are domiciled in Guam are eligible to receive a reimbursement of their Medicare Part B premiums. Retirees are not required to participate in the Government of Guam Group Health Insurance Program in order to receive the reimbursement.



Newly hired, or returning Government of Guam employees, mandated to participate in the Defined Contribution Plan (the "Plan"), have the opportunity to better understand the Plan by attending a mandatory 1-day orientation. The monthly event provides information on investment options and tips on managing individual member accounts. Orientations are scheduled from 9:00 am to 12:00 noon, on the second floor of the Retirement Fund building in Maite.

Register to attend by calling Great West Retirement Services at 475-8945/8957. Work-site group orientations may be arranged with Great West through your department/agency head or human resources personnel.

For more information regarding the Defined Contribution Plan, contact Great West **or** the Retirement Fund's Members Services Division at 475-8902/8925.

### Keep Your Information Current

All DB and DC Plan Members - **active, inactive, retirees, and survivors** - are highly encouraged to keep the following information current: mailing address, contact numbers, marital status, and dependent information.

To ensure death benefits are paid to the beneficiary you choose, members are also encouraged to update their Designation of Beneficiary form. Visit our office or write to us at:

424 Route 8

Maite, Guam 96910



For Forms and the Latest Information

Visit our website at [www.ggrf.com](http://www.ggrf.com)