

SUMMARY PLAN DESCRIPTION
FOR THE
GOVERNMENT OF GUAM
DEFINED CONTRIBUTION RETIREMENT SYSTEM PLAN
(SPD Effective as of January 1, 2018)

**GOVERNMENT OF GUAM DEFINED CONTRIBUTION RETIREMENT SYSTEM PLAN
SUMMARY PLAN DESCRIPTION**

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
II. ELIGIBILITY	1
III. CONTRIBUTIONS TO THE PLAN	5
IV. PLAN ACCOUNTS	6
V. VESTING	8
VI. DISTRIBUTIONS FROM THE PLAN	8
VII. CLAIMS PROCEDURE	10
VIII. PLAN ADMINISTRATION	11
IX. OTHER CIRCUMSTANCES THAT CAN AFFECT PLAN RIGHTS.....	12
X. GENERAL PLAN INFORMATION	13

GOVERNMENT OF GUAM DEFINED CONTRIBUTION RETIREMENT SYSTEM PLAN
SUMMARY PLAN DESCRIPTION

I. INTRODUCTION

The Government of Guam Defined Contribution Retirement System (“Plan”) is established and maintained pursuant to Article 2, Chapter 8, Title 4, of the Guam Code Annotated, originally effective as of October 1, 1995. The Plan constitutes a tax-qualified “governmental plan” as described under Sections 414(d) and 401(a) of the United States Internal Revenue Code (and comparable provisions under the Guam Territorial Income Tax Code).

The Plan has previously served as the primary retirement plan for new employees of the Government of Guam, but will be replaced by the Guam Retirement Security Plan (“GRSP”) in this capacity as of January 1, 2018. However, as described in this Summary Plan Description (“Summary”), new employees may still elect to join the Plan. Existing employees and members in the Plan prior to that date are also provided a limited opportunity to participate in the Government of Guam Defined Benefit 1.75 Retirement System (“DB 1.75 Plan”) or the GRSP.

This Summary is a brief description of the Plan and your rights, obligations, and benefits under the Plan. This Summary is not meant to interpret, extend, or change the provisions of the Plan in any way. In the event of any conflict between this Summary and the actual Plan document, the Plan document will be controlling.

This Summary concerns the Plan in effect on January 1, 2018, for members in employment with the employer on or after that date. The Plan operates on a fiscal year basis, ending September 30 (“Plan Year”).

II. ELIGIBILITY

1. Who is eligible to be a Plan member?

- a. Employees hired after September 30, 1995.** An employee of the Government of Guam, who is employed by a “Contributing Employer” after September 30, 1995 (“Employee”), is required to participate in the Plan upon the Employee’s date of hire. For this purpose, “Employees” include temporary, seasonal, intermittent, or part-time employees. The Board of Trustees (“Board”) of the Government of Guam Retirement Fund (“GGRF”) retains final authority to make determinations with respect to eligibility under the Plan.

For this purpose a “Contributing Employer” is each Government of Guam: (i) department or agency of the Executive Branch; (ii) autonomous and semi-autonomous agency or instrumentality; (iii) public corporation; (iv) educational institution (secondary or post-secondary); (v) Legislative Branch; (vi) Judicial Branch; (vii) Public Defender Corporation; and (viii) other public entity created by Guam law.

- b. Employees electing to transfer from the GGRE.** In accordance with requirements under the GGRE, Employees who are members of the GGRF may elect to participate in the Plan, subject to the following requirements: (i) the Employee’s service credit under the GGRF is less than 20 years; and (ii) within the election period of March 1 to May 31 in any Plan Year, the Employee elects

(in accordance with the Plan's procedures) to transfer from the GGRF to the Plan.

- c. **Rehired retirees participating in the GGRF.** An Employee who terminates employment due to retirement under the GGRF, who is thereafter reemployed by a Contributing Employer, and who is not eligible to participate in the GGRF upon reemployment, shall be eligible to participate in the Plan.
- d. **Rehired retirees participating in the Plan.** An Employee who terminates employment due to retirement under the Plan and who is thereafter reemployed by a Contributing Employer, shall be eligible to participate in the Plan.

2. Who is excluded from participating in the Plan?

The following are not treated as "Employees" for purposes of the Plan and therefore are not eligible to participate in the Plan: (a) persons whose services are compensated on a fee basis; (b) independent contractors; (c) persons whose employment is engaged for a specific project; or (d) persons who are employed in the Senior Citizens Community Employment Program.

An Employee who terminates employment (other than retirement) from the Government of Guam and who has not completely withdrawn contributions from the GGRF is not eligible to participate in the Plan upon reemployment. Rather, you will become an active member in the GGRF upon your reemployment provided that you otherwise meet the eligibility requirements under the GGRF.

3. What is the treatment of Employees who elect to participate in the DB 1.75 Plan or GRSP?

a. **New Employees commencing employment between April 1, 2017, and December 31, 2017**

If you are a new Employee and commence employment with a Contributing Employer during the period commencing on April 1, 2017, and ending on December 31, 2017, you will become a member in the Plan as of the date you commence employment in accordance with the general eligibility rules of the Plan. However, if you satisfy the eligibility requirements under the DB 1.75 Plan or the GRSP, you may elect to become a member in the DB 1.75 Plan or the GRSP instead of participating in the Plan by filing a "New Member Election" under the DB 1.75 Plan or the GRSP, respectively. If you make a New Member Election, you will become a member in the DB 1.75 Plan or the GRSP as of January 1, 2018. As described in Section IV.3 below, your participation in the Plan will also either terminate or become "inactive" as of January 1, 2018, and all or a portion of your account under the Plan will be transferred to the DB 1.75 Plan or the GRSP as of January 1, 2018 (or January 31, 2018, if you commence employment during the month of December 2017).

b. **Plan members active as of March 31, 2017**

If you are an Employee of a Contributing Employer and an active member in the Plan as of March 31, 2017, you will continue active participation in the Plan. However, if you satisfy the eligibility requirements under the DB 1.75 Plan or the GRSP, you may elect to become a member in the DB 1.75 Plan or the GRSP

instead of participating in the Plan by filing an “Active Member Election” under the DB 1.75 Plan or the GRSP, respectively. If you make an Active Member Election, you will become a member in the DB 1.75 Plan or the GRSP as of January 1, 2018. As described in Section IV.3 below, your participation in the Plan will also either terminate or become “inactive”, and all or a portion of your account under the Plan will be transferred to the DB 1.75 Plan or the GRSP, as of January 1, 2018.

c. Plan members reemployed between April 1, 2017, and December 31, 2017

If you are a member in the Plan and are reemployed by a Contributing Employer during the period commencing on April 1, 2017, and ending on December 31, 2017, you will become an active member in the Plan upon your reemployment in accordance with the general eligibility rules of the Plan.

However, if your reemployment occurs during the period commencing on April 1, 2017, and ending on September 30, 2017, and you satisfy the eligibility requirements under the DB 1.75 Plan or the GRSP, you may elect to become a member in the DB 1.75 Plan or the GRSP instead of participating in the Plan by filing a “Reemployed Member Election” under the DB 1.75 Plan or the GRSP, respectively. If you make a Reemployed Member Election, you will become a member in the DB 1.75 Plan or the GRSP as of January 1, 2018. As described in Section IV.3 below, your participation in the Plan will also either terminate or become “inactive”, and all or a portion of your account under the Plan will be transferred to the DB 1.75 Plan or the GRSP, as of January 1, 2018.

If your reemployment occurs during the period commencing on October 1, 2017, and ending on December 31, 2017, and you satisfy the eligibility requirements under the DB 1.75 Plan or the GRSP, you may still elect to become a member in the DB 1.75 Plan or the GRSP by filing a “Late Reemployed Member Election”. If you make a Late Reemployed Member Election, you will become a participant in the DB 1.75 Plan or the GRSP as of January 1, 2018. As described in Section IV.3 below, your participation in the Plan will also become “inactive” as of January 1, 2018. Your account under the Plan will not be transferred to the DB 1.75 Plan or the GRSP.

d. Plan members who have incurred a disability

If you are a member in the Plan who has incurred a disability and at any time been eligible to receive benefits provided under a long-term disability insurance policy issued pursuant to the Plan or a welfare benefit plan for members in the Plan, you will become an active member in the Plan upon your reemployment in accordance with the general eligibility rules of the Plan. However, if you receive such disability benefits during the period commencing on April 1, 2017, and ending on September 30, 2017, you may elect to become a member in the DB 1.75 Plan or the GRSP instead of participating in the Plan in the event you are reemployed by a Contributing Employer or you retire from the Contributing Employer on or after January 1, 2018, by filing a “Reemployed Disability Member Election” under the DB 1.75 Plan or the GRSP, respectively. If you make a Reemployed Disability Member Election, you will become a member in the DB 1.75 Plan or the GRSP as of the later of (i) January 1, 2018, or (ii) the date of your reemployment, retirement, or other termination of employment. As

described in Section IV.3 below, your participation in the Plan will also either terminate or become “inactive”, and all or a portion of your account under the Plan will be transferred to the DB 1.75 Plan or the GRSP as of the later of (i) January 1, 2018, or (ii) the date of your reemployment, retirement, or other termination of employment.

Summary of DB 1.75 Plan and GRSP Participation Elections

DB 1.75 Plan or GRSP Election	Effective Date in DB 1.75 Plan or GRSP	Effective Date of Termination from Plan	Transfer of Plan Account
New Employee Election [Employee’s employment commencement date is 4/1/2017-12/31/2017]	1/1/2018	1/1/2018	Yes (effective 1/1/2018 or 1/31/2018 if later close of election period)
Active Member Election [active member in Plan as of 3/31/2017]	1/1/2018	1/1/2018	Yes (effective 1/1/2018)
Reemployed Member Election [inactive member in Plan reemployed 4/1/2017-9/30/2017]	1/1/2018	1/1/2018	Yes (effective 1/1/2018)
Late Reemployed Member Election [inactive member in Plan reemployed 10/1/2017-12/31/2017]	1/1/2018	N/A [continue as inactive member in the Plan]	No
Reemployed Disability Member Election [inactive member in Plan reemployed or retirement/termination of employment on or after 1/1/2018]	Later of 1/1/2018 or date of reemployment or retirement/termination of employment	Later of 1/1/2018 or date of reemployment or retirement/termination of employment	Yes (effective applicable date of reemployment or retirement/termination of employment)

e. Employees commencing employment after December 31, 2017

If you commence employment with a Contributing Employer after December 31, 2017, you will participate in the GRSP unless you are otherwise excluded under the terms of the GRSP, and will become a participant in the GRSP as of the date you commence employment. However, if you satisfy the eligibility requirements for membership in the Plan, you may elect to become a member in the Plan instead of participating in the GRSP by filing a “DC System Election”. A DC System Election must be made during the “DC System Election Window”, which is the 60-day period commencing on your date of hire, by

submitting a prescribed election form in the form and manner as determined by the Board. If you make a DC System Election, you will become a member in the Plan as of the date you commence employment.

f. GGRF members reemployed after December 31, 2017

If you are a member in the GGRF but did not retire (meaning you are not eligible to receive a distribution of benefits nor have you done so) under the GGRF, and you are reemployed with a Contributing Employer after December 31, 2017, you will become an active member in the GGRF upon your reemployment provided that you did not receive a refund of your GGRF contributions that makes you ineligible for GGRF membership, and you otherwise meet the eligibility requirements under the GGRF.

g. Retirees reemployed

If you retired (meaning you are eligible to receive a distribution of benefits or you have done so) under the GGRF, the GRSP, the Plan, or the DB 1.75 Plan, and are later reemployed by a Contributing Employer, you will participate in the Plan, provided you otherwise satisfy the eligibility requirements under the Plan.

III. CONTRIBUTIONS TO THE PLAN

1. What does the Employee contribute?

Employee contributions on behalf of each Employee are made by mandatory payroll deduction at the rate of 6.2% of the Employee's base salary. The employee contributions are referred to as employer "pick-up" contributions because the Contributing Employer makes the contributions as a mandatory pre-tax reduction of the Employee's base salary.

2. What does the Contributing Employer contribute?

The Contributing Employer makes matching employer contributions on behalf of each Employee on a payroll basis at the same rate of 6.2% of the Employee's base salary.

3. Is all of my compensation counted for purposes of the Plan?

For purposes of determining employee contributions and employer contributions, only the Employee's base salary is considered, and any compensation in excess of base salary is excluded. Also, the Plan cannot recognize salary in excess of certain tax law limitations as adjusted for cost of living increases.

4. Can I transfer funds from another qualified plan into this Plan?

You may be able to "roll over" the payout you receive from another qualified plan to this Plan, thereby deferring taxes on the payout. Strict guidelines apply, and you must transfer the money directly from the other Plan, or transfer the money within 60 days of the date you receive it. Contact the office of the GGRF ("Fund Office") for more details.

IV. PLAN ACCOUNTS

1. How are contributions accounted for in the Plan?

Contributions to the Plan made on your behalf will be allocated to one or more accounts (“Account”) established for you. The Plan Accounts are as follows:

- a. **Employee Contribution Account.** This Account will be credited with employee contributions made to the Plan on your behalf, as adjusted for earnings and losses.
- b. **Employer Contribution Account.** This Account will be credited with employer contributions made to the Plan on your behalf, as adjusted for earnings and losses.
- c. **GGRF After-Tax Contribution Account.** This Account will be credited with any balance you voluntarily elect to transfer from the GGRF Members’ Contribution Reserve, as adjusted for earnings and losses, in connection with the transfer of your participation from the GGRF to this Plan.
- d. **Transfer Incentive Reserve Account.** This Account will be credited with any transfer incentive benefits maintained on your behalf, as adjusted for earnings and losses, in connection with the transfer of your participation from the GGRF to this Plan.
- e. **Rollover Contribution Account.** This Account will be credited with any rollover contributions or direct rollovers made to the Plan on your behalf, as adjusted for earnings and losses.

2. How are investment earnings and losses allocated?

The balance of your Accounts will be adjusted at on an ongoing basis for earnings and losses of the trust fund attributable to investment of the account balances. If the Plan’s assets are invested in a general fund, such earnings and losses will be allocated to the Accounts of all participants on a pro rata basis based on their Account balances. However, to the extent that the Plan allows participants to direct the investment of their Accounts, earnings and losses will be allocated to each participant’s Accounts based on the earnings and losses attributable to such Accounts.

3. If I elect to join the DB 1.75 Plan or the GRSP, how will my participation in the Plan be affected? How will my Accounts in the Plan be transferred to the DB 1.75 Plan or the GRSP?

If you would otherwise be eligible to participate in the Plan, but you are eligible to make an election to participate in the DB 1.75 Plan or the GRSP and do so, all or a portion of your Account under the Plan may be transferred to the DB 1.75 Plan or the GRSP, respectively, and your participation in the Plan will either terminate or become “inactive”, meaning you have an existing account under the Plan but are no longer eligible for any new contributions.

a. Election to join the DB 1.75 Plan

In the case of a New Member Election to become a member in the DB 1.75 Plan, your entire Account under the Plan will be transferred to the DB 1.75 Plan and your participation in the Plan will terminate.

In the case of an Active Member Election, a Reemployed Member Election, or a Reemployed Disability Member Election to become a member in the DB 1.75 Plan, the portion of your Account under the Plan that will be transferred to the DB 1.75 Plan will be as follows: (a) your Employer Contribution Account under the Plan; and (b) the lesser of your (i) Employee Contribution Account and GGRF After-Tax Contribution Account under the Plan, or (ii) the “Actuarial Cost of Credited Service”. For this purpose, the “Actuarial Cost of Credited Service” means a percentage (as determined by the Board that is uniform for all members) of your historical base salary for the years for which you were credited with employer contributions in the Plan prior to your new participation in the DB 1.75 Plan. At the present time, for purposes of determining the Actuarial Cost of Credited Service, the actuarial cost percentage rate is 7.48%.

The Accounts under the Plan transferred to the DB 1.75 Plan will be maintained under the DB 1.75 Plan as follows: (a) your Employer Contribution Account under the Plan will be credited to your Employer Contribution Reserve under the GGRF; (b) your Employee Contribution Account under the Plan will be credited to your Member Contribution Reserve under the GGRF; and (c) your GGRF After-Tax Contribution Account under the Plan will also be credited to your Member Contribution Reserve under the GGRF. Any excess portion of your Account under the Plan that is not transferred to the DB 1.75 Plan will continue to be maintained under the Plan for your benefit, and you will continue to be an “inactive” member of the Plan. (For further information with respect to Accounts under the Plan, please refer to Section IV.1 above, and with respect to accounts under the DB 1.75 Plan, please refer to GGRF documentation.)

Withdrawals. Please note that if you previously took a withdrawal from your Account at the time you became a member in, or while you were a member in, the Plan, and you elect to become a member in the DB 1.75 Plan, the amount of service credited to you under the DB 1.75 Plan will be reduced in accordance with rules and procedures determined by the Board unless the amount of the withdrawal is timely repaid, as adjusted for interest.

In the case of a Late Reemployed Member Election to become a member in the DB 1.75 Plan, none of your Account under the Plan that will be transferred to the DB 1.75 Plan, and you will continue to be an “inactive” member of the Plan.

b. Election to join the GRSP

In the case of a New Member Election to become a member in the GRSP, your entire Account under the Plan will be transferred to the GRSP and your participation in the Plan will terminate.

In the case of an Active Member Election, a Reemployed Member Election, or a Reemployed Disability Member Election to become a member in the GRSP, your Account under the Plan will be transferred to the GRSP and maintained under the

GRSP as follows: (a) your Employer Contribution Account under the Plan will be credited to your Hypothetical Employer Account under the GRSP, (b) your Employee Contribution Account under the Plan will be credited to your Hypothetical Pre-Tax Employee Account under the GRSP, and (c) your GGRF After-Tax Contribution Account under the Plan will be credited to your Hypothetical After-Tax Employee Account under the GRSP. At the discretion of the Board, the balance of your Transfer Incentive Reserve Account under the Plan (if any) may also be credited to your Hypothetical Pre-Tax Employee Account under the GRSP. If you still maintain a balance in your Account under the Plan following these transfers, the remaining portion of your account will continue to be maintained under the Plan for your benefit, and you will continue to be an “inactive” member of the Plan. (For further information with respect to accounts under the GRSP, please refer to the GRSP Summary.)

In the case of a Late Reemployed Member Election to become a member in the GRSP, none of your Account under the Plan that will be transferred to the GRSP, and you will continue to be an “inactive” member of the Plan.

V. VESTING

1. How do I become vested in my Plan Accounts?

You will always be fully vested (i.e., 100% ownership interest) in your Employee Contribution Account, GGRF After-Tax Contribution Account, Rollover Contribution Account, and Transfer Incentive Reserve Account.

You will become fully vested in your Employer Contribution Account upon the occurrence of any of the following events: (a) death; (b) disability (as defined under the group disability insurance contract applicable to Employees under the Plan); or (c) attaining normal retirement age (i.e., age 65). Further, you will become fully vested in your Employer Contribution Account upon the completion of five “Years of Vesting Service” which is defined to be each Plan Year during which you complete at least 1,000 hours of service (and for this purpose you are credited 175 hours of service for each month that you are employed) with a Contributing Employer.

2. What happens if I terminate employment before I am fully vested in a Plan Account?

If you terminate employment at a time when you are not fully vested in a Plan Account, you will forfeit the unvested portion of that Account. However, the forfeiture will be held in a suspense account and can be reinstated if you are reemployed with a Contributing Employer within five years and you return all prior distributions of your vested Accounts. Following the five-year period, the forfeiture may be used to reduce any administrative expenses incurred by the Plan or to fund employer contributions.

VI. DISTRIBUTIONS FROM THE PLAN

1. When may I receive a distribution of my Plan Accounts?

The vested portion of your Accounts is payable as soon as practicable following your (a) retirement, (b) death, (c) disability, or (d) other termination of employment.

2. How will my Plan Accounts be paid to me?

At the time you are entitled to a distribution, you may elect to receive your distribution in the form of: (a) a single lump sum payment, (b) annual installment payments over a specified period as may be allowed by the Board, or (c) an annuity contract purchased in the form as may be allowed by the Board.

3. How do I elect to receive a distribution of my Plan Accounts?

If you have or will have a distribution event and you want to start receiving your Plan benefits, the first step is to contact the Fund Office. This should be done within a reasonable time (generally two to three months) before the date you want payment of your benefits to begin to allow time for processing the distribution.

The Fund Office will then provide you with a packet of materials, including the following:

- a. An election form listing the payment options and allowing you to choose the form of payment; and
- b. A Special Tax Notice explaining some income tax implications of a distribution.

You must make your election and return the election form at least 30 days before your benefits are to begin. Once the Fund Office receives your signed, written election form, the Fund Office will review it and process your election for payment. Benefits under the Plan will be paid only if the Fund Office determines that you or your beneficiary is entitled to them.

4. Who is entitled to my Plan Accounts if I die?

Distribution of the vested portion of your Accounts will be paid to your designated beneficiary in the event of your death. Your designated beneficiary will be the person or entity designated by you on a prescribed form last submitted to the Fund Office. If no beneficiary designation is in effect at the time of your death, your designated beneficiary will be deemed to be the following in the stated order of priority: (a) surviving spouse; (b) surviving children in equal shares; (c) surviving parents in equal shares; (d) surviving brothers and sisters in equal shares; and (e) your estate.

In any case, if you are married at the time of your death, your spouse will be the required beneficiary entitled to receive the distribution of the vested portion of your Accounts. However, you may designate someone other than your spouse as beneficiary, but such designation will not be effective unless your spouse consents in writing witnessed by a notary or Plan representative. If you become married or remarried, your then current spouse becomes your beneficiary, and supersedes as beneficiary over any prior designated beneficiary or any prior spouse.

5. May I receive a hardship withdrawal while I am employed?

You may be entitled to hardship withdrawal of all or a portion of your Employee Contribution Account and GGRF After-Tax Contribution Account (but not your Employer Contribution Account, Rollover Contribution Account, or Transfer Incentive Reserve Account) in the event of a proven “immediate and heavy financial need” due to: (a) medical expenses for you, your spouse, or your dependents; (b) payments to prevent

eviction from or foreclosure on your principal residence; or (c) burial or funeral expenses for your deceased parent, spouse, or dependent. Any withdrawal for financial hardship is limited to the amount required to meet the financial need and is subject to the application procedure and documentation as required by the Fund Office. A participant is allowed only one hardship withdrawal within a 24-month period.

6. May I take a loan from the Plan?

Loans from the Plan are not permitted.

7. May I receive a distribution of my Plan Accounts while I am employed?

No, other than a qualifying hardship withdrawal as described above.

8. Can I leave my money in the Plan indefinitely?

If you have terminated employment and have an Account balance in the Plan when you reach age 70½, be sure to contact the Fund Office about starting Plan distributions, as you may be approaching your “required beginning date”. The law requires that Plan participants receive at least minimum required distributions by the required beginning date, and imposes severe tax penalties on those who do not meet this deadline.

In general, the “required beginning date” is April 1 of the calendar year following the later of the (a) calendar year in which you reach age 70½ or (b) the calendar year in which you retire.

In the case of your death, your designated beneficiary must begin to receive benefit distributions generally within one year of your death and must be paid over a period not extending beyond your beneficiary’s life expectancy. If the designated beneficiary is your spouse, the start of payments may be delayed until the year in which you would have attained age 70½.

9. How is the spouse in a same-sex marriage treated under the Plan?

The spouse of a participant under the Plan is the person recognized as the spouse under the pension laws. This means that a spouse includes a same-sex spouse if the marriage was validly entered into in a state that recognizes same-sex marriage. For this purpose, the term “state” means any state of the United States, the District of Columbia, any territory or possession of the United States, or any foreign jurisdiction having the legal authority to sanction marriages. Note that this recognition does not extend to partners in a civil union or domestic partnership.

The spouse of a participant has various legal rights under the Plan, most significantly the right to death benefits as described in this Section VI. Because a spouse has significant rights under the Plan, if you get married, whether in an opposite-sex or same-sex marriage (or get divorced), it is important for you to inform the Fund Office of your new marital status and prepare a new beneficiary designation.

VII. CLAIMS PROCEDURE

If you or your beneficiary submits a claim that is denied in whole or in part, you will receive from the Fund Office a written explanation citing: (1) the specific reasons for the denial, as well as specific provisions of the Plan upon which the denial is based; (2) a list of any information which

could help you support your claim and reasons why that information is needed; and (3) an explanation of how you may appeal the denial of your claim. This explanation will be provided to you within 90 days after receipt of your claim.

If you wish to appeal a denied claim, you may submit an appeal to the Board in writing within 90 days after you receive notice of the denial. In your appeal, you should request a review of the denial and include any comments or materials you feel will support your position. You may, of course, review pertinent Plan documents before submitting your appeal. The Board will respond to your appeal in writing within 60 days after receiving it, unless special circumstances require an additional period of time not in excess of 60 days. The response will be in writing and will either reverse the earlier decision and provide for payment of your claim, or deny your appeal. In the latter case, the response will contain specific reasons for the denial and the specific provisions of the Plan on which the denial is based.

VIII. PLAN ADMINISTRATION

1. Who administers the Plan?

The Fund Office is responsible for the day-to-day administration and operation of the Plan. The Board has full discretionary authority and responsibility for the interpretation of Plan provisions, the establishment of rules and regulations for the day-to-day administration of the Plan, the review of benefit claims and hardship withdrawal requests, the establishment of the funding policy of the Plan, selection of any investment managers or investment program and options, and the retention of legal, accounting, and other professional services.

Only the Board and the Fund Office are authorized to make administrative interpretations of the provisions of the Plan. You should not rely on any representation, whether oral or in writing, which any other person may make concerning Plan provisions and your entitlement to benefits under them.

2. Who holds the Plan's assets?

All amounts contributed to the Plan will be held under a trust fund maintained by the Board. The benefits provided under the Plan will be paid to participants or beneficiaries directly and solely from the trust fund. While a Contributing Employer is responsible for making contributions to the Plan, it is not be responsible for any direct payments of benefits under the Plan.

3. Who handles the investment of Plan assets?

The Board maintains responsibility for the investment of Plan assets, and has established an investment program under which participants are allowed to self-direct the investment of their Accounts into various investment options. If you do not choose an investment option for all or part of your Accounts, you will be deemed to have elected the safe harbor default investment alternative under the Plan for that portion of your Accounts.

The Board and Fund Office do not have liability for any losses that are the result of investment instructions given by a participant or beneficiary. This means you bear the risks and rewards of your investment decisions. However, the Board or selected investment managers maintain responsibility for the selection and monitoring of any designated investment alternatives.

4. How are Plan expenses satisfied?

Administrative expenses of the Plan may be charged against the assets of the trust fund as determined by the Board and Fund Office. The reasonable expenses relating to a participant's Account in determining whether payments can be made pursuant to a "qualified domestic relations order" (e.g., order for payment of benefits to an ex-spouse incident to a divorce) may be charged to the Account of such participant (or directly charged to the participant) unless otherwise determined by the Fund Office. Also, the reasonable expenses relating to the approval and processing of distributions with respect to a participant may be allocated to the participant's Account.

IX. OTHER CIRCUMSTANCES THAT CAN AFFECT PLAN RIGHTS

1. Can the Plan be amended or terminated?

The Board reserves the right to amend Plan at any time should it be considered desirable or necessary.

The Legislature of the Government of Guam may enact legislation to terminate the Plan and direct the Board with respect to the distribution of benefits.

2. Can anyone else take my Plan benefits?

You may not transfer or assign to any person your rights to benefits under the Plan. However, the Fund Office may be required by law to recognize obligations you incur as a result of court-ordered child support or alimony payments. Specifically, the Fund Office must honor the assignment of your rights to Plan benefits pursuant to a "qualified domestic relations order".

A "qualified domestic relations order" is as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child, or other dependent. If a qualified domestic relations order is received by the Fund Office, all or a portion of your benefits may be used to satisfy the obligation. The Fund Office will determine the validity of any domestic relations order received. You may obtain a copy of the procedures governing qualified domestic relations orders, without charge, from the Fund Office.

3. Are Plan benefits insured by the Pension Benefit Guaranty Corporation?

The benefits provided by the Plan are not guaranteed or insured by the Pension Benefit Guaranty Corporation or any other governmental agencies.

X. GENERAL PLAN INFORMATION

1. The official name of the Plan is: Government of Guam
Defined Contribution Retirement System Plan
2. The effective date of current version of Plan is: October 1, 2010
3. The Plan year is: the 12-month period ending September 30
4. The type of plan is: governmental defined contribution plan
5. The Plan Sponsor is: Government of Guam Retirement Fund
424 Route 8
Maite, Guam 96910
6. The Plan Administrator and Trustee is: Board of Trustees of the
Government of Guam Retirement Fund
P.O. Box 3-C
Agana, Guam 96932